

NEW
CONNECTIONS TO
SHARE
INNOVATING TOMORROW

2022 UNIVERSAL
REGISTRATION
DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT

Crédit Mutuel
ARKEA

NEW CONNECTIONS TO CHANGE TOMORROW

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AFR

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MORE INFORMATION ON

cm-arkea.com

The information required in the Annual Financial Report is identified in the contents by the abbreviation **AFR**.

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

UNIVERSAL REGISTRATION DOCUMENT **2022**

INCLUDING THE ANNUAL FINANCIAL REPORT

As a Company with a Mission since May 2022 and fully committed to executing its medium-term plan Transitions 2024, Crédit Mutuel Arkéa intends to improve its overall performance, combining financial results and non-financial performance.



*LINK



*ECONOMICAL + TECHNOLOGY = ECOLOGY



*IMPACT + ADAPTATION = ACTION



*SHAKE + FACILITATE = AGILITY

11,170

EMPLOYEES

€2.5 billion

IN REVENUES

€551 million

NET INCOME ATTRIBUTABLE
TO EQUITY HOLDERS OF THE PARENT

€9.4 billion

IN NON-FINANCIAL
PERFORMANCE



This Universal Registration Document was filed on 14 April 2022 with the AMF, as competent authority under Regulation (EU) No. 2017/1129, without prior approval pursuant to Article 9 of that Regulation. The universal registration document may be used for the purpose of a public offer of securities or the admission of securities to trading on a regulated market if it is supplemented by a securities note and, where applicable, a summary and any amendments to the universal registration document. The whole is approved by the AMF in accordance with Regulation (EU) No. 2017/1129. This is a free translation into English of the Universal Registration Document and it is provided for the convenience of English speakers users. Only the French version of the Universal Registration Document has been submitted to the AMF. It is therefore the only version that is binding in law.

This Universal Registration Document also constitutes the annual management report to the Board of Directors of Crédit Mutuel Arkéa to be presented to the General Meeting of members approving the financial statements for the financial year ending 31 December 2022.



PRESENTATION OF CRÉDIT MUTUEL ARKÉA

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JOINT INTERVIEW

"We have never lent as much. We have never invested as much. We have never recruited as many."

Review of Crédit Mutuel Arkéa's 2022 results with Julien Carmona, Chairman of the group and of Crédit Mutuel de Bretagne, Hélène Bernicot, Chief Executive Officer, and Anne Le Goff, Deputy Chief Executive Officer. Results - and this is a first for the banking profession - presented in terms of overall financial and non-financial performance.



Why did you choose to present your results in terms of overall performance?

Hélène Bernicot : By acting in this way, our group is fulfilling its ambition to be a bank with a positive impact on the environment, society and all its stakeholders, in line with its purpose and its status as a company with a mission, adopted in May 2022. The performance of a cooperative and regional bank like ours cannot be limited solely to the search for profit. We are aiming for something else. CSR - Corporate Social Responsibility - is not for us a "simple plus" that we shout from the rooftops. On the contrary, it is fully integrated into our strategy and decision-making processes. Our CSR approach is intended to be a matrix serving the transformation of our businesses.

What is your assessment of the past financial year?

Julien Carmona : 2022 was an exceptional year for Crédit Mutuel Arkéa for a number of reasons. We have never lent as much, with a record loan production of €20.2 billion, up 15.2% compared to 2021. Over the last seven years, the group's outstanding loans have grown by 74%, outperforming the wider French market (38%). We have never invested as much, particularly in our IT system to support the development of our white label banking services as well as in our private equity activities with 21 new investments and more than €1.3 billion in assets under management. We have never recruited as many people, with more than 1,120 permanent hires, against the trend of the banking market. We consider that job creation in our regions is an integral part of our missions.

2022 once again highlights the uniqueness of our group in the banking landscape as well as the relevance of its development model. Our growth trajectory is indeed a long-term one. Since 2016, our revenues () have grown by +39%, compared to 17% for the average for the profession.

It was also an exceptional year insofar as Crédit Mutuel Arkéa is the first banking institution in Europe to have presented its annual results in terms of overall performance, both financial and non-financial, also measured in euros. This is an unprecedented approach that contributes to our uniqueness and we will continue to assess our performance using this dual parameter.

For what actual results?

Anne Le Goff : Our non-financial performance amounted to €9.4 billion, up 16.3% compared to 2021. Thus, €1 million in financing granted by Crédit Mutuel Arkéa generates an average of €168,000 in positive socio-economic impacts, and €18,000 in negative environmental impacts, i.e. a positive overall impact of €150,000. It should be recalled that there was no ready-to-use method on the Marketplace. We have therefore developed our own methodology. We have selected 25 impact indicators that we believe are the most relevant to our business lines. We first tested the method on the scope of Arkéa Banque Entreprises et Institutionnels before rolling it out at Group level. We now cover 75% of financing, 95% of external purchases and 94% of the workforce and we are continuing to expand the scope of activities covered. Our approach is sincere and transparent: we apply the same high standards, the same standards of reliability, traceability and auditability as for our financial results (see also Chapter 1.3 - Overall performance). By calculating our overall performance, we aim to promote a balanced long-term sharing of the value created, with our members and customers, our employees, partners, suppliers and regions.

Let's go back to more "traditional" indicators. What about the commercial development of Crédit Mutuel Arkéa?

Anne Le Goff : The indicators are green. The results highlight the Group's agility and adaptability in a context of a profound shift in the paradigm, marked by the war in Ukraine, inflation



“By calculating our overall performance, we aim to promote a balanced long-term sharing of the value created, with our members and customers, our employees, partners, suppliers and regions.”

ANNE LE GOFF

and the very rapid rise in interest rates. Crédit Mutuel Arkéa continues to expand its network, with 120,000 new customers and a clear conquest driven in particular by our Fortuneo and Keytrade online banks. Today, we serve more than 5.1 million members and customers. As we indicated, 2022 also saw record loan production, driven by loans for housing (+13%), to professionals and companies (+26%) and to local authorities (+34%). Gross outstanding loans amounted to €81.9 billion. On the savings side, outstandings stabilised at €155 billion. Interest-bearing bank savings, so valuable for developing lending and driven by the increase in regulated rates, represented the bulk of net inflows in 2022. In life insurance, our Suravenir subsidiary accounts for 10% of net inflows in the national market, while its outstandings only represent a market share of 2.7%. As for the non-life insurance business, premiums earned in the portfolio and new business premiums increased by 4.3% to €475 million and by 7.1% to €63 million respectively.

Is the financial dashboard following the same trend?

Hélène Bernicot : Our model is solid and profitable. Total balance sheet assets increased by 5.8% to €189.1 billion. Revenues, at €2.6 billion, reflect controlled growth despite the effects of the unstable market environment. The interest margin improved and fee and commission income recorded a significant increase. Net income attributable to equity holders of the parent reached its second highest level at €551 million. This excellent performance is driven by all of the Group's business lines. The Common Equity Tier One (CET1) solvency ratio, which serves as a 'justice of the peace' in the profession, remained stable at 16.9%, despite the increase in outstanding loans and the unfavourable market context. Lastly, liquidity ratios (LCR, NSFR) are particularly robust, and well above regulatory requirements.

What are the drivers of this good overall performance?

Hélène Bernicot : We owe these good results, above all, to the professionalism, rigour and commitment of our employees and directors who work every day, in the field, to support our members and our customers. This performance is also the result of the Group's balanced and diversified model. Retail and online banking contributed 42% of revenues; 23% came from insurance and asset management activities and 19% from corporate and institutional banking. As for our BtoB activities,

which are accelerating, they represent 17% of our revenues. In this area, 2022 saw the transfer of Axa Banque's activities to our IT platform. In the autumn, Crédit Mutuel Arkéa will also operate the IT activities of HSBC's retail banking as part of the takeover by My Money Group. These long-term contracts bear witness to the modernity and quality of our partnership approach.

Julien Carmona : This overall performance once again illustrates the uniqueness and relevance of a cooperative and regional banking model serving the real economy. Our identity is expressed through a strong regional footprint, particularly in Brittany and Nouvelle-Aquitaine. This territoriality, this proximity, that others have forgotten, give us a natural legitimacy to support entrepreneurs and local authorities in their investment projects, as they predispose us to work to maintain local employment and decision-making in the regions. They also commit us to supporting our most vulnerable members and customers. Solidarity is an essential component of our cooperative foundation. We spend €12 million a year on it. The local initiatives led by the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations last year benefited more than 6,600 individuals, professionals, companies and associations and supported more than 1,700 jobs.

Finally, I would add that it is to preserve this identity, and the uniqueness of a high-performance model that delivers benefits for our stakeholders, that we are so committed to defending our strategic autonomy.



“CSR - Corporate Social Responsibility - is not for us a “simple plus” that we shout from the rooftops. On the contrary, it is fully integrated into our strategy and decision-making processes.”

HÉLÈNE BERNICOT

Stagnation? Anaemic growth? Are the forecasts gloomy enough for the coming months? How is Crédit Mutuel Arkéa approaching this uncertain future?

Hélène Bernicot : We have fundamental confidence in our development model, which is at the same time engaged, diversified, resilient and structured. We will, therefore, continue to operate as a financial partner for the transitions of the future, to finance the real economy, the regions and their players. We will do it with humility and agility, and we will also do it with the prudence and audacity that characterise us.

OUR BUSINESS

BE THE AGILE PARTNER OF THE TRANSITIONS OF THE FUTUR

Crédit Mutuel Arkéa has been
a company with a mission
since May 2022.

OUR 5 COMMITMENTS

1

Make our decisions while aiming for a balanced approach
between financial performance and positive impact
- societal and environmental - through the exercise
of cooperative governance anchored in our regions.

2

Support each of our stakeholders
in their environmental transition.

3

Develop regional cooperation
and commit to local vitality.

4

Commit to inclusion and cultivate a lasting relationship
of trust with all our members and customers, from
the forerunners to the most vulnerable.

5

Promote the commitment of our collective in the service
of the common interest, in particular by living
our mutualist values.

- Coal, oil/gas, tobacco sector policies
- Support policies for agriculture/wine growing, healthcare
- Commitment to the Net Zero Banking Alliance

OUR BUSINESS LINES

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

Individual and professional market



Corporate and institutional market



Insurance and asset management product development



BtoB market and services



Non-banking activities



5.1 million
members and customers

€81.9 billion
in gross outstanding loans

€859.65 million
production of environmental
transition loans

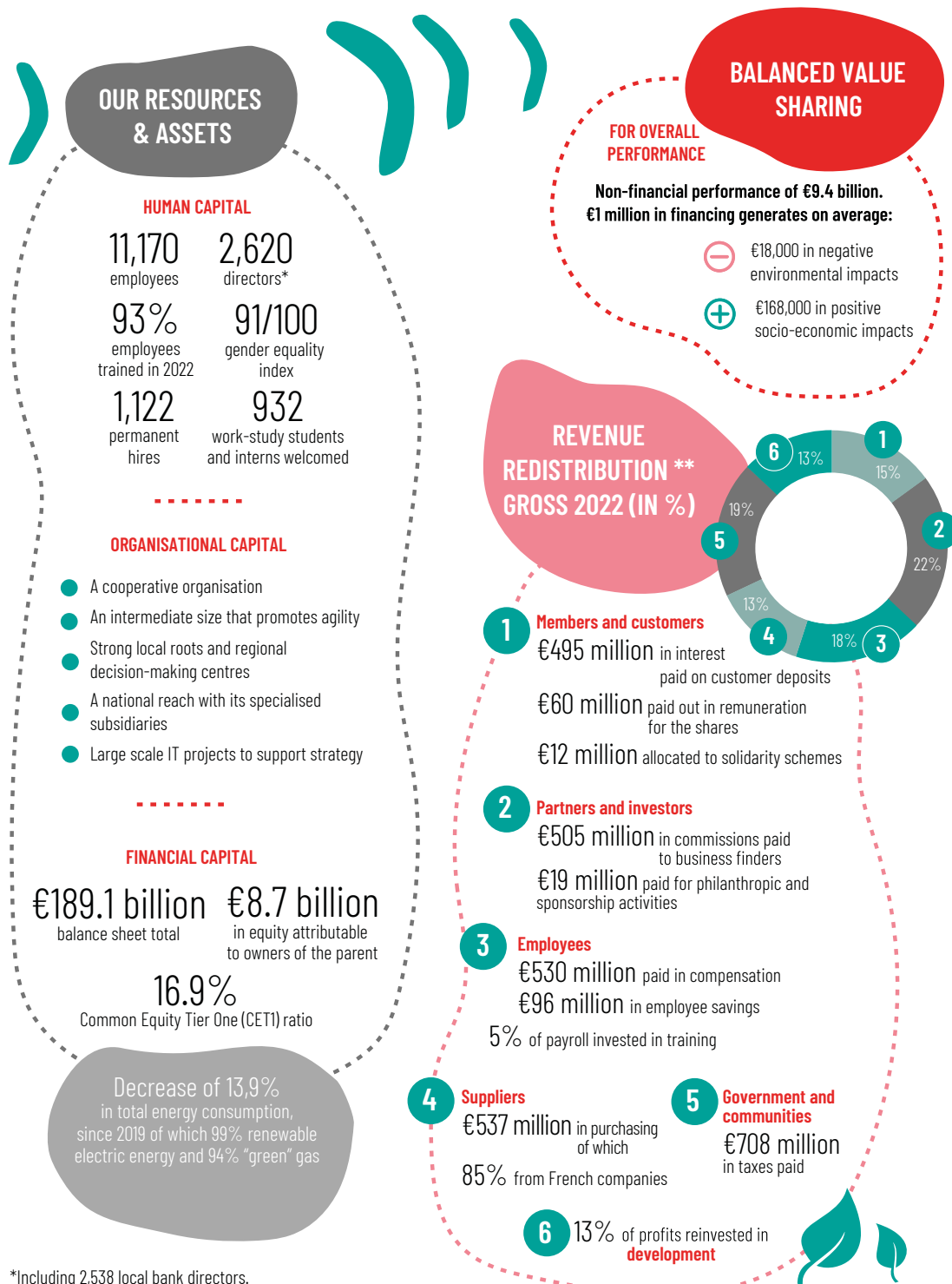
€155 billion
in gross outstanding savings

57%

of certified savings deposits
(Schelcher Prince Gestion
and Federal Finance Gestion)

MODEL

SERVING THE REGIONS AND THEIR STAKEHOLDERS...



*Including 2,538 local bank directors.

**Net banking and insurance income (NBII) and gains on disposal or dilution of companies accounted for by the equity method.

1.2 Group profile

Crédit Mutuel Arkéa is a cooperative banking and insurance group. Crédit Mutuel Arkéa is made up of the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations and their local member banks, as well as around 40 specialised subsidiaries. Crédit Mutuel Arkéa is not listed on the stock market. It belongs to its members, who are both shareholders and customers and who guide its strategy at each decision-making level within the framework of a democratic approach and according to the principle of "one person, one vote". Crédit Mutuel Arkéa is affiliated with Confédération Nationale du Crédit Mutuel, which is the central institution of the Crédit Mutuel network, in accordance with Article L511-30 of the French Monetary and Financial Code.

Crédit Mutuel Arkéa has a balanced and diversified profile. It covers all banking, except for CIB which was abandoned in 2009, and insurance business lines and even beyond, occupying growing positions in the real estate services and connected services markets (remote assistance, remote security, etc.).

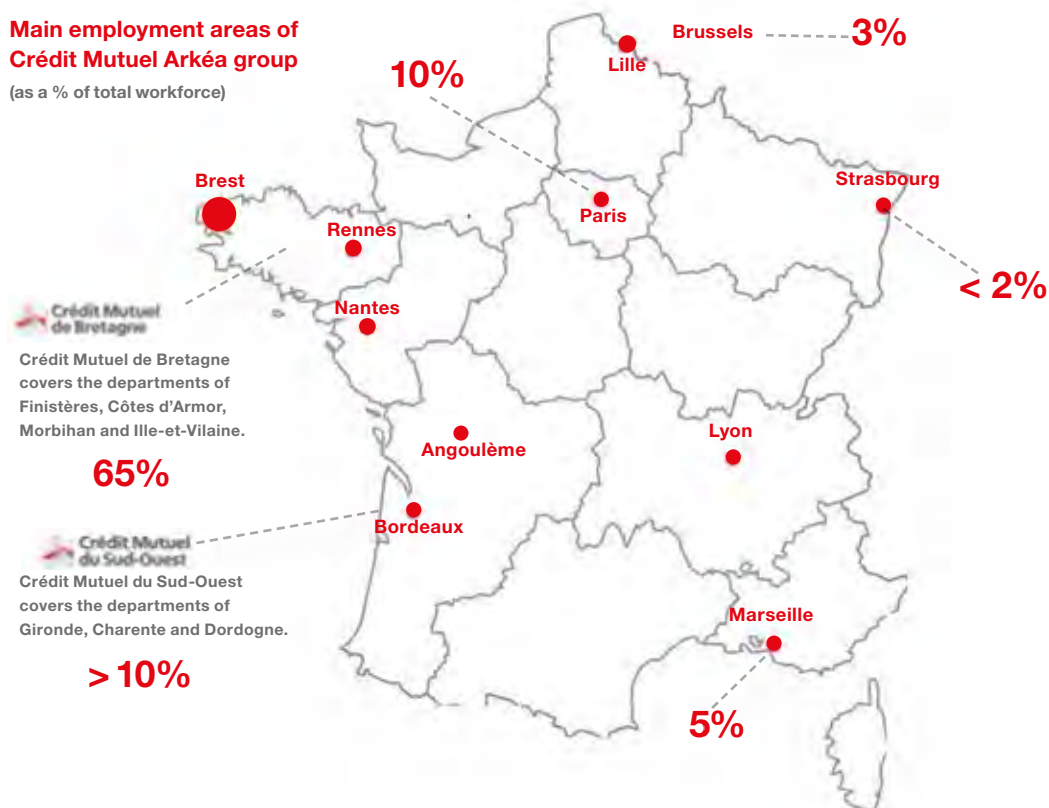
Crédit Mutuel Arkéa has always sought to reconcile financial strength, regional roots, a culture of innovation, a strategy of openness and sustainable and responsible growth with a long-term perspective. Crédit Mutuel Arkéa wants to be the trusted banking partner of a world committed to far-reaching transitions by putting its global performance at the service of the financing of the real economy, the regions and their players, as well as the life projects of its members and customers.

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

As a regional group, Crédit Mutuel Arkéa is committed to maintaining regional decision-making centres and employment areas. It is by deploying its cooperative and collaborative financial services model from its regional bases that the group is now spreading throughout France and serving customers throughout Europe through its online banks and services as well as its subsidiaries specialising in the business-to-business market.

Main employment areas of Crédit Mutuel Arkéa group

(as a % of total workforce)



- 356 points of sale (local banks and offices) in Brittany and South-West France;
- 21 regional business centres for Arkéa Banque Entreprises et Institutionnels;
- 7 regional offices for Arkéa Capital;
- 7 branches and 3 offices for Arkéa Banque Privée;
- 6 regional branches for Financo;
- 10 branches for the Izimmo group;
- 6 offices and agents in 11 cities for Liberkeys;
- a presence in Belgium with Keytrade Bank and ProCapital;
- a European reach with Monext, the subsidiary specialising in electronic payments.

Key figures at 31 December 2022

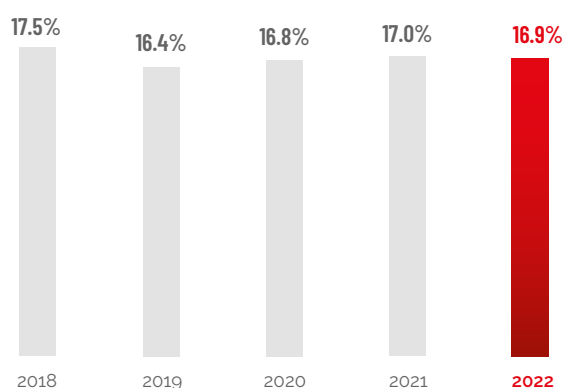
	2018	2019	2020	2021	2022
Customers (in millions)	4.4	4.7	4.9	5	-5.1
Number of employees	10,297	10,560	10,846	11,190	-11,170
Gross loans outstanding (in € billions)	56.5	62.9	67.7	73.8	81.9
Savings outstandings (in € billions)	111.2	124.9	131.7	155	155

(in € millions)	2018	2019	2020	2021	2022
Revenues*	2,146	2,303	2,158	2,531	2,569
Gross operating income	632	724	665	829	755
Net income attributable to equity holders of the parent	437	511	356	574	551
Operating ratio	70.5%	68.5%	69.2%	67.3%	70.6%
Total balance sheet assets	134,920	157,142	169,376	179,281	189,133
Equity attributable to owners of the parent	6,704	7,348	7,726	8,407	8,719

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

Solvency and ratings

Common Equity Tier 1 ratio (CET1)



At 31/12/2022

	Moody's	Fitch
Issuer	Aa3	A-
Short-term debt (Senior Preferred)	P-1	F1
Long-term debt (Senior Preferred)	Aa3	A
Long-term Debt (Senior Non Preferred)	A3	A-
Tier 2 subordinated debt	Baa1	BBB
Outlook	Stable	Stable

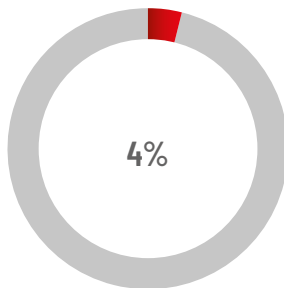
Rated by Fitch Ratings and Moody's Investors Service, Crédit Mutuel Arkéa has high-quality ratings.

OVERALL PERFORMANCE

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

It amounted to €9.4 billion for the 2022 financial year, up 16.3% compared to 2021 (+4.1% on a like-for-like basis).

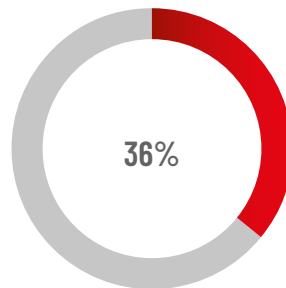
It breaks down by sphere of influence as follows:



Direct: €367 million

**= impacts that
the group can control**

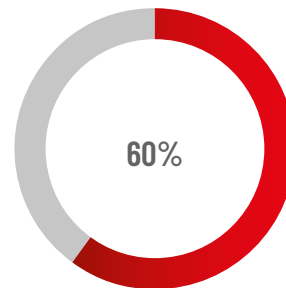
Example: Crédit Mutuel Arkéa, through its own actions and the mobilisation of its employees, aims to reduce its carbon footprint by 25% by 2024 (compared to 2019).



Indirect: €3,351 million

**= impacts that
the group influences**

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



Induced: €5,699 million

**= impacts to which
the group contributes**

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

1.3 Overall performance

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

1.3.1 Crédit Mutuel Arkéa's approach

1.3.1.1 Measure non-financial performance to serve the group's ambitions

1.3.1.1.1 One ambition: drive the group's overall performance

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

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

1.3.1.1.2 Develop a new system to measure non-financial performance

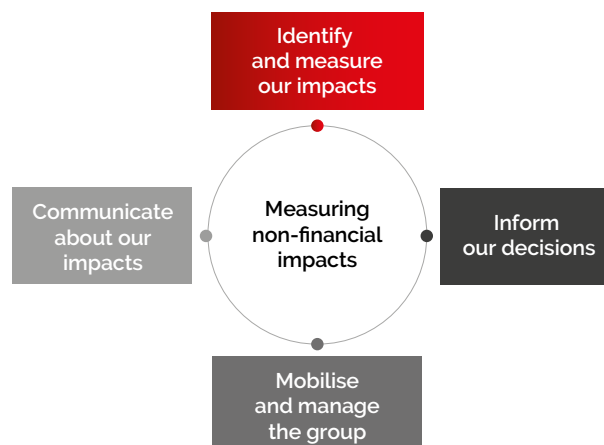
In order to be able to measure and manage non-financial performance, the group has developed a methodology, designed with technical input from experts at PwC, in order to select the relevant non-financial indicators for the group and its stakeholders.

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

- its investment and financing choices;
- its purchasing policy;
- its HR policy.

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

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



1.3.1.2 General principles

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

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

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

1.3.2 Methodological approach

1.3.2.1 Areas of impact

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

1.3.2.2 The issue of data availability

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

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

1.3.2.3 External databases

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

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

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

Examples of sources used to value non-financial indicators

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

Examples of sources used for monetisation indices

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

1.3.2.4 Measurement and monetisation of impacts

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

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

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

1.3.3 Presentation of non-financial indicators

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

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

External indicators

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

Internal indicators

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

The detailed methodological reference is available on the [Crédit Mutuel Arkéa website](#).

1.4 A company with a mission

In May 2020, Crédit Mutuel Arkéa's General Meeting adopted the group's "Raison d'être" or Purpose, the result of collective discussions involving directors, employees and representatives of stakeholders: members, customers, suppliers and institutional partners.

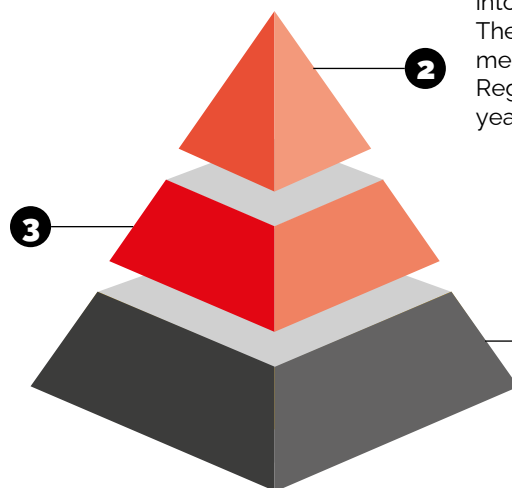
Crédit Mutuel Arkéa's *Raison d'être* (Purpose)

"We want to be a player in a world that takes a long-term view and takes into account the major societal and environmental challenges facing our planet for future generations. We contribute to this by practicing finance at the service of regions and their actors, which is sustainable and helps everyone to achieve their potential. To this end, we have chosen to be a cooperative and collaborative bank that promotes a balanced sharing of value with its members, customers, employees, partners and regions. A socially responsible, ethical and inclusive company that is attentive to respect for its environment. On a daily basis, we develop, in collaboration with our stakeholders, innovative solutions to support our members and customers in their life projects and meet their aspirations."

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

Commitments

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



Company with a mission roadmap

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

Raison d'être (Purpose)

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

Crédit Mutuel Arkéa's missions are organised around the five commitments that stem from its purpose and which form the basis of the group's long-term strategy.

Crédit Mutuel Arkéa's five commitments

Commitment 1: take our decisions while aiming for a balanced approach between financial performance and positive impact – societal and environmental – through the exercise of cooperative governance anchored in our regions

Commitment 2: support each of our stakeholders in their environmental transition

Commitment 3: develop regional cooperation and commit to local vitality

Commitment 4: commit to inclusion and cultivate a lasting relationship of trust with all our members and customers, from the precursors to the most vulnerable

Commitment 5 : promote the commitment of our collective in the service of the common interest, in particular by living our mutualist values

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

"The status of a company with a mission is in line with our model of a regional, cooperative bank, focused on people and the financing of the real economy. In 2019, we were the first French bank to adopt a purpose. Subsequently, we did not rush to become a company with a mission because we wanted to measure this superior commitment to transparency and responsibility and we are obsessed with concrete proof. Therefore, we wanted to initiate and carry out a certain number of actions in order to effect concrete and lasting changes. Measuring our impact will therefore be our guide and will enable us to streamline our decision-making. It also illustrates our gradual progress and the responsibility we bear in supporting the transformation of society."

- JULIEN CARMONA, CHAIRMAN OF CRÉDIT MUTUEL ARKÉA AND CRÉDIT MUTUEL DE BRETAGNE

"Becoming a company with a mission means acknowledging the fact that the vocation of the company, and therefore of its strategic decisions, cannot be reduced solely to seeking financial performance. This means that we are giving ourselves the means to align our strategy, organisation, actions and practices to adapt our model so that all of our decisions are made with the same importance given to financial and extra-financial considerations. Today, Crédit Mutuel Arkéa is very proud to take this new and final step under the Pacte law. It is both the logical culmination of a trajectory that the group has been aiming at for several years, and a founding and solemn act that gives us a great responsibility to all our stakeholders."

- HÉLÈNE BERNICOT, CHIEF EXECUTIVE OFFICER

"The adoption of the status of a company with a mission is the result of a tremendous collective commitment by all Crédit Mutuel Arkéa employees and directors. It also reflects our conviction that banks have a crucial role to play in supporting regions and populations in the face of accelerating environmental and societal transitions. It is also an act that seems only natural as it is in perfect harmony with who we are: a cooperative bank, attentive to its environment, committed to local relationships, and dedicated to financing the real economy."

- ANNE LE GOFF, DEPUTY CHIEF EXECUTIVE OFFICER

1.5 Crédit Mutuel Arkéa in a few dates

In 2022, the group celebrated the 20th anniversary of its current name: Crédit Mutuel Arkéa. However, its history began more than a century ago in Brittany before continuing in Nouvelle-Aquitaine and extending today throughout France and Europe. The cooperative and collaborative group, which is experiencing a continuous growth trajectory, has made bold strategic moves at key periods in its development.

Crédit Mutuel Arkéa has its roots in the "Office Central des Œuvres Mutuelles Agricoles du Finistère", created in 1911 at the initiative of several landowners who wanted to speed up the modernisation of the Breton countryside. A central purchasing office for farmers, the Office Central then succeeded in federating all the mutual, cooperative and social organisations in the department. The cooperative then sought to meet the multiple needs of farmers in the areas of credit, insurance and vocational training. The Office Central presided over the creation of several cooperative groups including Eureden, Groupama and, of course, Crédit Mutuel de Bretagne (CMB).

After many years of often uneven development from one town to another, the 1970s saw the union of the Brittany banks and **the formation in 1979 of a federation – Crédit Mutuel de Bretagne** – covering the whole of the region.

From the 1980s onwards, the needs of banking-insurance diversified, both for individuals and for professionals and companies. Crédit Mutuel de Bretagne provides a competitive response, becoming both a manufacturer and distributor of financial services. **Between 1984 and 2000 the first specialised subsidiaries were created:** Suravenir (personal protection insurance), Suravenir Assurances and Novélia (non-life insurance), Federal Finance (asset management), Arkéa Banque Entreprises et Institutionnels (formerly BCME, commercial banking) and Financo (consumer credit).

In the South-West, **the Crédit Mutuel du Sud-Ouest federation (CMSO), set up in 1975**, has its origins in a banking cooperative launched in 1963 at the initiative of employees of the Ruelle foundry workshops in Charente, who had the idea of grouping together to save and finance loans at lower cost.

In 1996, the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations merged and created Caisse Interfédérale de Crédit Mutuel. In 2002, the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations and some twenty specialised subsidiaries formed a group which was renamed Crédit Mutuel Arkéa.

In 2008, the Horizons 2015 corporate project marked a new key stage in Crédit Mutuel Arkéa's development. Through this project, the group confirmed its leading role in local banking and insurance, while developing online activities and services, strengthening its positions in the corporate and institutional market and enhancing its know-how, notably in the design of white label banking services and products for new partners: retail chains, banks and payment institutions.

In 2015, the group adopted a new corporate project: Arkéa 2020. In line with Horizons 2015, this strategic plan reinforces the group's original vocation, which is to support and finance the real economy in the service of regions and their players, while promoting the group's openness, agility and corporate social responsibility in the face of the rapid and profound changes in its environment.

These major strategic orientations have notably resulted in:

- the successful launch of the online bank Fortuneo Banque in 2009 and the acquisition of Keytrade Bank in 2016;
- the creation of new subsidiaries such as Arkéa Banking Services (white label banking services), Arkéa Capital Partenaire and Arkéa Capital Managers (private equity), Arkéa Assistance (remote assistance) and Arkéa Sécurité (remote monitoring), AS2D, a joint venture specialising in connected services, in partnership with the Delta Dore group, Nextalk (multi-channel contact centre), Arkéa Lending Services (financing platform for SMEs, mid-cap companies, real estate professionals, social landlords and local public sector players);
- the acquisition of Monext (electronic payments), CFCAL Banque (loan restructuring), Schelcher Prince Gestion (asset management). All these new areas of expertise complete and expand the group's offer and enable it to serve new customer groups;
- the acquisition of equity stakes in several fintechs: Younited Credit (loans to individuals), Yomoni (private banking), Vivienne Investissement (quantitative management), Masuccession.fr (simulation of succession expenses), Koregraf (real estate crowdfunding), Pytheas Capital Advisors (reverse factoring). These investments enable the group to keep pace with changing consumption patterns, broaden its product offering and cultivate its agility in an increasingly connected world that is shaking up established codes;

Arkéa 2020 has enabled Crédit Mutuel Arkéa to achieve a remarkable trajectory with strong revenue growth, while maintaining its profitability and strengthening its financial position. The strategic plan has also enabled the group to take a step forward in the development of its business lines and to position itself as a forerunner in new market trends by testing new uses and developing partnership activities, particularly in BtoB;

Since 2020, the group's resilience in the face of a succession of crises (geopolitical, health, economic, environmental) demonstrates the relevance of its business model and the diversification of its sources of revenue. These bold choices have made Crédit Mutuel Arkéa a solid, innovative and recognised player across all of its business lines.

In January 2021, the group's Board of Directors approved the new Transitions 2024 strategic plan. This plan embodies the ambition of making Crédit Mutuel Arkéa the agile financial partner for the transitions of the future. The group has chosen a responsible growth strategy, seeking overall performance, with an approach balanced between financial performance and positive impact. (see also 1.6 "Crédit Mutuel Arkéa's strategy").

In May 2022, Crédit Mutuel Arkéa became one of the first banking groups to adopt the status of a company with a mission (see also Section 1.4 "A company with a mission").

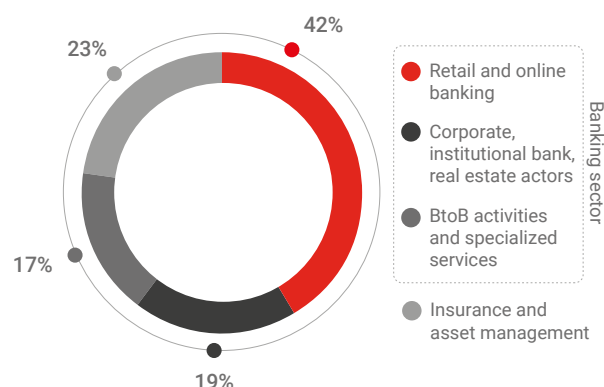
For more than fifteen years, Crédit Mutuel Arkéa has been committed to defending its autonomy within Crédit Mutuel in order to preserve its model and its ability to decide on and conduct its own strategy. The deep disagreements over the governance of Crédit Mutuel as well as the many attempts at centralisation led the elected representatives of the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations, brought together in Crédit Mutuel Arkéa, to opt for the disaffiliation project in 2018 and exit Crédit Mutuel, considering that the governance of the central institution was a threat to the strategic autonomy of their group and its entrepreneurial freedom. The project underwent new developments in 2022. In July, Crédit Mutuel Arkéa asked for serious and structured discussions with the Confédération Nationale du Crédit Mutuel (CNCM), to rebuild a Crédit Mutuel that respects pluralism and subsidiarity, while fully recognising CNCM's prudential role. In August, the group made concrete

proposals to the CNCM to find a solution to the conflict. This project aimed to define the outlines of a guaranteed autonomy framework for Crédit Mutuel Arkéa. In January 2023, Crédit Mutuel Arkéa and the CNCM agreed on the framework and method for conducting a negotiation process. The ambition is to preserve the group's cohesion and strengthen the autonomy of its members, thus seeking an alternative to the disaffiliation project pursued until now by the directors of Crédit Mutuel Arkéa, whose term of office could change depending on the discussions. Under the aegis of the CNCM, these negotiations gave rise to instructional work carried out by Crédit Mutuel's main executive officers, which will result in the development of proposals defined between elected members and directors together within a dedicated body. At the end of these various phases, the final decisions will be made by the corporate bodies of the various component parts of Crédit Mutuel.

1.6 The Crédit Mutuel Arkéa business lines

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

Breakdown of revenues by sector



Brand portfolio

Individual and professional market	
Corporate and institutional market	
Insurance and asset management product development	
BtoB market and services	
Non-banking activities	

Retail banking for individuals and professionals

Crédit Mutuel Arkéa's historical business, retail banking for individuals and professionals (farmers, craftsmen, shopkeepers, self-employed professionals) is mainly deployed through the **Crédit Mutuel de Bretagne** and **Crédit Mutuel du Sud-Ouest** branch networks. These federations, which employ around 4,000 people, embody the group's regional roots and close local relationships. Thanks to their dense network of outlets, they remain the direct and natural link with their 2.3 million members and customers.

The ongoing quest for relational excellence is reflected in the implementation of a new local branch format, which demonstrates in a very concrete manner the importance the group attaches to the close ties that unite it with its members and customers. These new spaces reinforce the branch's essential role as a place of expertise and exchange between the customer and his or her usual banking adviser, while using the most modern technology to energise the relationship and facilitate decision-making.



Crédit Mutuel de Bretagne

Crédit Mutuel de Bretagne has more than 3,000 employees and more than 1.8 million members and customers in banking and insurance. Present in the four departments of Brittany with a network of more than 300 points of sale and holding a market share of 26.39% in loans and 25.23% in deposits, Crédit Mutuel de Bretagne works with individuals, associations, professionals, companies and farmers, whose turnover is less than €30 million.



Crédit Mutuel du Sud-Ouest

With 85 points of sale in the Charente, Dordogne and Gironde departments, **Crédit Mutuel du Sud-Ouest** currently has nearly 1,000 employees and 450,000 members and customers. It works with the same types of customers as Crédit Mutuel de Bretagne. It has a market share of 9.02% in loans and 7.44% in deposits.



Arkéa Banque Privée

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



Fortuneo Banque and Keytrade Bank

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



Kengo

The group, in partnership with *Le Télégramme* newspaper, is also the initiator of **Kengo**, a platform for participatory finance (or crowdfunding) by donation, designed to support business projects and associations in Brittany. Since its creation, Kengo has financed more than 1,000 projects.



Financo

In addition, the group relies on solid expertise in both consumer credit at the point of sale through **Financo** and in loan restructuring and debt consolidation through **Crédit Foncier et Communal d'Alsace et de Lorraine (CFCAL)**. Financo is a leading player in financing in the automobile, motorbike and leisure vehicle markets, as well as in the home equipment and housing renovation markets. Financo, which relies on a network of more than 4,500 partner points of sale, serves 470,000 customers. Created in 1872, CFCAL celebrated its 150th anniversary in February 2022. Specialising in the consolidation of mortgage and non-mortgage loans as well as real estate loans, CFCAL operates nationwide via a network of 450 independent intermediaries in banking transactions. CFCAL also offers "BANK AS A SERVICE BY ARKÉA", intended for professionals who wish to offer their customers financial services, in particular payment and payment account services.



CFCAL

Non-banking activities for individuals

	Arkéa On Life, Arkéa Sécurité and AS2D	Crédit Mutuel Arkéa offers its retail customers innovative solutions, outside the strictly banking sector, through its subsidiaries dedicated to connected services: Arkéa Assistance, specialising in remote assistance services for individuals, and Arkéa Sécurité for remote home surveillance. Their services are marketed under the Arkéa On Life brand. Arkéa Assistance adopted the status of a company with a mission in 2022 and entered into a partnership with Eclipse Nursecall Systems (ENS), a major player in technological solutions for homes for seniors and nursing homes in the United Kingdom. Arkéa Sécurité and the Delta Dore group, a major player in the connected home market, also created a joint venture in 2018: AS2D. It is positioned as a single point of contact offering connected objects and services (remote monitoring, smart energy management, remote assistance, social networks for buildings, etc.) for professionals in the housing market (builders, developers, insurers, the construction industry, etc.).
	Arkéa Immobilier Conseil	Arkéa Immobilier Conseil selects, on behalf of the networks of the two federations, new and renovated real estate products and programmes throughout the country that are eligible for the main tax schemes (Pinel, Pinel Outre-Mer, LMNP, Malraux, Monument Historique, Déficit Foncier, Nue-propriété). Crédit Mutuel Arkéa is also a major shareholder in the Izimmo group, a national expert in the valuation and marketing of investment and acquisition property products. Izimmo operates in the various business lines of the new property market: market research, bare ownership, communication, acquisition for resale, consulting and sales to institutional and private customers, through its various commercial brands (Le Comptoir Immobilier, La Référence Pierre, IZIMMO Sélection, F1RST Business Coach). In 2022, the group announced that it had acquired a majority stake in Liberkeys, a new real estate agency, via Izimmo.
	Izimmo group	
	Liberkeys	
	Arkéa Flex	Created in 2021, the subsidiary Arkéa Flex bases its development on Flex technology, a patented design technique that makes it possible to create flexible and scalable buildings while reducing the ecological footprint of real estate projects. In 2022, Arkéa Flex launched its apartment configurator, as they exist for cars. This innovation at the service of developers allows them to offer a unique shopping experience to future buyers, whether individual or institutional customers.
	Armorique Habitat	Armorique Habitat, a social housing company, manages a portfolio of 6,500 housing units, which it owns in more than 250 communes in the Finistère, Côtes-d'Armor and Morbihan departments. Armorique Habitat was the first subsidiary of the group to become a company with a mission (2021). In doing so, the company wanted to promote and strengthen the positive impact of its action in the service of social housing and the balanced development of the region. Armorique Habitat also collaborates with Arkéa Assistance for the renovation of existing homes as well as for new programmes to increase the safety of senior residents through innovative solutions (home automation and home security).

Retail banking for companies, professionals and real estate players

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



Arkéa Banque Entreprises et Institutionnels

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



and Arkéa Crédit Bail

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

In terms of social housing, Arkéa Banque E&I is a go-to contact for large groups, which alone account for more than half of the social housing stock: Action Logement, Paris Habitat, etc. In addition, the group is also very present in the field of healthcare: hospitals, private health institutions of collective interest, medico-social associations for vulnerable people (the elderly, disabled, etc.) but also health mutuals, Urssaf, etc. Since 2020, Arkéa Banque E&I has had an activity dedicated to financing the environmental transition in order to accelerate and structure the development of regional financing related to renewable energy, renovation and energy efficiency projects. It has also granted its first impact loans (known as "Arkéa PACT loans"), which include a subsidy of up to 20% on financial costs if the customer improves its Environmental, Social and Governance (ESG) performance according to predetermined criteria.



Arkéa Lending Services

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



Arkéa Capital

The group is also a major player in private equity in France, with €1.3 billion under management devoted to the financing and development of companies. Crédit Mutuel Arkéa, which groups all its private equity activities under the **Arkéa Capital** brand, is able to support managers at all stages of their company's development, from start-up to mid-cap companies (ETI). In addition, Arkéa Capital is increasingly opening its funds to external subscribers, individuals in life insurance, entrepreneurs and institutional investors.

Arkéa Capital has seven regional offices that cover the entire country and relies on eight complementary investment vehicles:

- **Arkéa Capital Investissement**'s mission is to invest in development capital or buyout capital for family or independent companies, for amounts ranging from €1 to 10 million. Since its creation in 1982, more than 400 companies have been supported through equity or quasi-equity investments;
- **Arkéa Capital 2**, created in 2020, supports the projects of SME managers with investment tickets of between €1 and 10 million for a period of five to ten years. Arkéa Capital 2 is associated with the philanthropic endowment fund **PhiNOE** for the development of companies and job creation in the regions. PhiNOE offers three types of additional support: 0% interest-free loans, grants and customised support;
- **Arkéa Capital Partenaire**, which provides equity and long-term support to major unlisted companies, embodies the strength and conviction of Crédit Mutuel Arkéa's long-term commitment. In this way, it plays a direct role in maintaining regional economic decision-making centres and boosting employment in promising industrial sectors in its core regions. With a €400 million investment capacity, Arkéa Capital Partenaire works alongside the managers of major ETIs (mid-cap companies) to support them in their development projects or in the organisation of their succession. The subsidiary has already carried out several large-scale projects with the Le Graët (agri-food), Paprec (materials recycling), Armor (ink chemistry and printing technologies), Sermeta (heat exchangers manufacturing), Altrad (services to industry), Fountaine-Pajot (shipbuilding) and Vivalto Santé (private clinics) groups, and the Legris Industries (developer of industrial mid-cap companies) and Grandir (crèches and daycare centres) groups. In January 2022, Arkéa Capital Partenaire subscribed to the bond issue of the agri-food group Eureden as part of its takeover of the André Bazin company;
- In 2016, Crédit Mutuel Arkéa has set up an additional investment vehicle to meet the specific needs of ETI managers: **Arkéa Capital Managers**. Its purpose is to provide long-term support to management teams in their plans to expand or take control of their companies. It provides equity capital, with tickets in excess of €10 million, via minority stakes. Arkéa Capital Managers has already invested in the Malherbe (transport), CWF (children's ready-to-wear) and Piriou (shipbuilding and ship repair) groups;
- **We Positive Invest** is a €20 million investment fund that supports entrepreneurs committed to the energy transition, the circular economy and social entrepreneurship. We Positive Invest has already invested in around ten companies, including Cozynergy (energy renovation); Algo Paint (seaweed-based paints); Osmia, (breeding of pollinating insects); IQspot (energy efficiency of tertiary buildings); Newcy (reusable cups service for company coffee shops), Ascor Communication (distance learning), Andjaro (HR), TokTokDoc (telemedicine) and Gaïago (soil revitalisation);
- Launched in May 2022, **We Positive Invest 2** is a professional private equity fund. The fund, whose subscription is open to third parties, aims to raise more than €100 million and will invest up to €10 million in companies that have an impact in four areas: the energy and climate transition, the circular economy, human capital and health and well-being. The fund has already invested in two companies: WAAM Cosmetics, which offers an innovative and transparent approach to beauty by promoting natural ingredients; and Poiscaille, the equivalent of a basket of vegetables in short supply chains, but for seafood;
- The **Breizh Armor Capital** fund, endowed with €10 million, is dedicated to the financing of projects related to the Breton fishing industry (fishing, aquaculture, seafood). It has already invested in the fishing company Marc'h Dal and Symbiomer, which specialises in the production of macro-algae;
- **Breizh Ma Bro** is a venture capital mutual fund created by Arkéa Capital and La Financière d'Orion which benefits from the government's "Relance" (recovery) label. The aim is to contribute to the development, support and recovery of the economy, mainly in Brittany and Loire Atlantique, with a threefold objective: to support regional SMEs and mid-cap companies, promote the maintenance of decision-making centres in the regions, and encourage job creation. Breizh Ma Bro acts as a minority shareholder, in equity and quasi-equity, alongside entrepreneurs to contribute to the performance generated by their innovation, development and/or transmission projects. The fund has already invested in Fidel Fillaud, Vivalto Santé, Eureden, Ami Ingrédients, Renaud Distribution and Nomotech.



The group has also created a centre of excellence dedicated to the development and support of finance and insurance start-ups: **Bressst** with 3 's' for Smart, Sciences and Startups. This is in line with the partnerships that Crédit Mutuel Arkéa has cultivated for many years with the digital ecosystem. BreSSSt brings an even more operational and industrial dimension by opening up its know-how in banking and insurance, its business expertise, its skills and its networks to finance entrepreneurs,

Crédit Mutuel Arkéa holds a minority stake in the capital of **Pytheas Capital Advisors**, a young financial investment consultancy firm. The fintech is developing a reverse factoring solution that enables corporate customers to reduce their payment times to suppliers. Crédit Mutuel Arkéa also has a stake in **Koregraf**, a specialist in real estate crowdfunding, and a stake in **Clearwater International France**, an investment bank specialising in corporate mergers and acquisitions.

BtoB market and services

Crédit Mutuel Arkéa develops commercial, technical and even capital-intensive partnerships with other financial institutions, big retailers, e-commerce players, etc. This white-label banking services activity is experiencing continuous growth within the group.

For the customer, the outsourcing of business processes deemed non-strategic not only enables it to reduce costs, but also provides a competitive edge by allowing it to focus on its core business while benefiting from state-of-the-art products and services that comply with regulations.

For Crédit Mutuel Arkéa, these partnerships enable it to capitalise on its know-how and technological expertise and to consolidate its development at national and European level. For example, the group processes payments for Amazon in France and provides IT services, management and middle-office services on behalf of Axa Banque.



Arkéa Banking Services

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



ProCapital

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



Monext

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



Nextalk

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

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

Insurance and asset management

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

Personal protection insurance



Suravenir

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

Non-life insurance



Suravenir Assurances

Suravenir Assurances covers all the non-life insurance needs of individuals: home and private life, vehicles, motorbikes, health, long-term care, personal accident coverage, etc. It manages more than 2.2 million policies on behalf of more than 800,000 policy holders. The policies are distributed by the group's commercial networks (Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest and Novélia) as well as by partners (A comme Assure, Apivia Courtage, LSA Courtage, Wilov).



Novélia

A wholesale broker, **Novélia** is active in corporate risk coverage, designing products for the general public and for major business customers. Nearly 5,000 brokers and general agents distribute its products throughout France.

Asset management and wealth management



Arkéa Investment Services Swen Capital Partners

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



Federal Finance Gestion

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



Schelcher Prince Gestion

Schelcher Prince Gestion deploys investment solutions for institutional customers, private banks, fund managers and independent wealth management advisers in France and abroad. Since 2018, Schelcher Prince Gestion has been involved in the responsible economy and has included ESG criteria in its management. It currently manages €7.5 billion.



Arkéa Real Estate

In February 2021, Federal Finance, under the Arkéa Investment Services brand, became the majority shareholder of Catella Asset Management, renamed **Arkéa Real Estate**. The company – a specialist in investment activities, asset and property management on behalf of third parties (French and international institutional investors, family offices and high net worth individuals) – has more than €1.4 billion in real estate assets under management and aims to host Arkéa Investment Services' future developments in the area of real estate. Created at the end of 2021, **Arkéa REIM** believes in a rapidly changing real estate model and positions itself as the real estate fund management company serving the savings of its customers. With the aim of offering innovative real estate savings products so that each saver can build a solid and resilient portfolio. In November 2022, Arkéa Investment Services completed its range of real estate services with the creation of **Onata**, an activity dedicated to supporting project owners, owners or investors in their creation projects, real estate valuation and restructuring.



Arkéa REIM

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



Mandarine Gestion

Crédit Mutuel Arkéa is also a shareholder in **Mandarine Gestion**, an independent company specialising in equity fund management and asset allocation.

1.7 Crédit Mutuel Arkéa strategy

In January 2021, the Board of Directors of Crédit Mutuel Arkéa approved Crédit Mutuel Arkéa's four-year medium-term plan, known as Transitions 2024. This plan is a resolute continuation of the previous plan – Arkéa 2020 – which initiated a dynamic transformation of the group's business lines and positioned it on a long-term growth path. Finally, it is fully consistent with Crédit Mutuel Arkéa's plan to become independent.

Action-oriented, it aims to translate the group's Raison d'être into concrete action in its business lines.

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

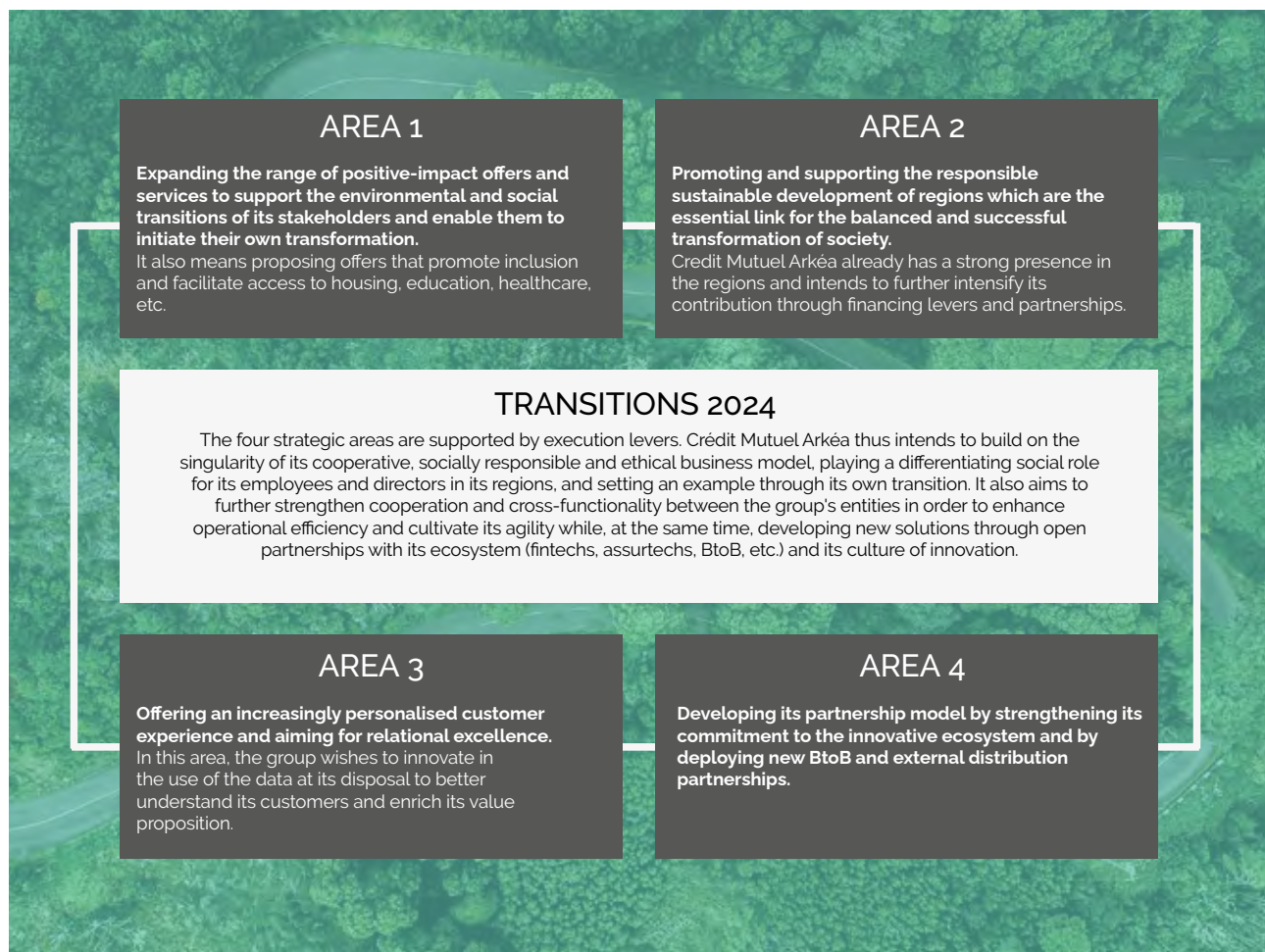
- the operational implementation of the five commitments of the Raison d'être (Purpose);
- the group's development issues;
- developments in the banking and insurance sector;
- the reality of the regions and customers;
- citizens' expectations of companies, so that they can participate even more in the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

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

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

It is in line with its long-standing strengths:

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



In concrete terms, Transitions 2024 aims to demonstrate its commitment to supporting environmental and regional transitions, through its offers, business lines, practices and relationships with its customers, directors and employees. It is structured around four strategic areas that constitute priorities for action to guide the business model and which are supported by five implementation levers. Transitions 2024 has instilled a collective dynamic throughout the group. More than 530 projects have been identified and nearly 160 have already been finalised.

For each of the areas, here are a few key initiatives for 2022.

1. Expanding the range of positive-impact offers and services to support the environmental and social transitions of its stakeholders and enable them to initiate their own transformation. It also means proposing offers that promote inclusion and facilitate access to housing, education, and healthcare.
 - Crédit Mutuel Arkéa issued its **first public "green bond"** to refinance at 10 years the loans of its subsidiary Arkéa Banque Entreprises et Institutionnels dedicated to renewable energies,
 - **Novélia**, the brokerage subsidiary, has launched the "**Engaged Broker**" label to encourage its broker partners to introduce a responsible approach in their firm,
 - **Izimmo** launched a rental investment offer with energy improvement works, Izimmo Impact, to invest while renovating a property,
 - **Suravenir** has created "Tremplin", a range of unlisted responsible investment funds in life insurance and launched Prévi-Famille Sérénité with a new "dreaded disease" cover (Alzheimer's, Parkinson's, etc.) which allows the payment of an additional capital to the guaranteed capital,
 - **Arkéa Crédit Bail**, in partnership with CMB and CMSO, has set up virtuous support for associations eligible for leasing, by supporting associations in the circular economy (e.g. equipment reconditioning) and by paying 20% of the costs of applications to associations via a donation;
2. Promoting and supporting the responsible sustainable development of regions which are the essential link for the balanced and successful transformation of society. Crédit Mutuel Arkéa already has a strong presence in the region and intends to further intensify its contribution, notably through financing levers and partnerships.
 - **The Wines and Spirits sector** supported the Vignobles de Larose in pursuing their CSR commitments and their investments in furniture and real estate on the Saint-Laurent-du-Médoc site,
 - **Armorique Habitat** and **Arkéa Assistance**, which have changed their Articles of Association to become companies with a mission, are working together to rehabilitate old housing, and soon to equip new housing, thanks to home automation and connected housing solutions,
3. Offering an increasingly personalised customer experience and aiming for relational excellence. Members and customers, individuals, professionals and companies, are looking for a more attentive ear, availability and responsiveness. In this area, the group wishes to innovate in the use of the data at its disposal to better understand its customers and enrich its value proposition.
 - With the structuring of its maritime business, the group wants to be "an agile and innovative team member for maritime players" and help them meet the major challenges such as the greening of ports, the adaptation of port infrastructure, renewable marine energies, ocean regeneration and eco-design of fleets;
 - **Kengo** created the Ty Impakt scheme, which supports Breton initiatives that contribute to ecological, environmental and energy transitions;
 - **Fortuneo Banque and Keytrade Bank** passed the one million customer mark, proof of the recognition of the quality of the offer and services offered,
 - **CMB and CMSO** federations integrate MaSuccession.fr solutions into open banking to assist their members in their planning and succession planning,
 - **Suravenir** offers the beneficiaries of its life insurance policies the first 100% digital solution for succession management in partnership with the start-up Lidix,
 - In partnership with the builder Trecobat and the IT firm Zenika, the group launched the field test phase of the Teamzy application aimed at centralising and streamlining the housing process for the acquisition, construction or renovation of a property,
 - SoftPos, developed by Monext, transforms an Android smartphone into a payment terminal. The solution is being rolled out for the group's customers;
4. Developing its partnership model by strengthening its commitment to the innovative ecosystem and by deploying new BtoB and external distribution partnerships.
 - La Banque Postale and Louvre Banque Privée have extended for five years their partnership with **ProCapital** for market services (order execution, account keeping/ custody, discretionary, independent and advised management),
 - The group has strengthened its partnership with the **Mer Bretagne Atlantique hub**, a competitiveness cluster bringing together multiple private and public players in the service of the emergence of innovative projects to make the Atlantic coast a leader in value and maritime job creation,

- The group continued its collaboration with the **fintech Pytheas Capital** Advisors, specialised in management, payment and financing solutions for corporate invoices, notably via the launch of a new financing solution, ARKÉA EXTEND, to enable companies to pay their suppliers in advance (thanks to a dedicated cash credit), or to defer the payment of their invoices (while guaranteeing payment on the due date),
- **Novélia** has launched a cyber insurance offer for VSEs and SMEs with the start-up Stoïk, in the event of a security incident, a data breach or a breach of the information system.

Execution levers are the means to support this business model and make these ambitions a reality. Crédit Mutuel Arkéa thus intends to build on the singularity of its cooperative, socially responsible and ethical business model, playing a differentiating social role for its employees and directors in its

regions, and setting an example for its own transition. It also aims to further strengthen cooperation and cross-functionality between the group's entities in order to enhance operational efficiency and cultivate its agility while, at the same time, developing new solutions through open partnerships with its ecosystem (fintechs, assurtechs, BtoB, etc.) and its culture of innovation.

Transitions 2024 contributes very actively to the vitality of the regions, companies and employment areas and is intended to generate sustainable, qualitative growth that cares about people and their environment. It is the action plan of a group that is attentive and committed to its ecosystems, faithful to its cooperative corporate DNA, mobilised to defend its convictions and values beyond short-term success, and to take up the social, environmental and territorial challenges of our time.

1.8 2022 highlights

1

January

"Supporting the development of sustainable agricultural and wine-growing systems in the regions, by combining economic performance with positive environmental and social impacts." Crédit Mutuel Arkéa is delivering on this emblematic commitment of its Transitions 2024 strategic plan with **the deployment of a Wines and Spirits activity in the Nouvelle-Aquitaine region**. Led by the Crédit Mutuel du Sud-Ouest federation and Arkéa Banque Entreprises et Institutionnels, with the support of the group's central departments and other subsidiaries, this specialist activity is driven by a real collective dynamic. It illustrates Crédit Mutuel Arkéa's development objectives in the region and its ambition to become the agile financial partner for future transitions in key sectors of regional economies. This activity will support professionals, upstream and downstream, in their transformation challenges, which are just as many regional issues, at both the local and regional level: the renewal of generations and profiles, the agro-ecological transition and societal changes, innovation and diversification, preservation of the typicity of wines, etc.

[Press release](#)

Ascor, an Edtech specialised in online professional training, welcomes the stake taken by Bpifrance in its capital to accelerate its distance learning offer. **We Positive Invest**, the group's societal innovation fund, a minority shareholder since 2020, is also investing further. Founded in 2007, Ascor Communication is one of the French pioneers in 100% digital professional training. The company manages its offer via the "espace-concours.fr" brand and enables young adults to acquire the skills necessary to regain their employability or to retrain professionally.

[Press release](#)

Arkéa Capital implements the first **"Relance du Groupement Territoires de Croissance"** (regional growth recovery) bonds for the Essor group, a specialist in the construction of buildings for professional use. Based in Béarn (Department 64), and relying on a network of a dozen offices in France, Essor is a major player in the professional real estate sector. It generates turnover of €106.5 million and employs nearly 200 people. The granting of this financing should enable it to smoothly continue with its development strategy. The "Relance" Bond scheme, launched by the French Ministry of the Economy, Finance and Recovery, is part of an overall approach to supporting French SMEs and mid-sized companies.

[Press release](#)

Crédit Mutuel Arkéa participates in the first closing of the **VitiRev Innovation** fund, managed by Demeter, the European leader in investment in the energy and ecological transition. This fund is dedicated to the financing of innovative companies contributing to the ecological transition of the wine sector in Europe. It was created on the joint initiative of the Nouvelle-Aquitaine Region and the "Banque des Territoires", acting on behalf of the French State as part of the "Investment programme for the future of innovative regions".

[Press release](#)

Arkéa Banque Entreprises et Institutionnels, Arkéa Capital via the **Arkéa Capital Partenaire** vehicle and the **Breizh Ma Bro fund**, subscribes to a bond issue of €28 million to support the cooperative agri-food group Eureden in its takeover of André Bazin. This funding is indexed to non-financial indicators (occupational safety, renewable energies, animal welfare). The objective of the operation is to create a leader in the meat salting industry in France by taking a sector-based approach, promoting regional specialties and brands, product and service innovation and expanding the vegetable protein offer.

[Press release](#)

Crédit Mutuel Arkéa sells to the Swiss investment company **Swissquote**, specialising in online brokerage, **Keytrade Bank Luxembourg**. Active in Luxembourg since 1999, **Keytrade Bank Luxembourg** has 8,200 customers and €1.7 billion in assets under custody. However, the Belgian institution of Keytrade remains part of Crédit Mutuel Arkéa.

[Find out more](#)

February

The founders of **Babymoov**, leader in small and medium-sized childcare with the Babymoov & Badabulle brands, sell the majority of the capital to Initiative & Finance as part of a capital transmission transaction, joined by **Arkéa Capital** with a minority contribution.

[Press release](#)

Vignobles de Larose, renowned wineries rooted in the Médoc region, take out a €3 million ARKÉA PACT impact loan with **Arkéa Banque Entreprises et Institutionnels** in order to continue to pursue their CSR commitments. **Crédit Mutuel du Sud-Ouest** and Arkéa Banque E&I supplement this financing with loans enabling Vignobles de Larose to have the necessary resources for their real estate and other investment projects at their Saint-Laurent-du-Médoc site. This transaction illustrates Crédit Mutuel Arkéa's ability to capitalise on the synergies and complementary skills of its networks and subsidiaries to support players in the wine sector, through the deployment of its Wines & Spirits activity.

[Press release](#)

Crédit Mutuel Arkéa and the **European Investment Bank** sign a new partnership to finance renewable energy projects. In total, **€400 million** - €200 million financed by Crédit Mutuel Arkéa and € 200 million by BEI - will be allocated to the financing of projects in France, or even in other Member States of the EU. The Arkéa Banque E&I business centres will be responsible for granting loans for a maximum amount of €50 million per project.

[Press release](#)

The **Blue Ocean fund of Swen Capital Partners**, dedicated to the financing of start-ups working for the regeneration of the oceans, is gaining momentum. The commitment of **Crédit Mutuel Arkéa**, Bpifrance, Ifremer (already a scientific partner) and Macif brings the fund's investment capacity to €95 million. Blue Ocean plans to invest in 20 to 25 start-ups in France and Europe, in sectors such as sustainable aquaculture, alternatives to single-use plastic, renewable marine energies and the decarbonisation of maritime transport. Since its launch, Blue Ocean has made eight investments, including in OptoScale, which has developed a solution for the accurate and real-time measurement of fish biomass and sea lice counting, in Nature Metrics, a leading British supplier of biodiversity monitoring data, which uses environmental surveys on DNA, and in Spinergie, a French software company enabling the shipping sector to significantly reduce fuel consumption and carbon emissions thanks to massive data analysis. These investments will make it possible to combat three existential threats to the health of the oceans: overfishing, pollution and climate change.

[Press release](#)

Crédit Mutuel Arkéa publishes its **support policy for farms and vineyards**, customers of its Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations. This sectoral support policy is the result of collaborative work involving the bank and professionals in the sector. It describes a significant concept: **agro-responsibility**, which consists of contributing to the preservation of the environment, animal welfare, product improvement, better working conditions, and improving and securing income. To date, in terms of outstanding loans, this market represents €2 billion for CMB-CMSO.

[Press release](#)

[Document](#)

March

Crédit Mutuel Arkéa acquires a stake in the company **LE TRAIN**, the leading French private high-speed rail operator, to support both its development and its upcoming launch in the Grand-Ouest region. LE TRAIN plans to launch five high-speed lines in the Grand-Ouest region in order to boost the regions and enable their inhabitants to make more train journeys, faster, in the best time slots and at stable prices.

[Press release](#)

Renaud Distribution, a French specialist in the wholesale trade for equipment for flower shops, garden centres and local shops (€38 million in revenue for 150 employees), is breaking free from its long-standing shareholder Interflora. The company is being taken over by the management team supported by Andera Partners and **Arkéa Capital**. The takeover was structured using mezzanine financing and a capital contribution.

[Press release](#)

In 2021, **Monext** confirmed its position as a major player in payments, with growth of more than 24% in its business and more than 6 billion transactions processed, i.e. a 40% market share in the online business. The Monext Retail offers, intended for retailers, have also attracted new customers such as La Redoute and Taxi G7.

[Press release](#)

Novélia markets, through its network of 5,000 brokers and agents, a new home insurance policy in partnership with **Luko**. This offer is distinguished by the fact that it is 100% digital, customisable and without commitment. It is also based on the principle of Giveback. At the end of the year, insurance contributions not used to settle claims are paid to a partner association chosen by the customer. An ethical and solidarity model that ensures greater transparency for policyholders while having a positive social impact.

[Press release](#)

Arkéa Assistance renews its home remote assistance offer to ensure the safety, and fight against the isolation, of seniors. The new Premium + offer includes an innovative application intended to strengthen family ties, in addition to the services of the touch-screen panel and is enriched by the local social link services of the "Ensembl" network of neighbours.

[Press release](#)

April

Already an issuer of Green and Social Bonds, Crédit Mutuel Arkéa has become **the first French bank to carry out a "NEU CP Green" issue**, with a maturity of 6 months. The bond, placed with the Amundi group, aims to refinance green home loans granted by Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest to their members and customers, in order to support their environmental transition. The financed housing complies with the eligibility criteria defined by Crédit Mutuel Arkéa's Green, Social and Sustainable bond framework.

[Press release](#)

[Allocation report](#)

Present in ocean racing for a number of years, Crédit Mutuel Arkéa, via its subsidiary Arkéa, dedicated to sponsorship, will become the title sponsor of the next two editions of the first Ultim single-handed round the world race organised by OC Sport Pen Duick: **Arkéa Ultim Challenge**. Departing from Brest on 7 January 2024, it will bring together the skippers of the Ultim 32/23 Class, which includes the most innovative and demanding ocean-going multihulls.

[Find out more](#)

Powens (formerly Budget Insight) raises \$35 million (€31 million) from PSG Equity (PSG), a leading growth equity company that partners with software and technology services companies to help them accelerate their growth and develop in Europe and the United States. PSG joins the management team and Crédit Mutuel Arkéa. Convinced by the strong growth potential of Budget Insight and the natural synergies resulting from this merger, Crédit Mutuel Arkéa acquired a stake in the company in 2019, enabling the fintech to consolidate its technological lead and creating favourable conditions for this new stage of development on a European scale. Crédit Mutuel Arkéa will continue to work with Budget Insight to help drive innovation in the financial services sector.

[Press release](#)

The City and Eurometropolis of Strasbourg strengthen their commitment to environmental and social policy by subscribing to two impact loans of €3 million each with **Arkéa Banque Entreprises et Institutionnels**. This loan combines subsidised financing with strategic support based on assessments conducted by the non-financial analysis company EthFinance.

[Press release](#)

In line with the group's approach, Crédit Mutuel de Bretagne is creating an activity dedicated to maritime professionals, called "Filière Maritime", in order to strengthen its regional proximity and its expertise in businesses that increasingly require it. This new activity is nevertheless built on a solid one that already existed: today, more than a thousand professionals in the sector trust Crédit Mutuel de Bretagne with, for example, nearly one in five fishing boat skippers who are already customers of Crédit Mutuel de Bretagne. Outstanding loans are approaching €100 million and cutting-edge expertise is recognised in certain activities, such as shellfish farming in Morbihan, mussel farming in Ille-et-Vilaine, fishing in the Bigouden region, or offshore racing. The activity relies on a new decentralised organisation that operates as closely as possible with customers, with the appointment of 'sea customer' managers in each of the Breton departments and lead administrators. It also includes specific commercial support, an upgrade of the offer and a dedicated expertise to respond to the challenges related to innovation and the environmental transition of the sector.

[Find out more](#)

Advent International (Advent) becomes the majority shareholder of MANGOPAY and Leetchi. This transaction will enable the two entities to accelerate their growth in their respective markets. Crédit Mutuel Arkéa, which supports it as part of a long-term vision, remains in the capital as a minority shareholder and will sit on the Board of Directors. Since its acquisition in 2015 by Crédit Mutuel Arkéa, MANGOPAY has experienced strong growth and developed its product innovation. The company has increased its transaction volumes by more than 50% per year and is expected to process €13 billion in transaction volumes by the end of the year. For its part, Leetchi has gone from a pioneering role in the French tech ecosystem to that of a confirmed market leader, known by two out of three French people. The company accelerated its growth with the significant development of solidarity fundraising, which represented 25% of the €215 million raised in 2021.

[Press release](#)

Suravenir Assurances now offers **instant transfers** for the settlement of claims. Thanks to this innovation, the company undertakes to reimburse claims payments via an instant transfer, as long as they do not exceed the defined ceiling, regardless of the insured's bank. Benefits are paid immediately to the policyholder's account, thereby avoiding the interbank delay, which usually ranges from three to four days. Over a year, approximately 50,000 claims are included in this system.

[Press release](#)

May

At its General Meeting, the representatives of the local banks voted **to approve Crédit Mutuel Arkéa's company with a mission status**. The group thus officially becomes one of the first banks to acquire this status. Julien Carmona, group Chairman: "In 2019, we were the first French bank to adopt a Raison d'être (Purpose). Subsequently, we did not rush to become a company with a mission because we wanted to measure this superior commitment to transparency and responsibility and we are obsessed with concrete proof. Therefore, we wanted to initiate and carry out a certain number of actions in order to effect concrete and lasting changes. Measuring our impact will therefore be our guide and will enable us to streamline our decision-making. It also illustrates our gradual progress and the responsibility we bear in supporting the transformation of society."

[Press release](#)

We Positive Invest, the group's societal innovation fund, takes a stake in the capital of **Maskott**. An Edtech company, Maskott has been a pioneer since 2004 in the creation and distribution of digital tools for individual learning, from initial to ongoing training, thanks to its Tactileo platform, which today counts 8 million users. More than 160,000 teachers and one in five middle schools use it regularly.

[Press release](#)

Arkéa Assistance adopts the **status of a company with a mission**. With more than ten years experience in home support for the elderly, Arkéa Assistance is committed through this change in status to the objectives set out in its purpose: to improve the quality of life through support based on social and technological innovation.

[Press release](#)

Arkéa Capital launches the Professional Private Equity Fund (FPCI) **We Positive Invest 2**. Six years after the first vintage, this new fund, whose subscription is open to third parties, aims to raise more than €100 million, with the sponsorship of Crédit Mutuel Arkéa. We Positive Invest 2 will invest up to €10 million in intrinsically positive impact companies in four areas: the energy and climate transition, the circular economy, human capital, and health and well-being.

[Press release](#)

Crédit Mutuel Arkéa signs the **Principles for Responsible Banking**, a unique framework for a sustainable banking sector, based on a partnership between the global banking sector and the United Nations Environment Programme Financing Initiative (UNEP FI). The signatory banks are committed to being ambitious in their sustainable development strategies, striving to integrate sustainability into the heart of their activities, while allowing them to remain at the forefront of sustainable finance.

[Press release](#)

June

Already Chairman of the Crédit Mutuel Arkéa group for a year, **Julien Carmona is elected Chairman of Crédit Mutuel de Bretagne**. This appointment continues a tradition of unified chairmanship between the group and its Breton federation, a guarantee of consistency and synergy in terms of strategy and governance. Julien Carmona takes the helm of an establishment firmly anchored in its regions, which he describes as "the economic heart of Brittany".

[Press release](#)

Crédit Mutuel Arkéa becomes majority shareholder, through its **subsidiary Izimmo, of Liberkeys**, which markets a turnkey offer for sales of old real estate, combining people and digital technology. The three co-founders, Thomas Venturini, Julien Watry and Anthony Peyron, remain shareholders and at the head of the company. This transaction will enable Liberkeys to accelerate its growth and so consolidate its position as leader in new real estate agencies. It is also fully in line with Crédit Mutuel Arkéa's Transitions 2024 strategic plan, with the aim of offering its members and customers, through this real estate-bank approach, an enriched value proposition at a key stage in life, the real estate project.

[Press release](#)

Kengo.bzh, the crowdfunding platform through donations, has in turn obtained the status of **company with a mission**. Its roadmap is based on two commitments: maximising the positive regional impact of its activity, and supporting its customers and partners in their transition projects. It includes new mechanisms: "Dengar" for associations, foundations or endowment funds so that they can easily and freely collect donations throughout the year, and "Ti Impakt" to encourage projects that change the playing field in terms of transitions, along with a reduction in the commission charged on fundraising.

[Find out more](#)

July-August

Crédit Mutuel Arkéa confirms its position as a leading player in the online banking market, with Fortuneo in France and **Keytrade Bank** in Belgium. These two entities now have more than **one million customers**. The cooperative banking group acquired Fortuneo in 2006 and Keytrade Bank in 2016.

[Press release](#)

Novélia offers its network of brokers and agents a new insurance policy against **cyber risks**, in partnership with insurtech **Stoik**. It enables company managers to protect them from the financial and legal consequences of a cyberattack (restoration of the IT system, reimbursement of operating losses, civil liability for "data leaks" and "virus transmission", cyber-fraud, etc.) and reduce infrastructure vulnerabilities, technical and human failures, thanks to prevention tools (automated external scanning, phishing simulation, etc.).

[Press release](#)

Arkéa Capital acquires a stake in the **Nomotech** group, a French telecom services operator specialising in wireless technologies. Located in Poilly dans La Manche, Nomotech aims to build a true digital hub for VSEs/SMEs, administrations and local authorities to offer them comprehensive management of their entire digital value chain. This strategy is illustrated by the acquisition of two companies: Kertel, a BtoB telecom operator serving VSEs/SMEs and Voxity, an operator-integrator of BtoB telecom solutions specialising in the revenue, legal and real estate businesses.

[Press release](#)

For the second year, Crédit Mutuel Arkéa is publishing its **climate report**, drafted according to the recommendations of the **Task Force on Climate related Financial Disclosures (TCFD)**. Crédit Mutuel Arkéa wants to be transparent about the communication of information related to its activity and this is part of a continuous improvement approach in favour of the fight against global warming and the evolution of its business model regarding these challenges.

[TCFD report](#)

September

Crédit Mutuel Arkéa and Pytheas Capital Advisors announce the launch of **ARKÉA EXTEND**, an innovative financing solution accessible via the collaborative invoice management platform TRESO2. It is distributed by Arkéa Banque Entreprises et Institutionnels. A minority shareholder of Pytheas Capital Advisors since 2019, Crédit Mutuel Arkéa had already taken part in the capital increase of the fintech in early September 2022 to support its growth and the development of new solutions.

[Press release](#)

Crédit Mutuel Arkéa is involved in the creation of the local mixed economy company (SEML) **Nouvelle-Aquitaine Croissance Tourisme**, whose objective is to help tourism players invest in order to adapt to new customer expectations. Operating throughout the Nouvelle-Aquitaine region, the SEML will focus in particular on projects located in rural destinations. Its intervention, in the form of equity investments or temporary real estate porting, will target projects in line with the guidelines of the Neo Terra roadmap that meet the requirements of the ecological and energy transitions of tourism offers.

[Press release](#)

The Crédit Mutuel Arkéa group and the builder Trecobat are co-developing with the IT firm Zenika the **Teamzy** application to centralise, streamline and secure exchanges between all players involved in the acquisition, construction or renovation of real estate.

[Press release](#)

Crédit Mutuel Arkéa presents its **non-financial results** at group level for the years 2020 and 2021. Its performance amounted to €8.1 billion for the 2021 financial year, up 7.3% compared to 2020. Direct impacts - those that the group can control, such as the reduction of its own carbon footprint - account for 4% of this performance (€332 million). Indirect impacts - those that the group influences, such as the use of suppliers in its regions, which contributes to the dynamic of local jobs - represent 40% (€3,222 million). As for the induced impacts - those to which the group contributes, for example access to healthcare - they account for 56% (€4,536 million). These results provide detailed knowledge of all externalities, and demonstrate Crédit Mutuel Arkéa's positive footprint for its regions and stakeholders, well beyond its sphere of direct influence. To date, €1 million in financing granted by Crédit Mutuel Arkéa has generated an average of €165,000 in positive socio-economic impacts. This million euros of financing granted also generates an average of €15,000 in negative environmental impacts.

[Press release](#)

Arkéa Capital and a consortium of private investors take over the Quimper company Capic, a specialist in the manufacture of professional equipment for haute cuisine and the agri-food industry. Based in Quimper, it employs 165 people and generates turnover of more than €20 million.

[Press release](#)

Thomas Guyot has been appointed Director of the Product Division, and joins the group's **Executive Committee**. This division includes 1,200 employees in around twenty entities in the insurance, management and real estate business lines and aims to protect and enhance the value of its customers' assets.

[Press release](#)

October

Arkéa Capital is participating in the €8 million fundraising campaign for **Poiscaille**, the equivalent of a basket of vegetables in short supply chains, but for seafood. As an impact company committed to combating overfishing, Poiscaille exclusively offers wild products from local fishing, marketed through a direct sales system. The objective of this investment is to reach 80,000 customers by 2026, and support a quarter of the French fishing fleet.

[Press release](#)

Crédit Mutuel Arkéa becomes a minority shareholder of the **REV MOBILITIES** group, in order to support it in the development of its retrofitting activity, i.e. the conversion of internal combustion vehicles to electric vehicles. Created in 2018 in Paris and Bordeaux, the REV MOBILITIES group is a company with a mission that aims to convert a wide range of vehicles, utility, old, buses and heavy goods vehicles, in order to responsibly accelerate the decarbonisation of the mobility of tomorrow.

[Press release](#)

The **Jocatop** group is reorganising its capital to begin a new phase in its development. This transaction allows Bertrand de La Villegeorges, who has been the company's manager since 2018, to take control of it, accompanied by **Arkéa Capital** and Tertium. Based in the Vaucluse region, Jocatop has specialised in publishing printed and digital educational content for nursery and elementary school teachers for more than 25 years.

[Press release](#)

November

The group participates in the fundraising of €20 million for the VitiREV Terradev fund. This fund, which is part of the VitiREV programme coordinated by the Nouvelle-Aquitaine Region, is dedicated to financing and accelerating the agro-ecological transition of winegrowing operations in the vineyards of Nouvelle-Aquitaine. The fund will invest in vineyards in order to accelerate their transition to agro-ecological viticulture such as HVE3 or organic. The value created by the fund will be twofold:

to increase the value of the land and wine production and to meet the expectations of consumers wanting products that preserve biodiversity.

[Press release](#)

A few months after the acquisition of a majority stake by Crédit Mutuel Arkéa, via its subsidiary Izimmo, in the capital of the neo-real estate agency, **Liberkeys** announces the launch of its offer in Rennes. Liberkeys is already present in Paris, Marseilles, Lyons, Lille, Montpellier and Nice.

[Press release](#)

Médiascience, a group specialising in the design and distribution of scientific equipment for education, is reorganising its capital around three new shareholders, including **Arkéa Capital**. Based in Evreux in the Eure department, the Médiascience group designs and distributes scientific educational material mainly for middle and high schools, through three complementary brands: Jeulin, Technologie Services and Ovio Instruments, mainly at the Evreux sites (department 27) and Saint-Galmier (department 42).

[Press release](#)

Skipper **Yoann Richomme** at the helm of *Paprec Arkéa* wins the 12th edition of the **Route du Rhum - Destination Guadeloupe** in the Class40 category. He signs off on a fabulous double after his victory in 2018.

[Press release](#)

December

Crédit Mutuel Arkéa publishes its **policy of supporting healthcare players** in the regions. This policy, which echoes its transition to the status of a company with a mission, is in line with the Sustainable Development Goal No. 3 defined by the United Nations, which aims to give individuals the means to live a healthy life and promote well-being at all ages. Crédit Mutuel Arkéa has also adopted a sectoral policy of excluding tobacco (tobacco production and manufacturing activities and the wholesale trade).

[Health support policy](#)

[Tobacco exclusion policy](#)

Arkéa Capital and Sodero Gestion are participating as benchmark shareholders in the new stage of development of the **RBL Plastiques** group, alongside the two executives and managers who are reinvesting in this leveraged buy out. Based in Châteaubriant (department 44), the company designs and manufactures thermoformed plastic parts and sub-assemblies for industrial, medical and agricultural customers, among others. It generated turnover of €30 million in 2022 and has more than 130 employees.

[Press release](#)

1.9 Solidarity relationships

1.9.1 Solidarity links within Crédit Mutuel Arkéa

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

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

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

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

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

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

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

The federation decides each year on the level of endowment to this fund. The federal reserve fund is managed by the

Federation. Requests for intervention submitted to it are examined by a Committee of administrators.

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

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

1.9.2 Solidarity links within Crédit Mutuel

1.9.2.1 Current context of disaffiliation

The Crédit Mutuel group, within the meaning of Article 511-20 of the CMF, is governed by the CMF, in particular Articles L.511-30 to L.511-32 of the CMF relating to central bodies and Articles L.512-55 to L.512-59 of the CMF relating to Crédit Mutuel. The membership of the regional groups (second level of the organisation) in CNCM and the central Crédit Mutuel bank (third level) completes Crédit Mutuel's organisation.

As a central body, the CNCM represents the credit institutions affiliated to it at the Banque de France, the ACPR and the ECB. It oversees the application of the laws and regulations specific to these institutions. It exercises administrative, technical and financial control over the organisation and management of the affiliated Crédit Mutuel banks.

National solidarity is laid down in CNCM General Decision no. 1-2020. In addition, General Decision no. 2-2020 provides for the implementation of measures in phases of proven financial difficulty or resolution within the Crédit Mutuel group.

It is specified that Crédit Mutuel Arkéa has its own solidarity mechanism as defined above, which would intervene in the first instance and that Crédit Mutuel Arkéa will no longer benefit from the national inter-federal solidarity mechanism in the event of the disaffiliation of Crédit Mutuel Arkéa from the Crédit Mutuel group as described below.

It is also specified that, as part of the application of General Decision no. 2-2020, Crédit Mutuel Arkéa may be required to participate in mechanisms for the prevention and management of banking crises within the Crédit Mutuel group.

On 18 April 2018, the Boards of Directors of the federations of Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest held a meeting and officialised the results of the votes cast by the 307 local banks that voted. 94.5% of the local banks voted in favour of independence for Crédit Mutuel Arkéa.

The Board of Directors of Crédit Mutuel Arkéa, on 29 June 2018, approved the target organisational structure of the future independent. Work to define the detailed technical details of the project has been underway and discussions have been started with the supervisory authorities.

These discussions with the supervisory authorities on the terms of the separation were temporarily suspended due to the health crisis.

Disaffiliation operations should then be initiated in conjunction with the CNCM, within the limits of the powers granted to it by law.

As part of the projected target outcome, Arkéa (currently Crédit Mutuel Arkéa) would still be authorised as a cooperative bank and directly supervised by the ACPR and the ECB. The local banks would become the "Local Cooperatives which would no longer be credit institutions, retaining their status as cooperative variable-capital companies and forming a union of Arkéa cooperatives pursuant to Article 5 of Law no. 47-1775 of 10 September 1947 on the status of cooperatives.

In addition, a cooperation pact between all the Local Cooperatives and Arkéa will be concluded for a period of ninety-nine (99) years with a view to implementing solidarity, mutual aid and support mechanisms to promote the achievement of the Local Cooperatives' primary mission, namely to promote access for all to banking, financial and insurance services.

In the context of the General Decision no. 1-2019, relating to the disaffiliation of the Crédit Mutuel banks at their request, the operational implementation of the disaffiliation of Crédit Mutuel Arkéa remains subject to the approval and vote of the Boards of Directors of the local banks.

Local banks that vote against the disaffiliation from the Crédit Mutuel group, or do not wish to take part in the vote, may not be part of this new organisation.

Even if 94.5% of the local banks that voted in 2018 did so in favour of independence, these results do not prejudice the results of the future vote of the local banks on the operational implementation of this disaffiliation from the Crédit Mutuel group.

Each local bank will be called upon to give its opinion on the implementation phase of Crédit Mutuel Arkéa's disaffiliation, to approve the disaffiliation project, the terms and conditions of disaffiliation and the filing of a disaffiliation request by the Federation concerned, in accordance with the DCG.

Local banks that choose to vote against disaffiliation may join another federal or inter-federal mutual in order to benefit from a new collective approval.

The independence of Crédit Mutuel Arkéa, through its disaffiliation from the central institution, is the preferred scenario for the group and is also the sole mandate given to corporate officers by the Board of Directors of Crédit Mutuel Arkéa on 17 January 2018. This mandate was renewed on 2 July 2021 following the appointment of Julien Carmona as Chairman of Crédit Mutuel Arkéa. Crédit Mutuel Arkéa has thus reaffirmed its desire for independence in order to preserve its complete autonomy vis-à-vis Crédit Mutuel as a whole.

On 10 May 2022, at the General Meeting of Crédit Mutuel Arkéa, Julien Carmona, its Chairman, shared an update on relations with the CNCM and on the plans to defend the group's independence and thus preserve its regional cooperative banking model with the Chairpersons of the local banks.

Julien Carmona took the opportunity to say that among the possible scenarios for Crédit Mutuel Arkéa was that of a real, comprehensive and solidly guaranteed strategic independence while remaining part of the Crédit Mutuel group.

To date, both Crédit Mutuel Arkéa and CNCM have started to examine proposals for a potential framework for a guaranteed strategic independence, and have reached agreement on certain points, even if some major issues still need to be addressed.

For further details, investors should refer to section 4.1.1.3 the Risk Factors.

At this stage, there is no certainty as to how this conflict with CNCM could evolve and/or the timeframe in which it could be resolved, or the impact it could have if Crédit Mutuel Arkéa were to remain part of the Crédit Mutuel group or become a totally autonomous banking group.

1.9.2.2 Current solidarity mechanism

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

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

(i) Provisions applicable at the level of regional groups

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

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

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

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

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

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

(ii) Provisions adopted at national level

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

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



*REMIX + VIRTUOSITY = DIVERSITY

CORPORATE GOVERNANCE

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BOARD OF DIRECTORS



10 BOARD OF DIRECTORS MEETINGS

95% ATTENDANCE RATE

54 AVERAGE AGE YEARS

52% WOMEN

APPOINTMENTS COMMITTEE

5 MEMBERS

11 MEETINGS

97% ATTENDANCE RATE

FINANCIAL STATEMENTS COMMITTEE

6 MEMBERS

5 MEETINGS

87% ATTENDANCE RATE

COMPENSATION COMMITTEE

6 MEMBERS

11 MEETINGS

83% ATTENDANCE RATE

STRATEGY AND SOCIETAL RESPONSIBILITY COMMITTEE

7 MEMBERS

8 MEETINGS

94% ATTENDANCE RATE

RISK AND INTERNAL CONTROL COMMITTEE

5 MEMBERS

10 RÉUNIONS

96 % D'ASSIDUITÉ

CREDIT REVIEW COMMITTEE

4 MEMBERS

8 MEETINGS

84% ATTENDANCE RATE

AUTHORIZE, GUIDE AND SUPERVISE

INFORM AND CONSULT

EXECUTIVE COMMITTEE

8 MEMBERS

1 MEETING EACH WEEK

37.5% WOMEN

Chief Executive Officer, Deputy Chief Executive Officers, Divisional Managers, Head of Human Resources Department

ASSIST

INFORM

Executive Management Committee

Periodic Control Committee

Compliance and Permanent Control Committee

ALM and Capital Management Committee

Credit Committee

Loan Committee

Risk Monitoring Committee

Counterparties Committee

Purchasing Committee

Real Estate Committee

Innovation Committee

Anti-Money-Laundering and Terrorism Financing Committee

IT Risk Governance Committee

External Fraud Prevention Committee

Sustainable Finance Committee*
Integrated into the CDG on 12.12.2022

The provisions of Article L.225-37 of the French Commercial Code stipulate that the Board of Directors shall present to the General Meeting referred to in Article L.225-27-4 a corporate governance report attached to the management report referred to in the same article. However, the corresponding information may be presented in a specific section of the management report. This report gives an account of the composition of the Board and the application of the principle of balanced representation of women and men on the Board, the conditions for preparing and organising its work, as well as any limitations that the Board of Directors may place on the powers of executive management. As Crédit Mutuel Arkéa is not a company whose shares are admitted to trading on a regulated market, it has decided not to refer to the AFEP-MEDEF Code. However, it refers to the Governance Guide for Cooperatives and Mutuels.

Crédit Mutuel Arkéa complies with current regulations on corporate governance applicable to credit institutions. In this respect, it should be noted that the European Banking Authority issued guidelines on internal governance dated 21 March 2018 (EBA/GL/2017/11), with which the company intends to comply fully.

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

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

2.1 Conditions for the preparation of the corporate governance report

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

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

and Corporate Social Responsibility Committee. In addition, the General Secretary and Corporate Communications Department has received contributions for the preparation of this report from:

- the General Inspection and Periodic Control Department, which is responsible for the general secretariat of the Board of Directors' Risk and Internal Control Committee;
- the Finance Department responsible for the general secretariat of the Financial Statements Committee;
- the Human Resources Department responsible for the general secretary of the Compensation Committee.

The Statutory Auditors verify that the corporate governance report included in Crédit Mutuel Arkéa's 2022 Universal Registration Document incorporates the information required by Article L.225-37-4 of the French Commercial Code. This report is then examined by the Board of Directors. It will be presented for approval to the Annual General Shareholders' Meeting (the local banks of Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations).

2.2 The Board of Directors of Crédit Mutuel Arkéa

2.2.1 Composition of the Board of Directors

The Board of Directors is composed of 20 directors and 1 non-voting Board member:

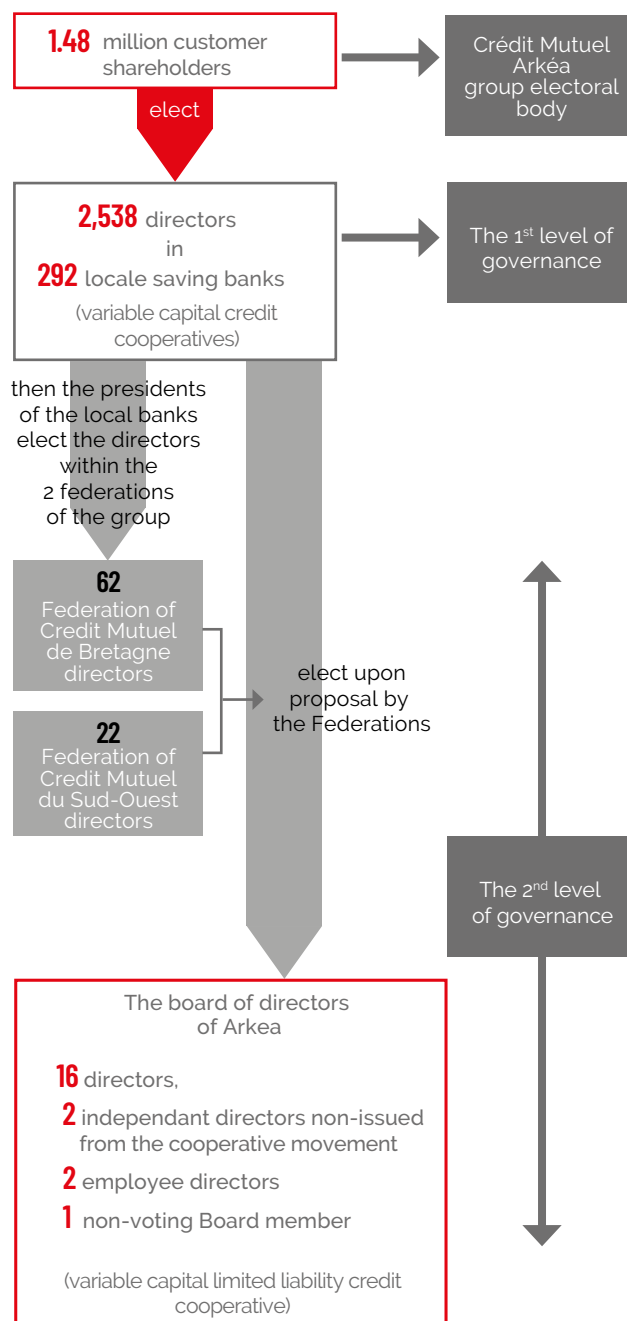
- 16 directors (7 women and 9 men) elected by the 292 local banks as shareholders at the Annual General Meeting, 12 for Fédération du Crédit Mutuel de Bretagne and 4 for Fédération du Crédit Mutuel du Sud-Ouest;
- 2 directors not from the cooperative movement (2 women);
- 2 salaried directors (1 woman and 1 man);
- 1 non-voting member, not from the cooperative movement, elected by the 292 shareholding local banks at the Annual General Meeting (1 woman).

Crédit Mutuel Arkéa's directors are elected at the General Meeting from among the 292 directors of the local banks of the two federations making up Crédit Mutuel Arkéa. These directors are themselves elected by the members, who are also customers, of their local banks at the General Meeting of their local banks in accordance with the cooperative model of "one person, one vote". There is no procedure for allocating multiple voting rights.

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

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

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



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

The Company's Board of Directors has two directors and one non-voting member who are not members of the cooperative movement. Elected by the Annual General Meeting, their candidacies are subject to pre-selection by the Appointments and Governance Committee and approval by Crédit Mutuel Arkéa's Board of Directors. They do not come from the group's cooperative movement and sit on the Board for their expertise and the complementary analysis they bring to the deliberative body. In 2022, Valérie Barlois-Leroux and Monique Huet held the positions of directors on the Board of Directors not from the cooperative movement. Isabelle Maury was also elected non-voting Board member at the General Meeting of 10 May 2022.

The employee directors are appointed by the Central Social and Economic Committee for a period of three years. The Central Social and Economic Committee appointed Guillaume Gloria and Marie Vignal-Renault as employee directors on 19 February 2020. Guillaume Gloria resigned from his term of office on 18 March 2022 and was replaced by Jean-François Gourvenec, appointed by the Central Economic and Social Committee on 31 March 2022 for the remainder of his term of office.

Crédit Mutuel Arkéa's Combined General Meeting was held on 10 May 2022 at the Cesson-Sévigné Glaz Arena.

The General Meeting is convened by electronic means sent by name to each of the shareholders. In addition, shareholders are also notified on their intranet in order to ensure a high attendance rate. A paperless sign-in system and voting by electronic boxes were used. The attendance rate at Crédit Mutuel Arkéa's 2022 Annual General Meeting was 84% (87% in 2021). The Ordinary General Meeting proceeded, on an ordinary basis, to the election and renewal of its directors, to the approval of its financial statements and the methods for the appropriation of net income for the financial year, and to the renewal of the authorisation regarding the percentage of the variable portion of the total compensation of non-salaried executive corporate officers. On an extraordinary basis, it approved the transformation of the company into a company with a mission and the corresponding amendment of the Articles of Association.

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

At the 2022 General Meeting, the following developments were voted on:

- the non-renewal of the term of office of Michel Gourtay, who has reached the age limit, and his replacement by Erwan Meudec;
- the resignation of François Chatel, who has also reached the age limit, and his replacement by Sophie Langouët-Prigent;
- the reappointments of Sophie Violleau, Valérie Moreau and Anne-Gaëlle le Bail for a three-year term;
- the appointments of Pascal Faugère (previously non-voting director) as director and Isabelle Maury as non-voting Board member for a term of three years.

Thus, 52% of the Board of Directors is made up of women.

The General Meeting also voted to transform the group into a company with a mission and the corresponding amendment to the Articles of Association to include the purpose, the five commitments resulting from it, which constitute the Mission, and the operation of the Mission Committee. The committee is set up to monitor the proper implementation of the commitments made operationally within a roadmap validated by this committee.

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

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

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

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

The term of office of Sophie Violleau as Vice-Chairwoman was renewed by the Board of Directors on 3 June 2022.

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

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

The age limit for Directors is set by the Articles of Association at 65 years old for a first election and 70 years old for a renewal. The term of office is three years, renewable without limitation other than that linked to the aforementioned age limit.

The Board of Directors has internal operating rules and regulations. These rules confirm the essential missions of Crédit Mutuel Arkéa's directors, set out the operating procedures of the body and set out the rights and obligations of each director. These internal operating rules were supplemented by the Crédit Mutuel Arkéa directors' Charter, which sets out the duties of the Board's 21 members. The purpose of this charter is to ensure that the members of the Board of Directors are independent and committed. It refers to the formal independence criteria set out by the European Banking Authority (EBA/GL/2017/11 and EBA/GL/2021/06 point 9.3) and lists the individual skills of Board members with a view to ensuring that the collective expertise of the members of the Board of Directors is appropriate for the exercise of sound and effective governance of the company.

These two documents were revised in 2022 for updates following changes within the Board.

19 of the 20 directors that make up the Board of Directors meet at least 10 of the 11 formal independence criteria set out in the guidelines of the European Banking Authority (EBA/GL/2017/11 and EBA/GL/2021/06 point 9.3) and can therefore be considered as independent.

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

In summary:

The composition of the Board of Directors at 31 December 2022 was as follows:

Presentation of the Board of Directors at 31 December 2022	Origin	Formal independence*	Age	First appointment	Renewal	Attendance	Financial Statements Committee	Appointments and Governance Committee	Compensation Committee	Risk and Internal Control Committee	Strategy and Corporate Social Responsibility Committee	Credit Review Committee
Julien CARMONA Chairman of the Board of Directors	CM	No	52	2021	2024	100%					C	
Sophie VIOLLEAU Vice-Chairwoman of the Board of Directors	CM	Yes	50	2016	2025	100%		C				
Valérie BARLOIS-LEROUX Director not from the cooperative movement	I	Yes	53	2020	2023	80%			M		M	
Valérie BLANCHET-LECOQ Director	CM	Yes	56	2020	2023	90%				C		
Thierry BOUGEARD Director	CM	Yes	65	2017	2023	100%	C	M				M
Philippe CHUPIN Director	CM	Yes	41	2020	2023	100%			M		M	M
Marta DIAS Director	CM	Yes	46	2017	2023	90%				M		
Pascal FAUGÈRE Director	CM	Yes	60	2022	2025	100%	M					
Jean-François Gourvenec Employee director	E	Yes	46	2022	2023	71%	M					
Monique HUET Director not from the cooperative movement	I	Yes	63	2017	2023	100%		M		M		C
Sophie LANGOUËT-PRIGENT Director	CM	Yes	55	2022	2025	100%					M	
Anne-Gaëlle LE BAIL Director	CM	Yes	49	2016	2025	100%	M					M
Patrick LE PROVOST Director	CM	Yes	66	2017	2023	100%		M	C		M	
Yves MAINGUET Director	CM	Yes	65	2018	2024	100%	M			M		
Erwan MEUDEC Director	CM	Yes	37	2022	2025	100%					M	
Luc MOAL Director	CM	Yes	65	2018	2024	100%			M	M		
Valérie MOREAU Director	CM	Yes	50	2019	2025	100%					M	
Colette SÉNÉ Director	CM	Yes	63	2015	2024	100%		M	M			
Dominique TRUBERT Director	CM	Yes	62	2020	2023	100%	M					
Marie VIGNAL-RENAULT Employee director	E	Yes	43	2020	2023	80%			M			
Isabelle MAURY Non-voting Board member	I	Yes	54	2022	2025	100%						
Main indicators		95%	54			95%	6	5	6	5	7	4

CM – From the cooperative movement.

I – Director not from the cooperative movement.

E – Employee director.

M – Committee member.

C – Chairman/Chairwoman of the committee.

*Formal independence criteria laid down by the European Banking Authority (EBA/GL/2017/11 and EBA/GL/2021/06 point 9.3).

The composition of the Board of Directors at 31 December 2022 is detailed below.

Julien CARMONA



Chairman of
Crédit Mutuel Arkéa,
52 years old
1st appointment:
11 May 2021
Term expires:
2024

Summary biography

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

Julien Carmona is a graduate of the École Normale Supérieure (Ulm) and the École Nationale d'Administration. He is also an "agrégé" in history.

Other positions held within Crédit Mutuel Arkéa

- Director of Caisse de Crédit Mutuel du Relecq-Kerhuon since 19.03.2022
- Chairman of the Crédit Mutuel de Bretagne federation since 10.06.2022

Other positions held outside Crédit Mutuel Arkéa

- Director representing Suravenir on the "Fonds Stratégique de Participations"

Sophie VIOLLEAU



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

Summary biography

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

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

Other positions held within Crédit Mutuel Arkéa

- Vice-Chairwoman of the Crédit Mutuel du Sud-Ouest federation
- Chairwoman of the Crédit Mutuel du Sud-Ouest regional bank
- Director of Caisse de Crédit Mutuel de la Couronne

Other positions held outside Crédit Mutuel Arkéa

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

of which offices held in subsidiaries

- Chairwoman of the Board of Directors of Suravenir Assurances
- Chairwoman of the Board of Directors of Nouvelle Vague
- Member of the Supervisory Board of Budget Insight until 10.06.2022
- Member, then permanent representative of Crédit Mutuel Arkéa on the Supervisory Board of Arkéa Capital
- Director of Arkéa Capital Investissement
- Director of Arkéa Capital Holding
- Vice-Chairwoman of the Supervisory Board of Apivia
- Director of Château Calon Ségur since 30.06.2022

Valérie BARLOIS-LEROUX



Director not from the cooperative movement of Crédit Mutuel Arkéa, 53 years old
1st appointment: 14.05.2020
Term expires: 2023

Summary biography

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

Other offices held within a Crédit Mutuel Arkéa subsidiary

- Chairman of the Board of Directors of Arkéa

Other position held outside Crédit Mutuel Arkéa

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

Valérie BLANCHET-LECOQ



Director of Crédit Mutuel Arkéa, 57 years old
1st appointment: 14.05.2020
Term expires: 2023

Summary biography

Valérie Blanchet-Lecoq holds a degree in business law and a DESS (post-graduate diploma) in business law. She has been a lawyer since 1994. After having practised in various law firms, she is currently co-manager of the law firm Jurilor in Lorient.

She was elected director of Caisse de Crédit Mutuel de Lorient Porte des Indes in 2016.

Other position held within Crédit Mutuel Arkéa

- Director of Caisse de Crédit Mutuel de Lorient Porte des Indes

Other position held outside Crédit Mutuel Arkéa

- Co-Managing lawyer of SELARL Jurilor

of which offices held in subsidiaries

- Member, then permanent representative of Crédit Mutuel Arkéa on the Supervisory Board of Suravenir

Thierry BOUGEARD



Director of
Crédit Mutuel Arkéa,
65 years old
1st appointment:
04.05.2017
Term expires:
2023

Summary biography

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

Other positions held within Crédit Mutuel Arkéa

- Vice-Chairman of the Crédit Mutuel de Bretagne federation
- Vice-Chairman of Caisse de Crédit Mutuel de Rennes St-Sauveur

of which offices held in subsidiaries

- Chairman of the Board of Directors of Arkéa Lending Services
- Chairman of the Board of Directors of Arkéa SCD
- Director of Federal Service until 10.05.2022
- Permanent representative of Crédit Mutuel Arkéa on the Supervisory Board of Arkéa Banking Services
- Director of Arkéa Capital Holding since 04.04.2022

Philippe CHUPIN



Director of
Crédit Mutuel Arkéa,
41 years old
1st appointment:
14.05.2020
Term expires:
2023

Summary biography

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

Other positions held within Crédit Mutuel Arkéa

- Chairman of Caisse de Crédit Mutuel de Saint-Brieuc Centre-ville
- Director and member of the Board of the Crédit Mutuel de Bretagne federation

of which offices held in subsidiaries

- Chairman of the Supervisory Board of Arkéa Banque Entreprises et Institutionnels
- Director of Mangopay SA until 13.07.2022

Other position held outside Crédit Mutuel Arkéa

- Manager – non-partner manager of Danbred France

Marta DIAS



Director of
Crédit Mutuel Arkéa,
46 years old
1st appointment:
04.05.2017
Term expires:
2023

Summary biography

With a PhD in Management Science after a Master's degree in Management Control and a DESS in Tourism Management, Marta Dias is Head of Management Control at the École Nationale d'Ingénieurs de Brest. Her career path includes activities as a research engineer at IMT Atlantique, teacher-researcher at ENSTA Bretagne and management controller in the hotel and public works sectors. She was elected Chairwoman of Caisse de Crédit Mutuel de Plougastel-Daoulas in 2010.

Other position held within Crédit Mutuel Arkéa

- Vice-Chairwoman of Caisse du Crédit Mutuel de Plougastel-Daoulas

of which offices held in subsidiaries

- Permanent representative of Crédit Mutuel Arkéa on the Board of Directors of Arkéa Lending Services

Pascal FAUGÈRE



Director of
Crédit Mutuel Arkéa
since 10.05.2022,
60 years old
1st appointment:
11.05.2021
as non-voting Board member
Term expires:
2025

Summary biography

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

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

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

Other positions held within Crédit Mutuel Arkéa

- Director of Caisse du Crédit Mutuel de Barrière du Médoc
- Non-voting Board member of Crédit Mutuel Arkéa until 10.05.2022
- Director of the Crédit Mutuel du Sud-Ouest federation since 29.09.2022
- Director of the Caisse Régionale Crédit Mutuel du Sud-Ouest since 29.09.2022

of which offices held in subsidiaries

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

Other positions held outside Crédit Mutuel Arkéa

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

Jean-François GOURVENEC



Employee director
of Crédit Mutuel Arkéa,

56 years old

1st appointment by the ECC:

31.03.2022

Term expires:

2023

Summary biography

Holder of a postgraduate degree in Management of Exporting SMEs, Jean-François Gourvenec joined the Crédit Mutuel Arkéa group in 2000 as manager of professional customers within the Crédit Mutuel de Bretagne federation. He then helped set up the group intranet. Since 2020, he has worked in the merchant electronic payment assistance department attached to the Innovation and Operations division.

Other offices

- None

Monique HUET



Director not from the
cooperative movement
of Crédit Mutuel Arkéa,
Climate and environmental
risks officer,

63 years old

1st appointment:

04.05.2017

Term expires:

2023

Summary biography

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

Other positions held within Crédit Mutuel Arkéa of which offices held in subsidiaries

- Member of the Supervisory Board
of Suravenir since 12.05.2022

Sophie LANGOUËT-PRIGENT



Director of
Crédit Mutuel Arkéa
since 10.05.2022,
55 years old
1st appointment:
10.05.2022
Term expires:
2025

Summary biography

Holder of a Master's degree in biochemistry and a European doctorate in toxicology, Sophie Langouët-Prigent is Director of Research at the National Institute of Health and Medical Research (Inserm) and Vice-Chairwoman of the University of Rennes 1.

Other positions held within Crédit Mutuel Arkéa

- Chairwoman of Caisse de Crédit Mutuel de Rennes Sainte Anne Saint Martin

of which offices held in subsidiaries

- Vice-Chairwoman of the Supervisory Board of Arkéa Banque Entreprises et Institutionnels

Other positions held outside Crédit Mutuel Arkéa

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

Anne-Gaëlle LE BAIL



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

Summary biography

Anne-Gaëlle Le Bail is a graduate of the ESC de Montpellier and holds a postgraduate degree in Macroeconomics from the University of Mannheim. Since 1996, she has held various positions in the fields of finance and accounting. She is currently Chief Financial Officer of the STERIS group. She was elected Chairwoman of Caisse de Crédit Mutuel d'Eysines in 2015.

Other positions held within Crédit Mutuel Arkéa

- Vice-Chairwoman of the Crédit Mutuel du Sud-Ouest federation
- Chairwoman of Caisse de Crédit Mutuel d'Eysines

of which offices held in subsidiaries

- Chairwoman of the Supervisory Board of Monext
- Member of the Supervisory Board of Arkéa Direct Bank until 17.05.2022
- Member of the Supervisory Board of Arkéa Bourse Retail until 11.05.2022
- Member of the Supervisory Board of Suravenir since 12.05.2022

Patrick LE PROVOST



Director of
Crédit Mutuel Arkéa,
66 years old
1st appointment:
04.05.2017
Term expires:
2023

Summary biography

Patrick Le Provost is an agricultural engineer and a graduate of the French Institute of Management. From 1980, he held various positions within the Côtes-d'Armor Health Defence group, and then the position of Chief Executive Officer of the Brittany Health Defence group between 1994 and 2018. He was elected director of Caisse de Crédit Mutuel du Gouët et du Lie in 2003 and then Vice-Chairman in 2014.

Other positions held within Crédit Mutuel Arkéa

- Chairman, then Vice-Chairman of the Crédit Mutuel de Bretagne federation since 10.06.2022
- Vice-Chairman of Caisse de Crédit Mutuel de Pays du Gouët et du Lie

of which offices held in subsidiaries

- Chairman of the Supervisory Board of Financo
- Chairman of the Supervisory Board of CFCAL
- Member of the Supervisory Board of Nextalk
- Chairman of the Board of Directors of Arkéa Capital Holding
- Director of Arkéa SCD
- Director of Arkéa Capital Investissement
- Member of the Supervisory Board of Arkéa Capital

Yves MAINGUET



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

Summary biography

Yves Mainguet holds a Master's degree in accounting and financial sciences and techniques and is a chartered accountant.

He was elected director of Caisse de Crédit Mutuel de Rennes Saint Sauveur in 2005 and has been Chairman since 2017.

Other positions held within Crédit Mutuel Arkéa

- Chairman of Caisse de Crédit Mutuel de Rennes Saint Sauveur

of which offices held in subsidiaries

- Member of the Supervisory Board of Federal Finance
- Permanent representative of Federal Finance on the Supervisory Board of Federal Finance Gestion
- Member of the Supervisory Board of Schelcher Prince Gestion

Other positions held outside Crédit Mutuel Arkéa

- Chairman of the joint management body Arcolib
- Member and founder of Gesprolib

Erwan MEUDEC



Director of
Crédit Mutuel Arkéa
since 10.05.2022,
37 years old
1st appointment:
10.05.2022
Term expires:
2025

Summary biography

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

Other positions held within Crédit Mutuel Arkéa

- Director of Caisse de Crédit Mutuel de la Couronne

of which offices held in subsidiaries

- Member of the Supervisory Board of Arkéa Banking Services
- Member of the Board of Directors of Nouvelle Vague
- Chairman of the Board of Directors of Pumpkin

Other positions held outside Crédit Mutuel Arkéa

- Permanent representative of Crédit Mutuel Arkéa on the Board of Directors of Société d'Aménagement du Finistère (SAFI)

Luc MOAL



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

Summary biography

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

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

Other positions held within Crédit Mutuel Arkéa

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

Other positions held outside Crédit Mutuel Arkéa

- Permanent representative of Crédit Mutuel Arkéa on the Board of Directors of Bellatrix SAS since 10.06.2022

of which offices held in subsidiaries

- Chairman of the Supervisory Board of Arkéa Crédit Bail
- Permanent representative of Crédit Mutuel Arkéa on the Supervisory Board of Budget Insight until 10.06.2022
- Member, then Chairman of the Supervisory Board of ProCapital since 08.04.2022
- Member of the Supervisory Board of Monext

Valérie MOREAU



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

Summary biography

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

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

Other positions held within Crédit Mutuel Arkéa

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

of which offices held in subsidiaries

- Member of the Supervisory Board of Arkéa Banking Services
- Vice-Chairwoman of the Supervisory Board of Federal Finance
- Vice-Chairwoman of the Supervisory Board of Federal Finance Gestion
- Director of Arkéa Real Estate
- Director of Arkéa Real Estate Investment Management
- Permanent representative of Crédit Mutuel Arkéa on the Supervisory Board of Leetchi until 13.07.2022
- Member, then Chairwoman of the Board of Directors of the PhiNOE fund since 04.09.2022

Colette SÉNÉ

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

Summary biography

Colette Séné has a two-year university degree in law and, having worked in the civil service as a manager of social action and child protection systems, has held a position for 10 years in a social action area on the Morbihan Departmental Council as a socio-professional integration officer. She was elected in 1988 as a director, then Vice-Chairwoman and Chairwoman of Caisse de Crédit Mutuel de Malestroit-Sérent.

Other positions held within Crédit Mutuel Arkéa

- Vice-Chairwoman of the Crédit Mutuel de Bretagne federation
- Director of Caisse de Crédit Mutuel de Malestroit-Sérent

of which offices held in subsidiaries

- Permanent representative of Crédit Mutuel Arkéa on the Supervisory Board of Arkéa Direct Bank
- Permanent representative of Crédit Mutuel Arkéa on the Supervisory Board of Nextalk

Dominique TRUBERT

Director of
Crédit Mutuel Arkéa,
62 years old
1st appointment:
14.05.2020
Term expires:
2023

Summary biography

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

Since 2020, he has been Chairman of the Caisse de Bretagne of Crédit Mutuel Agricole, of which he had been Vice-Chairman since 2007.

Other positions held within Crédit Mutuel Arkéa

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

of which offices held in subsidiaries

- Permanent representative of Crédit Mutuel Arkéa on the Supervisory Board of Arkéa Crédit Bail

Other position held outside Crédit Mutuel Arkéa

- Manager of the GAEC du Verger Tixue
- Chairman of the Board of Directors of the newspaper Paysan Breton until 15.05.2022

Marie VIGNAL-RENAULT

Employee director
of Crédit Mutuel Arkéa,
43 years old
1st appointment by the ECC:
19.02.2020
Term expires:
2023

Summary biography

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

Other offices

- None

Isabelle MAURY



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

Summary biography

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

Other positions held within Crédit Mutuel Arkéa

- None

Other positions held outside Crédit Mutuel Arkéa

- Independent Director of RCI Banque
- Independent Director of SG SCF and SG SFH until 31.07.2022
- Chairwoman of Caisse de Crédit Mutuel de Verneuil until 25.03.2022
- Independent Director of ABC Arbitrage since June 2022
- Independent Director of H2O AM Europe since 01.07.2022
- Independent Director of H2O Monaco SAM since 01.07.2022

2.2.2 Preparation and organisation of the work

The Board of Directors met 10 times in 2022 (15 meetings in 2021). Four of them were held by means of telecommunications in accordance with the operating regulations. The attendance rate of directors at the Board meetings was 95% (92% in 2021).

Julien Carmona chaired all meetings of the Board of Directors.

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

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

■ Considering the consequences of the Covid-19 crisis and the Russia-Ukraine conflict:

- organisational, regulatory and economic impacts related to these events;

■ The business:

- monitoring external economic, banking and financial news and internal current issues,
- monitoring the group's business, results, risks and prudential ratios and those of its main component parts through a report presented at each meeting;

■ The strategy:

- the transformation of Crédit Mutuel Arkéa into a company with a mission and the monitoring of this transformation: appointment of the members of the Mission Committee, monitoring of the work relating to the development of the roadmap,
- the adoption of the Health and Tobacco sector policies and the revision of the Coal, Oil and Gas sector policies,
- the adoption of the policy of support for agricultural and wine-growing holdings,
- the review of Crédit Mutuel Arkéa's Fintech commitments,
- the validation of the group's real estate strategy,
- monitoring progress and decision-making with regard to Crédit Mutuel Arkéa's "Projet Liberté" (defence of the entrepreneurial freedom and identity of Crédit Mutuel Arkéa), both in the monitoring of the disaffiliation project as the definition of an alternative project, by setting a negotiation framework aimed at obtaining guaranteed long-term autonomy,
- the tight monitoring of Suravenir's solvency ratio,
- setting the group's general guidelines for the year,
- decision-making with regard to the acquisition and merger of companies, the acquisition of holdings, external growth operations and disposals, and monitoring of ongoing partnerships,
- the approval of the "Solidarity" budget of the federations,
- monitoring the "Transitions 2024" strategic plan;

■ **The accounts:**

- approving the group's parent company financial statements and consolidated financial statements;

■ **Risk limits and control systems:**

- adapting the prudential framework and limits applicable to the group and all its components,
- reviewing the annual report on the internal control of the company and the group, the ICAAP and ILAAP reports, and Pillar 3,
- changes in regulations leading to a strengthening of internal control (permanent control, periodic control and compliance control);

■ **The appointments within Crédit Mutuel Arkéa and HR systems:**

- appointments and compensation reviews falling within the prerogatives of the Board.

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

In addition, the Board's annual strategic seminar was devoted to topics relating to changes in the market environment, the bank of the future, scarce resources (equity, human capital and IT resources), real estate strategy, innovation and the Climate Fresk.

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

Thus, in addition to any training courses attended individually by directors on the training platform, the entire Board of Directors was trained in 2022 on:

- anti-money laundering and terrorism financing;
- detecting and fighting corruption;
- detecting and preventing conflicts of interest;
- preventing the risk of market abuse;
- sustainable and responsible real estate;
- credit risk;
- the Order of 3 November 2014 on internal control;
- biodiversity.

2.2.3 Specialised committees

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

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

2.2.3.1 Strategy and Corporate Social Responsibility Committee

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

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

During the 2022 financial year, it met 8 times (8 meetings in 2021). The average attendance rate over the year was 94%, with the following breakdown:

First name – Last name	Attendance at 2022 meetings
Julien CARMONA (Chairman)	100%
Valérie BARLOIS-LEROUX	63%
Philippe CHUPIN	100%
François CHATEL ⁽¹⁾	88%
Patrick LE PROVOST	100%
Valérie MOREAU	100%
Sophie LANGOUET-PRIGENT ⁽²⁾	100%
Erwan MEUDECI ⁽³⁾	100%

(1) Member until the General Meeting of 10.05.2022.

(2) Since 03.06.2022.

(3) Since 03.06.2022.

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

- partnership projects, external growth and the restructuring of the capital of subsidiaries;
- the status of a company with a mission and the consequences of the transformation, in particular the work relating to the development of the roadmap;
- the adoption of the Health and Tobacco sector policies and the revision of the Coal, Oil and Gas sector policies;
- the monitoring of the Transitions 2024 medium-term plan;
- the review of the group's fintech commitments;
- the group's real estate strategy;
- the development of confederal relations and discussions on the opening of negotiations with a view to defining a framework for guaranteed long-term autonomy.

2.2.3.2 Compensation Committee

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

During the 2022 financial year, it met 11 times (16 meetings in 2021). The average attendance rate over the year was 83%, with the following breakdown:

First name – Last name	Attendance at 2022 meetings
Patrick LE PROVOST (Chairman)	100%
Thierry BOUGEARD ⁽¹⁾	100%
Luc MOAL	100%
Marie VIGNAL-RENAULT	55%
Valérie BARLOIS-LEROUX ⁽²⁾	40%
Philippe CHUPIN ⁽³⁾	80%
Colette SENE ⁽⁴⁾	100%

(1) Until 03.06.2022.

(2) From 03.06.2022.

(3) From 03.06.2022.

(4) From 03.06.2022.

In 2022, the work of the Compensation Committee focused on:

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

2.2.3.3 Appointments and Governance Committee

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

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

It also evaluates the functioning of the Board of Directors.

During the 2022 financial year, it met 11 times (13 meetings in 2021). The average attendance rate over the year was 97%, with the following breakdown:

First name – Last name	Attendance at 2022 meetings
Sophie VIOLLEAU (Chairwoman)	100%
Thierry BOUGEARD	100%
Patrick LE PROVOST	100%
Luc MOAL ⁽¹⁾	83%
Colette SÉNÉ	100%
Monique HUET ⁽²⁾	100%

(1) Until 03.06.2022.

(2) From 03.06.2022.

In 2022, the committee worked on:

- the selection of candidates for renewal and/or appointment as members of the Boards of Directors and Supervisory Boards of group entities as part of the 2022 and 2023 General Meetings;
- the appointment of Crédit Mutuel Arkéa representatives to the governing bodies of companies in which the group holds an interest;
- reviewing the appointment of executive officers to Crédit Mutuel Arkéa's Executive Committee and to the management bodies of the subsidiaries;
- in-depth studies to strengthen the procedures for supervising the exercise of offices, in particular through the introduction of rules relating to personal offices or the strengthening of gender balance within management bodies;
- monitoring of the action plan established following the work carried out by Mazars on the three-year assessment of the Board of Directors carried out in 2021;
- the review of succession plans for the Chairmen of the Boards of group entities, after receiving training on the subject;
- the amendment of the Appointments Committee's charter to confirm its renaming as the Appointments and Governance Committee, thus recognising its key role in this area, beyond simply appointments;
- the amendment of Crédit Mutuel Arkéa's director's Charter, the secondary governance charter, the appointments procedure and the operating rules of the Board of Directors;
- a presentation at the annual seminar for directors to discuss the coordination and role of the Boards;
- in terms of training and enhancing the skills of the directors of the group's entities, the definition of training courses adapted to the profiles and characteristics of the entities and the formalisation of a training plan for Crédit Mutuel Arkéa's directors.

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

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

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

2.2.3.4 Financial Statements Committee

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

- being informed about accounting principles and their evolution;
- assessing the quality of accounting procedures;
- examining the financial statements of Crédit Mutuel Arkéa before they are presented to the Board of Directors;
- monitoring the work programme of the Statutory Auditors and examine the conclusions of their work.

The Committee held 5 meetings in 2022 (4 meetings in 2021). The average attendance rate over the year was 87%, with the following breakdown:

First name – Last name	Attendance at 2022 meetings
Thierry BOUGEARD (Chairman)	100%
Philippe CHUPIN ⁽¹⁾	100%
Guillaume GLORIA ⁽²⁾	0%
Anne-Gaëlle LE BAIL	100%
Yves MAINGUET	100%
Dominique TRUBERT	100%
Pascal FAUGERE ⁽³⁾	67%
Jean-François GOURVENE ⁽⁴⁾	67%

(1) Until 03.06.2022.

(2) Until 18.03.2022.

(3) From 03.06.2022.

(4) From 03.06.2022.

In 2022, the committee's work focused on:

- the closing of the 2021 financial statements and the 2022 plan;
- the opinion of the Statutory Auditors on the annual financial statements;
- the opinion of the DIGCP on the closing of the accounts of the Crédit Mutuel banks;
- the presentation of the review of the 2021 internal control system;
- the presentation of the audit approach for 2022;
- the accounting principles and methods applicable to the interim financial statements;
- the prudential and tax outlook;
- IFRS 17;
- the closing of the interim consolidated financial statements;
- the opinion of the Statutory Auditors on the interim financial statements;
- accounting principles for the financial statements;
- overall performance;
- the 2021 URD - Half-yearly amendment;
- the preparation of the closing on 31 December 2022;
- the terms of office of the Statutory Auditors.

2.2.3.5 Risk and Internal Control Committee

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

10 meetings were held in 2022 (10 in 2021). The average attendance rate over the year was 96%, with the following breakdown:

First name – Last name	Attendance at 2022 meetings
François CHATEL (Chairman) ⁽¹⁾	100%
Valérie BLANCHET-LECOQ (Chairwoman) ⁽²⁾	100%
Marta DIAS	90%
Michel GOURTAY ⁽³⁾	100%
Monique HUET	100%
Yves MAINGUET ⁽⁴⁾	80%
Luc MOAL ⁽⁵⁾	100%

(1) Until 10.05.2022.

(2) Since 03.06.2022.

(3) Until 10.05.2022.

(4) Since 03.06.2022.

(5) Since 03.06.2022.

In 2022, the committee's work focused on:

■ **With regard to periodic control:**

- summary presentation of 44 audit assignments and 5 recommendation monitoring assignments finalised during 2022;
- presentation of the 2021 annual summary of the network periodic control assignments;
- review of the 2021 Annual Internal Control Report;
- review of the status of implementation of recommendations:
 - issued by the French Prudential Supervisory and Resolution Authority (ACPR) and the European Central Bank;
 - issued by DIGCP;
- presentation of progress on the 2022 periodic control plan;
- presentation of the draft periodic control plan for 2023:
 - draft plan of the Periodic Network Monitoring Department;
 - draft plan of the business line Periodic Control Department;
 - draft plan of the Internal Fraud Prevention Department;
 - work of the Account Certification team and the Technical Services and Projects Department;
 - presentation of the procedure for the appointment and dismissal of the group's head of periodic control.

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

- review of the activity and results of permanent control and compliance control:
 - at 31 December 2021,
 - at 31 March 2022,
 - at 30 June 2022,
 - at 30 September 2022;
- examination of the internal control report on the fight against money laundering and terrorist financing and the freezing of assets for the 2021 financial year;
- 2022 annual review of AML-TF activity;
- presentation of the update of the ML/TF group's risk classification;
- review of the update of the conflict of interest management and prevention policy;
- presentation of the RCSI AMF 2022 annual report for the 2021 financial year, review of changes to the whistleblowing system;

- review of the compliance function's opinion on the group compensation policy and the SCD compensation policy (including for the regulated population);
- regular information to the Committee on the implementation of sanctions related to the invasion of Ukraine by Russia;
- summary of the 2021 results of the Cross-functional Control Framework on "outsourced essential services";
- review of the Compliance Charter.

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

- presentation of risk reporting:
 - at 31 December 2021,
 - at 31 March 2022,
 - at 30 June 2022,
 - at 30 September 2022;
- review of risk mapping;
- review of the ICAAP report and statement for the period 2022-2024;
- review of the ILAAP report and statement for the period 2022-2024 and presentation of the liquidity crisis management plan;
- review of the Pillar 3 report;
- review of the update of the risk appetite framework and presentation of the draft 2022 limits;
- proposal to amend the Risk Appetite Statement;
- review of the risk management function's opinion on the group compensation policy and the SCD compensation policy (including for the regulated population);
- approval of Crédit Mutuel Arkéa's contribution to the Crisis Recovery Plan (CRP);
- updating of the risk management function Charter;
- annual information on the Contingency and Business Continuity Plan system;
- information on the exceptional transaction for Orlando;
- regular information to the Committee on the crisis situation related to Ukraine;
- information on climate risks;
- update on the disaffiliation trajectory - principles and methodology;
- completion of the Suravenir action plan initiated in 2019.

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

- examination of the observations made by the Financial Statements Committee on the presentations of the financial statements at 31 December 2021 and 30 June 2022 (accounting principles, financial statements, summaries and analyses, work of the Statutory Auditors, etc.);
- update on the work of the supervisory authorities (at each session);

■ **The work also covered:**

- a review of the group's equity transactions;
- follow-up on requests from the Risk and Internal Control Committee (at each meeting if necessary);
- presentation of the committee's activity report for the year 2021;
- feedback from the members of the committee on the reports transmitted for the year 2021.

2.2.3.6 Credit Review Committee

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

8 meetings were held in 2022. The average attendance rate over the year was 84%, with the following breakdown:

First name – Last name	Attendance at 2022 meetings
Monique HUET (Chairwoman)	100%
Philippe CHUPIN	100%
Anne-Gaëlle LE BAIL	75%
Patrick LE PROVOST ⁽¹⁾	67%
Thierry BOUGEARD ⁽²⁾	80%

(1) Until 03.06.2022.

(2) From 03.06.2022.

The assessment of the work carried out by the committee was presented to the Board of Directors on 3 June 2022.

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

2.2.4 Review of the operation of the Board of Directors

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

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

During this formal assessment:

- the firm's consultants conducted around thirty individual interviews with the members of the Board of Directors, the secretaries of its specialised committees, and the executive officers and the holders of key functions in order to obtain their views on the functioning of the supervisory body, according to an interview guide approved by the Appointments Committee;
- a formal questionnaire was administered to all members of the Board of Directors and this made it possible to assess in detail, using a quantitative approach, the various aspects of the functioning of the Board of Directors;
- the consultants carried out, with the support of the General Secretary and Corporate Communications Department a comparative study of the governance practices of Crédit Mutuel Arkéa and other banking institutions and the insurance sector.

At its meeting of 28 January 2022, the Board of Directors took note of the conclusions of this formal assessment carried out by the consultants. The latter made it possible to highlight a consistent approach compared to other institutions and concluded that the directors exercised effective governance.

The summary of the analyses carried out confirms that the Board of Directors is composed of experienced members who perform their duties with commitment. The members of the Board of Directors and the specialised committees have access to appropriate documentation and resources in order to perform their duties. The tools made available to the Board of Directors are appreciated.

In addition, the specialised committees carry out quality work, and there is a high level of reciprocal trust between the directors as well as respect for the roles between the supervisory body and the executive officers. Overall, the consultants considered that the functioning of the Board of Directors is consistent with the practices of other financial institutions and that it has improved since 2018. A continuous improvement plan was adopted following this assessment and provides for the initiation of discussions on the Board of Directors' comitology (increasing synergies between the committees, broadening the scope of certain committees, etc.) and functioning of the Board of Directors (strengthening of the procedures for welcoming new directors, systematisation of the organisation of time for discussion without the presence of the executive officers, etc.); continue to develop new functionalities for the tools dedicated to directors while further strengthening the training offered to elected members; and lastly, to better formalise the succession plans for key people. The implementation of this plan was monitored by the Appointments and Governance Committee. All topics were addressed in 2022.

In addition, the annual review of the operation of Crédit Mutuel Arkéa's Board of Directors conducted in 2022 showed that:

- the Board of Directors is composed of experienced members and the members carry out their duties with commitment;
- the members of the Board of Directors receive training to increase their skills and update their knowledge;
- the functioning of the Board and its committees has improved, in particular through greater collegiality.

The overall rating given by the directors consulted on the functioning of the Board is high and improving.

2.3 Executive corporate officers

The executive corporate officers of Crédit Mutuel Arkéa at 31 December 2022 were:

Hélène BERNICOT



Chief Executive Officer
of Crédit Mutuel Arkéa,
47 years old

Summary biography

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

Other positions held within Crédit Mutuel Arkéa

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

Other position held outside Crédit Mutuel Arkéa

- Permanent representative of Crédit Mutuel Arkéa on the Board of Directors of the Office of financial banking coordination
- Permanent representative of Crédit Mutuel Arkéa on the Supervisory Board of Tikehau Capital until 25.08.2022

Anne LE GOFF



Deputy Chief Executive
Officer of Crédit Mutuel Arkéa,
49 years old

Summary biography

A qualified member of the French Institute of Actuaries and a graduate of the Centre des Hautes Études d'Assurances, Anne Le Goff joined Suravenir, the personal protection insurance subsidiary of Crédit Mutuel Arkéa, in 1996. In 2006, she joined the group's central services, where she held responsibilities in the areas of control and risk management, before joining the office of the Chairman. After holding the position of Corporate Secretary, in 2012 she became Head of the group's General Secretary and Corporate Communications Department. Appointed Deputy Chief Executive Officer in 2016, she heads the Development Support Division of Crédit Mutuel Arkéa, which covers the Finance and Overall Performance, Financial Markets, Risk, Legal, Compliance and Permanent Control, Organisation and General Resources, and Institutional Relations Departments, as well as the General Secretary and Corporate Communications Department of Crédit Mutuel Arkéa. Along with Hélène Bernicot, she has, since February 2020, been part of the two-person group executive management team.

Other positions held outside Crédit Mutuel Arkéa

- non-executive member of the Management Board of the RENNES SCHOOL OF BUSINESS association since 24.02.2022

Bertrand BLANPAIN



Deputy Chief Executive Officer of Crédit Mutuel Arkéa in charge of the Corporate and Institutional Banking Division, 59 years old

Summary biography

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

Other positions held within Crédit Mutuel Arkéa

- Chairman of the Management Board of Arkéa Banque Entreprises et Institutionnels
- Member of the Supervisory Board of Budget Insight until 10.06.2022

Other position held outside Crédit Mutuel Arkéa

- Permanent representative of Crédit Mutuel Arkéa on the Board of Directors of SOFIOQUEST
- Permanent representative of Crédit Mutuel Arkéa on the Board of Directors of NEXITY
- Permanent representative of Crédit Mutuel Arkéa on the Supervisory Board of NEWPORT

Frédéric LAURENT



Deputy Chief Executive Officer of Crédit Mutuel Arkéa in charge of the Retail Customer Division, 60 years old

Summary biography

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

Other positions held within Crédit Mutuel Arkéa

- Chairman of the Management Board of Arkéa Bourse Retail
- Chairman of the Supervisory Board of Budget Insight until 10.06.2022

Other position held outside Crédit Mutuel Arkéa

- Representative of Crédit Mutuel Arkéa on the Board of Directors of Paylib Services
- Representative of Crédit Mutuel Arkéa on the Board of Directors of CCI Métropolitaine Bretagne Ouest
- Permanent representative of Crédit Mutuel Arkéa on the Board of Directors of Bellatrix SAS since 10.06.2022

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

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

2.4 Executive management bodies and their work

Crédit Mutuel Arkéa's Executive Committee is responsible for assisting the group's Chief Executive Officer in strategic steering and performance development. Its role consists of:

- proposing to the Board of Directors of Crédit Mutuel Arkéa the group's strategic orientations and risk appetite framework;
- steering the implementation of the strategy defined by the Board of Directors and allocating the necessary resources for its implementation;
- setting the objectives of the group's component parts and ensuring that they are achieved;
- examining the group's organisational and general interest issues;
- monitoring the activity of the entire group;
- regularly reviewing the group's financial position and risk exposure;
- making decisions and taking action to improve the profitability of the group's activities;
- monitoring intra-group financial flows;
- introducing and proposing a document for the arbitration of the IT d/m⁽¹⁾.

With the aim of seeking a balanced representation of women and men, a dedicated mission has been in place at Crédit Mutuel Arkéa since 2016. Performance indicators, including the proportion of women on the Executive Committee, the Executive Management Committee and more generally in management positions, have been set up and are regularly monitored. The group's gender diversity policy is described in the Statement of Non-Financial Performance in Section 4.5.4 of this document.

Crédit Mutuel Arkéa's Executive Management Committee assists the Executive Committee and meets periodically to address strategic issues requiring a cross-functional approach.

The Executive Committee meets weekly and at 31 December 2022 consisted of:

Hélène BERNICOT	Chief Executive Officer of Crédit Mutuel Arkéa
Anne LE GOFF	Deputy Chief Executive Officer, Head of the Development Support Division
Frédéric LAURENT	Deputy Chief Executive Officer, Head of the Retail Customer Division
Bertrand BLANPAIN	Deputy Chief Executive Officer, Head of the Corporate and Institutional Division
Véronique CROUZIER	Head of Human Resources Department
Frédéric DIVERREZ	Head of the BtoB and Specialised Services Division
Laurent JURRIUS	Head of the Innovation and Operations Division
Thomas GUYOT⁽¹⁾	Head of the Product Offer Division

(1) Since 30.08.2022.

(1) Information technology or computer technology.

The percentage of women on the Executive Committee was 37,5% at 31 December 2022.

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

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

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

- the Periodic Control Committee;
- the Compliance and Permanent Control Committee;
- the Capital Management and ALM Committee;
- the group Credit Committee;
- the Customer Commitments Committee;
- the Risk Monitoring Committee;
- the Counterparties Committee;
- the Purchasing Committee;
- the Real Estate Committee;
- the Innovation Committee;
- the AML-TF Committee;
- the External Fraud Prevention Committee;
- The group IT Risk Governance Committee;
- the Sustainable Finance ⁽¹⁾.

(1) integrated into the General Management Committee from 12.12.2022

2.5 Agreements benefitting corporate officers

During the 2022 financial year, no new agreement for the benefit of the corporate officers was presented to the Board of Directors.

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

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

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

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

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

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

In view of the update of the EBA guidelines on internal governance, the framework system for the prevention and management of conflicts of interest has evolved to specify the granting of loans with members of the management body and related parties. These changes were approved by the Compliance and Permanent Control Committee on 19 July 2022, as well as by the Board of Directors on 25 August 2022.

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

Measures to prevent conflicts of interest are implemented by applying:

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

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

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

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

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

- Julien Carmona, Chairman of the Board of Directors of Crédit Mutuel Arkéa, served as Deputy Chief Executive Officer within the Nexity Group until 19 May 2021;
- Valérie Blanchet-Lecoq could potentially find herself in a situation of conflict of interest with regard to her professional activities as a lawyer and manager of the firm Jurilor;
- Pascal Faugère, a director, could find himself in a situation of conflict of interest given his position as Chief Executive Officer of the Bordeaux Chamber of Commerce and Industry (CCI Bordeaux);
- Sophie Langouët-Prigent, a director, could find herself in a situation of conflict of interest given her position as Vice-Chairwoman of the Rennes 1 Foundation and Vice-Chairwoman of the University of Rennes 1.

For these two situations, specific information and supervision measures, in particular relating to abstention, have been taken. It should be noted that concerning Julien Carmona, given the nature of the conflict of interest, the measures run for a period of two years.

With regard to the executive officers, Hélène Bernicot, Chief Executive Officer of Crédit Mutuel Arkéa, has a personal relationship with François-Régis Bernicot, Chairman of the Management Board of Suravenir, a subsidiary of Crédit Mutuel Arkéa. This conflict of interest is subject to specific supervision and organisational measures.

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

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

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

A permanent control framework has been made available in order to monitor compliance with this policy by the group's entities.

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

In addition, training in the prevention and management of conflict of interest situations was offered to Crédit Mutuel Arkéa's directors in 2022 via the remote training platform.

2.7 Internal control

2.7.1 Organisation of internal control

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

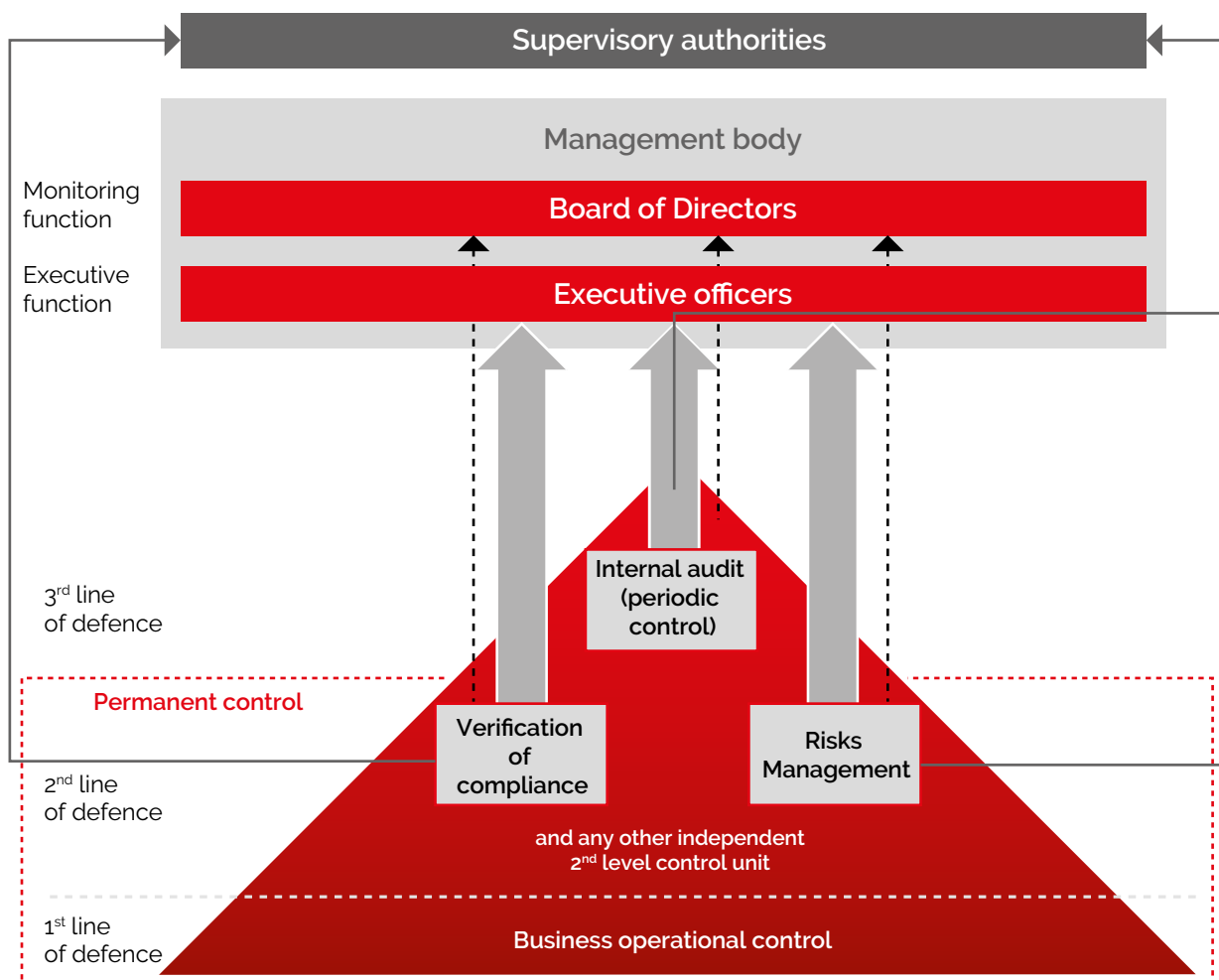
The internal control system is organised in each entity according to the "three lines of control" model, in accordance with the texts of the Basel Committee and the European Banking Authority and the amended Order of 3 November 2014 (Article 12):

- first line of control: all employees and operational management, in all entities. Operational staff are primarily responsible for the risks incurred and the associated controls during the execution of the process itself.

Operational management is responsible for their identification, prevention and management and the implementation of any corrective actions;

- second line of control: compliance function, risk management function and independent units dedicated to the second level of permanent control. These functions are responsible, by delegation from the executive officers, for ensuring that risk management systems are defined and implemented correctly. They define a general normative framework and implement their system for the part that concerns them;

- third line of control: periodic control function. It is organised centrally and hierarchically within a department that operates directly within Crédit Mutuel Arkéa structures and through periodic control delegation agreements duly drawn up with each of the group's subsidiaries: the General Inspection and Periodic Control Department.



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

The executive officers of the group are responsible for effectively determining the direction of the business (Article L.511-13 of the French Monetary and Financial Code). In particular, they implement the internal control systems, adapting them to the various risks to which the group is exposed. They inform the group's supervisory body of the progress of this implementation and the status of the systems, as well as the degree of risk control they provide.

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

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

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

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

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

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

2.7.1.1 The first line of defence: operational staff

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

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

2.7.1.2 Second line of defence

The second line of defence is provided by the Compliance Audit Function and the Risk Management Function and by one or more independent second-level units.

2.7.1.2.1 Compliance control system

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

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

- The Charter thus reminds us that the scope of compliance is based on 4 major areas:
- financial security, including the fight against money laundering and terrorist financing (AML-TF);
- business conduct and professional ethics;
- the protection of customers' interests including the protection of personal data;
- fiscal transparency.

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

2.7.1.2.1.1 Compliance and Permanent Control Department (DCCP)

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

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

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

- identifies, assesses and maps the risks of non-compliance;
- develops, updates and coordinates the framework systems in line with legislative and regulatory changes affecting the group's activities;
- monitors the risks of non-compliance through:
 - monitoring any regulatory developments falling within the scope of compliance and likely to impact compliance control systems. The DCCP shares information with the compliance managers of the group's entities and participates in their meetings;
 - the permanent control of compliance:
 - control of the implementation of the framework systems by the entities through interviews, collection of reports and controls. When recommendations are made, they are followed up annually. In 2022, all the entities were met with,
 - validation of the operational implementation of the systems by the entities,
 - coordination of the collection of information necessary for the preparation of activity reports sent to the supervisory authorities;
 - steering and monitoring of indicators related to the risk of non-compliance:
 - definition of key risk indicators,
 - definition of alert thresholds for major indicators;
- coordinates the group's compliance process:
 - advising and assisting the compliance officers of the group's entities in the implementation of their obligations,
 - the deployment of prevention, detection, control or reporting tools made available to group entities,
 - meeting with the entities through thematic discussions on compliance systems and the annual meeting as part of the annual review with the DCCP,
 - the continuous improvement of the quality of data collected on customers in the context of the fight against money laundering and terrorist financing and the fight against tax fraud (notably FATCA and OECD/CRS),
 - training initiatives to help strengthen a common compliance culture within the group (training sessions on compliance control systems systematically offered to new compliance control managers when they take up their positions, training of new employees joining Crédit Mutuel Arkéa in the general principles of compliance, training of the management bodies of group entities in the risk of non-compliance, etc.); Crédit Mutuel Arkéa considers that the best practices or good reflexes of all stakeholders

contribute to the robustness and effectiveness of the compliance system;

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

2.7.1.2.1.2 Group entities responsible for verifying compliance

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

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

(1) Compliance and Permanent Control Committee.

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

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

2.7.1.2.2 Risk Management Function

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

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

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

- operate within limits consistent with its Raison d'être, overall performance strategy and objective, financial capabilities and regulatory risk requirements;
- deliver high-quality, relevant, controlled information to the supervisory body and to the group's executive officers and supervisory authorities, with each group entity being responsible for managing its risks.
- To this end, it relies on the following resources:
 - a declaration and management of its risk appetite via a cross-analysis of its business model and risk mapping;
 - governance of the Risk Management Function clearly specifying the roles between the various component parts of the group;
 - common methods, procedures and tools to carry out risk analysis, particularly in the context of the launch of new products, new activities or the completion of exceptional transactions;
 - an information system covering the management of each risk and each activity and allowing both "local" management by entity and consolidation at group level;
 - a risk dashboard covering all group risks and entities.

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

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

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

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

Functional links are provided at three levels:

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

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

2.7.1.3 Permanent control

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

- **First-level permanent controls:** operational controls implemented within the processes, before their settlement, and assimilated to risk management systems; operational controls implemented post these processes and giving rise to consolidated reports;
- **Second-level permanent controls:** controls implemented by the compliance function, the risk management function and by the independent units dedicated to the second level of permanent control. This second level is in turn divided into two types of control respecting the principle of independence of the controlled units:

- second-level permanent control "Compliance/FGR": second-level permanent control carried out by a person from the risk management and/or compliance function; the monitoring and verification systems implemented by the risk management and compliance functions constitute permanent second-level controls,
- "RCP/CP" second-level permanent control: controls performed by the second-level permanent control manager, assisted or not by a team, in the case of subsidiaries, and by the permanent controllers, reporting directly to the Compliance and Permanent Control Department (DCCP), in the case of Crédit Mutuel Arkéa, the group's parent company.

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

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

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

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

2.7.1.4 Internal control procedures relating to the preparation and processing of accounting information

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

The organisation centralises the key activities that guarantee the quality of accounting information within the group's scope of consolidation. The Finance and Overall Performance - Accounting Department defines the accounting rules and methods, designs and maintains accounting systems (the validation of specificities related to insurance and leasing activities is delegated to dedicated business teams). The Finance and Overall Performance - Accounting Department

determines and implements the control and analysis procedures necessary for the preparation and processing of accounting information for both Crédit Mutuel Arkéa and all delegating subsidiaries, including the financial statements justification process in relation to all entities contributing to the accounting data. The organisation of the production of accounting information is based on two activities: bookkeeping and group consolidation. The processing of accounting transactions and the preparation of accounting and financial data are part of a decentralised organisation whereby each contributing entity is responsible for the quality of the data it produces.

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

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

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

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

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

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

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

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

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

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

A Financial Statements Committee completes the system. It assists Crédit Mutuel Arkéa's Board of Directors in assessing financial information and checking its reliability. It examines the group's financial statements and its components before their presentation to the Board of Directors and monitors the effectiveness of the internal control systems with regard to the procedures relating to the preparation and processing of accounting and financial information. The Financial Statements Committee met 5 times in 2022.

2.7.1.5 Periodic control

Periodic control is carried out by the Head of General Inspection and Periodic Control (DIGCP). It carries out its activities on all the group's structures in accordance with the periodic control framework adopted and implemented within the group. It should be noted that, in the case of subsidiaries, the DIGCP acts within the framework of duly regulated agreements delegating the exercise of periodic control. Throughout the group, DIGCP thus exercises its control in accordance with the terms, conditions and procedures set out in the provisions of the Order of 3 November 2014 on the internal control of companies in the banking, payment services and investment services sector subject to the supervision of the French Prudential Supervisory and Resolution Authority (ACPR), as amended.

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

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

To carry out its missions, DIGCP has developed a body of procedures, particularly in the areas of periodic control of business and network risks. In addition, DIGCP is continuing the process of strengthening internal skills initiated within the Periodic Control Department of business risks, in particular by means of formal qualifications. Thus, at the end of 2022 the

department had eight auditors and one department manager who had obtained the AMF qualification and one auditor had the Certified Internal Auditor qualification. In addition, one auditor obtained the "Certified Information Systems Auditor" certificate in 2022. An auditor and a department manager are undergoing training in order to obtain it. Lastly, two auditors obtained "EBIOS Risk Manager" certification.

In order to carry out its missions, DIGCP has developed its own risk mapping; this is one of the main sources for drawing up the annual periodic control plan, the themes of which are also determined on the basis of the following elements:

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

The principle of carrying out a post-acquisition review, within one year of joining the group, of any significant acquisition is also implemented as part of the annual periodic control plan.

This plan distinguishes between a specific control programme applied to the networks of Crédit Mutuel's local mutuals and subsidiaries' branches, and a programme concerning the activities of the group's central management, companies and subsidiaries. Together, this constitutes DIGCP's annual periodic control plan. In order for the audit cycle to be defined according to an approach proportionate to the risks, this plan is drawn up in compliance with the objective of multi-year coverage of the main risks defined from the risk mapping of the DIGCP as well as the Crédit Mutuel Arkéa development areas.

The plan of periodic control assignments thus drawn up is validated by the Risk and Internal Control Committee, which is an offshoot of the supervisory body, and adopted by Crédit Mutuel Arkéa's Board of Directors. It systematically includes annual reports on the main risks relating to credit, customer interest protection, capital markets, accounting processes, IT and operational risks. A combined analysis is carried out on the assignments conducted over the last three financial years and the types of risk defined by the amended Order of 3 November 2014. This analysis makes it possible to assess the level of coverage of each of the risks.

The preparation of the 2022 periodic control plan is part of this process. In addition, as part of the decision taken by the ACPR concerning the certification of the annual financial statements of the Crédit Mutuel local banks, DIGCP carries out an annual audit of the financial statements of the Crédit Mutuel Arkéa local banks before they are presented to the General Meeting of members, in accordance with accounting auditing standards.

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

2.7.2 Committees

2.7.2.1 Group Compliance and Permanent Control Committee

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

The group's Head of the Retail Customers Division, the Head of the BtoB and Specialised Services Division, the Director of Banking Products and Legal Manager are also members. The Head of Compliance and Permanent Control is secretary to the CCCP and the Head of Risk Management and the Deputy Manager of General Inspection and Periodic Control are present as guests.

The mission of the CCCP is to:

- centrally ensure the quality of the permanent control system covering all risks related to the group's activities;
- ensure the quality of the group's compliance control systems in the following areas: financial security, including AML-TF, professional conduct and ethics, customer protection, including personal data protection, and fiscal transparency;
- As such, the committee:
 - analyses the main indicators enabling it to assess the effectiveness of the systems;
 - monitors any observed shortcomings and deficiencies in compliance, the indicators and alert thresholds defined in the group's risk appetite framework and, if they are exceeded, monitors the actions undertaken;
 - validates the framework systems and requests for exemptions applicable to all group entities in the areas of permanent control and compliance;
 - approves the permanent control plans of the group's entities and any arbitration during the year;
 - can request any additional analysis or action contributing to better risk management.

The committee examines and approves any significant changes to the permanent control or compliance verification system, based on the work of the Crédit Mutuel Arkéa group Compliance and Permanent Control Department. It met 4 times in 2022, on 16 February, 12 May, 19 July and 16 November.

2.7.2.2 Risk Monitoring Committee

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

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

The Committee's duties include:

setting the main lines of the group's risk policy (principles, risk mapping and risk appetite framework, control systems and methods of implementation), ensuring that the regular update of this policy includes the ESG-climate criteria for the risks concerned, and issuing an opinion on the relevance of this policy before its presentation to the management body,

examining the strategic changes planned at the level of the entities and likely to have an impact on their risk profile and their risk appetite framework, the prior review of equity transactions falling under the responsibility of the Executive Management Committee,

defining the system of limits and the delegations (global and detailed) for the approval of the management body and ensuring regular monitoring of compliance with these limits,

validating management policies for all types of risks such as credit risk, market risk, operational risk, environmental risk, etc. risk management systems (procedures and tools, including the internal rating system) including ESG, as well as the associated crisis management and business continuity systems,

monitoring the main risk areas across the group,

the analysis and review of changes, particularly in scope and their impact in terms of risk,

reviewing financial (results, capital and capital requirements) or non-financial exposures and impacts,

consolidated risk review including FGR risks not directly supervised by the RD or subject to dedicated committees (non-compliance risk, IT risk, interest rate and liquidity risk),

validating and monitoring risk, preventive or curative action plans,

- proposing an analysis and monitoring of the impacts of regulatory changes in terms of risk,

- preparing and approving regulatory risk reports (ICAAP, PPR / PRC, Pillar 3, ORSA, etc.),

- providing the management body with an informed opinion on issues relating to emerging risks (including ESG risks).

- The Committee meets at least 6 times a year, or more if current events so require. In 2022, the Risk Monitoring Committee was called upon 18 times.

2.7.2.3 Periodic Control Committee

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

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

The members of the committee are:

- the CEO (Chairperson);
- the Director of Institutional Relations;
- the Head of the Corporate and Institutional Division;
- the Head of the Retail Customer Division;

- the Head of the Product Division;
- the Head of the General Inspection and Periodic Control Department;
- the Deputy Head of the General Inspection and Periodic Control Department.

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

The frequency of meetings is set at a minimum of 6 times a year. The Periodic Control Committee met 10 times in 2022.

2.8 Compensation of corporate officers

2.8.1 Compensation policy for corporate officers for the year 2023

2.8.1.1 General principles

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

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

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

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

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

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

- alignment with the purpose and the roadmap of the company with a mission Crédit Mutuel Arkéa group as defined by the Board of Directors of Crédit Mutuel Arkéa:
 - by being in line with the economic strategy, objectives, values and interests of the Crédit Mutuel Arkéa group;
 - by integrating both financial and non-financial assessment factors, so that the compensation policy implemented strives to maintain consistency between the overall compensation of employees, the performance of Crédit Mutuel Arkéa group and the individual performance of employees;

- the need for the Crédit Mutuel Arkéa group to attract, motivate and retain profiles that are recognised as high performers and particularly competent in the group's fields of activity;
- consistency with the compensation and employment conditions of the Crédit Mutuel Arkéa group's employees (in particular the compensation structure, assessment criteria or changes in compensation) and market practices observed in companies in the same sector;
- while ensuring appropriate risk management and regulatory compliance, and ensuring that conflicts of interest are avoided and that decisions are made fairly.

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

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

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

At the beginning of 2023, the structure of the total compensation of the Chief Executive Officer and the Deputy Chief Executive Officer changed:

- the maximum rate of annual variable compensation was reduced to 100% (compared to 120% in 2022);
- the portion of fixed compensation was increased.

The payment of variable compensation is not guaranteed and may not, in any event, have the effect of limiting the capacity of Crédit Mutuel Arkéa or the group to strengthen its equity capital.

In addition, the salaried Deputy Chief Executive Officers benefit from an employee savings scheme.

2.8.1.2 Fixed compensation

The Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officers receive a fixed compensation.

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

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

Chairman of the Board of Directors of Crédit Mutuel Arkéa

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

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

For the Chairman of the Board of Directors, the amount of annual fixed compensation, since taking office, amounts to €700,000.

Chief Executive Officer of Crédit Mutuel Arkéa

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

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

For Hélène Bernicot, Chief Executive Officer of Crédit Mutuel Arkéa, the annual fixed compensation for the 2023 financial year amounts to four hundred and eighty-seven thousand five hundred euros.

Deputy Chief Executive Officer of Crédit Mutuel Arkéa

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

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

For Anne Le Goff, Deputy Chief Executive Officer of Crédit Mutuel Arkéa, the annual fixed compensation for the 2023 financial year amounts to four hundred and seventy thousand euros.

Deputy Chief Executive Officers – employees

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

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

For Bertrand Blanpain, Deputy Chief Executive Officer of Crédit Mutuel Arkéa in charge of the Corporate and Institutional Banking Division, the annual fixed compensation for the 2023 financial year amounts to three hundred and twenty thousand euros.

For Frédéric Laurent, Deputy Chief Executive Officer of Crédit Mutuel Arkéa in charge of the Retail Customer Division, the annual fixed compensation for the 2023 financial year amounts to three hundred and five thousand euros.

2.8.1.3 Annual variable compensation

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

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

For the Chief Executive Officer and the Deputy Chief Executive Officer, the variable compensation can vary from 0% to 90% (target level) of the fixed compensation in case of achievement of all objectives and 100% (ceiling level) in case of exceptional performance.

For the Deputy Chief Executive Officers employed by Arkéa SCD, the variable compensation can vary from 0% to 80% (target level) of the fixed compensation in case of achievement of all the objectives and 100% (ceiling level) in case of exceptional performance.

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

Variable compensation is conditional on compliance with the thresholds defined in the group's risk appetite framework for the three indicators below:

- the bank solvency ratio (CET1);
- the commitment ratio;
- the operating ratio.

Executive corporate officers are subject to rules relating to the payment of a portion of their variable compensation, equal to 50% or 60% depending on the amount, deferred over five years.

Variable compensation and deferred variable compensation tranches in the course of acquisition may be reduced in whole or in part, up to 100%, in the event of behaviour likely to expose the Crédit Mutuel Arkéa group, or one of its entities, to an abnormal and significant risk, in particular because of the responsibility of the executives concerned in acts that have led to significant losses for the institution or in the event of failure to comply with the obligations of good repute and competence.

The payment of deferred variable compensation elements is also subject to compliance with the risk appetite threshold of the CET1 ratio at each payment date. If on a payout date the CET1 risk appetite threshold is not met, all deferred variable compensation to be received on that date is reduced to zero.

2.8.1.4 Financial and similar instruments

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

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

2.8.1.5 Benefits in kind

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

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

2.8.1.6 Employee savings plans

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

2.8.1.7 Employment contract and corporate office

Chairman of the Board of Directors of Crédit Mutuel Arkéa

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

Chief Executive Officer of Crédit Mutuel Arkéa

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

The period of suspension of the employment contract is taken into account for the calculation of the employee's rights under the law, the collective agreement and the employment contract.

Deputy Chief Executive Officer of Crédit Mutuel Arkéa

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

The period of suspension of the employment contract is taken into account for the calculation of the employee's rights under the law, the collective agreement and the employment contract.

Deputy Chief Executive Officers of Crédit Mutuel Arkéa

The Deputy Chief Executive Officers hold an employment contract.

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

2.8.1.8 Severance payments

Chairman of the Board of Directors of Crédit Mutuel Arkéa

The Chairman of the Board of Directors, Julien Carmona, having indicated his intention to waive the indemnity provided for in the event of the termination of his term of office as Chairman of the Board of Directors, will not receive, upon termination of his term of office, for any reason whatsoever, any compensation.

Chief Executive Officer of Crédit Mutuel Arkéa

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

- If the variable rate is higher than 50% on average over the last three years of the term of office (or during the term of office if the term of office was shorter), the compensation will be paid in full;

- If at least 33% of an average variable rate is not obtained over this reference period, no compensation will be paid;
- Between 33% and 50%, the amount of the compensation is determined by applying this average level.

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

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

No payment may be without taking into account this rule. In practice, the amount of the overrun will then be repayable as of right by the Chief Executive Officer, who will return the corresponding portion of the compensation for the termination of her term of office as Chief Executive Officer to the company. The entire mechanism of this compensation for termination of a term of office is governed by the statutory or regulatory provisions applicable to the compensation of the regulated population as interpreted by the supervisory authorities.

Deputy Chief Executive Officer of Crédit Mutuel Arkéa

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

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

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

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

No payment may be without taking into account this rule. In practice, the amount of the overrun will then be repayable as of right by the Deputy Chief Executive Officer, who will return the corresponding portion of the compensation for termination of her term of office as Deputy Chief Executive Officer to the company. The entire mechanism of this compensation for termination of a term of office is governed by the statutory or regulatory provisions applicable to the compensation of the regulated population as interpreted by the supervisory authorities.

2.8.1.9 Retirement

Chairman of the Board of Directors of Crédit Mutuel Arkéa

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

Chief Executive Officer of Crédit Mutuel Arkéa

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

At 1 January 2020, the Chief Executive Officer only benefits from a defined contribution pension scheme.

Deputy Chief Executive Officer of Crédit Mutuel Arkéa

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

At 1 January 2020, the Deputy Chief Executive Officer has only a defined contribution pension plan.

Deputy Chief Executive Officers of Crédit Mutuel Arkéa

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

At 1 January 2020, the Deputy Chief Executive Officers only benefit from a defined contribution pension scheme.

2.8.1.10 Loans, advances and guarantees granted to executive corporate officers

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

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

2.8.1.11 Compensation of the members of the Board of Directors

The rules for the allocation of compensation paid in respect of the duties performed by members of the Board of Directors of Crédit Mutuel Arkéa were adopted by the Board of Directors of 22 May 2015 on the advice of the Compensation Committee, and confirmed by the Board of Directors on 3 March 2020. On 8 April 2022, the Board of Directors approved the amendment to the Board of Directors' operating rules on the point relating to compensation (Article 11).

The rules are now as follows:

- a fixed annual compensation for each elected director or non-voting Board member of seven thousand one hundred and fifty euros (gross);
- an additional fixed annual compensation for the Vice-Chairperson of seven thousand one hundred and fifty euros (gross);
- variable attendance fees per meeting for each director or elected non-voting Board member attending a meeting of the Board of Directors of seven hundred and fifteen euros gross, up to a gross annual limit of sixteen thousand euros (included in fixed compensation);
- a fixed annual compensation for each Committee Chairperson of three thousand five hundred and eighty euros (gross);
- a variable attendance fee per meeting for each elected director attending a specialist committee meeting of seven hundred and fifteen euros (gross); and
- a variable attendance fee per meeting for each elected director attending an advisory committee meeting of three hundred euros (gross).

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

- variable attendance fees per meeting for each director or non-voting Board member not from the cooperative movement attending a meeting of the Board of Directors of two thousand six hundred and fifty euros (gross), up to the annual limit of thirty-two thousand euros (gross), it being specified that these provisions do not concern directors not from the cooperative movement who are still in office on the date of the General Meeting of 10 May 2022, and will only apply as of any renewal of their term of office. During this period, the compensation that remains specifically applicable to them is that of a variable attendance fee of three thousand five hundred and seventy-five euros (gross), with no annual limit;
- a variable attendance fee per meeting for each director or non-voting Board member not from the cooperative movement attending a specialised committee meeting of seven hundred and fifteen euros (gross);
- a variable attendance fee per meeting for each director or non-voting Board member not from the cooperative movement attending an advisory committee meeting of three hundred euros (gross); and
- no fixed compensation is paid.

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

- a fixed annual compensation for each Chairperson of a subsidiary of three thousand nine hundred and twenty euros (gross);
- a variable attendance fee per meeting for each Chairperson of four hundred and thirty euros (gross); and
- a variable attendance fee per meeting for each director of three hundred and sixty euros (gross).

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

2.8.2 Fixed, variable and exceptional components of total compensation and benefits of any kind paid during the 2022 financial year or granted in respect of the 2022 financial year

2.8.2.1 Chairman of the Board of Directors of Crédit Mutuel Arkéa

Fixed compensation

The fixed annual compensation of Julien Carmona, in his capacity as Chairman of the Board of Directors of Crédit Mutuel Arkéa, was set, for 2022, at: seven hundred thousand euros.

Retirement

The annual individual and conditional supplementary pension rights of Julien Carmona at 31 December 2022 consisted of a supplementary defined-contribution life annuity, estimated at: one thousand three hundred and ten euros (gross).

Benefits in kind

Julien Carmona, in his capacity as Chairman of the Board of Directors of Crédit Mutuel Arkéa, is provided with a company car and company housing. These components constitute the Chairman's compensation for all the duties he performs within the Group. He does not receive any additional indemnities or directors' fees for his other mandates within the group, nor any compensation for external mandates held as a group's representative.

2.8.2.2 Chief Executive Officer of Crédit Mutuel Arkéa

Fixed compensation

The annual fixed compensation of Hélène Bernicot, in her capacity as Chief Executive Officer of Crédit Mutuel Arkéa, was set at four hundred and twenty-five thousand euros for 2022.

Annual variable compensation

The conditions for the payment of variable compensation and the level of achievement of the individual objectives set for Hélène Bernicot, in her capacity as Chief Executive Officer of Crédit Mutuel Arkéa having been met, the Board of Directors approved the payment of annual variable compensation the amount of which represents 119% of the gross annual compensation, i.e. five hundred and five thousand seven hundred and fifty euros for 2022, it being specified that 60% of this compensation is deferred over five years.

Indicators	Weighting	Level of achievement
Income before tax		
Group operating ratio		
Group commitment ratio	60%	120%
Group CET1 ratio		
Transitions 2024 MTP	16%	120%
Innovation / openness	7%	110%
Business lines	7%	110%
Gender diversity	5%	120%
Equity	5%	120%

Retirement

At 31 December 2022, the estimated actuarial amount of the individual pension (Article 39) for the benefit of the Chief Executive Officer, crystallised at 31 December 2019, was, in accordance with Article D.225-104-1 of the French Commercial

Code, seventy thousand two hundred and forty-nine euros.

Under the supplementary defined-contribution pension plan, the annual individual and conditional supplementary pension rights of Hélène Bernicot, at 31 December 2022, consisted of a life annuity, estimated at four thousand one hundred and ninety-nine euros.

Benefits in kind

Hélène Bernicot, in her capacity as Chief Executive Officer, is provided with a company car.

2.8.2.3 Deputy Chief Executive Officer of Crédit Mutuel Arkéa

Fixed compensation

The annual fixed compensation of Anne Le Goff, in her capacity as Deputy Chief Executive Officer of Crédit Mutuel Arkéa, was set at four hundred thousand euros for 2022.

Annual variable compensation

The conditions for the payment of variable compensation and the level of achievement of the individual objectives set for Anne Le Goff, in her capacity as Deputy Chief Executive Officer of Crédit Mutuel Arkéa having been met, the Board of Directors approved the payment of annual variable compensation, the amount of which represents 119% of the gross annual compensation, i.e. four hundred and seventy-six thousand euros for 2022, it being specified that 50% of this compensation is deferred over five years.

Indicators	Weighting	Level of achievement
Income before tax		
Group operating ratio		
Group commitment ratio	60%	120%
Group CET1 ratio		
Transitions 2024 MTP	16%	120%
Innovation / openness	7%	110%
Business lines	7%	110%
Gender diversity	5%	120%
Equity	5%	120%

Retirement

At 31 December 2022, the estimated actuarial amount of the individual pension (Article 39) for the benefit of the Deputy Chief Executive Officer, crystallised at 31 December 2019, was, in accordance with Article D.225-104-1 of the French Commercial Code, eighty-seven thousand eight hundred and ninety-five euros.

Under the supplementary defined-contribution pension plan, Anne Le Goff's annual individual and conditional supplementary pension rights at 31 December 2022, consisted of a life annuity, estimated at: five thousand five hundred and sixty-three euros (gross).

Benefits in kind

Anne Le Goff, in her capacity as Deputy Chief Executive Officer, is provided with a company car.

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

Fixed compensation

The annual fixed compensation of Bertrand Blanpain, in his capacity as Deputy Chief Executive Officer of Crédit Mutuel Arkéa in charge of the Corporate and Institutional Banking Division, was set at three hundred and twenty-five thousand euros for 2022.

Annual variable compensation

The conditions for the payment of variable compensation and the level of achievement of the individual objectives set for Bertrand Blanpain, in his capacity as Deputy Chief Executive Officer of Crédit Mutuel Arkéa in charge of the Corporate and Institutional Banking Division, having been met, the Board of Directors approved the payment of an annual variable compensation, the amount of which represents 100% of the gross annual compensation, i.e. three hundred and twenty-five thousand euros for 2022, it being specified that 50% of this compensation is deferred over five years.

Retirement

At 31 December 2022, the estimated actuarial amount of the individual annuity (Article 39) for the Deputy Chief Executive Officer of Crédit Mutuel Arkéa in charge of the Corporate and Institutional Banking Division, at 31 December 2019, was, in accordance with Article D.225-104-1 of the French Commercial Code, ten thousand eight hundred and sixty-two euros.

Under the supplementary defined-contribution pension plan, the annual individual and conditional supplementary pension rights of Bertrand Blanpain, at 31 December 2022, consisted of a life annuity, estimated at five thousand nine hundred and eighty-three euros (gross).

Benefits in kind

Bertrand Blanpain, in his capacity as Deputy Chief Executive Officer of Crédit Mutuel Arkéa in charge of the Corporate and Institutional Banking Division, is provided with a company car.

2.8.2.5 Deputy Chief Executive Officer of Crédit Mutuel Arkéa in charge of the Retail Customer Division

Fixed compensation

The annual fixed compensation of Frédéric Laurent, in his capacity as Deputy Chief Executive Officer of Crédit Mutuel Arkéa in charge of the Retail Customer Division, was set at three hundred and five thousand euros for 2022.

Annual variable compensation

The conditions for the payment of variable compensation and the level of achievement of the individual objectives set for Frédéric Laurent, in his capacity as Deputy Chief Executive Officer of Crédit Mutuel Arkéa in charge of the Retail Customer Division having been met, the Board of Directors approved the payment of annual variable compensation, the amount of which represents 100% of gross annual compensation, i.e. three hundred and five thousand euros for 2022, it being specified that 50% of this compensation is deferred over five years.

Retirement

At 31 December 2022, the estimated actuarial amount of the individual annuity (Article 39) for the Deputy Chief Executive Officer of Crédit Mutuel Arkéa in charge of the Retail Customer Division, crystallised at 31 December 2019, was, in accordance with Article D.225-104-1 of the French Commercial Code, fifty-five thousand two hundred and thirteen euros.

Under the supplementary defined-contribution pension plan, Frédéric Laurent's annual individual and conditional supplementary pension rights, at 31 December 2022, consisted of a life annuity, estimated at nine thousand and twenty-four euros (gross).

Benefits in kind

Frédéric Laurent, in his capacity as Deputy Chief Executive Officer of Crédit Mutuel Arkéa in charge of the Retail Customer Division, is provided with a company car.

2.8.2.6 Performance trends

Evolution of the compensation granted to each of the executive corporate officers compared to the group's performance over the last five financial years (data in € millions):

	2018	2019	2020	2021	2022
NBII	2,146	2,303	2,158	2,531	2,569
Net income attributable to equity holders of the parent	437	511	356	574	551
Compensation granted to the Chairman of the Board of Directors ⁽¹⁾	1,600	0,541	0,541	0,847	0,711
Compensation granted to the Chief Executive Officer ⁽²⁾	1,285	1,286	0,565	0,940	0,943
Compensation granted to the Deputy Chief Executive Officer	0,732	0,677	0,395	0,887	0,885
Compensation granted to the Deputy Chief Executive Officer in charge of the PEI				0,622	0,682
Compensation granted to the Deputy Chief Executive Officer in charge of the PCR				0,572	0,640

(1) from 2018 to 2020: Jean-Pierre Denis, 2021: Jean-Pierre Denis and Julien Carmona, 2022: Julien Carmona.

(2) from 2018 to 2019: Ronan Le Moal, 2020: Ronan Le Moal and Hélène Bernicot, 2021 and 2022: Hélène Bernicot.

2.8.3 Table of individual compensation of executive corporate officers

The gross compensation received by Crédit Mutuel Arkéa's executive corporate officers is detailed in the tables below:

Chairman

	2021 ⁽¹⁾ paid during the year	2021 awarded in respect of the financial year	2022 paid during the year	2022 awarded in respect of the financial year
Julien Carmona				
fixed compensation	400,254	400,254	700,000	700,000
variable compensation	0	0	0	0
benefits in kind	16,382	16,382	11,234	11,234
Total	416,636	416,636	711,234	711,234

(1) From 04.06.2021 to 31.12.2021.

Chief Executive Officer

	2021 paid during the year	2021 awarded subject to conditions ⁽²⁾ in respect of the financial year	2022 paid during the year	2022 awarded subject to conditions ⁽³⁾ in respect of the financial year
Hélène Bernicot				
fixed compensation	425,000	425,000	425,000	425,000
variable compensation	243,665 ⁽¹⁾	507,875	241,106 ⁽²⁾	505,750
<i>of which paid in N+1</i>		203,150		101,150
<i>of which deferred over 6 years subject to conditions⁽²⁾</i>		304,725		404,600
benefits in kind	7,266	7,266	11,790	11,790
Total	475,931	940,141	677,896	942,540

(1) Deferred for the 2019 financial year and profit-sharing for a period prior to the term of office.

(2) Of which deferred in respect of financial years 2019 and 2021.

(3) Conditional variable compensation: future payments spread over 6 years and subject to the achievement of vesting and payment conditions.

Deputy Chief Executive Officer

	2021 paid during the year	2021 awarded subject to conditions ⁽²⁾ in respect of the financial year	2022 paid during the year	2022 awarded subject to conditions ⁽²⁾ in respect of the financial year
Anne Le Goff				
fixed compensation	400,000	400,000	400,000	400,000
variable compensation	131,708 ⁽²⁾	478,000	302,000 ⁽³⁾	476,000
<i>of which paid in N+1</i>		239,000		119,000
<i>of which deferred over 6 years subject to conditions⁽²⁾</i>		239,000		357,000
benefits in kind	8,539	8,539	8,537	8,537
Total	540,247	886,539	710,537	884,537

(1) Of which deferred in respect of financial years 2018, 2019 and 2021.

(2) Conditional variable compensation: future payments spread over 6 years and subject to the achievement of vesting and payment conditions.

(3) Of which deferred in respect of financial years 2019 and 2021.

Deputy Chief Executive Officer

Bertrand Blanpain in charge of the Corporate and Institutional Banking Division	2021 ⁽¹⁾ paid during the year	2021 ⁽¹⁾ awarded subject to conditions ⁽³⁾ in respect of the financial year	2022 paid during the year	2022 awarded subject to conditions ⁽⁴⁾ in respect of the financial year
fixed compensation	297,397	297,397	325,000	325,000
variable compensation	140,334 ⁽²⁾	316,219	249,345 ⁽³⁾	345,568
<i>of which paid in N+1</i>		167,520		101,818
<i>of which deferred over 6 years subject to conditions⁽³⁾</i>		148,699		243,750
benefits in kind	8,560	8,560	11,228	11,228
Total	446,291	622,175	585,573	681,796

(1) From 01.02.2021 to 31.12.2021.

(2) Of which deferred in respect of financial years 2018 and 2019.

(3) Of which deferred in respect of financial years 2019 and 2021.

(4) Conditional variable compensation: future payments spread over 6 years and subject to the achievement of vesting and payment conditions.

Frédéric Laurent in charge of the Retail Customer Division	2021 ⁽¹⁾ paid during the year	2021 ⁽¹⁾ awarded subject to conditions ⁽³⁾ in respect of the financial year	2022 paid during the year	2022 awarded subject to conditions ⁽⁴⁾ in respect of the financial year
fixed compensation	279,096	279,096	305,000	305,000
variable compensation	120,050 ⁽²⁾	283,963	218,763 ⁽³⁾	325,568
<i>of which paid in N+1</i>		151,392		96,818
<i>of which deferred over 6 years subject to conditions⁽³⁾</i>		132,571		228,750
benefits in kind	8,708	8,708	9,516	9,516
Total	407,853	571,766	533,279	640,084

(1) From 01.02.2021 to 31.12.2021.

(2) Of which deferred in respect of financial years 2018 and 2019.

(3) Of which deferred in respect of financial years 2019 and 2021.

(4) Conditional variable compensation: future payments spread over 6 years and subject to the achievement of vesting and payment conditions.

2.8.4 Table of compensation of the members of the Board of Directors

In accordance with the law of 10 September 1947, the duties of a member of the Board of Directors entitle the holder to the reimbursement of expenses against receipts, as well as the payment of compensation for time spent on the administration of the cooperative.

Breakdown of fees	2022 fees				Total individual attendance fees paid in 2021
	In respect of the Board of Directors	In respect of the committees	Detail of other functions of corporate officers within the group	Total individual attendance fees paid in 2022	
Julien CARMONA* Chairman of the Board of Directors					
Sophie VIOLLEAU Vice-Chairwoman	22,165	13,590	110,168	145,923	143,181
Valérie BARLOIS-LEROUX Director not from the cooperative movement	32,175	4,290	3,920	40,385	46,435
Valérie BLANCHET-LECOQ Director	14,300	10,370	6,120	30,790	26,575
Thierry BOUGEARD Director	15,015	25,215	35,731	75,961	74,770
Philippe CHUPIN Director	15,015	14,555	11,770	41,340	40,930
Marta DIAS Director	14,300	7,150	3,240	24,690	26,610
Jean-François GOURVENEK Employee director	0	0	0	0	N/A
Monique HUET Director not from the cooperative movement	39,325	14,555	3,240	57,120	66,935
Sophie LANGOUËT-PRIGENT Director	7,865	2,860	2,775	0	N/A
Anne-Gaëlle LE BAIL Director	15,015	5,375	41,848	62,238	59,562
Patrick LE PROVOST Director	15,015	32,895	86,311	134,221	138,121
Yves MAINGUET Director	15,015	6,435	4,835	26,285	28,295
Isabelle MAURY Non-voting Board member not from the cooperative movement	15,900	0	0	15,900	N/A
Erwan MEUDEC Director	7,865	2,860	4,395	15,120	N/A
Luc MOAL Director	15,015	16,445	35,803	67,263	59,590
Valérie MOREAU Director	15,015	7,865	14,600	37,480	38,610
Colette SÉNÉ Director	15,015	13,585	27,339	55,939	48,920
Dominique TRUBERT Director	15,015	3,575	24,575	43,165	40,770
Marie VIGNAL-RENAULT Employee director	0	0	0	0	0
Pascal FAUGÈRE Director	15,015	1,430	4,650	21,095	8,740
Total	304,045	183,050	421,320	894,915	848,044
Outgoing directors**	14,300	14,600	4,265	33,225	69,790

* Julien CARMONA, as a corporate officer, receives compensation, the elements of which are detailed, for the 2022 financial year, in Section 2.8.2.1.

** Compensation received in 2022 by Michel GOURTAY and François CHATEL, whose term of office on the Board of Directors of Crédit Mutuel Arkéa ended at the General Meeting of 10.05.2022.



OVERALL PERFORMANCE

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3.1 Recent trends and outlook

3.1.1 Economic and regulatory environment in 2022

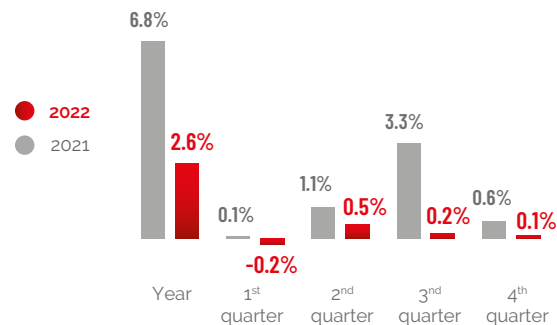
In 2022, global business growth was 3.3%. Inflation has become an even stronger trend in the global economic landscape, particularly in the major advanced economies. This acceleration in prices appeared in 2021, driven by international factors related to the post-Covid-19 recovery (simultaneity of rebounds, stimulation of US demand, Chinese "zero-Covid" policy, bottlenecks, etc.), but proved to be stronger and longer lasting than initially anticipated, due in particular to geopolitical events: at the end of February, the Russian invasion of Ukraine increased these pressures on prices, particularly in Europe, where energy dependence on Russia was very high. Beyond Europe, this geopolitical crisis has also raised the prices of other raw materials, particularly cereals.

While French growth was 2.6% for the full year of 2022, the economy slowed down sharply quarter after quarter, ending with sluggish quarterly growth of 0.1%.

Faced with the rise in inflation (5.2% on average), the capping of prices and increases in the minimum wage and pensions are expected to have made it possible to limit the consequences. In total, for households, according to the Banque de France ⁽¹⁾, the number of over-indebtedness applications filed was down by 7% compared to 2021 and has been halved since 2014 (a record year in terms of deposits). Around 113,000 applications were filed in 2022, of which 57% by people using the procedure for the first time. This observation reflects the fact that the savings accumulated during the crisis still make it possible to absorb the inflationary shock. The exceptional savings accumulated since January 2020 amounted to around €190 billion ⁽²⁾ in the third quarter of 2022. The savings rate in the third quarter of 2022 (15.9% of disposable income) was still slightly higher than its long-term average (15%).

In 2022, business leaders maintained a high level of confidence contrasting with the weakening of that of households. This good resilience partly reflects the high level of order books at the end of 2021, particularly in construction and industry, and the post-Covid catch-up in services, in particular tourism. In the end, corporate bankruptcies increased (42,500 according to Altares after 29,000 in 2021), but without going through the roof (57,000 on average over the period 2015-2019).

Trend in French GDP in 2021 and 2022, quarterly and year-on-year



Increased inflationary pressures and the better-than-expected resilience of economies led to widespread global monetary tightening, led by the majority of central banks. This movement was initiated at the end of 2021 by the Bank of England as well as by the major emerging central banks which, marked by the "Taper tantrum" of 2013 (correction of the financial markets following the tightening of the US Federal Reserve), which were concerned about being insufficiently prepared at the time of the Fed's rate hike. In this context, the only monetary easing observed in 2022 concerned Russia, Turkey and China.

The significant monetary tightening observed and the persistent strong uncertainties about the central banks' central rate caused a significant correction in the financial markets. Unusually, this context favoured a correction in both the equity and bond markets. On the bond side, the sudden increase in interest rates has significantly reduced the attractiveness of bonds issued previously, at much lower rates, leading to a collapse in their value on the secondary market. At the same time, on the equity market side, the tightening of financing conditions coupled with the deterioration of the economic outlook are weighing on the expected future profits of companies and leading to a downward revision of their market valuation. The correction was particularly significant for companies in the technology sector, which were heavily exposed to the increase in the cost of credit to finance their investments and the development of their business.

(1) Typological survey on household over-indebtedness in 2022, Banque de France, February 2023.
(2) Calculation: Financial Markets Department of CM Arkéa.

The regulatory environment in 2022 was marked by the end of measures related to the Covid-19 pandemic, the continuation of work on resolution and the European and French economic situation.

The European Central Bank announced the end of the measures put in place in the context of the Covid-19 pandemic, including:

- the easing of liquidity requirements from 1 January 2022,
- reducing capital requirements (Pillar 2 recommendation and conservation buffer) beyond 31 December 2022,
- the authorisation to exclude exposures to central banks from the total exposure, for the leverage ratio calculation, beyond 31 March 2022. Following this announcement, the Single Resolution Board announced the recalibration of the Minimum Capital Requirement and Eligible MREL commitments for the "leverage ratio" component.

Nevertheless, as the European Banking Authority confirmed its desire to continue monitoring exposures and the quality of loans that benefited from public measures due to the health crisis, the reporting and publication of these exposures continued in 2022 and ended on 1 January 2023.

Following the publication of the European Commission's proposal concerning the transposition into the European Union of the Basel III final agreements - revision of the regulation and of the capital requirements directive ("CRR" and "CRD") which incorporates the provisions of the Basel agreements of December 2017 with certain adaptations to take into account European specificities, a new step was taken with the publication of the position of the Council of the European Union in early November 2022 proposing amendments affecting the level of application of the output floor and proportionality rules.

2022 saw the completion of regulatory projects intended to strengthen the cyber resilience of European institutions, with the publication of the following European texts:

- the Digital Operational Resilience Act (DORA) on digital operational resilience intended to strengthen the resilience of the financial sector to major incidents related to Information and Communication Technologies (ICT), applicable from 17 January 2025,

- the NIS 2 directive (Network and Information Security) aimed at ensuring a common level of cybersecurity in the European Union, coming into force from 18 October 2024,

- the directive on the resilience of critical entities, coming into force from 18 October 2024.

At the national level, since 1 January 2022, the HCSF recommendation on the conditions for granting real estate loans, due to its decision of 29 September 2021, has become binding for institutions.

In the context of a rise in market rates, the Banque de France asked the largest institutions to transmit, on an exceptional and voluntary basis, the data relating to the calculation of the wear rate, monthly and no longer quarterly, until June 2023.

As announced, banks had to transmit, as of the January 2022 decree, the statistical information required by the French Prudential Supervisory and Resolution Authority (ACPR) and the European Central Bank via the unified reporting for banks and similar financial institutions (RUBA).

In terms of resolution, the Single Resolution Board (SRB) has implemented the key milestones set in the planning cycle of the 2022 resolution, such as:

- monitoring the resolvability of institutions in line with the "Expectations for Banks", which set a target of full resolvability for institutions by the end of 2023 and sets out the associated methodology (liquidity strategy, IT system capacities, operationalisation of bail-in, emergency plan for market infrastructures, etc.). The SRB has published its heat map which makes it possible to monitor, benchmark and communicate the progress made by banks towards full resolvability,
- monitoring compliance with the internal and external MREL (minimum requirement for own funds and eligible commitments) objectives, which have become binding since 1 January 2022, including compliance with the maximum distributable MREL amount, which makes it possible to limit distributions by banks when the requirements are not complied with,
- the extension of deep-dive assessments with on-site inspections.

3.1.2 Outlook for 2023

After a year of 2022 placed under the sign of the fight against inflation, 2023 should mark an turning point. After showing surprising resilience, activity is expected to weaken in the face of higher prices, the tightening of financing conditions and, more locally, the return of Covid-19. Following the acquisition of Crédit Suisse by UBS and the bankruptcies of several US regional banks in March 2023, the increase in the risk of financial instability will hamper the refinancing capacity of financial institutions. As a result, for banks, credit distribution could be even more selective in order to limit recourse to the market. The central banks of the United States and the euro zone, after very large and rapid rate increases, should reach their central rate during the first half of the year, i.e. the rate the level of which is deemed sufficiently restrictive to allow inflation to return to the 2% target. At the international level, the outlook remains very uncertain while there seems to be no end to the Russia-Ukraine conflict and the pandemic risk does not seem to have completely disappeared.

The international and financial context will therefore remain generally unfavourable and growth of the global economy is expected to slow (1.9% in 2023 after 3.3% in 2022). The slowdown in activity is expected to be more pronounced in advanced countries, due in particular to the European continent's difficulties in coping with the energy crisis and its sometimes lasting consequences on its economy.

The slowdown in the United States could occur later, but be more lasting. The Federal Reserve maintaining a highly restrictive rate may constrain companies and households whereas the level of prices will still remain relatively high. In 2023, growth is therefore expected to reach 0.4%, while inflation should decline to 3% in the fourth quarter. Accentuated by the collapse of several regional banks (Silicon Valley Bank, Signature Bank, Silvergate), the tightening of financing conditions will have lasting effects on the US economy, which is again expected to record a relatively low growth rate in 2024, at 0.4%.

At the beginning of the year, the euro zone economy will contract while household consumption should weaken with higher prices. The issue of securing energy supplies will also come to the forefront in the second half of the year, when Europe will have to top up its gas stocks. **In this context, the ECB is expected to increase its deposit rate to a level of 3.5%.** In total, the euro zone could record average annual growth of -0.1% in 2023, while inflation may reach 6.3%.

In France, activity should contract slightly by -0.1% in 2023, penalised by the decline in household consumption and the financial deterioration of companies. These evils have one common symptom: inflation (5.7% in 2023, after 5.2% in 2022). On the one hand, it undermines the purchasing power of households and corporate margins. On the other hand, it requires the European Central Bank to raise its key rates to levels that will restrict the distribution of credit. After peaking in the first two months of 2023, when CPI inflation is expected to be close to 7%, it is expected to slow down from March. However, this will be a slow process. At the end of 2023, inflation is expected to be 4%. **In the face of rising inflation, the Livret A savings account rate could be increased to 4% in August 2023.**

In total, the loss of the average purchasing power⁽¹⁾ of households could be 1%. Faced with the increase in consumer prices, wage growth should remain contained (+4% on average, after +3.7% in 2022), in particular due to a slight deterioration in the jobs market. In 2023, the savings rate is expected to slow to a level close to its pre-crisis level at mid-year. The excess savings accumulated since 2020 could disappear completely for the poorest households. As a result, **cases of over-indebtedness should increase** again in 2023, in particular the category of current expense liabilities (such as rents, energy and telecommunication bills, already slightly up at the end of 2022). As a result of these difficulties for households, their consumption is expected to decrease compared to 2022 by -0.3%. Consumer confidence, already historically low, is not expected to rebound until 2024. The decline in activity could destroy jobs and lead to a rebound in unemployment. It could thus be expected to near 8% at the end of 2023.

With regard to companies, with the decline in sales and the difficulties of access to cash credit, **it seems likely that the rate of bankruptcies will accelerate in 2023.** Defaults should continue to rebound (70,000 in 2023). While small and medium-sized companies appear to be more vulnerable than mid-caps, all types should see an increase in bankruptcies this year.

In the financial markets, after a turbulent year marked by a return of volatility and a concomitant decline in equity and bond indices, the fears of financial institutions, particularly unregulated ones, will lead to an increase in stress episodes in 2023. As a result, restrictive financing conditions are likely to continue and should limit the ability of the financial markets to recover. According to our scenario, US bond yields could still reach 3.5% in mid-2023, and 3% at the end of the year. The Fed is assumed to raise the upper range of its key rates to 5.25%. In the euro zone, the yield on French 10-year debt should be 2.9% at the end of 2022 (3.1% in the middle of the year).

In terms of credit spreads, the weakening of Crédit Suisse, or Deutsche Bank, would lead to a decline in bank credit. Fuelled by the increase in bankruptcies, a slight increase in spreads is expected compared to 2022. However, levels should still remain contained in view of the crisis in the euro zone from 2010 to 2012.

In terms of supervision, the Covid-19 crisis and the geopolitical crisis linked to the war in Ukraine, will remain major factors for the period 2022-2024, with concerns still focused on credit risk, the impacts of the end of the support measures on the quality of assets and the classification of the latter. The question of provisioning levels for non-performing loans is a prudential expectation as part of the SREP (Supervisory Review and Evaluation Process) conducted in 2022.

The profitability of banking institutions and their management of the digitisation/cyber-risk ratio, operational resilience, governance, the risks related to the climate and the environment, the levels of public and private debt, as well as leveraged financing and the valuation of assets in the event of a reassessment of risk in the financial markets will also be a central concern for supervisors.

(1) Gross disposable income per consumption unit

With regard to the banking package, the European trilogue should result in the final versions of the regulation and the capital requirements directive ("CRR" and "CRD") which transpose the final Basel III agreements into the European Union. This project focuses on:

- new changes in the calculation of risk-weighted assets (RWA) in terms of credit risk, market risk (Fundamental Review of the Trading Book) and operational risk,
- the implementation of a minimum floor (output floor) for RWAs, set at 72.5% of the requirements calculated using the standard method, the level of consolidation to which the output floor would apply, being the subject of parliamentary discussions,
- new methodologies for calculating the capital requirement for counterparty risk adjustment (CVA-Credit Value Adjustment) and enhanced reporting requirements,
- the improvement of the RWA weighting of investments in the insurance sector that are not deducted from regulatory capital, an improvement that is still under discussion,
- the transmission to the European Banking Authority of all Pillar 3 data for centralised publication on its website,
- a revised, harmonised and more restrictive framework for approval by the competent authorities and definition of the responsibilities of directors and key function holders (fit and proper).

These new requirements are scheduled to come into force on 1 January 2025, with transitional provisions including the gradual introduction of the output floor between 2025 and the end of 2029 and certain other exemptions that may extend until 2032.

In accordance with its mandate, the European Banking Authority should produce standards, guidelines or detailed reports on around 100 specific points over the next two to three years.

Environmental issues will also be - and increasingly - at the heart of the news and risk management has become one of the regulatory and supervisory priorities at the European level, with:

- the publication expected in 2023 of the report commissioned by CRR2 from the European Banking Authority on the advisability of a prudential treatment for ESG risk exposures,
- the amendments under discussion on the draft CRR3 relating, in particular, to possible penalising factors on brown exposures,
- the definition of ESG risk and its integration into the European banking package.

European institutions will also need to work on the harmonisation of certain aspects of insolvency proceedings, the establishment of a Single European Access Point (ESAP) providing centralised access to published information, the review of the framework for the management of banking and deposit insurance crises (BRRD directive, DGSD directive) and the corporate duty of vigilance in terms of sustainability.

Changes to the additional supervision of financial conglomerates are to be expected in order to take into account the publication of European standards harmonising the reporting of intragroup transactions and significant concentrations of risks within the conglomerates of the European Union.

The European Central Bank has announced targeted monitoring of factors that it qualifies as vulnerabilities.

The High Council for Financial Stability has raised the countercyclical capital buffer rate to 0.5% from 7 April 2023, then to 1% from 2 January 2024.

In connection with the work of the European Banking Authority on the review of methods for calculating contributions to deposit guarantee schemes, the aim of which is to improve the risk adequacy of a credit institution to its contributions, the French Prudential Supervisory and Resolution Authority may need to review its methodology for calculating contributions to the deposit guarantee scheme (FGDR).

In terms of resolution, 2023 marks the end of the transitional period for banks to implement the resolution framework. Consequently, the Single Resolution Board (SRB) wishes to:

- complete the resolvability of significant and less significant institutions, requiring them to update resolution plans and have the capacity and data available in the event of a reported default,
- prepare and implement effective crisis management, so that the SRB and national authorities are able to react quickly to minimise the impact of a default,
- finalise the resolution framework.

2023 is also the last year of the initial constitution period of the Single Resolution Fund, which should make it possible to reach the minimum required level of 1% of the covered deposits of all member States. Nevertheless, the SRB has warned that, in the event of non-compliance with this level at the end of 2023, a new contribution to the Single Resolution Fund would be required from those subject to it.

3.1.3 Post-balance sheet events

None.

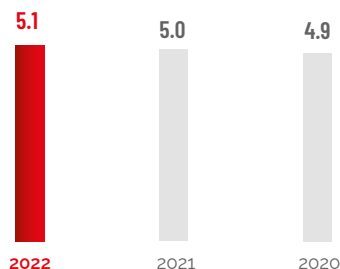
3.2 Business activity

3.2.1 Customers

The customer portfolio increased by 2.4% in 2022, with more than 120,000 additional customers⁽¹⁾ by online banking (+111,000 customers), insurers (+38,000 customers), and retail banking (+30,000 customers).

The announcement in 2022 of the cessation of the activities of Pumpkin and the personal assistant "Aumax pour moi" led to nearly 50,000 closures of customer accounts.

Customer portfolio (in millions)



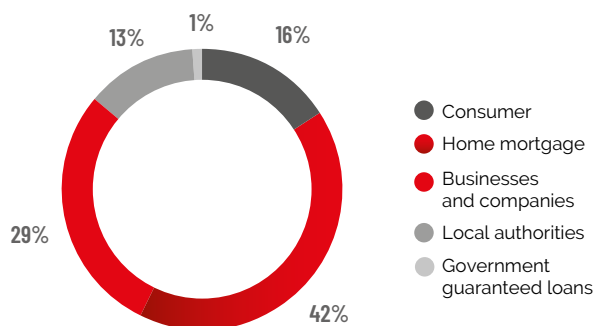
3.2.2 Loans

Outstanding loans⁽²⁾ grew by 11.0% to reach €81.9 billion.

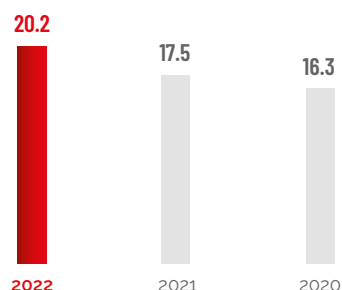
Loan production in 2022 reached a record level of €20.2 billion, up €2.7 billion compared to 2021 (the previous record).

New production was driven by home loans, up by 13.0% to €8.4 billion, and loans to companies and local authorities, up by 28.3% to €8.4 billion.

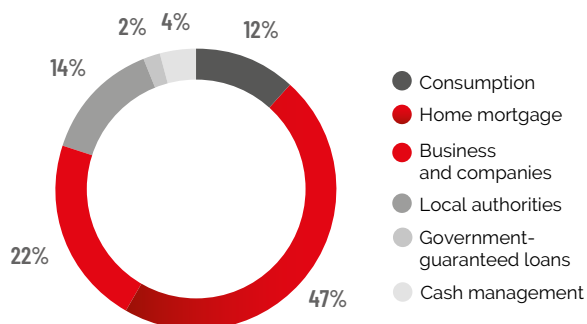
Loan production by loan type in 2022



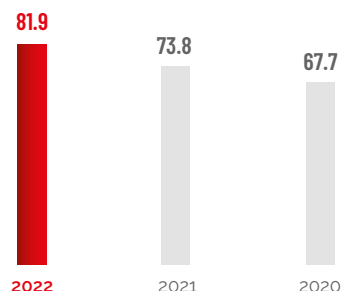
Loan production (in € billions)



Loans outstanding by loan type in 2022



Loans outstanding (in € billions)



(1) The 2021 portfolio included nearly 8,200 Keytrade Luxembourg customers sold in 2022.

(2) Outstanding loans excluding related receivables and provisions.

3.2.3 Savings

Total outstanding savings reached €155.0 billion, stable compared to the end of 2021.

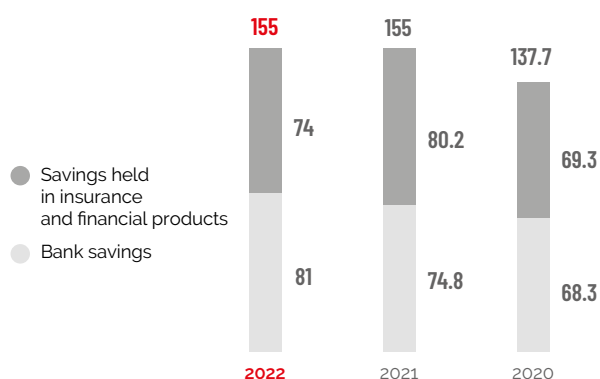
On a like-for-like basis ⁽¹⁾, outstanding savings grew by 1.1% to reach €155.0 billion.

- Outstanding bank savings increased by €6.5 billion;
- Insurance savings and financial savings outstandings were down by €4.8 billion. This change is mainly due to decreases in valuation, particularly financial savings.

Outstanding bank savings increased by €6.5 billion;

Insurance savings and financial savings outstandings were down by €4.8 billion. This change is mainly due to decreases in the valuation of financial savings.

Outstanding savings (in € billions)

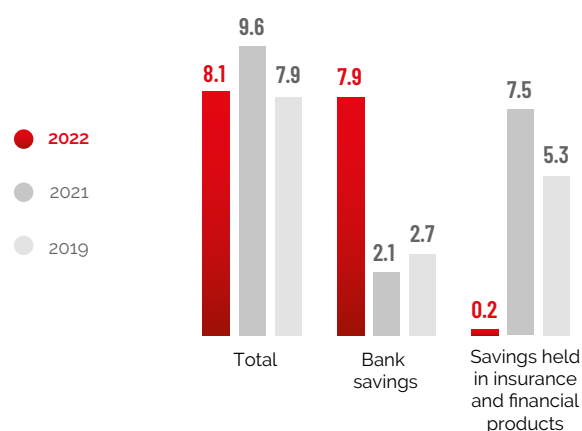


Net savings inflows in 2022 reached €8.1 billion, down by 16.3% compared to 2021, which was a record level.

The highlights are:

- net inflows in interest bearing bank savings of €7.9 billion, up by €5.8 billion compared to 2021;
- net inflows into insurance savings plans of €1.6 billion, down by €0.6 billion;
- after a very dynamic year in 2021, financial savings showed a net outflow of €1.4 billion, a decrease of €6.8 billion compared to 2021.

Net inflows of savings (in € billions)



3.2.4 Shares

Outstanding shares were up 6.9% to €2.7 billion.

3.2.5 Business-to-business (BtoB) services

Assets under custody were down by 7.7% to €45.8 billion in 2022.

The group processed a volume of 10.7 million stock market orders, a decrease of 6.9% compared to 2021 (a record year in terms of order volumes processed).

The BtoB customer portfolio (managed by ProCapital Securities Services, Monext, Nextalk, Arkéa Banking Services) was up by 1.9% year-on-year, reaching 1,898 customers.

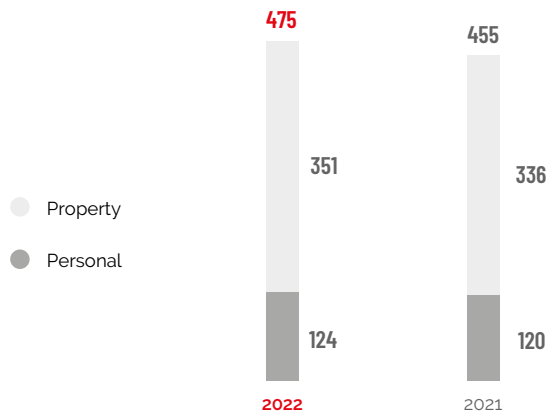
	2022	2021	2020
Securities held in custody (in € millions)	45,795	49,636	41,926
Stock exchange orders traded (in millions)	10.7	11.5	11.2
Number of BtoB customers	1,898	1,862	1,663

(1) Outstanding savings for 2021 included €1.7 billion for Keytrade Luxembourg sold in 2022 (€0.3 billion in bank deposits and €1.4 billion in financial savings).

3.2.6 Non-life insurance

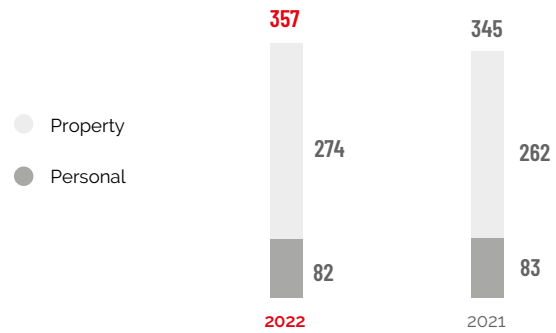
Non-life insurance policies are distributed through the group's own networks and through networks outside Crédit Mutuel Arkéa group.

Earned premiums on the non-life insurance portfolio
(in € millions)



New business premiums increased by 7.1% compared to 2021, reaching €63 million. 49% of these contributions were made by external networks.

New insurances (in thousands of contracts)



Premiums earned in the portfolio increased by 4.3% compared to 2021, reaching €475 million. At the end of 2022, 33% of these contributions were made by external networks.

3.3 Net financial income

In 2022, the Crédit Mutuel Arkéa group achieved net income attributable to equity holders of the parent of €551 million, its second best year, showing the group's growth momentum in a context of shifting paradigms. The operating ratio ⁽¹⁾ increased by 3.3 point to 70.6%.

(in € millions)	2022	2021	Change 2022/2021	
			Abs.	%
Revenues	2,569	2,531	39	1.5%
Operating expenses	(1,814)	(1,702)	(112)	6.6%
Gross operating income	755	829	(73)	-8.8%
Cost of risk	(136)	(116)	(20)	17.5%
Pre-tax income	673	717	(43)	-6.0%
Income tax	(122)	(143)	21	-14.8%
Net income attributable to equity holders of the parent	551	574	(23)	-4.0%
Operating ratio	70.6%	67.3%	3.3 pts	

3.3.1 Revenues ⁽²⁾

Revenues were up 1.5% from 2021 to €2,569 million (+€39 million).

The analysis of revenues is based on the sectoral breakdown presented in the financial statements.

3.3.1.1 Banking sector

The banking sector comprises retail banking for individual customers (Crédit Mutuel's local banks, Arkéa Direct Bank, including Fortuneo and Keytrade, Financo and CFCAL), corporate banking (Arkéa Banque Entreprises et Institutionnels, Arkéa Crédit Bail, Arkéa Capital Investissement, Partenaire et Manager) and subsidiaries involved in Business Process Outsourcing (BPO) (Monext, Nextalk, Arkéa Banking Services, ProCapital Securities Services, Leetchi and Izimmo).

Banking sector revenues increased by €47 million compared to 2021, reaching €1,989 million.

On a like basis ⁽³⁾, revenues increased by €81 million to €1,967 million:

- the financial margin increased by €24 million, or 2.4%, to €1,029 million. This increase is mainly due to the increase in the net interest margin, which was positively impacted by the rise in market rates.

- net commissions received increased by €28 million or 4.0% to €717 million, driven by the dynamism of the lending activity and white label banking services;

- other operating income and expenses increased by €29 million, or 15.4%, to €220 million in line with a sustained level of activity in the BPO business line.

3.3.1.2 Insurance and asset management sector

The insurance and asset management sector includes life insurance (Suravenir), non-life insurance (Suravenir Assurances), brokerage (Novélia) and asset management companies (Federal Finance, Schelcher Prince Gestion, Arkéa Real Estate, Arkéa REIM and Arkéa Capital Gestion).

Revenues from the insurance and asset management sector were up by €8 million compared to 2021 at €581 million.

On a for-like basis ⁽⁴⁾, revenues were down €13 million to €567 million penalised by unfavourable market impacts on the valuation of insurance assets and the increase in claims related to the weather events of 2022 (thunderstorms, hail).

(1) Operating expense ratio (general operating expenses plus depreciation, amortisation and impairment of intangible assets and property, plant and equipment) to revenue.
(2) Revenues correspond to Net Banking Income (NBI) including gains or losses on disposals – dilution of companies accounted for by the equity method.
(3) Excluding changes in scope in 2022 (Keytrade Luxembourg, Budget Insight, Leetchi, Mangopay, Pumpkin and Nouvelle Vague) and 2021 (Stratéo, Arkéa Real Estate and Arkéa REIM).
(4) Excluding changes in scope for 2021 (Arkéa Real Estate).

3.3.2 Operating expenses

Operating expenses amounted to €1,814 million, up by €112 million, or 6.6%.

On a like basis ⁽¹⁾, operating expenses increased by €136 million to €1,735 million:

- employee benefits expenses increased by €41 million to €938 million;
- other expenses were up €90 million to €652 million driven in particular by the increase in supervision expenses, including the contribution to the Single Resolution Fund;
- depreciation, amortisation, impairment and provisions increased by €5 million to €145 million.

3.3.3 Cost of risk

The cost of risk grew by €20 million to €136 million.

- provisions for performing loans increased by €29 million to €86 million;
- the cost of risk on non-performing and litigious customer loans fell by €9 million to €50 million.

The cost of risk represented 0.17% of outstandings on the balance sheet of customer commitments.

Portfolio credit risk quality

Non-performing and litigious loans, including interest, increased by 2.1% to €1,482 million at the end of December 2022.

The rate of non-performing and litigious loans, including interest, on the total outstanding was down in 2022 to 1.8%, from 2.0% at 31 December 2021.

Provisioning

Crédit Mutuel Arkéa noted the resilience of its customer loan portfolio in 2022 with a decrease in the provision rate for non-performing and litigious loans (principal and interest) by 2.5 points to 47.0%, mainly impacted by the downgrading of government-guaranteed loans (with a reduced provisioning rate given the government guarantee) and reversals of provisions following the repayment of loans.

3.3.4 Return on assets

The return on assets corresponds to the net accounting profit as a percentage of the total balance sheet assets on a consolidated basis. It stood at 0.29% in 2022, up 3 bps compared to 2021.

3.3.5 Regulatory capital and ratios

3.3.5.1 Internal capital adequacy assessment process

Crédit Mutuel Arkéa group is subject to the prudential regulations applicable to credit institutions, insurance companies and financial conglomerates:

- the regulations applicable to credit institutions result from the transposition into French law of the Capital Requirement Directive 4 (CRD 4) and the Capital Requirement Regulation (CRR), these texts corresponding to the roll-out of the so-called Basel III proposals. The regulations are supplemented by the transposition into French law of the Banking Recovery and Resolution Directive (BRRD). Following the implementation of Basel III, several texts published in 2019 and making up what is called the "banking package" have supplemented or amended the regulations in force. These new CRR 2, CRD 5 and BRRD 2 texts came into force gradually from 2019 to June 2021;
- since 2016, the regulations applicable to insurance companies have been derived from the transposition of the Solvency 2/Omnibus 2 directives into French law;
- the regulations applicable to financial conglomerates result from the transposition of the Financial Conglomerates Directive into French laws. The purpose of this regulation is to ensure that all of the conglomerate's risks (aggregating banking and insurance activities) are covered by the group's consolidated shareholders' equity.

The solvency ratios for banks and financial conglomerates are calculated in accordance with the standards in force at the closing date by Crédit Mutuel Arkéa's Accounting Department, based on the level of weighted risk calculated by the Risk Department.

At the end of 2021, the European Central Bank (ECB) notified Crédit Mutuel Arkéa of a Pillar 2 (P2R – Pillar 2 mandatory) requirement of 2.75% applicable for the year 2022 from 1 January. This requirement is to be constituted in the form of at least 56.25% of CET1 capital and 75% of Tier 1 capital.

Throughout 2022 Crédit Mutuel Arkéa met its minimum ratio requirements. Each quarter, the ratios are calculated on the basis of the accounts closing and then compared with the minimum requirements set by the supervisor for each ratio.

Insurance solvency ratios are calculated and monitored by the group's insurance companies.

Crédit Mutuel Arkéa's ALM Management Department monitors all these ratios and steers the consolidated solvency ratios of the banking business and the financial conglomerate.

(1) Excluding changes in scope in 2022 (Keytrade Luxembourg, Budget Insight, Leetchi, Mangopay, Pumpkin and Nouvelle Vague) and 2021 (Stratéo, Arkéa Real Estate and Arkéa REIM).

On the basis of regulatory statements, assumptions about the development of the group's business and appropriate capital requirement forecasts, the Balance Sheet Management Department makes projections of ratios over the coming years (minimum 3 years). These projections are presented regularly to Executive Management, notably at meetings of the Capital

Management and ALM Committee, and are supplemented with stress scenarios. The objective is to anticipate the group's capital requirements and propose optimisation measures to ensure long-term compliance with internal and regulatory requirements.

3.3.5.2 Solvency ratios

3.3.5.2.1 Regulatory capital

Common Equity Tier 1 (CET1) capital amounted to €7.5 billion and represented 80% of total regulatory capital. It increased by €0.2 billion in 2022, mainly due to the integration of the undistributed profit for the financial year, the net inflows of cooperative shares on new B shares carried out during the year and by the decrease in value of securities recognised at fair value through shareholders' equity.

Tier 2 capital decreased by €0.13 billion in 2022 due to the gradual downgrading of subordinated debt as an equity instrument and in the absence of any issues during the year.

Regulatory capital reached €9.2 billion at the end of 2022.

(in € millions)	31.12.2022	31.12.2021
Tier 1 capital net of deductions	7,508	7,319
of which Common Equity Tier 1 (CET 1)	7,508	7,308
Tier 2 capital, net of deductions	1,657	1,789
Total capital for the calculation of the solvency ratio	9,164	9,108

3.3.5.2.2 Risk-weighted assets

Risk-Weighted Assets (RWA) are calculated on the basis of on- and off-balance sheet exposures. They are calculated and broken down by type of risk and are used in the calculation of solvency ratios.

At the end of 2022, risk-weighted assets amounted to €44.5 billion, up by €1.5 billion. This change is mainly due to the increase in outstanding loans and the change in certain risk calculation parameters offset by the decrease in the value of equity-accounted entities in connection with the decrease in value of securities recognised at fair value through equity carried by the insurance entities. 94% of risk-weighted assets were composed of credit risk.

(in € millions)	31.12.2022	31.12.2021
Credit risk	41,673	40,464
Market risk and CVA (standardised approach)	72	59
Operational risk (almost exclusively advanced measurement approach)	2,800	2,554
Total risk-weighted assets	44,545	43,077

3.3.5.2.3 Solvency ratios

The CET1 ratio stood at 16.9% at the end of 2022 compared to 17.0% at the end of 2021. The 0.10 point decrease in the ratio is explained by the increase in CET1 equity, which is proportionally lower than that of risk-weighted assets.

The overall solvency ratio decreased by 0.5 points to 20.6% at the end of 2022; this decrease is mainly due to the decrease in T2 capital in 2022.

	31.12.2022	31.12.2021
CET 1 ratio	16.9%	17.0%
Tier 1 ratio	16.9%	17.0%
Overall ratio	20.6%	21.1%

3.3.5.3 Other solvency ratios monitored

3.3.5.3.1 Leverage ratio

The Basel III texts defined a ratio aimed at capping the leverage effect. The leverage ratio is intended both to calibrate the amount of Tier 1 capital (numerator of the ratio) and to control the group's leverage exposure (denominator of the ratio) in order to achieve the ratio level targets set by the group.

At 31 December 2022, the leverage ratio was 5.9%, compared with 7.2% at 31 December 2021; this decrease is mainly due to the end of the exclusion of exposures to central banks since 31 March 2022.

3.3.5.3.2 Financial conglomerate ratio

The financial conglomerate ratio makes it possible to verify the coverage by "financial conglomerate capital" of solvency requirements relating to banking activities (integrating Pillar 2 requirements since 2016) and insurance activities. The minimum level required is 100%.

At 31 December 2022, the conglomerate's consolidated equity stood at €11.5 billion and the requirements at €6.4 billion, i.e. a slight decrease in the ratio to 180% compared to 187% at 31 December 2021 (for a regulatory requirement of 100%).

3.3.5.3.3 Ratio derived from the Bank Recovery and Resolution Directive

The Banking Recovery and Resolution Directive published in May 2014 establishes a European framework for the recovery and resolution of credit institutions. The aim is to reduce the impact of a bank failure on the financial system and avoid burdening the taxpayer.

It provides for the introduction of the Minimum Requirement for own funds and Eligible Liabilities (MREL) ratio, which is the ratio of equity and other eligible liabilities to the institution's total liabilities and equity, after certain prudential adjustments (TLOF)⁽¹⁾ or expressed in risk-weighted assets (RWA). Regulatory capital equity, subordinated securities, non-preferred senior debt and certain preferred senior debt with a residual maturity of more than one year are eligible for the numerator of the MREL ratios.

The Confédération Nationale du Crédit Mutuel (CNCM) obtained from the Single Resolution Board (SRB) a cooperative waiver allowing a single external MREL requirement at the level of the entry point into resolution extended beyond the central institution to all its affiliates. The consequence is the exemption from internal MREL of all affiliates of the central institution. As a result, the SRB has not notified the Crédit Mutuel Arkéa group of a minimum regulatory capital requirement and eligible liabilities (MREL ratio).

Despite the absence of monitoring on an individual basis, the Crédit Mutuel Arkéa group monitors an overall MREL indicator as well as a subordinated MREL indicator in addition to the risk appetite framework (excluding senior preferential debt from the numerator). At the end of 2022, the Crédit Mutuel Arkéa group complied with the thresholds set in its appetite framework.

3.3.5.4 Solvency of group insurance companies

Since 1 January 2016, European insurers must comply with the Solvency 2 framework.

In this framework, the Solvency 2 capital consists of the entities' hard capital (capital fixed by Crédit Mutuel Arkéa: share capital and issue premiums), surplus funds for Suravenir (economic valuation of the provision for eligible profit-sharing to cover the Solvency Capital Requirement and the Minimum Capital Requirement), the reconciliation reserve (Solvency 2 net assets less the capitalised capital of Crédit Mutuel Arkéa, and any surplus funds) as well as subordinated liabilities subscribed by Crédit Mutuel Arkéa.

In addition, the Solvency Capital Requirement (SCR) of the group's insurance companies is calculated by applying the standard formula set out in the Solvency 2 regulation.

Since 31 December 2019, Suravenir has applied the transitional measure on technical provisions provided for in the Solvency 2 regulation. It should be noted that in an economic environment driven by a significant increase in rates throughout 2022, this transitional measure has no effect in 2022 due to the cap on the deduction on technical provisions. No other transitional measures provided for by European legislation have been applied by the group's insurance subsidiaries. Insurance companies' own funds and regulatory capital requirements are reported quarterly and discussed with the group.

At the end of 2022, Suravenir and Suravenir Assurances complied with regulatory requirements.

With regard to governance, Suravenir and Suravenir Assurances have the four key functions required by regulations, as well as internal control and risk management systems. Each year, the insurance subsidiaries produce an ORSA (Own Risk and Solvency Assessment) report that assesses the overall solvency requirement, identifies any deviation of each company's risk profile from the assumptions of the standard formula and ensures ongoing compliance with regulatory requirements. Suravenir prepares its Recovery Plan (PPR) every two years, which aims to assess Suravenir's ability to maintain its commitments, as well as to restore its viability and financial position in the event of a crisis and provides for a range of measures that would make it possible, depending on the context encountered, to ensure its recovery in terms of solvency, liquidity or profitability.

Finally, Suravenir and Suravenir Assurances publish their Solvency and Financial Conditions Report (SFCR) and implement the Regular Supervisory Report (RSR) and the various quarterly and annual Quantitative Reporting Templates (QRT) for the ACPR, EIOPA, ECB and FSB.

(1) Total Liabilities Own Funds, equivalent to the prudential balance sheet after netting of derivatives.

3.4 Measuring non-financial impacts

3.4.1 Increased non-financial performance

Crédit Mutuel Arkéa's non-financial performance amounted to €9.4 billion for the 2022 financial year, up 16.4% compared to 2021 (+4.2% on a like-for-like basis).

For €1 million in financing granted, Crédit Mutuel Arkéa generates on average:

- €18,000 in negative environmental impacts;
- €168,000 with positive socio-economic impacts.

Meaning an overall impact of €150,000, stable compared to 2021.

The increase in non-financial performance, i.e. +€1.3 billion, was driven by:

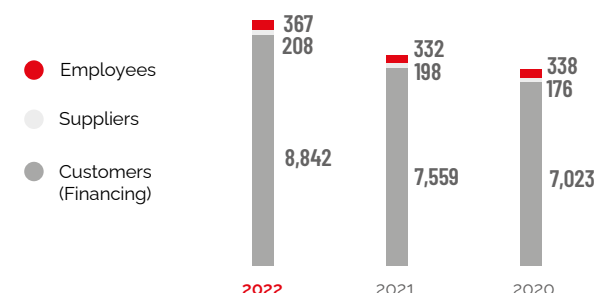
- an increase in financing volumes (on a like-for-like basis compared to 2021) and purchases from suppliers [**+€0.3 billion**];
- an extension of the scope of the covered entities and the implementation of a new indicator on financing [**+€1 billion**].

The increase in non-financial performance [**+€1.3 billion**] was driven by the increase in socio-economic indicators calculated on financing.

The measurement of environmental indicators deteriorated, mainly penalised by the increase in the carbon reference value of 16% (from €103 teq CO₂ to €119 teq CO₂).

The result by stakeholder breaks down and changes as follows:

Non-financial impacts in € millions



The Group's non-financial performance for 2022 was driven by the increase in socio-economic impacts calculated mainly on financing, which amounted to €10.5 billion (up by €1.6 billion compared to 2021, +0.5 billion at same group scope).

At the same time, the measurement of environmental indicators deteriorated, penalised mainly by the increase in the carbon source value of 16% (from €103 teqCO₂ to €119 teqCO₂).

For the first time in three years, the negative externalities associated with the environmental component exceeded €1 billion (-€268 million compared to 2021).

3.4.2 Change in scope

For this new financial year, the scope of application of the methodology is broader, covering new entities: Arkéa Crédit Bail, Arkéa Direct Banque, Arkéa Banque Privée and Crédit Foncier Communal Alsace Lorraine (CFCAL). Thus, 75% of financing was covered in 2022 compared to 70% in 2021.

(% of total) Crédit Mutuel Arkéa	October 2021 (2020 measurement on ABEI)	July 2022 (2020 and 2021 measurement on an extended scope)	March 2023 (2022 measurement on an extended scope)
Financing	18% of financing	70% of financing	75% of financing
Suppliers	2% of external purchases	95% of external purchases	95% of external purchases
Employees	3% of the workforce	90% of the workforce	94% of workforce

In addition, two indicators were created in connection with the gain in purchasing power:

- The valuation of the real estate assets of customers in debt collection/litigation
 - The Legal Department has begun work to offer certain customers in litigation/debt collection a solution avoiding the forced sale of their property by favouring an out-of-court sale thanks to the intervention of an external service provider,

- This approach represents a major benefit for customers, not only in financial terms with the increase in the 'Left to live on' (Reste à Vivre or RAV), but also in terms of the quality of the relationship with their bank. It is rewarding for employees, who contribute concretely and substantially to the turnaround of their customers,
- The non-financial performance measurement for the cases concerned amounts to **€0.7 million** (for financing of €1.4 million);

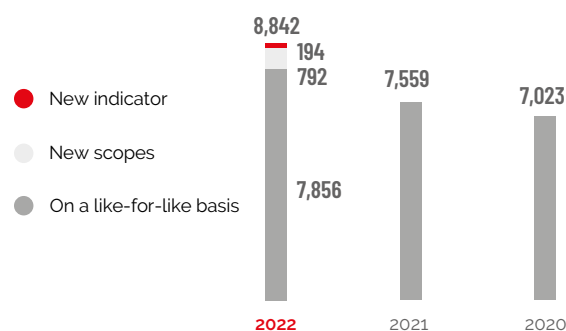
- The "Left to live on" generated by the consolidation of loans
 - The approach consists of calculating a socio-economic indicator specific to CFCAL's activity corresponding to the increase in the purchasing power of individual borrowers due to the consolidation of their loans, an increase in the "Left to live on",
 - The measure reflects the annual gains in purchasing power related to the increase in the "Left to live on" following a consolidation of loans (such as revolving loans, real estate, amortisable loans, debt buybacks, financing of works, etc.).
 - After reviewing each case, consolidation is proposed to vulnerable customers who, without this measure, would incur an increased risk of damage (Banque de France record, loss of house, etc.).
 - The loan consolidation allows customers to benefit from a single monthly payment, to have a single borrower insurance, contributing to simplified management of their finances and aimed at avoiding over-indebtedness short term,
 - The non-financial performance measurement related to the purchasing power gain for CFCAL amounted to **€194 million** for outstandings of €3.2 billion.

As for the induced impacts - those to which the group contributes, for example access to care, and thereby the quality of life in good health, the financing of doctors, health institutions or nursing homes - represented 60% of this performance (€5,699 million).

3.4.4 Analysis of changes

3.4.4.1 Financing

For the year 2022, the non-financial performance on financing amounted to €8.8 billion.



New group entities are included in the scope of measurement: Arkéa Crédit Bail, Arkéa Direct Banque and Arkéa Banque Privée. The non-financial impact was €792 million for outstandings of €3.5 billion.

For CFCAL, a subsidiary specialising in loan restructuring and debt consolidation, a specific indicator was created to capture the immediate purchasing power gain of €194 million generated by loan consolidation with outstandings of €3.2 billion.

For 2022, €1 million in financing granted by Crédit Mutuel Arkéa generated on average:

- €18,000 in negative environmental impacts
- €168,000 in positive socio-economic impacts ⁽¹⁾

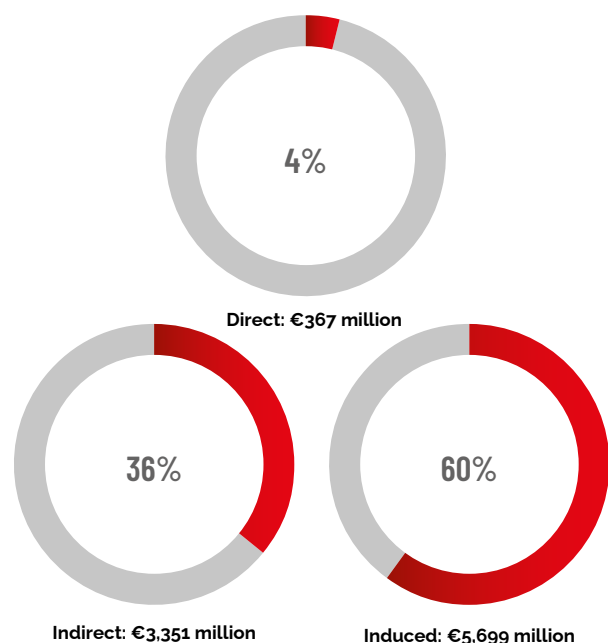
meaning an overall positive impact of €150,000, stable compared to 2021.

The impact of environmental indicators on financing deteriorated by 35% between 2021 and 2022. This deterioration is explained by the penalising evolution of certain indicators, particularly:

- Greenhouse gas (GHG) emissions: the impact of "greenhouse gas emissions" represented 79% of the environmental impact in 2022, a total of €807 million. The deterioration of this indicator is observed in all sectors of activity due to the 16% increase in the carbon reference value;
- Water consumption: the impact of the "water consumption" indicator represented 18% of the environmental impact in 2022, a total of €185 million. The deterioration of this indicator is observed in all sectors and is also due to the 19% increase in the cost of water distribution.

3.4.3 Impact by sphere of influence

The methodology for measuring non-financial performance also makes it possible to assess it by sphere of influence.



The direct impacts - those that the group can control, for example the reduction of its own carbon footprint - represented 4% of this 2022 performance (€358 million).

Indirect impacts - those that the group influences, for example the use of suppliers in its regions, which contributes to the dynamics of local employment - represented 36% (€3,351 million).

⁽¹⁾ Scope: excluding the new CFCAL indicator

The change in socio-economic indicators is due to factors such as:

- The "**Supported jobs**" (€2.6 billion) and "Added value in the regions" (€2.5 billion) indicators both increased, correlated with the increase in outstandings. The Supported Jobs indicator also benefited from the increase in the average salary of 6% (source: INSEE)
- The Quality-of-Life indicator "**# Patients or care provided**" (€2.9 billion) also changed significantly. Outstandings in the "Human Health and Social Action" sector increased by 25%, generating an increase in the non-financial impact of 31%, in particular with the integration of Arkéa Crédit Bail into the scope of the 2022 measurement.
- Another indicator - not very significant for the moment - but which doubled in 2022. This is the "**Gain in purchasing power**" indicator associated with the financing of work to reduce the energy bill (€8 million). In line with the increase in energy prices, it is more interesting than ever in terms of sustainable gains in purchasing power to invest in energy saving work.
- The indicator "**Home owner**" (€1.7 billion) deteriorated due to the increase in interest rates in 2022. This change reflects the decline in purchasing power due to home ownership, penalised here by the cost of credit.

3.4.4.2 Suppliers

For the year 2022, the non-financial performance on suppliers amounted to €208 million. The increase in the impact is linked to the 7% increase in purchases made in 2022 (€543 million vs. €508 million in 2021) combined with the increase in the average salary.

3.4.4.3 Employees

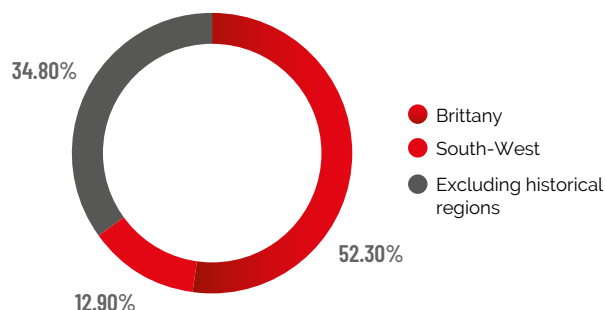
On the direct internal footprint - calculated on HR indicators - the non-financial performance on employees amounted to €367 million for 2022. The scope of measurement has also been extended: 94% of employees were covered (compared to 90% in 2021).

The net recruitments of 283 FTEs on permanent contracts within the calculated scope contributed to a positive change in the indicator "**Supported jobs**".

The amount of peripheral compensation was up, contributing to a change in the impact on purchasing power provided by the employment contract of employer entities.

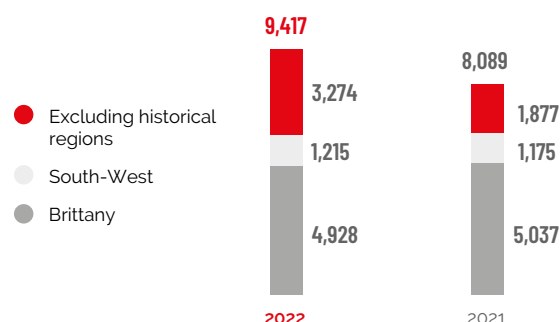
3.4.5 Focus on historical regions

Below is the geographical distribution of the impact, i.e. 2/3 of the impact carried by Brittany and the South-West



This breakdown is aligned with the breakdown of outstanding loans by region.

Below is the evolution of the impact between 2021 and 2022;

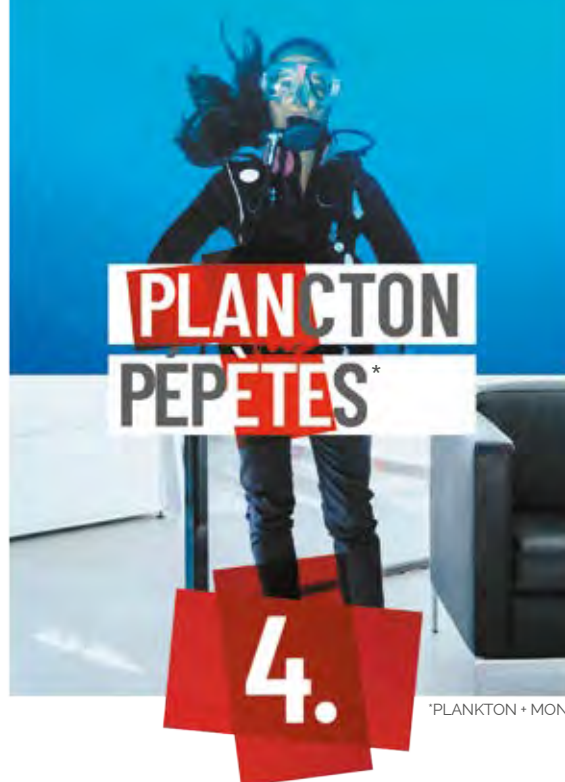


The increase in the 2022 impact is driven by the scope "excluding historical regions" due to the integration of new subsidiaries with a national reach (mainly: Arkéa Direct Bank, Arkéa Crédit Bail and CFCAL).

At the same time, the federations were penalised by the decrease in the #home owner indicator (in line with changes in interest rates).



OVERALL PERFORMANCE



*PLANCTON + MONEY = PLANET

STATEMENT OF NON-FINANCIAL PERFORMANCE

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4.1 Crédit Mutuel Arkéa's business model

Through its open, innovative, cooperative and collaborative model, Crédit Mutuel Arkéa strives to combine the needs of its members and customers with the challenges of our times, in a quest for overall performance, in terms of financial, environmental and social issues. Crédit Mutuel Arkéa thus pursues a responsible development strategy and positions itself as a banking and financial partner in a world that is to be thought for the long term, at the service of regions and their stakeholders.

The group's business model and activities are described in more detail in Chapter 1 of this Universal Registration Document.

4.2 Sustainability issues at the heart of Crédit Mutuel Arkéa's Purpose and Transitions 2024 plan

4.2.1 A deep conviction, in line with stakeholders' expectations

A cooperative and collaborative bank, Crédit Mutuel Arkéa places dialogue with its stakeholders at the heart of its corporate approach. Many structuring projects are carried out with a key focus on listening to the internal and external environment.

Over the 2018-2020 period, a major process of listening to and involving stakeholders in the group's strategy was carried out, ultimately leading to adopting its 'raison d'être' or purpose, and the construction of the new Transitions 2024 strategic plan, which was approved in early 2021:

- 2018: the group went out to meet its stakeholders throughout the year.
 - "cooperation workshops" were held with 1,500 directors of the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations, so that they could express their expectations regarding the cooperative movement,
 - as part of the group's materiality analysis, interviews and workshops were also held with various categories of group stakeholders (customers, directors, employees, suppliers, etc.),
 - from the summer of 2018, a collaborative approach was carried out with employees, managers and directors in order to express the group's purpose,
 - lastly, collaborative workshops were held with group employees on the theme of equity;
- 2019: a diagnostic process of its activities, business lines, business relationships and internal practices with regard to the group's purpose was carried out. Once again, this work was carried out with the full involvement of directors and employees, and also with consultation of the group's customers and partners. An open process, a guarantee of an authentic and sincere approach, which has made it possible to precisely identify, for each of the group's business lines, points of support and room for improvement;
- 2020: Crédit Mutuel Arkéa's entities were mobilised around the construction of the 2021-2024 strategic plan, in a participatory, resolutely bottom-up and cross-functional approach, as close as possible to the business lines and challenges of its members, customers and partners. Each of the entities will thus have contributed to an in-depth reflection on the global, financial and non-financial impact of Crédit Mutuel Arkéa's activities.

This collaborative approach is structuring, and allows the group, in addition to strengthening its knowledge of its impact on its stakeholders, in particular the social, environmental and societal consequences of its activities, to better understand their expectations in favour of all the more relevant actions.

This approach complements the group's regular exchanges with its various stakeholders.



Prospective customers, customers and members

(individuals, professionals, institutions, etc.)

- Federations: surveys, round tables, barometers, member panels, an event day of collaboration and co-construction with our members
- Digital: collection of customer opinions within the digital interfaces in a logic of continuous improvement, courses co-constructed with a panel of pilot customers
- Measures of satisfaction



Media

- Discussions with the General Secretary and Corporate Communication Department
- Press releases, press conferences and media events
- Journalist and media exchanges
- Corporate publications
- Presentations by spokespersons
- Digital communication (SR)



Regulatory authorities

- Regular meetings and exchanges between the relevant Crédit Mutuel Arkéa management and departments and:
 - the ECB, SRB, ACPR and DGCCRF in the context of their authorisation, supervision and prudential monitoring missions (agreements and authorisations, prudential reporting, desk audits, on-site inspections, close supervision interviews, consultations, participation in workshops and working groups, questionnaires, various request, etc.)
 - the AMF as part of its regulatory and financial investment protection missions (approvals, authorisations and approvals of prospectuses, information documents and investment products, advice, consultations, document investigations and inspections, on-site inspections and investigations, periodic information reports, various types of requests, etc.)
 - the Luxembourg Financial Sector Supervisory Commission as part of the approval of our EMTN refinancing programmes
 - foreign supervisory authorities to support and supervise subsidiaries and branches operating abroad (in particular the Banque Nationale de Belgique and the Financial Services and Market Authority in Belgium)



Directors

- Boards of Directors and General Meetings
- Federal commissions and specialised committees
- Involvement in Solidarity schemes (federations)
- Coordination (director/employee) of training modules for directors
- Annual seminar dedicated to group strategy for Crédit Mutuel Arkéa directors
- Annual seminar dedicated to group strategy for second-level directors
- Annual assessment and three-year questionnaire for Crédit Mutuel Arkéa directors to evaluate the Board's operation
- Annual seminars for federal elected representatives, members of the Federation's Bureau bringing together in 2022 the members of the CMSO Board of Directors, new directors and new local bank Chairmen
- As part of the Medium-Term Plan 2024 and its "Promotion of the cooperative model" pillar, co-construction of changes in the cooperative bodies (in particular the Boards of Directors of the local banks) and the role of federal elected representatives, through participatory workshops
- Surveys of local banks Chairmen and local banks directors



Trade associations (AMAFI, OCBF...) and professional networks

- Meetings, regular exchanges and participation in workshops and working groups
- Monitoring and exchanges on legislative and regulatory developments
- Exchange on common or divergent professional systems and practices
- Reflections on issues of interpretation and operational implementation
- Participation in exchanges and work with regulators



Schools, associations

- Supervisory authorities Participation and sponsorship of events



Employees

- Relationship with management
- Exchanges with HR managers
- Surveys and barometers
- Internal communication: information meetings (Spring & Autumn meetings, PEPS, 360 Chrono, RH Days, Square Events), intranet, events, etc.
- Whistleblowing



Analysts and investors

- Investor Relations team
- Investor area on the cm-arkea.com website
- Market releases
- Presentation of annual and half-yearly results
- Roadshows with French and foreign investors



Suppliers

- Exchanges with the Purchasing Department (including responses to calls for tenders, contracts, questionnaires assessing the risks of non-compliance and CSR policies for the main suppliers, including periodic activity assessment)
- Operational monitoring of the service with the business lines



Rating agencies

- Presentation of annual and half-yearly results
- Exchanges with the Finance and Overall Performance Department correspondents in charge of monitoring the rating agencies
- Periodic meetings between Crédit Mutuel Arkéa staff and each rating agency
- Periodic meetings between Crédit Mutuel Arkéa staff and each rating agency
- Answers to requests and questions from agencies



Social partners

- Employee representative bodies
- Agreement on trade union rights and staff representation

Crédit Mutuel Arkéa's goal of sustainability is part of a continuous process of progress and openness.

The group's executives themselves promote this commitment to sustainable economic development, through internal and external presentations.

In 2022, by way of illustration:

- signature of the forum *"Making sobriety a collective choice"*⁽¹⁾ by Hélène Bernicot, Chief Executive Officer of Crédit Mutuel Arkéa, alongside 83 other French business leaders;
- participation in the launch of the Association of Community Partners *"Les entreprises s'engagent"*, a community to which Crédit Mutuel Arkéa belongs;
- intervention during webinars organised by the community of companies with a mission;
- publication of an article co-authored by Hélène Bernicot, Chief Executive Officer, and Anne Le Goff, Deputy Chief Executive Officer, entitled *"Decision-making, collective leadership for committed finance"*⁽²⁾. Through their testimonials, they draw the contours of a new generation of leadership, focused on impact and transmission, but also of a committed banking model, with its roots in the regions;
- at the third edition of the Forum Économique Breton⁽³⁾:
 - talk by Julien Carmona, Chairman of Crédit Mutuel Arkéa, during the plenary session *"Supporting environmental and societal transitions, serving the autonomy of the regions"*;
 - participation of Hélène Bernicot in the diversity round table *"Five ideas to promote gender equality in companies"* alongside Christine Lozachmeur, Chairwoman of MEDEF 29, and Elena Maneru Izcue, Chairwoman of the Femmes de Bretagne association;
- at the first Sens & Travail assizes, *"Rethinking work to rebuild the world"* organised by Aromates and sponsored by Marlène Schiappa, Minister Delegate to the Minister of the Interior, in charge of Citizenship, and Olivia Grégoire, Secretary of State in charge of the social, solidarity-based and responsible (third sector) economy, presentation by Anne Le Goff, Deputy Chief Executive Officer, at the round table *"Perspective - working for society?"* to recall the absolutely essential societal challenge;
- at the sixth edition of the speed dating for entrepreneurs, organised by Arkéa Banque Entreprises et Institutionnels and placed under the theme of *"Leadership of tomorrow to promote the positive impact of companies and the sustainable development of the regions"*, presentations by Julien Carmona and Hélène Bernicot.



As a sign of this commitment, in 2015 the group decided to join the United Nations Global Compact social responsibility initiative which is part of the **UN Global Compact** and to promote its ten principles, around human rights, labour and environmental standards, and the fight against corruption.

Since October 2018, the group's Communication on Progress (COP), published annually, has been qualified at the Advanced level.



In 2021, the group wanted to rally initiatives in favour of an active contribution by the financial sector to environmental and social objectives: it joined the Principles for Responsible Banking (PRB) of the UNEP FI at the end of 2021, as well as the Finance for Biodiversity Pledge initiative.

At the end of 2022, this approach was strengthened by Crédit Mutuel Arkéa joining the Net Zero Banking Alliance (NZBA) initiative⁽⁴⁾.



Crédit Mutuel Arkéa is a member of the FAIR association (formerly Finansol) through certain subsidiaries of the group.

Crédit Mutuel Arkéa maintains its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the CDP (formerly called the Carbon Disclosure Project), which aim for greater transparency for companies in taking into account climate and environmental issues in their business model. In 2022, the group published its second climate report in compliance with the TCFD recommendations.

Crédit Mutuel Arkéa also responded to the CDP questionnaire for the second consecutive year and took part in the Main Disclosure Campaign: an operation through which Crédit Mutuel Arkéa encouraged three partner companies to also participate in the questionnaire and provide their environmental data.

Through this approach, the group is committed to its responsibility and affirms its desire to act in favour of a more responsible society.

In the field of asset management, the group's subsidiaries also participate in initiatives in favour of sustainable finance, such as the Principles for Responsible Investment, the Finance For Biodiversity Pledge or the International Climate Initiative.

(1) <https://bit.ly/3Aum6n6>

(2) https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2022-12/helene_bernicot_et_anne_le_goff_publient_la_fabrique_de_la_decision_aux_editions_du_cherche_midi.pdf

(3) https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2022-07/feb-3-a4-dossier_de_presse-imp5.pdf

(4) https://www.cm-arkea.com/banque/assurance/credit/mutuel/ecb_5007/fr/developpement-responsable

In its regions, the group also wants to contribute to a collective dynamic in favour of economic, societal and environmental issues. Crédit Mutuel Arkéa actively contributed to the creation of the Dirigeants Responsables de l'Ouest Finistère network (DRO 29 or 'West Finistère responsible business leaders'). Arkéa Banque Entreprises et Institutionnels is also a founding member, along with other managers, of the same network of "Dirigeants responsables de l'Ouest" in Ille-et-Vilaine (DRO 35). The mission of the DRO 29 and DRO 35 networks is to work together on shared issues such as climate, sustainable mobility, attracting talent, listening to stakeholders, and cooperating to create a concrete and rapid positive impact by supporting their members in their commitment.

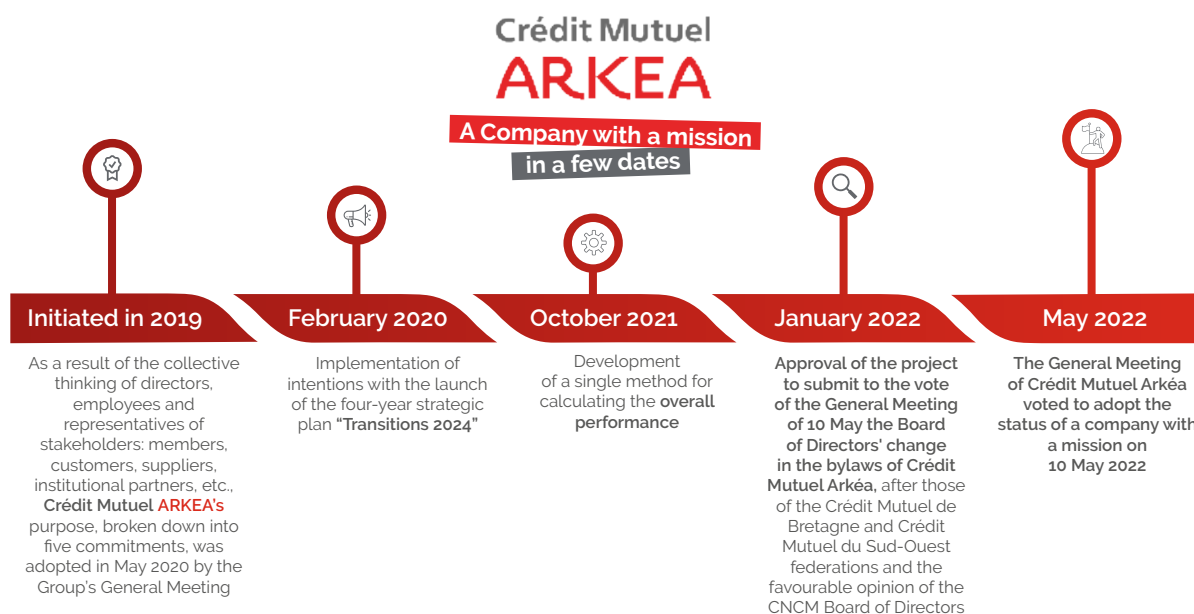
Crédit Mutuel Arkéa's involvement in these networks and initiatives, whether international, national or local, aims to make an active and collective contribution to the achievement of sustainable economic development.

The policies and action plans implemented by the group to promote a sustainable business model are reflected in its non-financial ratings:

- in 2022, Crédit Mutuel Arkéa was rated AA (on a scale from AAA to CCC) in the MSCI ESG Ratings assessment;
- in 2022, Crédit Mutuel Arkéa received an ESG risk rating of 19.0/100 (top score is 0) and was assessed by Sustainalytics as being at low risk of significant financial issues due to ESG factors ⁽¹⁾;
- at the end of 2022, Crédit Mutuel Arkéa was rated "C" by the CDP agency;
- in 2021, Crédit Mutuel Arkéa received an ESG assessment of 69/100 from Moody's ESG Solutions;
- Crédit Mutuel Arkéa is rated "Prime" by the ISS-ESG agency.

4.2.2 A project that has long been marked by its commitment as a responsible economic player

4.2.2.1 In the form of a sustainable business model as a company with a mission



On 10 May 2022, the General Meeting of Crédit Mutuel Arkéa voted to adopt the status of a company with a mission ⁽²⁾: Crédit Mutuel Arkéa officially becomes one of the first banks to acquire this status.

This resolutely structuring act is part of an approach initiated in 2019, the year during which the bank was the first in France to seize the opportunity proposed by the Pacte law to acquire a purpose. This purpose defines the profound meaning that Crédit Mutuel Arkéa gives to its business lines, its activity and the way in which it defines its usefulness to society and the planet.

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(2) https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2022-05/110522_cp-le_credit_mutuel_arkea_devient_officiellement_une_entreprise_a_mission.pdf



The purpose is reflected in the Transitions 2024 strategic plan, through which the group intends to strengthen its positive impact as well as its overall performance.

As of 3 June 2022, in accordance with the Pacte Law, a Mission Committee was appointed. Composed of nine members, it combines diversity of profiles, expertise, commitment to the environmental and societal fields, a real gender diversity (45% women) and representation of the regions where it operates.

- five external members, representative of the business world, associations and local authorities;
- two directors from Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest;
- two employees.

Its role is to approve, monitor and assess, using measurement indicators, the proper execution of the group's trajectory. It will ensure compliance with each of the commitments and that the latter are at the heart of decision-making at all levels. Thus, the Mission Committee will present a mission report each year. The objectives set by the committee will be subject to regular assessment by an approved independent third party.

The five commitments and variations

Commitments	Variations
1 Make our decisions while aiming for a balanced approach between financial performance and positive impact - societal and environmental - through the exercise of cooperative governance anchored in our regions.	Implement our global performance measurement methodology and steer our activities by their impact. Involve our members and promote our cooperative and regional governance model. Be exemplary in our own actions and transitions by reducing our carbon footprint.
2 Support each of our stakeholders in their environmental transition.	Develop financing offers dedicated to supporting the environmental transition of all our customers. Direct our customers' savings towards products that contribute to the fight against climate change.
3 Develop regional cooperation and commit to local vitality.	Support the development of our regions and sectors and expertise in transition. Be an employer of choice in our regions.
4 Commit to inclusion and cultivate a lasting relationship of trust with all our members and customers, from the forerunners to the most vulnerable.	Promote banking inclusion and the financial well-being of our most vulnerable customers. Develop dedicated support for the various categories of members and customers through a range of specific products and services. Measure and develop the level of satisfaction of our customers. Be exemplary in our own practices by being an inclusive employer.
5 Promote the commitment of our collective in the service of the common interest, in particular by living our mutualist values.	Turn our local banks into drivers of local solidarity. Develop the commitment of our employees and support them at every stage of their career.

4.2.2.2 Concrete actions at the heart of the strategic project

The medium-term plan, called Transitions 2024, described in Section 1.6 of the Registration Document, aims to concretely translate the group's purpose into its business lines.

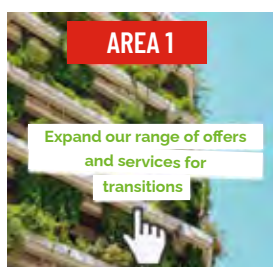
This plan is a resolute continuation of the previous plan – Arkéa 2020 – which initiated a dynamic transformation of the group's business lines and positioned it on a long-term growth path.

Transitions 2024 ⁽¹⁾ was built around the following priorities:

- the operational implementation of the five commitments of the Raison d'être (Purpose);
- the group's development issues;
- developments in the banking and insurance sector;
- the reality of the regions and customers;
- and, finally, the expectations of citizens concerning companies, so that they contribute to the economic, ecological and solidarity revolution.

The four strategic areas

Transitions 2024 aims to demonstrate the commitment of the Arkéa group to supporting environmental and regional transitions through its offers, business lines, practices and relationships with its customers, directors and employees. It is structured around four strategic areas, supported by execution levers, the strategic areas are priorities to guide its business model.



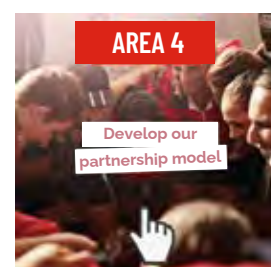
Crédit Mutuel Arkéa intends to support the environmental and social transitions of its stakeholders and enable them to undertake their own transformation. It also means proposing offers that promote inclusion and facilitate access to housing, education and health, etc.



The regions are the essential link for the balanced and successful transformation of society. Crédit Mutuel Arkéa already has a strong presence in the region and intends to further intensify its contribution, notably through financing levers and partnerships.

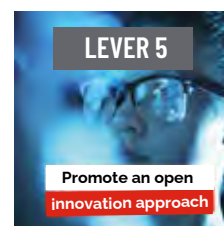
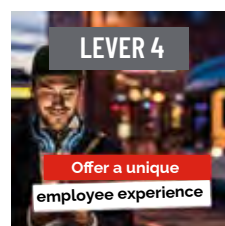
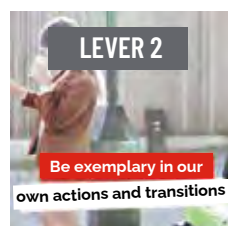
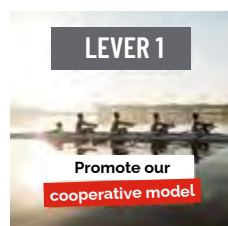


In this area, the group wishes to innovate in the use of the data at its disposal to better understand its customers and enrich its value proposition.



Crédit Mutuel Arkéa wants to strengthen its commitments to the innovative ecosystem and deploy new BtoB and external distribution partnerships.

The five levers



Transitions 2024 chooses a responsible growth strategy and to seek **overall performance**, in a balanced approach between financial performance and positive impact.

(1) http://www.cm-arkea.com/banque/assurance/credit/mutuel/ecb_5014/fr/strategie

4.2.2.3 The search for overall performance

In October 2021, Crédit Mutuel Arkéa became the first French bank to measure its non-financial impacts in euros, thus paving the way for the measurement of its overall performance, combining financial performance and non-financial performance, calculated in euros.

The group's objective is to generate financial and non-financial value for its stakeholders (members and customers, suppliers, employees) who will in turn contribute to the creation of additional financial and non-financial value for the group.

A first application of this methodology was initially carried out only on the Arkéa Banque Entreprises et Institutionnels subsidiary, which made it possible to test and validate it.

Since then, Crédit Mutuel Arkéa has gone further:

- this project has been managed from the outset by the Finance Department, a choice that illustrates the desire to ensure that the financial and non-financial converge and are considered with the same attention within a concept of overall performance: the reason for which the Finance Department became the Finance & Global Performance Department last June;
- the teams worked hard to deploy this vision of overall performance, and apply the calculation methodology to a larger scope within the group, covering more entities, a greater share of purchases, as well as a greater proportion of employees. Crédit Mutuel Arkéa is also in the process of developing the methodology for the scope of investments in order to be fully exhaustive in terms of assessing the impacts generated by its activities on customers;

- this extension of the scope was accompanied by the aim of reducing the lead times in order to be able to publish the non-financial results at the same time as the financial results. This reduction in lead times was made possible thanks to the industrialisation of the calculation tool now integrated into the group's information system;
- although it is an approach developed internally, the group benefited from the technical input of PwC experts for the definition of the main guidelines of the methodology. In addition, in order to improve the reliability of the work, the calculations as well as the methodological reference framework were subject to a detailed review by an auditor, which resulted in the establishment of a moderate assurance report;
- lastly, the teams began the development of a hybrid approach in order to move from the use of sector averages to the use of real data, with the collection of fine and granular customer data. This change will make it possible to carry out an assessment of the impacts that is closer to the reality than the sectoral approach used to date.

For more details, see also chapter 1.3 Overall performance and chapter 3.4 Measuring non-financial impact.

4.3 Crédit Mutuel Arkéa's main non-financial issues and risks

CRÉDIT MUTUEL ARKÉA'S CORPORATE SOCIAL RESPONSIBILITY



GOVERNANCE

The member is at the heart of corporate governance

77.7%

individual
customers - members

2,538

directors

80.7%

of local bank
directors trained

84%

attendance rate at
Crédit Mutuel Arkéa's
General Meeting



Only bank (in France)
with a head office in the regions



RESPONSIBLE EMPLOYER

1st

female two-person
team at the head of
a bank in Europe.

56%

of female employees on
permanent contracts

91/100

gender equality index
weighted average of eligible
companies

-0.3

gender pay gap



Opportunities for internal development

12.9%

internal mobility rate

93.4%

of employees trained

90%

employee satisfaction rate
with regard to company practices
and the working environment - Opinionway survey



SUPPORT FOR THE REGIONS



Our Solidarity systems

€12.4 Million

in aid allocated through local banks



Our business lines

Supporting professionals and accompanying
them in their transitions



FILIERE
MARITIME



Global

48,800 Tqe CO₂



CARBON FOOTPRINT
ASSESSMENT

Per FTE

4.51 Tqe CO₂

i.e. a decrease of 26% compared
to the reference year

CRÉDIT MUTUEL ARKÉA'S ESG IMPACT



COMMITMENTS AND CONTRIBUTIONS TO MARKET INITIATIVES



Since 2015, Crédit Mutuel Arkéa has been committed to the social responsibility initiative of the United Nations **Global Compact** and its ten principles on human rights, labour standards, the environment and the fight against corruption.



Signataire de la
Net Zero
Banking
Alliance
de l'UNEP FI



ESG CHALLENGES AT THE HEART OF THE GROUP'S ACTIVITIES



A sustainable finance sector supporting
the Group's transformation



In financing & investments

70%

of Federal Finance Gestion's assets under
management include an ESG analysis



To finance the transition

€885 Million

in outstanding
loans
to individuals

€609.45 Million

in outstanding
loans
to professionals

€616 Million

in outstanding
PACT loans

In order to identify its main non-financial risks, Crédit Mutuel Arkéa relied on the work carried out within the framework of the environmental risks materiality matrix, the risk mapping and the vigilance plan (see report below in Section 4.3.3).

This cross-functional approach highlighted eight major categories of non-financial risks directly related to the social, environmental, governance and ethical consequences of the group's activities and business relationships. The so-called direct environmental risks were not assessed as major, due to the group being a service business and in view of the other risks presented below.

However, and in line with its purpose, Crédit Mutuel Arkéa is particularly vigilant about environmental risks, particularly climate risks that are subject to special vigilance, particularly through their so-called indirect transmission via the financed activities. Fully convinced of the need, as a financial institution, to act positively in favour of the environmental transition and local vitality, Crédit Mutuel Arkéa supports its members, customers, partners and regional players in their own environmental and societal transitions towards responsible production and more sustainable consumption. In this respect, the group published its Climate strategy, which formalises its objectives in the fight against global warming and is in line with its ESG-Climate roadmap and its Transitions 2024 strategic plan aimed at gradually integrating climate change as a performance and risk factor in the management of all its activities.

Finally, the group itself may also be subject to risks related to climate change. In the field, for example, of non-life insurance, the growing risks resulting from global warming are physical risks related to the damage caused by storms, floods and droughts, which are now more frequent and often more destructive than in the past. Faced with these risks, in addition to risk identification and selection mechanisms, Suravenir Assurances relies on reinsurance to mitigate the financial impact, both in terms of protecting its results and its equity. However, in a context of increasing climatic events, an increase in the cost of property and casualty reinsurance has been observed, which will have to be reflected in the pricing of home insurance in order to maintain sustainable protection for policyholders. These financial risks are described in detail in Chapter 5 of the Universal Registration Document.

The major non-financial risks presented below are related to the group's activities and relationships with its stakeholders. Beyond the effect they may have for the latter, their main consequence is to generate an impact in terms of image and reputation for Crédit Mutuel Arkéa. Some risks have consequences that could have financial consequences: possible sanctions and fines, customer attrition, lack of employee commitment, but also medium- and long-term credit or counterparty risk concerning controversial financing and investments and support for the development of the regions. Risk factors including strategic, business and ecosystem risks as well as risks related to the business profile are described in detail in Chapter 5 of this Universal Registration Document.

4.3.1 Summary table of the main non-financial risks

Description of the main non-financial risks		2022	2021	2020	2019	Issues
Risks of non-compliance						
Non-compliance with financial security rules, including non-compliance with the regulation in the field of anti-money laundering and financing of terrorism (AML-FT)	Percentage of staff exposed to AML-TF and trained (credit institution scope 15589)	93.4%	91.4%	90.7%	90.1%	Exemplarity in business and governance
	Number of sanctions by ACPR concerning the AML-FT scheme	0	0	1	0	
Non-compliance with deontology/professional ethics rules including corruption	Percentage of people trained in compliance with rules of professional conduct (credit institution scope 15589)	91.03%	90.60%	64.40%	89.30%	
Non-compliance with customer protection rules	Number of beneficiaries of the specific offer dedicated to vulnerable customers (credit institution scope 15589)	26,836	24,330	19,551	14,818	Customer relationship and satisfaction Inclusion of vulnerable customers
Risk of breaching the security of our data						
Inappropriate use or access to data	% of targeted staff ⁽¹⁾ aware of information system security	85.6%	91.5%	86.5%	85.1%	Protection and security Data
Non-responsible supplier relationship ⁽²⁾						
Collusion	Share of purchases from French suppliers	85%	92%	96%	96%	Responsible supplier relationship
	% of ESG supplier assessments carried out for the reporting period	19.60%	8.04%	14.50%	7.40%	
Non-compliant CSR practices	Number of controversies identified among the suppliers assessed over the reference period	0	0	0	2	

(1) Employees of the Crédit Mutuel Arkéa group of the Arkade ESU, ASCD and the subsidiaries receiving the risk dashboard and/or having appointed a specific CISO: Arkéa Direct Bank (ADB), Suravenir, ProCapital, CFCAL, Arkéa Banking Services (ABS), Monext, Suravenir Assurances and Financo.

(2) The reference period is the year 2021 for the coverage of non-responsible supplier relationships in the following entities: Economic and Social Unit (ESU), Arkéa Banking Services (ABS), CFCAL, Financo, Fortuneo, Nouvelle Vague, Arkéa On Life, Suravenir, Keytrade Belgium, Monext, Nextalk, ProCapital, Pumpkin, Izimmo, Armorique Habitat, Schelcher Prince Gestion, Suravenir Assurances.

Description of the main non-financial risks		2022	2021	2020	2019	Issues
Risk of inadequate governance						
Lack of skills	Training rate among directors of local banks	80.7%	81.4%	36.4%	48.7%	Exemplarity in business and governance
	Average number of training hours provided per trained local bank director	5	4	6	8	
	Training rate among members of the Board of Directors of Crédit Mutuel Arkéa	100%	N/A	N/A	N/A	
	Average number of training hours provided per trained member of Crédit Mutuel Arkéa's Board of Directors	15.8	12.5	N/A	N/A	
Lack of cooperative governance	% of directors approved without condition precedent by the regulators (scope of regulated entities)	93%	91%	89%	97%	Exemplarity in business and governance Support for regional development
	Share of members among the federations' individual customers	77.7%	77.9%	72.2%	71.6%	
	Attendance rate at General Meetings of local banks	13%	11%	0.7%	2.9%	
	Attendance rate at Crédit Mutuel Arkéa's General Meeting	84%	87%	91%	79%	
	Attendance rate at Crédit Mutuel Arkéa's Board of Directors' meetings	95%	92%	90%	90%	
	% of subsidiaries with an attendance rate of more than 75% at meetings of the supervisory body	94%	98%	90%	80%	

Description of the main non-financial risks		2022	2021	2020	2019	Issues
Environmental, social and societal risks						
ESG risks result from the following risk factors: controversial financing and investments ⁽³⁾ , physical and transition climate risks	Share of outstandings with an analysis including ESG in Federal Finance Gestion's assets under management ⁽⁴⁾	70%	93%	95%	9%	
	Total outstandings (financing and investments) exceeding the thresholds authorised in the coal policy	€0.3 million	N/A	N/A	N/A	Integration of ESG criteria in financing and investments
	Total outstandings (financing and investments) exceeding the authorised thresholds of the oil and gas policy	€210.61 million	N/A	N/A	N/A	Products and services with a social and environmental impact
	Operating real estate with high acute physical risk not covered by a continuity plan	0 m ²	N/A	N/A	N/A	
	Measurement of the direct environmental footprint ⁽⁵⁾ : Carbon footprint (tons of CO ₂)	48,774 teq CO ₂ i.e. 4.5 teqCO ₂ FTE	44,403 teq CO ₂ i.e. 4.1 teqCO ₂ FTE	51,548 teq CO ₂ i.e. 5 teqCO ₂ FTE	61,956 teq CO ₂ i.e. 6.1 teqCO ₂ FTE	Environmental footprint Exemplarity in business and governance
Psychosocial risks						
Psychosocial risks (PSR) result from the following risk factors: workload, quality of life at work, lack of employee commitment, sexism and harassment	Employee Survey: percentage of positive opinions on the "Meaning given to work" criterion of the QWL survey	83%	64%	64%	68%	
	Positive opinion rate on the "workload" criterion	33%	25%	32%	24%	Development of human capital
	Employee satisfaction rate with regard to the company's practices and the working environment	90%	N/A	N/A	N/A	
Employability and job transformation						
Career and skills staging	Percentage of employees trained	93.35%	94.70%	89.50%	94.20%	Development of human capital
Lack of attractiveness	Recommendation rate (e-nps) ⁽⁶⁾	-15	N/A	N/A	N/A	

- (3) Mitigation of environmental and social impacts through sustainable financing of customers/projects or socially responsible investment in issuers that comply with governance and ethics, social practices and human rights, and environmental and climate standards.
- (4) The classification methodology for outstandings including an ESG analysis was reviewed in 2022 to take into account regulatory changes related to European Regulation (EU) 2019/2088 (Sustainable Finance Disclosure - SFDR). Thus, from now on only assets that, within the mandate managed on behalf of Suravenir, take into account environmental and social characteristics within the meaning of the SFDR regulation are taken into account for this indicator.
- (5) According to the most recent method of the Association Bilan Carbone in force for each financial year and specified in Section 4.5.3 "Reducing the environmental footprint" and in Section 4.6 "Consolidated table of indicators" in the methodological note.
- (6) Employee Net Promoter Score.

Description of the main non-financial risks		2022	2021	2020	2019	Issues
Poor Social Practices						
Discrimination	Gender pay gap (Economic and Social Unit)	-0.3%	-1%	-0.60%	-1%	Diversity of human capital
	Professional equality index ⁽⁷⁾	91/100	N/A	N/A	N/A	
	Share of workers disabled in the workforce	3.5%	3.2%	3.0%	3.4%	
Failure to respect social dialogue	Number of obstruction offences (economic and social unit)	0	0	0	0	Social dialogue

(7) Weighted average of eligible group companies (headcount > 50 employees) In previous years, the assessment related to the scope of the Arkade ESU.

In 2018, these risks, policies and mitigation measures, as well as key performance indicators (KPIs) were approved by Crédit Mutuel Arkéa's Strategy and Corporate Social Responsibility Committee and Board of Directors.

They are reviewed and updated every year by the departments concerned. In 2021, the update of major non-financial risks was brought to the attention of the Sustainable Finance Committee. In 2022, it was carried out taking into account the commitments of the company with a mission.

Methodological details

■ Risks of non-compliance concerning non-compliance with the rules of professional conduct/ethics, including the fight against corruption and influence peddling:

- the scope of professional conduct/ethics training covers training for which the Compliance Department is the instructing party, taking care to retain the same scope of employees to be trained each year (professional conduct/fight against corruption);
- the training campaign on the fight against corruption and influence peddling initiated in 2020, continued through 2021 and 2022.

■ Non-responsible Supplier relationship risk:

- the measurement of the share of purchases made from French suppliers covers the following scope: Economic and Social Unit (ESU), Arkéa Banking Services (ABS), CFCAL, Financo, Fortuneo, Nouvelle Vague, Arkéa On Life, Suravenir, Keytrade Belgium, Monext, Nextalk, ProCapital, Pumpkin, Izimmo, Armorique Habitat, Schelcher Prince Gestion and Suravenir Assurances. The reference period is the year 2021 to include all the entities listed above. The centralised tool (concerto) covers 80% of the scope and the long-term nature of supplier relationships allows using 2021 as the reference;
- the share of supplier ESG assessments carried out for the reporting period is related to the total amount of the group's purchases.

Description of the risk	Mitigation policies	Key due diligence measures associated with these policies
Non-compliance risk		
Non-compliance with financial security rules, including non-compliance with the regulation in the field of anti-money laundering and financing of terrorism (AML-FT)	Framework procedure for detecting and reporting suspicious market abuse transactions. Framework procedure for managing permanent insiders. Framework procedure for privileged information protection and transaction monitoring. Framework procedure for supervising the transactions of the persons concerned. "Information requirements for customers regarding investment services" framework procedure. "Incentives" framework system. Procedure for assessing employee knowledge and skills. Framework system for Best Execution and Best Selection obligations. "Know your customer" investment services framework procedure. "Asset protection" investment services framework procedure. Framework system relating to registration obligations. AML-TF framework procedure. Additional AML-TF modules: ■ risk classification ■ customer identification and knowledge ■ politically exposed persons ■ international financial sanctions ■ declaration of suspicion ■ exchange of information within and outside the group ■ market activities ■ monitoring of fund transfers ■ AML-TF classification of countries ■ internal list of institutions under sanction and undesirable	Operational implementation of group framework systems by group entities subject to regulations (Crédit Mutuel Arkéa institution and the group subsidiaries concerned). Management of group Compliance and Permanent Control Department: regulatory monitoring (information of the group's entities), validation of operational implementation by the entities and verification of their correct implementation (compliance reporting, interviews on systems, compliance controls, etc.), coordination of entities (assistance, consulting, training), activity reporting to the management bodies (group Compliance and Permanent Control Committee, Risks and Internal Control Committee, Board of Directors).

Description of the risk	Mitigation policies	Key due diligence measures associated with these policies
Non-compliance with deontology/professional ethics rules including corruption	Compliance charter. Conflict of interest management policy. Whistleblowing framework procedure. Framework system for the fight against corruption and influence peddling and additional appendices (mapping, assessment, gifts and invitations, external growth and equity investments). Anti-corruption statement by executives.	Operational implementation of group framework systems by group entities subject to regulations (Crédit Mutuel Arkéa institution and the group subsidiaries concerned).
Non-compliance with customer protection rules	Framework system for prior approval of the compliance of new products and projects. "Product governance and supervision" framework procedure. Framework system for protecting financially vulnerable people. Framework right to an account system. Crédit Mutuel Arkéa's policy in terms of banking mobility assistance. Framework procedure for processing customer complaints. Crédit Mutuel Arkéa intermediation management policy.	Management of group Compliance and Permanent Control Department: regulatory monitoring (information of the group's entities), validation of operational implementation by the entities and verification of their correct implementation (compliance reporting, interviews on systems, compliance controls, etc.), coordination of entities (assistance, consulting, training), activity reporting to the management bodies (group Compliance and Permanent Control Committee, Risks and Internal Control Committee, Board of Directors).
Non-compliance with tax transparency rules	Fiscal transparency framework systems (FATCA, CRS, DAC6).	
Risk of breaching the security of our data		
Inappropriate use or access to data	Group Information Systems Security Policy (ISSP). ISS thematic policy for the protection of sensitive data including a classification of data and protection mechanisms associated with the classification level. ISS logical access management thematic policy. ISS outsourcing thematic policies. ISS thematic policy on the Cloud. ISS thematic policies for protection against malicious codes. ISS thematic policy on teleworking and nomadism. ISS thematic policies for customer activities. ISS thematic policies for vulnerability management. ISS thematic policies for securing business operations. SSI thematic policies for encryption. ISS thematic policies for networks. ISS thematic policies for workstations. Group product project risk analysis process. ISS risk training programme. IT ethics charter for users, specifying the rules of professional conduct and security.	Group governance of IT risk management, including data security. Thematic policies, covering the various dimensions of the risk of breaches of data security. Security analysis in projects and impact analysis on personal data protection. Awareness-raising and regular training on information systems security for all employees. Outsourcing management framework system. Annual review of framework policies and processes. Employee awareness-raising and training programme.

Description of the risk	Mitigation policies	Key due diligence measures associated with these policies
Non-responsible supplier relationship		
Collusion Non-compliant CSR practices	Group outsourcing framework system. Supplier monitoring and listing process. Purchasing supplier evaluation procedure. Standard contract templates. Supplier Code of Conduct. Charter of best practices with regard to subcontracting. Code of Ethics signed by buyers.	Implementation of a group framework for managing outsourcing. Establishment of a Supplier Monitoring and Listing Committee. Assessment of our suppliers, through procedures adapted according to the sensitivity and criticality of the risk. Knowledge of the supplier, in the context of the duty of care, the Sapin 2 law, the fight against undeclared employment. Provision of standard contract templates. Employee awareness.
Risk of inadequate governance		
Lack of good repute and competence	Internal operating rules of the Board of Directors. Articles of Association. Charter of the Appointments Committee. Governance charter for the appointment of directors and the enhancement of their skills. Local bank director charter.	Annual and triennial assessment of the functioning of the Board of Directors. Approval of regulators. Training plan for CMA directors. Training plan for directors of the federations. Training scheme for directors of local banks.
Lack of cooperative governance	Federation Articles of Association. Operating regulations (Federations). Internal operating rules of Crédit Mutuel Arkéa. Director's charter of the Board of Directors of Crédit Mutuel Arkéa. Local bank director guidelines. Legal guide to General Meetings.	Cooperative review. Control of General Meetings by the General Inspection and Periodic Control Department.

Description of the risk	Mitigation policies	Key due diligence measures associated with these policies
Environmental, social and societal risks		
Controversial financing and investments mitigation of environmental and societal impacts through sustainable financing of customers/projects or socially responsible investment in issuers that comply with governance and ethics, social practices and human rights, and environmental and climate standards.	<u>Group:</u>	
	Group ESG objectives and strategy approved by the Board of Directors.	
	Climate strategy approved by the Board of Directors.	
	Policy governing thermal coal financing and investments approved by the Board of Directors.	Climate training for members of the Executive Committee and the Board of Directors in 2020. Climate training for employees and directors in 2021. Biodiversity training for the Board of Directors in 2022.
	Oil and gas financing and investment management policy approved by the Board of Directors.	Training of the Board of Directors on climate risks in 2021.
	Tobacco policy approved by the Board of Directors.	Group risk appetite framework, including climate risks.
	Membership of Principles For Responsible Banking, NZBA, Finance for Biodiversity Pledge, the Carbon Disclosure Project and Fair.	
	Publication of a TCFD report and support for the initiative.	
	Climate risk action plan – ECB guide.	
	<u>Asset managers and institutional investors:</u>	
Physical and transition climate risks.	ESG framework for the investment policy of Suravenir, Suravenir Assurances, Federal Finance Gestion and Schelcher Prince Gestion.	
	Policy on the integration of sustainability risks into investment decision-making processes (Federal Finance Gestion, Schelcher Prince Gestion, Suravenir).	ESG research.
	Statement taking into account the main negative impacts (Federal Finance Gestion, Schelcher Prince Gestion, Suravenir).	Exclusion list of companies that seriously violate the principles of the Global Compact (active collective management scope of Federal Finance Gestion and Schelcher Prince Gestion).
	Voting and engagement policy with issuers (Federal Finance Gestion, Schelcher Prince Gestion).	Monitoring by Investment/Treasury Committees. Identification and monitoring of controversies.
	Membership of PRI (Federal Finance Gestion, Suravenir, Schelcher Prince Gestion).	
	Suravenir climate strategy.	
	Membership of Finance for Biodiversity Pledge (Federal Finance Gestion, Schelcher Prince Gestion).	
	<u>Private equity business:</u>	
	Arkéa Capital's ESG Commitment Charter. Arkéa Capital's ESG approach. Sustainability risk integration policy. Statement on due diligence policies relating to the consideration of main adverse impacts. Membership of the PRI and the International Climate Initiative. Arkéa Capital climate strategy.	ESG review during the investment phase. ESG clause in shareholders' agreements. Annual ESG questionnaire.

Description of the risk	Mitigation policies	Key due diligence measures associated with these policies
Psychosocial risks		
Psychosocial risks (PSR) result from the following risk factors: workload, quality of working life, lack of employee commitment, sexism and harassment	Group MTP roadmap "HR Transitions 2024". Economic and Social Unity (ESU) PSR mitigation policy.	Arkéa "Management Académie" training. Employee Survey (Crédit Mutuel Arkéa group). Annual Papripact/Single Document (ESU). Current collective bargaining agreements (ESU). Systems other than the Employee Survey. Rebound Programme (ESU).
Employability and job transformation		
Lack of attractiveness Career and skills staging	Group MTP roadmap "HR Transitions 2024".	MTP Managerial Experience mission. MTP Employee Experience mission. Arkéa Manager Passport. Training plans. Annual performance assessments (e-perf) and annual professional interviews (e-pro). Development of collaborative practices.
Poor Social Practices		
Discrimination	Group MTP roadmap "HR Transitions 2024". Collective agreements. Policy for mitigating non-compliant social practices relating to Economic and Social Unity (ESU).	"Tous Inclusifs" ("all inclusive") training. Disability, equality/professional agreements, employees over 50 (ESU). Harassment Working Group (ESU).
Failure to respect social dialogue	Policy for mitigating non-compliant social practices relating to Economic and Social Unity (ESU).	Agreement on trade union rights and employee representation (ESU).

4.3.2 Focus on the integration of climate risks

The challenges related to climate change are significant and require a transition of business models. As an economic player, particularly rooted in the regions, in close proximity to its stakeholders, the Crédit Mutuel Arkéa group wishes to assume this responsibility and the major role it must play in accelerating social, environmental and climatic transitions.

After adopting its climate strategy at the end of 2020, Crédit Mutuel Arkéa chose to be even more committed by publishing, since 2021, an annual report in response to the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD) setting out the impacts of climate change for each of its business lines. Through this publication, Crédit Mutuel Arkéa seeks to be transparent about the communication of information related to its activity and the climate. It is part of a continuous improvement process to pursue the fight against global warming and the evolution of its business model in line with these challenges. This report details the actions implemented by Crédit Mutuel Arkéa to take into account climate issues in governance, strategy, risk monitoring and the setting up of management indicators. The second report, published in June 2022, is available on the Crédit Mutuel Arkéa institutional website ⁽¹⁾.

Strengthened governance and expertise

To better integrate climate issues into the group's strategy, Crédit Mutuel Arkéa's governance has evolved (see Section 4.5.2.1 "ESG issues at the heart of the group's activities"). The group's expertise in sustainable finance and climate change has been consolidated through recruitment and training.

In addition, consideration of the climate in risk management has been strengthened.

The Cross-Functional Risk Management Department includes the Risk Summary Department and the ESG Risk Department, which has been responsible for assessing specific risks since

June 2019. Each Crédit Mutuel Arkéa group Risk Management manager has been made aware of climate risks and is working to integrate climate risk within his or her entity. ESG risk officers have also been appointed in each entity.

A Climate Risk Coordination Committee that meets on a quarterly basis was set up in the fourth quarter of 2020. Its missions include monitoring climate risk integration projects in the Risk Department and, in the Risk Management Function, reporting on the implementation of the climate risk strategy, for arbitration on any blockage points raised in operational committees.

In 2022, a thematic review was commissioned by the European Central Bank to identify Crédit Mutuel Arkéa's practices and progress in relation to the expectations of the guide on climate and environmental risks. It resulted in a follow-up letter identifying deficiencies to be corrected. In addition, ESG risk management tools have been expanded to identify physical risks according to a geographical focus. Furthermore, an ESG risk rating model is being developed.

A project was also carried out with the economists of the trading room in order to be able to model the impacts of different climate scenarios on several macroeconomic and financial indicators.

Lastly, after being specified in the group's risk appetite statement in 2020, environmental risks, including climate risks, were included in the group's risk appetite framework at the end of 2021 for the 2022 financial year. The risk appetite framework was enhanced with environmental and social indicators in 2022 for application from 1 January 2023.

In addition to strengthening its governance and expertise, the Crédit Mutuel Arkéa TCFD report ⁽²⁾ clearly presents the consideration of the climate in the group's strategy, and the mechanisms for steering and management of climate-related risks in the group's business model, while taking a forward-looking approach.

(1) https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2022-10/rapport_tcf_d_juin2022_vf.pdf

(2) https://www.cm-arkea.com/banque/assurance/credit/mutuel/c_40472/en/statement-of-non-financial-performance?nav=public

4.3.3 Vigilance plan and implementation report

In order to meet the requirements set by the law of 27 March 2017 relating to the duty of care of parent companies and principals, Crédit Mutuel Arkéa group deploys a vigilance plan relating to risks of serious violations of human rights and fundamental freedoms, health & safety and the environment.

The group's vigilance plan is divided into three parts: its **risks as a company, as a principal in its relations with suppliers and service providers, and the risks related to its financial businesses**. It has a dedicated organisation and management.

Summary of the 2022 vigilance plan

As a company	As a customer	In financial activities
Human rights: ■ Presence in Western European countries: country risk level assessed as low (for more than 99.9% of employees) or average (for less than 0.1% of employees). ■ A single risk identified as average: discrimination and inequalities. ■ Mitigation plan: (see Section 4.5.4.1 <i>Diversity and human capital development</i>). Health & Safety: ■ Physical risks identified as significant: pandemic, fire, screen work, falls, aggression, serious and traffic events. ■ Psychosocial risks identified and monitored: - Stress at work: workload, clarity of roles; - Post-traumatic stress: following an assault or a serious event; - Moral and sexual harassment. ■ Mitigation plans: (see Section 4.5.4.1 <i>Diversity and human capital development</i>). Environment: ■ Significant risks identified and monitored: - Climate risk: CO₂ emissions from own activities and travel; - Resource use: energy consumption; - Waste management: polluting waste, mainly asbestos. ■ Mitigation plans: broken down into five sub-projects (commuting, business travel, responsible digital technology, sustainable real estate and impactful supplies) (see Section 4.5.3 <i>Reducing the environmental footprint</i>).	Organisation and governance of responsible purchasing: ■ Management of a responsible purchasing approach by the group's Purchasing Department. ■ Establishment in 2021 of a Supplier Listing Committee integrating CSR issues. Risk mapping and deployment of mitigation plans by purchasing family: ■ Management using a new mapping tool developed with Afnor, monitoring thirteen CSR issues in three areas: the environment, human rights and social conditions, ethics and fair practices. Identification of purchasing families presenting a high and very high gross risk (score > 50). ■ In 2022, integration of new Afnor recommendations to improve net risk: management of mitigation plans using various levers. ■ No purchasing family has a net risk assessed as very high (score > 75 out of 100). ■ 17 purchasing families have a net risk assessed as high (score between 50 and 75 out of 100), which represents 19% of the group's purchases. Supplier knowledge and CSR assessment process: ■ Since 2021, strengthening of the level of individual knowledge of suppliers (in line with the guidelines of the European Banking Authority on the outsourcing of critical or important functions). Integration of a dimension on second level suppliers. ■ Use of assessments carried out by a firm of experts on some of the main suppliers. (see Section. 4.5.1.4 <i>Responsible supplier relations</i>).	Financing and investing activities: ■ Governance, organisation and monitoring of action plans: in line with the deployment of the sustainable finance roadmap in place since 2021. ■ Participation and support for market initiatives: Task Force on Climate-related Financial Disclosures, Carbon Disclosure Project, Finance for Biodiversity Pledge, Principle for Responsible Banking. ■ Training of employees and directors: deployment of Climate Fresk to group employees - training of the Board of Directors and sustainable finance managers on biodiversity issues. ■ Human rights risks: update of the risk assessment methodology and mapping by company and sovereigns. ■ Health & safety risks: identification of business sectors with significant risks for the health and safety of workers ■ Environmental risks: - Climate: assessment of financed emissions (banking scope) and alignment with the Paris Agreement; - Biodiversity: initial analysis of the pressures exerted by the group's financing. Purchase of an external asset management tool to manage reduction of the pressures exerted. ■ Mitigation plans: Sustainable Finance roadmap, including exclusion policies on fossil fuels and tobacco. (see Section. 4.5.2.1 <i>"ESG issues at the heart of the group's activities"</i>). Group banking and insurance activities ■ Risk of exclusion from the banking and insurance system of customers in vulnerable situations (see Section 4.4.2.2 <i>"An organisation committed to supporting regional development"</i> and 4.5.1.2 <i>"Inclusion of vulnerable customers"</i>). ■ Risk of non-protection of customer data: (see Section 4.5.1.3 <i>"Data protection and security"</i>).

Organisation, governance and management of the vigilance plan

The implementation of due diligence within the group is coordinated by a cross-functional Steering Committee, whose role is to ensure that the due diligence is deployed by the group's entities, to monitor validated actions and to define the progress plan. This committee, led by the Sustainable Finance Department of the General Secretary and Institutional Communication Department, brings together the Human Resources, Risk, Compliance and Permanent Control, Organisation and Resources Departments as well as the Purchasing Department. In 2022, it met three times.

Monitoring of the vigilance plan: indicators are used to monitor the effectiveness of the vigilance plan. They are divided between:

- indicators of the means put in place to prevent risks;
- performance indicators for the action plans in the three risk areas: risks as a company, a principal and in financial activities.

The vigilance plan was approved by the Crédit Mutuel Arkéa Executive Committee on 5 December 2022, and then presented to the group's Strategy and Corporate Social Responsibility Committee on 23 January 2023.

Major actions that marked the year 2022

Level of integration of duty of care mitigation plans into the group's strategy: Crédit Mutuel Arkéa group's medium-term strategic plan, Transitions 2024, describes the strong commitments made to the integration of societal and environmental issues into the group's activities. The implementation of the risk mitigation plans pursuant to the duty of care is therefore strongly correlated with the action plans of the strategic plan. The group's climate strategy, defined in 2020 and identified as a major cross-functional theme of the strategic plan, is an example of this. In particular, it helps to identify and manage climate impacts and risks in the group's financing and investment business lines.

In order to include all subsidiaries in the analysis of the risks of serious harm to the environment, human rights, health & safety and in the implementation of mitigation plans contributing to reduce risks, the central departments in charge of human resources, purchasing and sustainable finance carry out actions to share best practices and position themselves as support structures in their respective areas of expertise.

In terms of responsible purchasing, the group has enriched the work initiated with Afnor to integrate the recommendations of this expert firm into the mitigation plans by targeting purchasing families with a strong net risk identified through risk mapping, and the largest suppliers in terms of purchasing volume.

In terms of Sustainable Finance, 2022 was marked by work on the analysis of environmental risks in line with the recommendations of the scientific community ⁽¹⁾:

- on the climate: assessment of financed emissions (banking scope) and assessment of alignment with the objectives of the Paris Agreement;

- on biodiversity: analysis of the main pressures on biodiversity loss in line with the commitments made as part of the Finance for Biodiversity Pledge initiative.

For each aspect of the duty of care, the main actions implemented are described below or in the chapters of this Statement of Non-Financial Performance dedicated to these issues.

Risks as a company

Regarding human rights risks, each year the group analyses changes in the geographical presence of its workforce. In 2022, the group was mainly present in France, with just over 10,000 employees (96.8%), but also in eight European countries (3.2%). For each of the countries where the group operates, the level of human rights risk was assessed. The risk is thus qualified as low for more than 99.9% of employees (nine countries) and as medium for a country with only one employee. To date, no country in which it operates is identified as having a high risk.

Crédit Mutuel Arkéa has also built a matrix of risks of infringements of human rights and fundamental freedoms, for which the company could have a direct impact on its employees. After analysis, all of the risks identified are low: child labour, forced labour, indecent working conditions, lack of rights to education, non-respect of freedom of association, non-respect of privacy and non-respect of data protection. Only the **risk of discrimination and inequalities**, including gender inequalities, was assessed as medium. Numerous actions to combat discrimination and inequality are implemented, mainly around inequalities linked to gender, age and disability. Significant work is underway to share best practices throughout the group. More than 7,000 of the group's employees have benefited from the dedicated "All inclusive" training programme, which continues to be rolled out within the group. The "Recruit without discrimination" training course, launched in September 2022, and the "Boosting potentials" programme, aimed at accelerating the access of women to the highest positions of responsibility, complement the group's initiatives on these issues.

Crédit Mutuel Arkéa group is also proactive in industry initiatives to promote diversity. In 2021, the group signed, along with eleven other organisations and companies, the French "Manifesto of economic players against violence against women" whose objective is to better support and protect employees who are victims of intra-family violence and to raise their employees' awareness of this cause. The group has undertaken to implement at least one of the ten actions of the manifesto. The first example for 2023 will consist of the establishment of an Arkéa club accessible to all employees and in conjunction with the Information Centre for the Rights of Women and Families in Brittany (DIDFF) aimed at understanding what domestic violence is, understand the role of the company, understand how everyone can act by identifying red flags and knowing how to counsel a victim. A philanthropic programme was also signed with the Regional Federation of Information Centres on the Rights of Women and Families of Brittany (FR-CIDFF Bretagne) to support the latter's action in the fight against inequalities, poverty and violence against women. We are also continuing our commitment to the Fifty Fifty association, which targets rehabilitation through sport. All of these actions are presented in Section 4.5.4.1 "Diversity and human capital development".

⁽¹⁾ Climate: measurement of greenhouse gas emissions as part of the alignment with the Paris Agreements, based on the Science-based Targets (SBTi) methodology - Biodiversity: analysis of the main pressures on biodiversity, based on the Science Based Target Network (SBTN) methodology.

In the area of health and safety risks, the group asks its various entities about their main physical and psychosocial risks. All group entities assess their physical and psychosocial occupational risks using the same rating method.

Concerning physical risks, the risks that stand out as the most important are: **pandemic** (Covid-19, etc.), **fire, aggression, falls, screen work** (eye strain, musculoskeletal disorders, etc.), **traffic and other serious incidents** (hold-ups, attacks, etc.). Mitigation plans are applied in the various entities concerned.

With regard to psychosocial risks, the group pays attention to three main areas: **workplace stress, post-traumatic stress and harassment**.

On the stress at work component, which is specifically monitored through an annual employee survey, two risk factors have been identified: workload and clarity of roles. These risk factors are subject to dedicated mitigation plans. Particular attention is also paid to post-traumatic stress, notably with the implementation of listening and psychological support systems, awareness-raising and prevention, and safety and protection systems.

Since 2020, the group has also focused on the risks related to moral and sexual harassment and sexist behaviour. Thus, several group entities have now deployed a system to combat moral or sexual harassment and sexist behaviour. At the end of 2022, more than 8,000 group employees could activate a specifically dedicated whistleblowing system. The objective of such a system is to clarify the whistleblowing procedure to enable people to speak out. This whistleblowing system is accompanied by the appointment of "harassment" officers, communication and awareness-raising actions. At the level of the Arkade Economic and Social Unit (ESU), this system is supplemented by a community of benevolent volunteers.

The various actions implemented by the group in the areas of quality of life at work and occupational risk management are presented in Section 4.5.4.1 "Diversity and human capital development".

In terms of environmental damage, three major proven and direct risks have been identified and are monitored by the group; the climate risk via CO₂ emissions, the use of resources and the management of polluting waste.

On the climate component, the group measures its carbon footprint each year (44,403 teqCO₂ in 2021 according to the 'Bilan carbone' assessment methodology) and implements actions to raise awareness of best practices in terms of travel, the main source of greenhouse gas emissions, with 9,376 teqCO₂). The group has set itself a target of reducing its direct carbon emissions by 25% between 2019 and 2024. The action plan is broken down into five main areas of focus: home-work commuting, business travel, responsible digital technology, real estate and impactful supplies.

Another major proven and direct risk relates to the use of resources and energy consumption. As part of its activities, the group consumed 44 GWh of energy in 2021, stable compared to 2020. Also as part of the 2024 medium-term plan, and in accordance with regulatory obligations, the group has committed to reducing its consumption by 40% by 2030 compared to the baseline year validated for each building. The implementation of energy saving measures has also been accelerated since this year.

Lastly, the management of polluting waste, in particular asbestos, is the last proven and monitored risk. It should be noted that in Europe there is only the landfill solution, the vitrification solution being no longer available for lack of service providers on the continent.

Each year, the various building managers also assess the environmental incidents that may be caused by the group's facilities. In 2022, no significant incidents were identified.

These aims and actions are presented in Section 4.5.3 "Reducing the environmental footprint".

Risks as principal

The Purchasing Department, in charge of the group's purchasing policy, is building systems to better understand the risks in terms of human rights, health & safety, ethics and the environment driven by suppliers and service providers. This department manages a responsible purchasing approach shared with the group's internal and external stakeholders. Crédit Mutuel Arkéa has been a signatory of the French Responsible Supplier Relationships and Purchasing (RFAR) charter since 2017.

The actions implemented were carried out in line with the implementation of the recommendations of the European Bank Authority (EBA) as part of the outsourcing of the group's critical and essential services. These recommendations include a section on risk management (in terms of human rights, ethics, fair practices and the environment).

Organisation and governance of responsible purchasing: in 2020, a Service Provider Listing and Monitoring Committee was set up at group level whose missions are to:

- validate the listing of service providers for critical or important services;
- rule on service providers with major alerts, including on CSR matters;
- monitor and manage the compliance of listed service providers, and monitor the progress of remediation plans;
- monitor regulatory changes.

In 2022, this Committee met twice.

Risk mapping and deployment of mitigation plans: in 2022, the work initiated with the French standards association (Afnor) to develop and manage a new risk mapping was further enriched. Six new segments were integrated, bringing the scope covered to 62 segments.

The methodology chosen consists of:

- based on an analysis of the risks of Crédit Mutuel Arkéa's 62 purchasing segments, based on thirteen CSR issues covering three areas:
 - the environment (depletion of resources, damage to biodiversity, climate change, waste and end-of-life management, water, air and soil pollution),
 - human rights and social conditions (working conditions and freedom of association, discrimination, health & safety, child labour, forced labour and modern slavery),
 - ethics and fair practices (protection of personal data, fraud and corruption, property rights and patents);

■ including in this risk analysis mitigation plans specific to the purchasing family concerned, making it possible to reduce these gross risks (**corresponding to the net risk**). They concern three areas:

- the integration of the Supplier Code of Conduct into the supplier contract,
- the integration of specific contractual clauses on environmental, social or ethical issues in connection with the risks identified for the purchasing families concerned,
- the inclusion of requirements in specifications.

The integration of these mitigation plans and recommendations into the mapping tool makes it possible to measure and manage the net risk by purchasing family: new risk mitigation actions can thus be defined and managed over the long term by working with suppliers.

In 2022, the analysis of net risk by major purchasing families was thus calculated. Following the integration of Afnor's recommendations, this level of net risk has been improved:

- no purchasing family has a net risk assessed as very high (score > 75 out of 100);
- 17 purchasing families have a net risk assessed as high (score between 50 and 75 out of 100), which represents 19% of the group's purchases by value. These are mainly automated banking machines, finishing work, small IT equipment and promotional items.

In 2022, the Supplier Code of Conduct was also updated to strengthen the human rights requirements.

Mitigation actions will focus on families with a high level of net risk and those for which the amounts are the highest, in particular by including Afnor's main recommendations in calls for tenders.

The employees in the Purchasing Department were trained by Afnor in this risk mapping tool and the recommendations in terms of risk mitigation. These best practices are also disseminated within the group in order to explain and professionalise the approach.

Individual knowledge approach to supplier CSR assessment: since 2021, also in line with the EBA guidelines on outsourcing ⁽¹⁾, the group has strengthened its level of individual knowledge of suppliers through the deployment of questionnaires also including a section for second tier suppliers.

On CSR aspects, two assessment procedures are in place:

- a CSR questionnaire, developed in-house, is deployed during calls for tenders in order to obtain a self-assessment of the means put in place by a supplier or service provider to prevent and manage risks related to its activities in the areas of the environment, social and human rights, governance and ethics;
- a service contract with Afnor allows the evaluation of the group's main suppliers (Acesia solution) depending on the volume of business done. In 2022, 23 new suppliers were analysed;
- tools for detecting and monitoring controversies on CSR issues were tested in 2021-2022 and an external solution is being rolled out.

These actions are presented in Section 4.5.14 *"Responsible supplier relations"*.

Risks within the framework of the group's financial businesses

In the area of its financing and investment activities, the duty of vigilance is fully in line with Crédit Mutuel Arkéa's ambition to take greater account of social, environmental and governance (ESG) issues in all its activities. In 2022, the group continued to implement its Sustainable Finance roadmap, which had been approved at the end of 2019. This roadmap, which aims to strengthen the consideration of these issues, in addition to the financial analysis, also includes the implementation of new regulations on sustainable finance at the European and national level.

Governance, organisation and monitoring of action plans:

- a sustainable finance function is structured with dedicated managers who steer the action plans for their department and/or subsidiaries;
- two dedicated committees (an Executive Management Committee and an Operational Committee, composed of sustainable finance managers representing each group entity) validate the guidelines and monitor the proper implementation of actions.

Training of employees and directors: in order to raise awareness and improve employees' skills to better take into account the impact of their activities, various training actions are implemented each year.

In 2022:

- **on climate issues:** nearly 5,500 employees took part in Climate Fresk workshops. A community of Climate Fresk leaders has been created within the group based on the training of experienced external animators;

(1) European Banking Authority (EBA) guidance on outsourcing: 73 - Institutions and payment institutions should take appropriate measures to ensure that service providers act in accordance with their values and Code of Conduct. With regard to service providers located in third countries and, where applicable, their subcontractors, institutions and payment institutions should ensure that the service provider acts in an ethical and socially responsible manner and complies with international standards relating to human rights (for example, the European Convention on Human Rights), environmental protection and the provision of appropriate working conditions, including the prohibition of child labour.

■ **on biodiversity issues:** a training course dedicated to the challenges of biodiversity loss and the role of financial players in the preservation and restoration of biodiversity was conducted for the Board of Directors of Crédit Mutuel Arkéa as well as sustainable finance managers, working with an expert firm, and work carried out for the finance industry by Finance for Biodiversity Pledge.

More specifically, in terms of human rights, in 2022 the group updated its mapping of human rights risks by country using an internally developed reference framework based on public data recognised for each country⁽¹⁾. The number of international treaties ratified, violations of workers' rights, the extent of child labour and the practice of modern slavery for the country where the company's head office is located are taken into consideration. In 2022, the vast majority of the group's financing and investments were carried out in low or moderate risk countries⁽²⁾.

More specifically in terms of health & safety, the group has identified the sectors of activity most at risk for the health & safety of workers. These sectors will be the subject of specific questions in the granting of loans for companies with turnover of more than €10 million. The group also adopted a tobacco exclusion policy at the end of 2022.

In terms of environmental issues:

■ Concerning climate issues:

- in 2022, work was carried out **to assess financed emissions and alignment with the objectives of the Paris Agreement:** this involved measuring the greenhouse gas emissions of an emitter (or a portfolio, a financing or an investment) and comparing them with a scenario that limits global warming to 1.5° or less than 2°;
- in accordance with the group's climate strategy for 2024, the policies governing financing and investments related to the production of fossil fuels (coal policy and oil and gas policy) were reviewed in 2022 to include bans on certain players or midstream projects;
- in accordance with the EBA guidelines for lending, climate-related criteria have been included in ESG questionnaires for companies with turnover of more than €10 million.

■ Concerning biodiversity issues:

- in 2021, the group joined the industry initiative Finance for biodiversity Pledge. Its asset management subsidiary, Arkéa Investments Services, contributed in 2022 to the creation of a guide containing the main tools available to measure the pressures of economic activities on biodiversity;
- the asset management subsidiaries were equipped to integrate the reduction of pressure on biodiversity into their investment policy;

- in the banking business lines, the group initiated an analysis based on the work carried out by the Science Based Target Network (SBTN) to define the material sectors that exert the most pressure on biodiversity. This will then make it possible to identify action plans to reduce these pressures. The main pressure factors identified are the use of terrestrial ecosystems, water use, GHG emissions and air, water and soil pollution.

In addition to this risk-based approach, all of the ambitions and actions implemented to integrate these issues into the group's financial activities are detailed in Section 4.5.2.1 "ESG issues at the heart of the group's activities".

In the area of the group's banking and insurance activities (excluding the risks specific to investments and financing described above), two risks are also identified and are subject to monitoring and mitigation plans:

- the risk of exclusion from the banking and insurance system of vulnerable customers: this is an issue monitored by the group, which has long developed specific systems, both regulatory in the context of inclusive banking and solidarity measures like the development of partnerships for the implementation of professional and personal microloans and access to borrower insurance for people excluded from this type of insurance for health reasons (Project itinerary unit). These systems are detailed in sections 4.4.2.2 "An organisation committed to supporting regional development" and 4.5.1.2 "Inclusion of vulnerable customers";
- the risk of inappropriate use of or access to data: the actions implemented by the group in this area are presented in Section 4.5.1.3 "Data protection and security".

Alert mechanism

A whistleblowing and reporting system dedicated to serious health and safety risks, human rights and the environment has been in place since 2018. Staff representative organisations (from the Economic and Social Unit) were involved in the development of the whistleblowing mechanism. This mechanism is made accessible to employees, service providers and subcontractors, by posting notices in the buildings of the group's central services and local banks and via the group's intranet. It is also accessible to any person, internal or external to the company, via its institutional website (arkea.com).

As part of the launch of a system to combat moral or sexual harassment and sexist behaviour, a whistleblowing mechanism specifically dedicated to this subject has also been set up in the ESU and each of the entities that have deployed this system. In 2022, the harassment alert mechanism was triggered six times within the scope of the Arkade ESU. As provided for by the system, the alerts were handled by the dedicated unit made up of experts (human resources, elected members of the Social and Economic Committee, who are responsible for harassment, etc.), which meets as soon as the mechanism is triggered.

(1) International Human rights treaties: United Nations Human Rights - Workers' rights: CSI index developed by ITUC CSI - Child labour: Unicef, child labour - Modern slavery: global slavery index - Application of the death penalty: diplomatie.gouv.fr.
(2) Scope covered: bank loans granted by the following group entities: Crédit Mutuel de Bretagne (CMB), Crédit Mutuel du Sud-Ouest (CMSO), Arkéa Crédit Bail (ACB), Arkéa Banque Entreprises et Institutionnels (ABEI), Arkéa Banque Privée (ABP), Financo and the investments managed by Federal Finance Gestion (FFG), including mandates for Suravenir and Suravenir Assurances, by Schelcher Prince Gestion (SPG), Arkéa Capital and the group's trading room.

4.4 A regional bank committed to serving its customer-members

Crédit Mutuel is a regional bank serving its members, a cooperative and collaborative bank living by its mutualist values.

4.4.1 Governance representative of the group's identity

Non-financial risks associated with the issue: leading by example in business and governance

■ Risk of inadequate governance

Lack of skills

Training rate for among directors of local banks: **80.7%**

Average number of training hours provided per trained local bank director: **5**

Training rate for Crédit Mutuel Arkéa Board members: **100%**

Average number of training hours provided per trained Crédit Mutuel Arkéa director and Board member: **15**

Lack of cooperative governance

% of directors approved without condition precedent by the regulators (scope of regulated entities): **93%**

% of subsidiaries with an attendance rate of more than 75% at meetings of the supervisory body: **94%**

Attendance rate at Crédit Mutuel Arkéa's General Meeting: **84%**

Attendance rate at Crédit Mutuel Arkéa's Board of Directors' meetings: **95%**

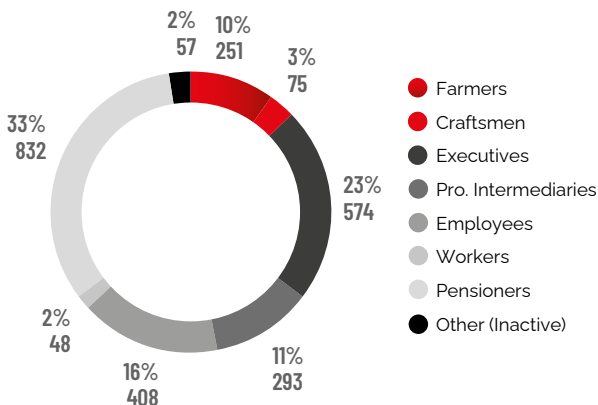
The member is at the heart of corporate governance

The organisation of Crédit Mutuel Arkéa, a cooperative and mutualist company, enables all members to participate, directly or indirectly, in collective decision-making. By holding at least one share, he or she is both a shareholder and a customer. Cooperative governance allows representation of the stakeholders of the company at the level of the Boards of Directors.

At the level of the local banks, the directors, who are volunteers, are elected by and from among the members. This system ensures that the Board of Directors of each of the local banks, regional federations and Crédit Mutuel Arkéa is truly representative of the members, independent of the company's management. Elected for three years (CMB) or four years (CMSO), the directors listen to the members and relay their expectations and suggestions to their Board of Directors. They are directly involved in the solidarity schemes of the Crédit Mutuel Arkéa federations (see Section 4.4.2.2 "An organisation committed to supporting regional development"). They represent their federation at local or departmental events and help to strengthen relations with the various players in the local economy and the voluntary sector. The directors' involvement in local life nourishes and strengthens

Crédit Mutuel Arkéa's local roots. As consumer witnesses, they also ensure a balance between the interests of the members they represent and the company's management imperatives. The elected directors' control of the decisions taken by the operating structures ensures that the company's actions are sustainable over the long term. This control emphasises responsible management to ensure the sustainability of economic, social and environmental investments.

In 2022, 155 new directors were elected in the local banks. The trend is towards greater diversity, both in terms of gender and age group as well as in terms of socio-professional categories. Women accounted for 41.3% of newly elected directors and 44.4% of the new Chairpersons of the local banks.



In addition to the skills inherent to their personalities and experience, to support the directors in the performance of their duties, the federations provide a training programme, which is one of the priorities for action. In 2022, the strengthening of distance learning continued, making it possible, despite the context, to improve the skills of directors. In particular, strong action was taken with local bank elected representatives to raise their awareness of the fight against money laundering and the financing of terrorism.

The CMSO Training Committee, strengthened in 2021 by the presence of seven lead directors, each representing a sector, coordinates the correspondents of the local banks. Discussions on the overhaul of the training plan and teaching materials are underway at the initiative of the lead directors. Three types of training are provided at the CMSO: upon registration at the initiative of the director for the E-learning training platform (360 Learning), at the initiative of the Cooperative Life Department and during Board of Directors meetings at the local bank via Ark'envie.

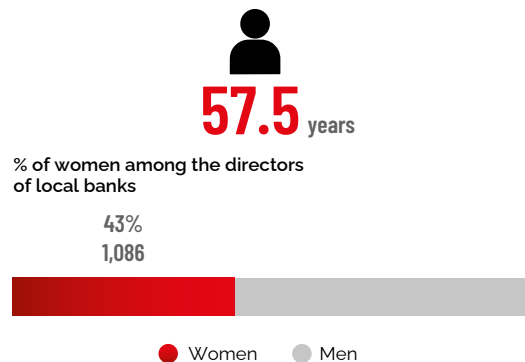
In 2022, more than 2,048 directors were trained in the Crédit Mutuel de Bretagne and Sud-Ouest federations, representing 80.7% of level 1 elected leaders.

The Boards of Directors of the federations are supported by specialised commissions. Thus, at Crédit Mutuel de Bretagne, the "Cooperative life", "Training", "Responsible development", "Member and customer relations" and "Solidarity" commissions formulate opinions and recommendations that enrich and guide the work of the federation's Board of Directors. At Crédit Mutuel du Sud-Ouest, these are the federal committees: "Control and Audit", "Training and induction of new directors", "Reconciliation", "Investments", "CSR-Sustainable Finance", "Viticulture", "Agriculture", "Solidarity", "Level 2 appointments", "Communication and coordination of the Cooperative" and "Strategy".

In the federations, directors are particularly involved in sustainable development issues.

Crédit Mutuel de Bretagne's Responsible Development Committee is made up of 13 directors and is tasked with keeping abreast of the latest developments in Corporate Social Responsibility (CSR) and contributing to the implementation of Crédit Mutuel de Bretagne's CSR strategy. The committee may propose or be involved in the implementation of any event or other initiative likely to promote Corporate Social Responsibility among the directors and members of Crédit Mutuel de Bretagne, and the public in general. Following the adoption of

Average age of directors of local banks



an ESG - Climate strategy by the group in 2020, the Responsible Development Committee has kept itself informed of changes to the regulatory framework and its operational application through the Sustainable Finance function. The creation in 2021 of a Raison d'être (Purpose) Governance Committee including both Crédit Mutuel de Bretagne senior executives and directors, as well as a member of the Responsible Development Committee, should be noted. The purpose of this committee is to monitor compliance with CSR commitments. The integration of ESG-Climate criteria into Crédit Mutuel de Bretagne's range of products and services is an additional focus of the committee's work.

At **Crédit Mutuel du Sud-Ouest**, governance dedicated to Sustainable Finance and CSR steers the ESG-Climate roadmap for responsible development. It is composed of two separate bodies that met ten times in 2022:

- a federal "CSR-Sustainable Finance" commission whose objective is to ensure the implementation of the ESG-Climate strategy and to supervise compliance with regulatory obligations. It feeds proposals into the CMSO action plan with the implementation of emblematic actions and is the relay for information to the Board of Directors of the federation. It also monitors changes in non-financial indicators. Composed of six directors and two employees, the committee meets at least three times a year. For example, it validated a trajectory for reducing the cooperative's carbon footprint;
- this governance also comprises a second body with an Operational Steering Committee composed of all the members of the Crédit Mutuel du Sud-Ouest Management Committee (CODIR) which meets every two months. The purpose of this committee is to monitor the non-financial and CSR indicators, coordinate the federation's annual ESG-Climate action plan and set a course.

At Crédit Mutuel Arkéa level, the group's Board of Directors is composed of twenty directors and one non-voting Board member:

- sixteen directors representing members. They are elected at the Annual General Meeting and come from the regions in which Crédit Mutuel Arkéa operates, namely:
 - twelve directors in respect of the banks affiliated to the Crédit Mutuel de Bretagne federation,
 - four directors in respect of the banks affiliated to the Crédit Mutuel du Sud-Ouest federation;

- two directors not from the cooperative movement: one of them was elected and the other was re-elected at the Annual General Meeting of 14 May 2020, after prior approval by the Appointments and Governance Committee and the Board of Directors of Crédit Mutuel Arkéa;
- two directors representing employees. They are appointed by the Central Social and Economic Committee (CSEC);
- a non-voting Board member not from the cooperative movement elected at the General Meeting of 10 May 2022.

The directors of the Board are all of French nationality.

The Board of Directors is particularly vigilant with regard to the exercise of an independent and committed mandate by its members. Since 2020, it has had a Crédit Mutuel Arkéa director's Charter which governs the duties of the Board's twenty directors and refers to the formal independence criteria set by the European Banking Authority (EBA/GL/2017/11 and EBA/GL/2021/06 point 9.3). According to these criteria, nineteen directors out of the twenty members who make up the Board of Directors are independent. In addition, this charter lists the individual skills of the members of the Board of Directors and must thus ensure the maintenance, in all circumstances, of a collective expertise suited to the exercising of sound and effective governance of the company.

With regard to the Board of Director's diversity policy, since 2017 the percentage of women on the Board of Directors has exceeded 40% and stood at 52% at 31 December 2022.

The Board of Directors met 10 times in 2022. The attendance rate of directors at Board meetings was 95%. For meetings, it benefits from a digital solution that streamlines the organisation of meetings and the study of documentation while strengthening dialogue between the members.

The Board of Directors also has internal operating rules. These confirm the essential missions of Crédit Mutuel Arkéa's directors, set out the operating procedures of the body and set out the rights and obligations of each director.

Consequently, the Board of Directors of Crédit Mutuel Arkéa fully exercises its role in accordance with the provisions of the Articles of Association, the internal regulations of a financial nature, its operating rules and the specific charters of each of its six specialised committees.

The members of the Board of Directors of Crédit Mutuel Arkéa benefit from an annual training programme and have a dedicated remote training platform offering more than 64 training modules on the themes of strategy, risk, audit and accounting, banking and insurance sector regulations and the products and business lines of the various subsidiaries of the group. In 2022, more than 316 hours of training were provided to elected directors, nearly 16 hours on average per director. The directors representing employees, appointed by the CSEC, have an enhanced training programme in accordance with the provisions of the Pacte law of 11 April 2019, which also includes training modules provided by an external service provider.

In order to ensure the effectiveness of the governance exercised by the Board of Directors, at least once a year, at the initiative of the Chairman of the Appointments and Governance Committee, an item on the agenda of Crédit Mutuel Arkéa's Board of Directors is devoted to assessing the operation of the Board and its specialised committees. Every three years, the committee alone, or with the assistance of a consultant, carries out a formal assessment of the functioning of the Board of Directors. The last one was carried out in 2021, with the assistance of Mazars and the support of the General Secretary and Institutional Communication Department. This assessment was based on: reviewing existing documentation, conducting interviews with members of the executive and all directors, administering a formal questionnaire and analysing best market practices (benchmarks, EBA guidelines, Corporate Governance Codes, etc.). At the end of its work, the firm considered that the benchmark of market practices made it possible to point to an operation consistent with other institutions. The composition of the Board seems adapted to a mutualist environment, diversity is present and the average age of the directors is lower than that of the other institutions in our sample. The files are complete and generally consist of a summary. In addition, the firm stated that the answers provided by the directors to the formal questionnaire attest to the very good functioning of the Board of Directors and that both the functioning of the Board of Directors and the specialised committees had constantly improved since 2018.

Also, in 2022, an item was included on the agenda of the November meeting of the Board of Directors following the completion of an annual assessment consisting of sending a self-assessment questionnaire including the criteria the Crédit Mutuel Arkéa directors' Charter. The results were positive: the role within the Board is understood. Directors are committed, defend their opinions and take a critical approach. They are also willing to train, prepare themselves and generally participate rather actively.

In accordance with the provisions of the French law on the Social and Solidarity Economy, Crédit Mutuel Arkéa's General Meeting held on 14 May 2019 heard the conclusions of the report of PHF Conseils, the firm appointed the previous year as cooperative auditor. This five-year report deals with the mechanisms to ensure voluntary and open membership for all, the nature of the dual status of members (customers and members), the mechanisms to ensure the democratic governance of our cooperative society and a good level of economic participation by members, the procedures for allocating operating surpluses, the training arrangements for directors and the various forms of cooperation with other cooperative societies. In addition to certifying compliance with the principles of cooperation, this report highlights Crédit Mutuel Arkéa's best practices.

At the level of Crédit Mutuel Arkéa subsidiaries

As part of Crédit Mutuel Arkéa's cooperative governance model, the Appointments and Governance Committee of the Board of Directors of Crédit Mutuel Arkéa selects from among the elected members of the local banks competent directors and, exceptionally, additional expert staff to sit on the supervisory bodies of the group's various subsidiaries.

In order to guarantee the good reputation and competence of the nearly 200 members of supervisory bodies, the Appointments and Governance Committee adopted a second-tier governance charter, reviewed in April 2022, which provides a framework for the appointment of members of the supervisory bodies of subsidiaries and the performance of their duties. This charter sets out three guidelines for the good governance of subsidiaries:

- balanced representation, proportionality of size and renewal of the supervisory bodies of the group's subsidiaries;
- strengthening the collective competence of the Boards and the individual competence of the members of the supervisory bodies, both in the process of detection and training of directors;
- strengthening the committee's role and dialogue with the Chairpersons of the various Boards and the general secretaries of the group's entities.

In 2022, 94% of the subsidiaries' supervisory bodies had an attendance rate of more than 75%. In addition, 93% of the directors, appointed or renewed in 2022 within regulated subsidiaries, were approved without conditions precedent by a supervisory authority.

In terms of strengthening the collective and individual skills of the subsidiaries' supervisory bodies and their members, a framework policy for the training of second-tier directors is in place.

The training path begins at the first level through the acquisition of basic training and then continues through so-called regulatory, business or strategic training. It is supplemented by providing access for members of the supervisory bodies to a remote training platform (Cogito) which enables experts from central departments and each subsidiary to provide training on regulations, risks, governance, accounting and auditing, the products and business lines of Crédit Mutuel Arkéa entities and banking strategy. Even if training modules are common and imposed on all directors, they remain involved in their skills development, in consultation with the social life correspondents and the Chairpersons of the supervisory bodies. In addition, the subsidiaries, depending on their activities and the specificities of the business lines, may also provide training to the members of their supervisory body.

Directors of local banks	2022	2021	2020*	2019
Number of first-tier directors	2,538	2,590	2,713	2,924
% of women among the directors of local banks	42.8%	42.0%	41.8%	41.1%
Number of new directors elected during the year	155	119	163	184
% of women among the new directors of local banks	41.3%	43.7%	46.6%	49.5%
Participation rate on the Boards of Directors of local banks	79.2%	78.7%	76%	79.4%
Number of new Chairmen of local banks	18	32	29	34
% of women among the new chairmen of the local banks	44.4%	25.0%	31.0%	32.4%
Directors of the federations				
Number of elected directors of federations	82	81	81	105
% of women among the federations directors	39.0%	42%	43.2%	36.2%
Number of newly elected directors of federations	7	5	12	13
% of women among newly elected directors of federations	14.3%	0%	66.7%	38.5%
Training				
Number of directors of local banks who have taken at least one training course during the year	2,048	2,109	988	1,425
Total number of hours dispensed	9,578	8,466	5,615	11,147
Percentage of directors of local banks trained	80.7%	81.4%	36.4%	48.7%

* Exit from the Crédit Mutuel Massif Central federation in 2020.

4.4.2 An identity that respects its mutualist values

Crédit Mutuel Arkéa is a cooperative and collaborative banking group. A strong identity that is reflected in particular by the significant involvement of its governance and by the mobilisation of its stakeholders in the definition of the group's sustainability strategy, its objectives, its commitments and their implementation.

The governance of Crédit Mutuel Arkéa guarantees the group's sustainability approach.

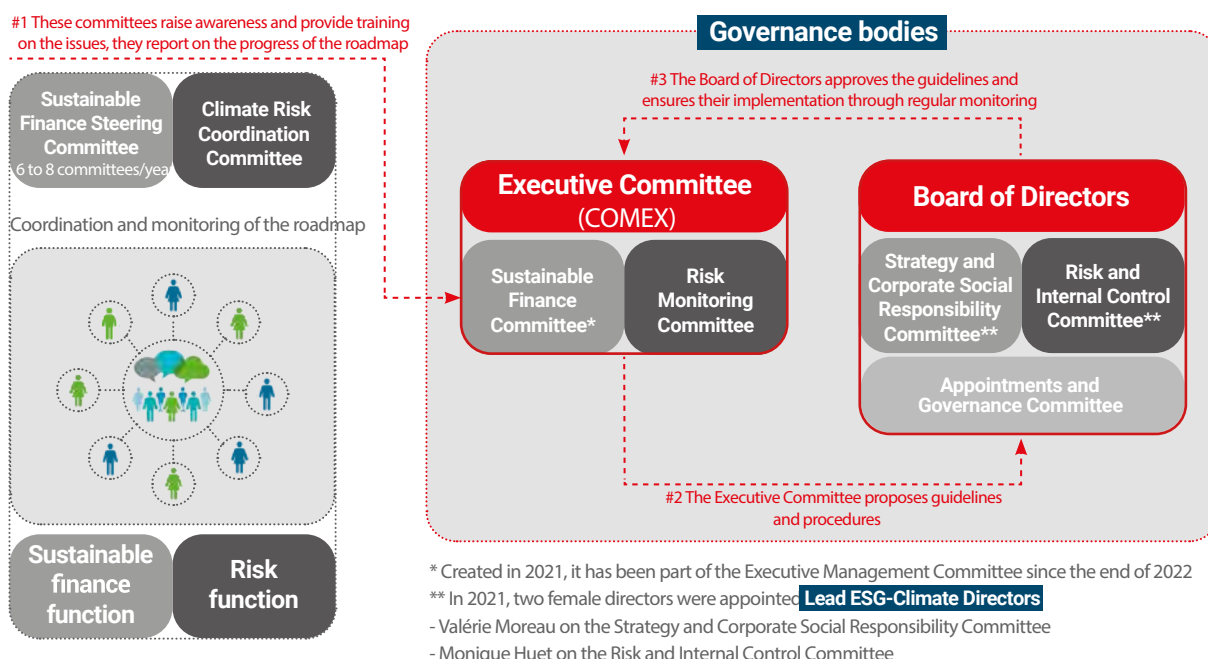
Crédit Mutuel Arkéa's Board of Directors approves the group's strategic orientations. It then ensures their implementation through the executive bodies and carries out regular monitoring. As part of its duties, it discusses the main orientations of the group's sustainability policy each year. In 2021, the operating rules of the Board of Directors were amended to formalise its responsibilities in terms of ESG-climate. It reflects the fact that the Board of Directors takes into account environmental issues, including climate, social and governance issues, when it approves strategic orientations, policies and significant operations and defines the level of associated risk appetite.

Crédit Mutuel Arkéa's directors' Charter was also amended in order to demonstrate the necessary control of environmental, social and governance issues in terms of risks and opportunities.

To validate the group's strategic orientations, the main action plans, and to ensure its risk monitoring role, the Board of Directors relies on the informed opinions of specialised committees, including the Strategy and Corporate Social Responsibility Committee and the Risks and Internal Control Committee. The special attention to be paid to consideration of environmental, social and governance (ESG) issues, including the climate issue, is formalised in the charter of each committee.

Since 2021, **two ESG-Climate lead directors** have been appointed to the Strategy and Corporate Social Responsibility Committee and the Risks and Internal Control Committee.

4.4.2.1 An organisation that addresses its challenges



Crédit Mutuel Arkéa's **Executive Committee** is responsible for assisting the group's executive management in strategic steering. Thus, it proposes strategic orientations to the Board of Directors and then steers the implementation of the strategy approved by the **Board of Directors** and the monitoring of the resulting risks.

Within the framework of its prerogatives and powers, in order to ensure the relevance and quality of its decisions, Crédit Mutuel Arkéa's executive management structures its organisation around cross-functional committees. These committees are composed of directors in charge of business lines and support functions.

Significant changes have been made to increase the integration of these issues into all of the group's decision-making processes:

- **creation of a Sustainable Finance Executive Management Committee in 2021, now part of the Executive Management Committee since the end of 2022**, in order to involve more departments in the work relating to sustainable finance. It complements the actions of the cross-functional committees, which include, at their level, sustainability issues in decision-making, particularly with the bodies described below;
- the group **Risk Monitoring Committee** contributes, on behalf and by delegation of executive management, to the governance and overall management of the group's risks, including environmental risks;

- since raising awareness among members of climate risks in 2019, many topics related to this theme have been addressed such as the plan for integrating climate risk into the risk function or to pilot climate stress test exercises of the French Prudential Supervisory and Resolution Authority (ACPR) and the European Banking Authority (EBA);
- the group **Counterparty Committee** acts under the authority granted by executive management and within the limits set - and reviewed at least once a year - by the Board of Directors of Crédit Mutuel Arkéa. It incorporates the Environmental, Social and Governance (ESG) analysis of market issuers subject to its approval. The ratings obtained complement the traditional credit risk analysis. Depending on the score awarded following the ESG analysis, the committee may refuse certain listing requests. Its position may be revised over time in the event of a change in the ESG rating/analysis;
- the **Listing Committee** acts under the authority granted by executive management and within the framework of Crédit Mutuel Arkéa's prudential system. As such, it aims to optimise and secure the policy for the purchase of financial products and services practised by Crédit Mutuel Arkéa as a whole (on its own behalf and on behalf of third parties). Since the entry into force of the Disclosure Regulation, this committee has set up a process aimed at taking into account, in its listing decision, the level of maturity of the asset management company studied in terms of sustainability risk assessment, including climate risks;
- the group **Credit Committee** acts under the authority granted by executive management and within the limits set - and reviewed at least once a year - by the Board of Directors of Crédit Mutuel Arkéa. The mission of this committee is to rule on customer loan applications whose amounts or characteristics exceed the powers granted to the lower-level committees. As part of the challenges related to climate risks and ESG criteria, the group Credit Committee is gradually integrating the inclusion of an ESG-climate analysis into the decision-making process relating to the granting of loans.

Other group management committees are strengthening the integration of climate-related issues in their field of intervention. These changes have been formalised in their operating charter such as the Customer Commitments Committee.

This consideration of ESG issues by governance bodies is also carried out at the level of the group's subsidiaries.

All of the group's business lines and functions are gradually taking into account sustainability issues in their operations.

In order to best coordinate the integration of these issues and actively contribute to this approach, the group relies on an organisation based on a dedicated Sustainable Finance function.

The **Sustainable Finance function** is made up of the sustainable finance managers of the group's entities (subsidiaries, federations, central service departments) and a central team, the Sustainable Finance Department. It proposes framework mechanisms for sustainable finance, such as sectoral policies, and implements the associated action plans.

The central team of the Sustainable Finance Department, which reports to the General Secretary and Institutional Communication Department of Crédit Mutuel Arkéa, has ten employees.

Its role is to:

- coordinate the group's sustainable finance function and governance on these issues;
- coordinate cross-functional projects related to the integration of ESG-Climate issues, whether specific to the group's commitments or regulatory;
- formalise framework systems and produce sustainable finance reports;
- contribute to sustainable finance communications, particularly during external enquiries concerning Crédit Mutuel Arkéa.

A **Sustainable Finance Steering Committee** was created in early 2021. It brings together the sustainable finance managers of the entities, the Sustainable Finance Department and certain central departments such as the Risk Department, the Compliance and Permanent Control Department, the Finance Department, and the Legal Department. It met seven times in 2022.

The main duties of this committee are to:

- propose approaches/strategies on ESG-Climate themes to the group's governance bodies;
- monitor the progress of the sustainable finance roadmap via the presentation of a dashboard;
- ensure the implementation of sustainable finance framework policies;
- guarantee the use of group tools and methods, adapted to the specificities of the business lines;
- present and share monitoring and best practices to the various members.

A Sustainable Finance **Doctrine Committee** has also been set up, steered by the Legal Department, bringing together the Compliance Department, Sustainable Finance and the business lines concerned. It is intended to support the integration of regulations dedicated to sustainable finance by the group's various entities.

At the subsidiary level, similar organisations can be deployed.

Risk Department of Crédit Mutuel Arkéa

The Risk Department has been in charge of managing environmental risks, including climate risks, since June 2019.

The Cross-Functional Risk Management Department includes the Risk Summary Department and the ESG Risks Department that has been in charge of climate risk since June 2019.

Each Arkéa group **Risk Management** manager has been made aware of climate risks and is working to integrate climate risk within his or her entity. ESG risk officers have also been appointed in each entity.

A **Climate Risk Coordination Committee** that meets on a quarterly basis was set up in the fourth quarter of 2020. Its missions include monitoring climate risk integration projects in the Risk Department and, in the Risk Management Function, reporting on the implementation of the climate risk strategy, for arbitration on any blockage points raised in operational committees.

Variable compensation

Objectives related to sustainable finance were included in the compensation criteria for corporate officers, senior executives and management in 2022.

4.4.2.2 An organisation committed to supporting regional development

As a solidarity-based, ethical and inclusive bank, the **Crédit Mutuel Arkéa group expresses and translates its cooperative commitment on a daily basis through solidarity measures in favour of its members and customers.**

Crédit Mutuel Arkéa is a **regional banking player** that supports economic development, employment and innovation in its regions through its financing, investments and participation in economic ecosystems. As a committed company, it also contributes to the dynamism of its regions, particularly in the cultural and sporting field, while pursuing an active recruitment policy (see Section 4.5.4 "A responsible employer").

Financing the real economy

Financing and capital support for professionals and companies

At the end of 2022, Crédit Mutuel Arkéa had €17.6 billion in outstanding loans to professionals and businesses.

Crédit Mutuel Arkéa assists professionals and businesses from their creation through to the development and transfer phases. It pays particular attention to innovative entrepreneurs who will be the leaders of tomorrow. This support takes the form of providing expertise, financing, capital support, networking and participation in external initiatives.

In the unprecedented economic context of the Covid-19 health crisis, from 25 March 2020, measures to support the economy were rapidly deployed in the federation networks and by Arkéa Banque Entreprises et Institutionnels, group subsidiary, to support customers as closely as possible with government-guaranteed loans (PGEs), releasing over €2 billion for more than 11,000 professionals.

For the group's two federations and for Arkéa Banque Entreprises et Institutionnels, supporting the creation and takeover of companies is a key issue in terms of economic dynamics. The partnerships forged are numerous and enable the group to be present at each stage of the process of creating or taking over a business, with specialised players who provide creators or buyers with skills complementary to those of the group: chartered accountants, consular chambers (CCIs, Chambers of Trades and Crafts, etc.), support structures (management shops, local platforms of the Initiative France network, France Active, Réseau Entreprendre, etc.).

For example, Crédit Mutuel de Bretagne is a partner of the Initiative Bretagne network, which works to support companies in the region via interest-free honour loans (creation and transmission of businesses) and via the Bretagne Reprise Initiative Transmission (BRIT) and regional honour start-up loans (PHAR) funds, the latter being a regional fund to help the creation of innovative companies in Brittany.

The group's federations also offer their individual customers the "La Vie d'iCi" passbook savings account, the funds collected from which make it possible to grant loans in our regions to facilitate the creation and takeover of companies in the regions and "La Vie d'iCi" innovation loans to finance innovative projects with the support of networks specialising in innovation (competitiveness clusters, technology parks, etc.) in various sectors including the agricultural sector (See sub-section "Support for farmers, winegrowers and fishermen", below).

The group has also set up complementary measures to bank loans when companies are created or taken over:

- under certain conditions, thanks to the solidarity mechanisms, aid is granted in the form of donations to small businesses that are in the process of being created or taken over and that create jobs. These donations can be financial and/or in the form of services such as, for example, the production of a film and/or a website to publicise the project. This aid may be granted in addition to a zero-interest "Appui Pro" loan, which is granted by the local banks and remains subject to the granting of a traditional bank loan. These schemes are managed locally, at the level of each of the Boards of Directors of the local banks. Their purpose is to promote and accelerate the economic and social development of the regions covered by the Crédit Mutuel Arkéa federations;

Since 2020, Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest have adapted their support system for professionals by allowing the Boards of Directors of local banks to grant donations to companies in difficulty in order to support the local economy.

- Kengo.bzh, the group's participative financing platform, enables project owners in Brittany to make themselves known and benefit from donations, with or without compensation. Kengo.bzh has been chosen to award the "participative financing for green growth" label to projects that must meet requirements in terms of transparency of information, environmental and social impacts and the implementation of a mechanism to measure their positive contribution to the energy and ecological transition.

Since its creation in June 2015, Kengo has been able to mobilise 67,500 contributors, with an average amount of €5,480 per project. The platform has a project success rate of around 85%. A company with a mission since 2022, Kengo launched the "Ti Impakt" scheme to encourage all projects that are breaking ground in the fields of ecological, environmental and energy transitions. Eligible projects benefit from an exclusive package, including reducing the commission charged on funds collected.

Help for professionals	2022	2021	2020	2019
Support for business creation				
Donations (in € thousands)*	767	789	872	479
Interest-free loans (in € thousands)*	4,167	3,509	2,760	2,665
Number of jobs supported	1,125	1,064	962	965
Amount of funds raised via Kengo (in € thousands)	701	766	837	680
Number of projects funded via Kengo	128	170	239	146
Help for professionals experiencing difficulties				
Donations (in € thousands)*	500	609	N/A	N/A
Number of jobs supported	645	967	N/A	N/A

* Scope of federations: Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest.

In addition to creating and taking over businesses, the group supports companies throughout their development, through specific organisations depending on the size of the client companies and bancassurance offers adapted to their needs.

Arkéa Banque E&I supports more than 10,000 companies, most of which are medium-sized and mid-cap. The bank operates in targeted business sectors in which it has developed strong expertise. Each year, it reinforces its presence with its historical customers: companies in the food industry, distribution, construction and public works, health, tourism, industry, IT services and transport and logistics. To support these companies, it now relies on 21 business centres in the regions. Its sales teams are specialised by sector, enabling the bank to provide solutions tailored to the needs and expectations of its customers (financing, savings, means of payment, asset management and international trade). In addition to this traditional financing, Arkéa Banque Entreprises et Institutionnels is accelerating the ESG approach of local companies through its Arkéa PACT loan (see Section 4.5.2 "Financing the economy responsibly and committing to a sustainable economy").

During the 2022 financial year, Arkéa Banque Entreprises et Institutionnels confirmed the support it intends to give to sustainable regional economic development. In this respect, through its teams in the Environmental Transition Department, it has supported the Corporate and Institutional business centres throughout mainland France, in the completion of around thirty financing operations (projects & corporate) aimed at contributing to the diversification of the energy mix through renewable energy projects (Photovoltaic, Wind, Biomass, Methanisation, Geothermal, District heating, etc.) and decarbonisation. All projects are screened in order to be fully eligible for the taxonomy, while ensuring the complete collection and inventory of data (in support of audits).

Private equity occupies a special place in the group's strategy. Arkéa Capital finances and supports the projects of business leaders, from start-ups to mid-caps, in their search for additional capital to accelerate their growth and/or in the context of business transmission issues.

With €1 billion under management and six regional offices, Arkéa Capital is today the partner of more than one hundred companies. Arkéa Capital positions itself as a minority partner and acts alone or in co-investment in equity capital through five complementary investment vehicles in the area of development and transmission capital:

- Arkéa Capital Investissement and Arkéa Capital 2, respectively endowed with €250 million and €80 million, support the projects of the leaders of SMEs in France. Arkéa Capital 2 is unique in that it is associated with a philanthropic endowment fund, PhiNOE, which offers finance for the regions and employment;
- Arkéa Capital Partenaire, a €400 million vehicle, supports major regional companies as a reference shareholder for periods of more than ten years;
- Arkéa Capital Managers, with a €200 million investment, enables managers to strengthen/consolidate their shareholding in their company.

In 2016, Arkéa Capital diversified its activities with the launch of the We Positive Invest investment fund⁽¹⁾, which supports innovative start-ups operating in the fields of the energy transition, the circular economy and social entrepreneurship (see Section 4.5.2.1 "ESG issues at the heart of the Group's activities", sub-section 3. "Products and services").

- In 2020, Arkéa Capital created the Breizh Ma Bro venture capital mutual fund, dedicated to the development, support and recovery of the economy in Brittany and Loire-Atlantique. Breizh Ma Bro is one of the first ten funds to be certified by the government as part of the French economic recovery plan. This fund aims to support regional SMEs and mid-caps, to promote the maintenance of decision-making centres in the regions and to encourage job creation through a minority investment in equity and quasi-equity, alongside the company head(s);

(1) https://www.cm-arkea.com/banque/assurance/credit/mutuel/c_41882/fr/presentation-de-we-positive-invest.

■ In 2022, Arkéa Capital launched the We Positive Invest 2⁽¹⁾ Mutual Fund (FPCI) dedicated to supporting entrepreneurs who develop solutions to accelerate societal and environmental transitions. A fund classified as Article 9 in the Disclosure sense, We Positive Invest 2 aims to generate a positive and measurable impact, at the same time as financial performance. It invests in intrinsically impactful companies in four areas:

- energy and climate transition;
- circular economy;
- human capital;
- health & well-being.

The group also enables its customers to provide capital support to companies. SWEN Capital Partners, 40% owned by Federal Finance Gestion and 50.3% by OFI Asset Management and its employees, specialises in responsible investment in unlisted companies and offers mutual funds (FCPIs) and local investment funds (FIPs). These FCPIs and FIPs support the development of innovative companies based in the regions. They contribute directly to the development of the economic fabric and have supported nearly 300 companies since 2008.

Support for farmers, winegrowers and fishermen

Agriculture, wine-growing and fishing are important markers of economic activity in Crédit Mutuel Arkéa's historic regions.

In the agricultural market, the group's federations make supporting young farmers a priority. In 2022, Crédit Mutuel de Bretagne supported 34% of new young farmers in Brittany. Crédit Mutuel de Bretagne is a partner of Bretagne Reprise Initiative Transmission (BRIT), which helps young farmers to set up in farming through the granting of agricultural loans.

In addition, Crédit Mutuel de Bretagne has co-built with Safer Bretagne and the Brittany Region an innovative solution for the deferred purchase of land. The objective of this solution is to provide a secure start for the young farmers and improve the competitiveness of farms by making strategic land available to them from the outset. The young farmer has ten years to take up the land thus reserved.

Crédit Mutuel du Sud-Ouest has a market share of more than 20% among young farmers in its region. At the same time, the partnership with Initiative Nouvelle Aquitaine has made it possible to continue to support many young farmers established through honour loans. The federations in Brittany and the South West offer their individual customers a "La Vie d'iCi Jeunes Agris" passbook savings account. The sums paid into this passbook account enable Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest to support the financing of projects presented to them by young farmers, through loans of the same name.

In addition to setting up young farmers, the group's federations offer financial solutions to support the day-to-day management of the farm or its modernisation and development. Specifically faced with the environmental challenges of the profession, Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest are developing financial solutions aimed at supporting farmers wishing to embark on this path (see Section 4.5.2.1. 'ESG issues at the heart of the group's activities', sub-section 3. 'Products and services').

The two Federations have set up a dedicated AGRINOVEO loan (green energy production/energy reduction) as well as an aid for the financing of the French "Bon Diagnostic Carbon", a government scheme for young farmers.

As regards wine-growing, Crédit Mutuel du Sud-Ouest remains fully mobilised in the VitiRev regional project, a large-scale project led by the Nouvelle Aquitaine Region aimed at ending the use of pesticides in wine-growing.

VitiRev brings together all the regional vineyards, fourteen regional innovation laboratories and more than 130 players committed to an action programme whose aim is to develop the wine-growing culture of tomorrow, by making it attractive and respectful of the environment. It is also in this context that the Crédit Mutuel Arkéa group contributed to two funds, VitiREV Innovation and Terradev, aimed at supporting sustainable wine-growing projects. Crédit Mutuel du Sud-Ouest is continuing its commitment to supporting organic vineyards and a high environmental value approach. Through its long-standing partnership with Agrobio and as a member of the Club des Financeurs Interbio Nouvelle Aquitaine, it is at the heart of financing organic farms. The strengthening of links with the 'Viticole Bio Nouvelle Aquitaine' syndicate and the 'Agence Nationale Viticole Bio' initiated in 2020 also continued in 2021 and 2022. All wine and agriculture managers in the banks have taken a comprehensive training course on organic farming and wine-growing.

The main objective of the **wine and spirits sector**, led by the Crédit Mutuel Arkéa group and launched in early 2022 in Aquitaine, is to develop strongly in this sector by supporting all players in their agro-ecological transitions. The group has chosen to implement a new sectoral organisation in order to better meet the specific expectations of professionals, from upstream to downstream, and to support them in their transformation challenges, on both a local and a regional scale:

- the renewal of generations and profiles;
- the agro-ecological transition and societal changes;
- innovation and diversification;
- preservation of the typicity of the wines, etc.

Already present for many years with maritime professionals (more than 1,400 companies through its federations, Crédit Mutuel de Bretagne et du Sud-Ouest and subsidiaries), Crédit Mutuel Arkéa set up, in 2022, a **maritime sector**⁽²⁾ to support players in the sector on a daily basis and in their transitions. This sector thus enables the group to position itself as an aggregator of solutions, a facilitator of ecosystems, a support for innovation, to promote the responsible blue economy and a driver of dreams and inclusion through its presence in the field of offshore racing. By becoming a partner of choice for maritime players, Crédit Mutuel Arkéa aims to create value and a positive impact for the development of the regions. To do this, the group has decided to address all the sectors that

(1) https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2022-05/arkea_capital_accelere_sur_l'impact_avec_le_lancement_du_fpci_we_positive_invest_2.pdf.

(2) https://www.cm-arkea.com/banque/assurance/credit/mutuel/c_52151/fr/la-filiere-maritime

make up the richness and diversity of the maritime economy while placing its commitment to innovation and its aim of being the preferred partner of "seatechs", for their ability to revolutionise the uses of the maritime sector in the broader sense, and for their ability to work for the regeneration of the oceans and the protection of marine ecosystems.

Crédit Mutuel de Bretagne also supports maritime activities and actively cooperates with the various bodies representing the profession. It has set up a maritime network with experts in each Breton department and a dedicated offer to develop its expertise in fishing, shellfish farming, seaweed farming, sport sailing and seatech. Supporting transitions is a priority for the group and the maritime sector is undergoing a profound transformation that we are supporting and encouraging thanks to our Pronovéo offer, which includes a maritime component (decarbonisation, water treatment, etc.).

The financing of institutions

Through its federations and Arkéa Banque Entreprises et Institutionnels, Crédit Mutuel Arkéa is a privileged partner of institutional players. In 2022, the group granted more than €2 billion in loans to the institutional sector.

Arkéa Banque Entreprises et Institutionnels (ABEI) supports both local public sector players and private players entrusted with missions of general interest. Its institutional customers include local authorities, in particular municipalities and inter-municipal bodies with more than 20,000 inhabitants, two out of three departments, eleven regions out of thirteen, and the fifteen most populous cities in France. The bank also finances the tools of local authorities such as local public companies, health and medico-social institutions, social housing providers, CCIs, mutual and pension funds, associations, etc.

Arkéa Banque Entreprises et Institutionnels finances projects that make sense for the vitality and attractiveness of the regions: installation of very high-speed networks, development of public transport, real estate for the establishment of shops and companies, etc. ABEI is stepping up its support for players in connection with the environmental transition: energy union, household waste treatment union, etc.

Support for vulnerable member-customers ⁽¹⁾

Crédit Mutuel Arkéa is also developing specific solidarity schemes to help members in financial difficulties.

Since January 2019, these schemes have been directly managed by the Boards of Directors of the local banks, within the framework of an annual budget allocated to each bank. Their objective is to help people in temporary difficulty through four levers of action: assistance to borrowers, personal microloans, the sensitive accounts scheme (reversal of fees) and, since 2015 in the framework of banking inclusion, budget support by specialised partners.

In 2019, Crédit Mutuel Arkéa eliminated all banking incident fees for financially vulnerable people benefiting from the specific dedicated offer. This system made Crédit Mutuel Arkéa the first French bank to go beyond the obligation imposed by the regulatory framework.

The monitoring of sensitive accounts enables the Boards of Directors of the local banks to reverse charges for members with significant monthly expenses. In 2022, nearly €342,000 were not debited or were reversed to the benefit of 2,102 members.

Assistance to borrowers in difficulty consists of occasional payment of the loan maturities of members (with a ceiling of €7,500 per year per member) experiencing temporary difficulties in repaying their loans following an accident. In 2022, 117 new subsidies were granted for a total amount of €200,000.

Within this framework, and through its partners, personal microloans of up to €5,000 can also be granted by local banks. These loans are aimed at people excluded from "classic" loan. As social support, these microloans can finance the acquisition or maintenance of a vehicle, household equipment, promote autonomy, access to housing or contribute to family cohesion projects. In 2022, 460 personal microloans were granted for a total amount of almost €1.6 million.

Since 1994, Crédit Mutuel Arkéa has been a partner of the association for the right to economic initiative (ADIE). This partnership notably provides for the opening of credit lines enabling ADIE to grant microloans and the endowment of honorary loan funds. These schemes benefit business creators in Brittany and in the South West. In 2022, €2.3 million of loans were allocated in the form of professional microloans to 805 project owners for set-up and support costs.

For example, Crédit Mutuel de Bretagne recently backed the project led by the Departmental Council of Finistère to support caregivers working with people with disabilities, with a donation of €70,000.

Microloans supported in partnerships (in € thousands)

	2022	2021	2020	2019
Amount of personal microloans financed during the year	1,560	944	690	797
Amount of credit lines made available	2,313	2,191	1,123	1,710

(1) https://www.cm-arkea.com/banque/assurance/credit/mutuel/c_12884/fr/nos-dispositifs-de-solidarite

A new system has also been created to provide significant amounts of support to loyal members faced with exceptional situations (personal accidents, problems accessing credit, uncovered claims resulting in serious human consequences) not covered by their insurance contracts or the solidarity schemes mentioned above. This new measure, with an annual budget of €2.4 million allocated by the Suravenir Assurances and Suravenir subsidiaries, is intended for loyal members who have had Crédit Mutuel de Bretagne or Crédit Mutuel du Sud-Ouest as their main bank for more than five years, as well as young customers under the age of 29, with no loyalty condition. This solidarity fund is part of the cooperative DNA of the Crédit Mutuel Arkéa group.

In 2020, against the backdrop of the health, economic and social crisis, Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest's solidarity mechanisms evolved to provide new responses to the needs of financially vulnerable customers. Thus, in addition to providing financial assistance to borrowers in difficulty, the local banks now have the possibility of supporting customers experiencing temporary difficulties, whether or not they are borrowers, up to a limit of €1,000 per beneficiary. The financial donation scheme for private individuals has been used extensively. In 2022, more than €1 million in donations enabled households to improve their financial situation.

Aid to individuals*

(in € thousands)

	2022	2021	2020	2019
Amount of aid under the "sensitive accounts" scheme (reversals and fees not charged)	342	312	251	381
Amount of aid to borrowers	200	246	284	286
Donations to individuals in difficulty	1,015	1,161	968	N/A

* Scope of federations: Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest.

Support for the associative network⁽¹⁾

Crédit Mutuel Arkéa group counts nearly 64,042 non-profit organisations among its customers, from all sectors. In addition to banking solutions, initiatives to support associations are regularly proposed: the "100% for associations" operation with the 'Défi Territoires d'Initiative' (Regional Initiative Challenge), which rewards associations that carry out actions beneficial to employment, regional development, solidarity or sustainable development, etc.

The group also supports associations and players in the social and solidarity, or third sector, economy by giving them the opportunity to benefit from refurbished computers in good condition. Since 2013, more than 740 associations have been able to benefit from more than 2,000 pieces of equipment enabling them to better carry out their missions. In 2022, the Crédit Mutuel Arkéa group donated 700 pieces of computer equipment (laptops, desktop PCs, screens, printers and telephones).

Social and solidarity economy

	2022	2021	2020	2019
Number of non-profit customer organisations	64,042	63,455	62,995	68,648
Donations to associations* (in € thousands)	1,544	1,252	1,337	N/A

* Scope of federations: Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest.

The solidarity schemes managed at the level of the local banks of Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest, each of which has a specific budget for supporting individuals, professionals and member associations, **represent overall assistance of €12 million per year** ⁽²⁾.

For 2023, the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations wish to involve members even more closely in Crédit Mutuel Arkéa's solidarity action schemes.

Thus, at the CMB, by vote, the members will contribute to the choice of the areas of focus for 2023. At the CMSO, they will choose an emblematic association in each department that works in favour of the quality of life and inclusion of people with disabilities.

Support for talent and creativity in the regions

As an extension of its financing activity and its involvement in the field of economic development, Crédit Mutuel Arkéa is a company committed to local players through sponsorship and patronage actions. **In 2022, the group paid nearly €19.5 million for patronage and sponsorship.**

In this way, the group works alongside organisations and associations working to enhance and promote creativity, excellence, expertise and knowledge in the regions, in the fields of culture, education, health and sport.

(1) https://www.cm-arkea.com/banque/assurance/credit/mutuel/c_12884/fr/nos-dispositifs-de-solidarite.

(2) 12.4 million in 2022

Crédit Mutuel Arkéa structures its financial philanthropy around iconic actions in several complementary areas:

- culture: 'Le Quartz - scène nationale de Brest', the 'Petites Cités de Caractère', the 'Musée du Faouët', etc.;
- health, by supporting medical research (Innoveo endowment fund, Liryc and Bergonié institutes, etc.);
- inclusion and diversity: since 2021, Crédit Mutuel Arkéa has become a sponsor of the Grand Voilier École association, whose ambition is to support young people from all backgrounds by transmitting the human values associated with sailing while enabling them to gain a foothold through work and collective effort;
- education, by providing financial support to three Centres of excellence in the regions: the Rennes 1 University Foundation, the UBO Foundation and the Bordeaux University Foundation. Since 2021, Crédit Mutuel Arkéa has also supported the second chance schools in the Gironde, Charente and Dordogne departments, which aim to support young people between the ages of 16 and 25 who drop out of school and are motivated by a return to the job market and vocational training. The group's donation made it possible to purchase computer equipment, with the aim of combating digital illiteracy.

In 2022, Crédit Mutuel de Bretagne and the Kerpape endowment fund also signed a philanthropy agreement. This signature confirms a long-standing commitment to the establishment and our company's desire to be even more present with inclusion players.

Crédit Mutuel Arkéa and its employees are also committed to their local communities and support numerous charities and public interest organisations through local initiatives such as collections and races.

Promoting the Crédit Mutuel Arkéa group brands in its regions

With regard to sponsorship activities, Crédit Mutuel Arkéa reviewed its organisation in 2021 by creating a dedicated subsidiary called "ARKEA, Partenaire communication et synergies des filiales du groupe Crédit Mutuel Arkéa". The latter provides the group's subsidiaries with a range of communication and promotional resources, based on a strong and value-creating brand.

Under its sole name or in partnership, Arkéa now supports several professional sports teams in cycling, sailing and rugby, as well as a concert hall.

Arkéa is the title sponsor of the Arkéa-Samsic professional cycling team, which competes in the World Tour Continental Pro Division. Arkéa thus takes over from Crédit Mutuel Arkéa, which had previously succeeded the Fortuneo subsidiary. The team, with strong Breton ties, continues to progress in the professional field.

Arising from Arkéa-Samsic, Arkéa Pro Cycling Team is a new professional women's team that competed in its third season in 2022 and the first new format Women's Tour de France. This is the first time that a French female professional cycling team has been supported by a single private partner. This support

echoes the various initiatives carried out within the Crédit Mutuel Arkéa group to promote gender equality and diversity.

Already present together in the 2020 Vendée Globe, Arkéa and Paprec are embarking on a new campaign for the Vendée Globe 2024. With a great first in the world of ocean racing since the two groups have chosen to create their own structure based in Lorient, in the heart of the Sailing Valley, Yoann Richomme, twice winner of the Solitaire du Figaro, has been chosen to be the skipper of the new Paprec-Arkéa Open 60. Through this joint approach, Paprec and Arkéa want to build a sustainable and committed project around the values of performance and innovation. In 2022, Yoann Richomme, at the helm of the Class 40 Paprec Arkéa, won the legendary Route du Rhum - Destination Guadeloupe, breaking his own record for the event.

A stronghold of French rugby and a leading club in the Top 14 since 2011, Union Bordeaux-Bègles (UBB) has been sponsored by Arkéa since 2018.

Arkéa also lends its name to the Bordeaux Métropole Arena. Located in the town of Floirac, in a privileged location, aesthetic due to its proximity to the river and the majestic buildings of Bordeaux, and easily accessible by all means of transport, the hall hosts the largest national and international shows and major indoor sporting events.

Like the Crédit Mutuel Arkéa group, Suravenir, its personal protection insurance subsidiary, very soon decided to play an active role in developing contemporary creativity and sharing it with audiences, through support for emerging creative artists and a commitment to artistic structures. In this respect, Suravenir supports the artists Benjamin Deroche, a photographer, and Marc Ash, a visual artist, the Hélène et Edouard Leclerc Fund, (a private fund for contemporary French art endowments) located in Landerneau, the 'Passerelle' centre for contemporary art in Brest and, finally, the Regional Contemporary Art Fund (FRAC) based in Rennes.

In terms of sports sponsorship, Crédit Mutuel de Bretagne supports Breton Ligue 1 football clubs: Stade Rennais Football Club and Stade Brestois 29, and Ligue 2 football clubs: Football Club de Lorient and En Avant Guingamp. Crédit Mutuel de Bretagne also supports the women's team of En Avant Guingamp, which plays in Division 1.

Crédit Mutuel de Bretagne has also been involved in sailing alongside Brittany regional council since 2011. Together, and with the support of the Finistère Pôle Course au large, they have created the Bretagne-CMB ocean racing centre of excellence. This original approach aims to detect and support talented young sailors to enable them to express themselves at the highest level (Skippers Espoir et Performance Bretagne-CMB). In 2020, this programme will be expanded to include a new section, "skipper Océane Bretagne-CMB", reserved for women skippers, in order to promote gender diversity in ocean racing.

In addition to sports partnerships, Crédit Mutuel de Bretagne supports festivals in Brittany such as the 'Vieilles Charrues', the 'Transmusicales' in Rennes and the 'Fête du Bruit' in Landerneau.

4.4.2.3 A responsible corporate approach

Crédit Mutuel Arkéa has chosen to anchor its corporate social responsibility at the heart of its business lines over the long term, by complying with its obligations through its services (product and service offers) and best practices.

The governance of the group's internal control, including the Compliance and Permanent Control Department⁽¹⁾ contributes to meeting the commitments of the purpose by actively promoting, through the implementation of its many measures, ethical, supportive and inclusive behaviours. Prerequisites for establishing lasting trust in its governance, its employees and customer relationships (from the precursors to the most vulnerable) and in its exchanges with the supervisory authorities, Crédit Mutuel Arkéa works on a daily basis to be exemplary.

Non-financial risks associated with the issue: leading by example in business and governance

■ Risks of inadequate governance: lack of good repute and expertise

■ Risks of non-compliance

Non-compliance with financial security rules, including non-compliance with the regulation in the field of anti-money laundering and financing of terrorism (AML-FT) Non-compliance with deontology/ professional ethics rules including corruption

Percentage of employees exposed to AML-TF who have been trained: **93.4%** (credit institution scope 15589).

Number of sanctions by ACPR concerning the AML-TF scheme: **0**

Percentage of people trained in compliance with the rules of professional conduct/ethics: **91.03%** (credit institution scope 15589)

Business exemplarity

Adapting to regulatory inflation, which places banks at increasing risk of sanctions and damage to their reputation, facing the digital challenge, proposing innovative, useful and environmentally friendly solutions, while demonstrating irreproachable ethics, are the challenges facing banks today.

In line with its goal of being a socially responsible, ethical and inclusive company, Crédit Mutuel Arkéa aims to set an example in the conduct of its business and is constantly striving to ensure that its actions are ethical and that processes are in place to protect the interests of its customers and preserve its integrity and reputation. The group also works closely with its customers to understand and meet their expectations.

Crédit Mutuel Arkéa's approach is thus based mainly on promoting a culture of ethics and responsibility within the company, a responsible compliance approach based on internal procedures governing the group's activities and offers that are constantly adapted to customer expectations.

Promotion of a culture of ethics and responsibility

In order to guard against the risk of misconduct in the group's activities, Crédit Mutuel Arkéa makes compliance with ethical rules a priority.

To this end, Crédit Mutuel Arkéa has drawn up internal rules and regulations that give concrete expression to its commitments and set out the principles to be respected by employees in their decisions and actions.

In addition to the penalties incurred for non-compliance with the principles set out in the internal rules, the internal regulations relating to transactions generated on their own

behalf by employees; the rules relating to transactions carried out on financial markets; the rules applicable to persons involved in activities likely to give rise to a conflict of interest or provide access to inside information, or those relating to the recording of telephone and electronic communications by certain employees in accordance with the French MIF 2 regulations. The Code of Conduct of the internal regulations constitutes the pillar of the anti-corruption plan enshrined in the so-called "Sapin 2" law. The Code of Conduct, which reflects the decision of the management body to engage the company in a process of prevention and detection of corruption, sets out the acts that may be qualified as active or passive corruption, influence peddling or collusion; lists the illicit behaviour of corruption and/or influence peddling and/or collusion, the rules relating to the acceptance of gifts or invitations, conflicts of interest or the exercise of the right to whistle-blowing.

In addition to the Code of Conduct and in order to promote an ethical culture within the company, a training/ awareness-raising system is deployed within the group. The governance bodies and employees most at risk are regularly trained in the rules of ethics and professional conduct. In 2022, 91.03% of targeted people were trained in the credit institution scope 15589.

Thus, during the 2022 financial year, all employees of the central services were made aware of the regulations relating to the fight against corruption. The most exposed employees received extra awareness-raising. The members of the Board of Directors were also trained on compliance systems relating to professional conduct, the fight against corruption and influence peddling, the prevention and management of conflicts of interest, and market abuse risks.

(1) https://www.cm-arkea.com/banque/assurance/credit/mutuel/c_6932/fr/conformite

In addition, the Chairman of the Board of Directors and the Chief Executive Officer of the Crédit Mutuel Arkéa group Executive Committee have committed to the fight against corruption and influence peddling and affirmed the principle of zero tolerance by signing an anti-corruption declaration on 9 December 2021 on the United Nations International Anti-Corruption Day. The formalised process for all Crédit Mutuel Arkéa group employees, directors and service providers was countersigned by all members of the Executive Committee. The resulting declaration has also been published on the Crédit Mutuel Arkéa institutional website⁽¹⁾ and shared with all the Crédit Mutuel de Bretagne and Crédit Mutuel Sud-Ouest directors. It is also covered in all training materials. This commitment was also the subject of massive awareness-raising among the directors of the local banks, with an online publication on the extranet dedicated to the directors and an inclusion in the "Chairman's file" for the months of December 2021 and January 2022 in view of the preparation of the meetings of the Boards of Directors of said local banks.

Lastly, in the 2022 financial year, a fun communication programme entitled "Corruption once, anti-corruption always" was distributed to all directors, managers and employees of the group, highlighting the focus on the management of gifts and invitations, the Code of Conduct, risks of conflicts of interest, risk mapping and the assessment of third parties in the fight against corruption. The entire Compliance function was also made aware of these approaches at the Compliance Plenary Meetings held on 9 June and 8 December 2022.

A responsible compliance approach

In addition to promoting a culture of ethics and responsibility, in order to protect the group from the risk of non-compliance in its activities, Crédit Mutuel Arkéa promotes a responsible compliance approach through the implementation of compliance control systems supervised and steered by its group Compliance and Permanent Control Department (DCCP).

While ensuring, above all, compliance with regulations, the teams in charge of compliance work closely with the operational teams, ensuring that a common culture of compliance is reinforced. Each group employee is thus an active participant in the process and contributes through his or her actions to controlling the risk of non-compliance.

Preventing, protecting, informing, supervising; compliance works on a daily basis to enable the group to control its risks and thus adapt to changes in the economy and society with complete peace of mind. To protect the group from any risk of sanctions, financial loss or damage to reputation, the DCCP relies on a body of rules that is deployed around 4 major areas: financial security, professional ethics and business conduct, protection of customer's interests, and fiscal transparency. Each group entity applies, within its own scope, the group framework rules to which it is subject with regard to its activities and scrupulously ensures that they are properly implemented.

Financial security

Market integrity

To preserve market integrity, the group ensures that its activities comply with the rules defined in particular with

regard to the circulation of confidential and privileged information and the prevention of insider trading, intervention in financial instruments, post-trade transparency, prevention and detection of market abuse, detection and management of conflicts of interest, best execution and selection of information and advice to customers, and protection of assets.

In accordance with Article 314-10 of the AMF's General Regulation, Crédit Mutuel Arkéa ensures that employees who market financial instruments have the required knowledge and skills.

In addition, in order to ensure proper monitoring of financial transactions relating to market abuse, an analysis of suspicious transactions is carried out daily within Crédit Mutuel Arkéa's scope.

An assessment of the actions carried out is regularly reported to the group's management bodies.

Anti-money laundering and financing terrorism

In order to protect the interests of customers and the group, a framework policy incorporating the regulations in force and an organisation capable of contributing effectively to the fight against money laundering and the financing of terrorism (AML-TF) have been put in place within the group.

In addition, a classification indicates the overall risk level of each country assessed according to criteria related to the quality of the tax system, the quality of the AML-TF system, the risk of the presence and activity of terrorist organisations, the existence of international sanctions or restrictive measures against the country, and the corruption index assessed by Transparency International. This classification is reviewed quarterly and whenever required by the latest news. Procedures are in place and dedicated tools make it possible:

- to prohibit transactions from or to countries sanctioned by the European Union and French regulators;
- to strengthen the monitoring of business relations in connection with countries at high risk of money laundering and terrorist financing.

The framework procedure is applied operationally by each group entity, using a risk-based approach that takes into account the type of customers, the products and services distributed, the distribution channels, the type of customer transactions and their geographical location.

The actions taken in 2022 by Crédit Mutuel Arkéa are detailed in this Universal Registration Document in Section 5.4.7.2.1 "Financial security". They take into account the trends and analyses presented by the financial intelligence unit TRACFIN in its annual reports, the country assessments of the Financial Action Task Force (FATF) and the European Union and the regulator's communications (guidelines, sanctions, etc.). In the context of the exit from the health crisis, the monitoring initiated in 2020 continued in order to detect the possible occurrence of new risks. The management of money laundering schemes that have emerged in recent months has been maintained; state-guaranteed loan (SGL) fraud, fraud in short-time working benefits, etc. Other money laundering schemes have emerged and have been the subject of specific scenarios: eco-loan fraud, at the French national housing agency (ANAH) among others.

(1) https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2021-12/declaration_anti-corruption.pdf.

In addition, the Russia-Ukraine conflict has led us to significantly change our flow filtering system to meet the requirements of monitoring the balances of Russian or Belarusian customers and the embargo measures affecting the interests of nationals of these two countries. Scenarios have been developed to ensure no repatriation of funds from warring countries, and to identify attempts to circumvent embargoes, and to investigate and foil the financing of militias or armed groups.

The diversity of the grounds for suspicious transaction reports issued by all Crédit Mutuel Arkéa entities to the financial intelligence units to which they report has once again demonstrated this year Crédit Mutuel Arkéa's contribution to AML-FT, whose main challenge is to:

- dry up the sources of terrorist financing;
- hinder the laundering of illicit money through banking channels;
- fight against corruption;
- fight against tax and social security fraud;
- protect the interests of its customers who are victims of abuse of weakness, identity theft or conspiracy to defraud;
- implement international sanctions;

The results of the application of the AML-FT system are regularly presented by the DCCP to the Compliance and Permanent Control Committee, the Risk and Internal Control Committee and the group's Board of Directors. In 2022, a training plan adapted to each employee profile was rolled out throughout the group. For Crédit Mutuel Arkéa, it focused on the following themes:

- annual remote training for employees of central departments exposed, by their responsibilities, to the risks of money laundering and the financing of terrorism (back office banking products, cash management, risks, legal, financial markets, external growth, etc.);
- continuous training of DCCP AML-TF experts as part of the half-yearly plenary sessions (at the meetings of 22 and 23 June 2022, the second having been postponed to 26 January 2023) and weekly meetings of the department;
- a training day organised in February 2022 in conjunction with external firms on the topics of the Sapin II Law and a general presentation of AML-TF obligations in connection with TRACFIN, the ACPR and open source research;
- training of network employees. A first remote module was rolled out in June 2022. It included the following themes: the financing of terrorism, fraud on social benefits and the laundering of funds of unknown origin, the misappropriation of associative funds, unjustified financial flows, the financing of clandestine work and organised money laundering through the "La Française de Jeux" games. A second half-yearly module was rolled out in December 2022, including a section recalling the missions and requirements of the AML-TF Processing Department as well as the use made of local bank employee feedback. The second part dealt with the following topics: money laundering through gaming, crowdfunding scams and tax fraud and how to objectify a suspicion of radicalisation. In 2022, 93.4% of employees concerned completed at least one of the two training courses;
- training for new Crédit Mutuel Arkéa local bank managers: only one session in 2022 (two CMSO managers and nine

CMB managers trained) and video-conference training for 19 CMSO bank managers as part of the "regulatory process" implemented by the CMSO Management and Transformation Department (two groups, four training sessions). We expect to repeat this new programme in 2023;

- training of new recruits: introductory module on AML-FT as soon as they take up their position, followed by an in-depth module.

Training is also provided by the DCCP for members of the Executive Committee of the Crédit Mutuel Arkéa group (at least every two years). The last session was carried out on 5 December 2022.

Training of second-tier directors on the AML-FT issue is provided via a dedicated training course upon taking office and periodically throughout the term of office.

In 2022, the Crédit Mutuel Arkéa group strengthened the robustness of its system by acquiring a new filtering tool, including the detection of relationships with businesses subject to asset freezes as well as politically exposed persons. The roll-out of this new tool has now been finalised for all group entities. It filters the development of customer relationships for some of them, all customer databases, as well as international flows. This system is based on an expert algorithm and the integration of artificial intelligence to limit the number of false-positive results. It is also covered by a service agreement for the processing of first-level alerts by the subsidiary Nextalk, on behalf of all group entities.

Lastly, Crédit Mutuel Arkéa commits itself to its customers, partners and other counterparties by publishing a duly completed Wolfsberg questionnaire⁽¹⁾, as well as its AML-TF policy and commitments in an AML statement.

Professional ethics and business conduct

Thanks to the wide dissemination of the compliance culture within the group and the training system dedicated to professional ethics and business conduct, which provides for regular awareness-raising among the most exposed players within the group, the rules of ethics and business conduct are an integral part of practices within the group.

The system for fighting corruption and influence peddling, which is organised around the 8 pillars enshrined in the "Sapin 2" law, is a major system with regard to the rules of business conduct and professional ethics. Defining the rules of conduct to be adopted, the acts to be prohibited, the rules relating to the acceptance of gifts and invitations, the rules applicable in relations with third parties (customers, suppliers, intermediaries), and the rules of control, this system is supplemented by a whistleblowing system enabling any person to anonymously report a breach, offence or malfunction. It is supplemented by a system governing the prevention and management of conflicts of interest. This system was updated in 2022 to take into account the new provisions introduced by the law of 21 March 2022 aimed at improving the protection of whistleblowers and by the organic law of 21 March 2022 aimed at strengthening the role of the Defender of Rights in terms of whistleblowing. It has also been enhanced with provisions on anti-corruption accounting controls, inspired by the AFA Practical Guide on the subject. Finally, the Anti-Corruption Statement signed on 9 December 2021 by the Chairman of the Board of Directors of Crédit Mutuel Arkéa, for the Board of Directors, and by the Chief Executive Officer, for the Executive Committee, has been incorporated into the body of the system.

(1) https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2022-04/the_wolfsberg_group_questionnaire_2022.pdf

Another major system, the framework system for the prevention and management of conflicts of interest, sets out the principles for detecting, preventing, managing and recording conflicts of interest. It was updated in 2022 to take into account changes in the EBA guidelines on internal governance and the procedures for granting loans and related parties.

As ethical rules are shared up to the highest level of the company, in application of the provisions relating to transparency in public life, Crédit Mutuel Arkéa has registered with the register of representatives of interests and publishes a specific annual report on the activities in question.

All these internal procedures, which are detailed in Chapter 5 of this Universal Registration Document, give concrete expression to Crédit Mutuel Arkéa's genuine commitment to ethics and professional conduct.

Protection of customers' interests

Protecting customers' interests is a major concern for Crédit Mutuel Arkéa, which is committed to fair behaviour and commercial practices towards its customers.

In this way, Crédit Mutuel Arkéa ensures that customers' interests are taken into account from the design of the products to the processing of their complaints. Training plays a key role in this success, and the group therefore carries out a number of awareness-raising initiatives for employees in contact with customers.

Ethics and the rules of good financial conduct are among the recurring themes of the training courses given to employees of Crédit Mutuel Arkéa's networks who are in contact with customers.

The protection of personal data is one of the major aspects of protecting customers' interests (see Section 4.5.1.3 "Data protection and security"). The Personal Data Protection Department, within the Compliance and Permanent Control Department, ensures that group companies comply with the principles of the regulations, such as transparency in data processing, the strengthening of individual rights and the accountability of the various players.

Each company has finalised the operational implementation of the group's personal data protection framework.

The Personal Data Protection Department is responsible for coordinating this system, in particular through regular exchanges, bilaterally or during plenary meetings, with the personal data officers of the group companies concerned. In addition, training initiatives for new recruits and awareness-raising initiatives for existing staff were also carried out.

Finally, in line with its values, in 2022 the group continued its actions focused on customer satisfaction and protection of their interests. So, in terms of the offer, concrete actions such as capping or eliminating payment incident charges for financially vulnerable customers were carried out (see Section 4.5.1.2 "Inclusion of vulnerable customers").

It is worth noting the creation, in 2022, of a policy to market insurance, banking and/or financial products to potentially vulnerable elderly people. The purpose of this policy is to frame the definition of target populations, and identify the risks and commercial practices in the context of the distribution of the targeted products.

Finally, it should be noted that the systems on "customer knowledge" and "information obligations for customers in terms of investment services" have evolved in order to include the rules relating to customer preferences in terms of sustainability and that the "Incentives" system has evolved in order to specify minor non-monetary benefits, and provide details on the conditions "for improving the quality of customer service".

Transparency and the fight against tax evasion

In line with its values, Crédit Mutuel Arkéa actively contributes to the fight against tax fraud and tax evasion.

Crédit Mutuel Arkéa and the subsidiaries concerned implement several measures to combat tax fraud and tax evasion based on the principles laid down in international agreements, notably the FATCA Act between France and the United States and the OECD-CRS standard for the automatic exchange of information on financial accounts for tax purposes, and are constantly adapting their procedures and information systems to comply with regulatory changes and enhance the effectiveness of their systems.

Crédit Mutuel Arkéa has no subsidiaries outside the euro zone and does not offer offshore banking services to its customers and members, nor does it operate in countries on the European Union's black list of non-cooperative countries and regions.

Offers constantly adapted to customer expectations

In line with its Raison d'être (Purpose) as a socially responsible, ethical and inclusive company, Crédit Mutuel Arkéa aims to be exemplary both in the way it deals with its customers and in the solutions it offers.

Crédit Mutuel Arkéa and its dedicated teams seek to create innovative and responsible products as well as useful and practical solutions.

Crédit Mutuel Arkéa has already set an example thanks to its well-established inclusive approach. This is reflected first and foremost in the services it offers:

- a support system for financially vulnerable customers that takes the form of a packaged offer of dedicated services (Budg'Equilibre), or the capping of incident costs for financially vulnerable customers. For subscribers to the Budg'Equilibre offer, Crédit Mutuel Arkéa has decided to go beyond the regulatory requirement by eliminating all incident costs;
- Crédit Mutuel Arkéa's own solidarity schemes such as micro-loan, budget support and assistance for borrowers in difficulty;
- the right to an account that allows customers to benefit from access to basic banking services free of charge.

(See Section 4.5.1.2 "Inclusion of vulnerable customers")

The inclusive approach also takes the form of the day-to-day support of network advisers who are attentive to the expectations of members and customers.

To guarantee customers the highest standards in terms of the quality of products and solutions, Crédit Mutuel Arkéa has set up internal procedures to ensure best practices (prior approval process for new product compliance, product governance and monitoring system, etc.).

In order to guarantee the customer the best possible advice and information, as well as impeccable ethics of the employees in contact with the customer, the latter have, at their level, internal procedures to guide them on a daily basis and training on products, and are regularly made aware of the rules of business conduct and professional ethics.

4.5 A responsible approach that delivers results

Crédit Mutuel Arkéa supports its members and customers in their life projects, and strives to meet their aspirations by offering ever more innovative solutions enabling them to undertake their own transformation.

4.5.1 meeting the expectations of customers and partners

4.5.1.1 Customer relations and satisfaction

Non-financial risks associated with the challenges: Exemplarity in business and governance & Customer relations and satisfaction

■ Risk of inadequate governance

Lack of cooperative governance

Percentage of members among individual customers of the federations: **77.7%**

Attendance rate at General Meetings of local banks: **1.3%**

Crédit Mutuel Arkéa has always paid particular attention to the quality of its customer relationship and customer satisfaction.

This attention is all the more important given that the member is at the heart of the operation of a cooperative group like Crédit Mutuel Arkéa: in its cooperative movement, the member, who holds a share in the company, is both a cooperator and a customer. This participation in the share capital of his local bank makes him a co-owner. As such, they are invited to attend the Annual General Meeting of their local bank and have the right to vote to elect the members of the Board of Directors on a "one person, one vote" basis. He may also stand as a candidate for the position of director on the Board of his local bank.

At the end of 2022, 78% of the individual customers of Crédit Mutuel Arkéa's federations were members.

The Annual General Meeting of the local banks is a special time for exchanges between the members, the directors of the local bank and the employees. It provides an opportunity to present activity reports to the members, the members of the Board of Directors and to put resolutions to the vote. It is also a time for discussion on topics related to economic and financial news, bancassurance or the life of the local bank.

As in 2020 and 2021, the health context limited the number of visitors to bank branches in 2022 and impacted the attendance of the General Meetings of local banks, organised as open days. In 2021, 19,055 members attended the General Meetings of the local banks, equivalent to 1.3% of members, compared to 1.1% in 2021.

Each year, part of the distributable profit is paid to the members through the remuneration of the shares they hold. In 2022, for the 2021 financial year, the members received remuneration for their shares amounting to €36.4 million.

Scope of federations: Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest

	2022	2021	2020*	2019
Number of local banks	292	293	296	329
Number of customers	2,273,301	2,245,767	2,229,138	2,353,745
■ of which private individuals	1,733,000	2,041,225	2,028,275	2,141,484
Number of members	1,345,632	1,349,591	1,464,536	1,533,961
Membership rate (among individual customers)	77.7%	77.9%	72.2%	71.60%
Average amount of shares held (in €)	1,840	1,717	1,618	1,529

* Decrease due to the departure of Crédit Mutuel Massif Central in 2020.

In terms of customer relations, the federations continue their work on the relational approach through the Ambition Customer Obsession (AOC) programme defined in coordination with the Customer Experience Marketing Department (reachability, moments of truth, project support, etc.).

Crédit Mutuel Arkéa's federations thus position the adviser as a genuine financial coach for their members and customers. The federations are committed to providing their members and customers with the best possible experience, bringing them simplicity, clarity, proximity, responsiveness and sincere attention.

The South-West and Brittany federations also rely on technological innovations to make their daily lives easier and simpler. They offer a budget coaching service, Bud'JET, which enables a simple view of the breakdown of income and expenses, the sending of personalised alerts and the anticipation of expenditure. Since 2020, the federations have regularly updated their digital tools to offer their individual customers more services, autonomy and fluidity. Through the collection of customer opinions while browsing, desired changes are identified and integrated into the project mode (processes with reinforced user tests) to further the rapid and continuous improvement of the digital tools on offer.

The federations also rely on listening to the inhabitants of their regions.

Through regular surveys and round tables, they identify the expectations of their members, customers and prospects in order to better meet them. In 2022, more than 110,000 customers and prospects were listened to. Together with their members and customers, they measure the quality of their experience: spontaneous satisfaction (daily measurement), delayed satisfaction (measurement every four months) and strategic survey (structural measurement of overall satisfaction). In 2022, the Net Promoter Score (NPS)⁽¹⁾ of the group's Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations was +50 (up two points compared to 2021) with 64% of promoters (up two points compared to 2021). As for the Net Promoter Score of professional customers with recent experience with Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest, it is +51 (down one point compared to 2021) with 67% of promoters (up two points compared to 2021).

The results are presented to the teams in the field in their geographical area to help them get to know their customers better from a satisfaction perspective and identify locally the actions to be implemented to improve the customer experience. All employees of the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest networks have a platform (Satis'Action) which enables them to monitor the performance of their structure in terms of customer satisfaction.

These tools are essential to the continuous improvement of their service delivery.

To prove their commitment to their customers, in the South-West and in Brittany, Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest have strengthened their co-construction approach. Since 2016, the community of 4,000 panellists has already been giving its opinion every month on a wide range of topics to help build, with them, the bank of the future. In the same vein, since 2021, Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest have brought together around twenty members for a collaborative working day once a year (from among the 200 volunteers in 2022). They worked as a team, in November 2022, during a design sprint. Many ideas and suggestions emerged, including fifteen major ones to improve the customer experience. An internal meeting was then held, firstly composed of business experts, then of directors and employees, with the aim of taking a more operational look at these ideas and identifying the priorities to be implemented in the following year. Of the fifteen ideas resulting from the 2021 event, one-third of the proposals have already been implemented, with another third planned for the first half of 2023.

The group's subsidiaries are also attentive to customer satisfaction. Thus, the NPS of Suravenir Assurances was +51 in 2022 (compared to +42 in 2021) with an income ratio of 50% in 2022 (up four points compared to 2021). Each subsidiary will measure at least one of the three customer satisfaction indicators (CSAT⁽²⁾, NPS, CES⁽³⁾) in 2023.

A community of customer satisfaction officers has also been created within the Crédit Mutuel Arkéa group, to share best practices and provide the entities with the benefit of the various feedback.

In order to best satisfy the interests of customers, the group's entities in contact with customers all have a unit dedicated to handling customer complaints to ensure that they are dealt with quickly and efficiently.

All of the group's entities also have an operational procedure defining the practical methods for processing complaints in their structure, based on the group system which, in order to harmonise practices, sets the general framework for processing customer complaints.

In 2022, the group framework system was updated to take into account ACPR recommendation 2022-R-01 of 9 May 2022 on the processing of complaints, the report of the Financial Sector Advisory Committee (CCSF) on banking and insurance mediation of July 2021, and the recommendation of the French Banking Federation (FBF) on conventional mediation for professional customers of July 2021.

Among the changes made to the system, it is necessary to note the changes made in terms of information, organisation, the processing of complaints and access to mediation.

In addition, with a view to the continuous improvement of practices and customer satisfaction, complaints processed within the group are subject to qualitative monitoring.

(1) the **Net Promoter Score (NPS)** measures the propensity and probability of a brand, product or service being recommended by its customers; Calculation of the NPS = Percentage of promoters (scores 9 and 10) - Percentage of detractors (scores from 0 to 6)
(2) the **Customer Satisfaction Score (CSAT)** measures customer satisfaction by adding the share of customers who say they are very satisfied or satisfied with their purchase or experience.
(3) the **Customer Effort Score (CES)** measures the effort made by customers to obtain satisfaction, to obtain the appropriate response to their request. It is obtained by adding the respondents making a lot of effort with respondents making an extreme effort.

Thus, the Quality Committee that brings together the relevant departments every quarter to analyse the complaints of customers of the Crédit Mutuel Arkéa federations and change the processes accordingly continued its work in 2022.

Lastly, the practices community meets every year and this involves the Heads of the Customer Relations and Internal Control Departments of the group's entities. It last met on 15 December 2022. In addition to sharing the expectations of the Compliance and Permanent Control Department in terms of handling complaints and best practices within the group, this meeting was an opportunity to raise awareness of the challenges and impacts of the ACPR recommendation of 9 May 2022 on complaint processing and mediation systems. The best practices implemented by the 15589 credit institution to improve business practices and customer satisfaction (measurement tools, associated action plan) were also presented on this occasion.

With regard to mediation, Crédit Mutuel Arkéa has an independent mediator (a natural person not acting for professional needs) who can be validly consulted by the customer, or by an authorised representative, two months after its very first written complaint addressed to the professional (their Bank), whether or not it has received a response and regardless of the department to which the complaint was sent. Indeed, the French Consumer Code specifies that any customer-consumer may refer the matter to the Mediator, provided that they have previously attempted to

resolve their dispute with their bank. The mediation supervisory authorities (Commission d'Evaluation et de Contrôle de la Médiation de la Consommation, CECMC) have imposed new rules for the admissibility of mediation requests; they namely no longer require a double prior referral to their bank by the customer in order to resolve the dispute; the bank's internal remedies are, on the one hand, the first level of processing of a complaint with the customer's usual contact, then, on the second level, dedicated services such as the Customer Relations Department, the Complaints Department, etc.

Concerning the Mediator of Crédit Mutuel Arkéa, in 2022, 249 cases eligible for mediation were registered. Disputes falling within the remit of the French financial markets authority (AMF) or the Insurance Mediator are excluded from the scope of the Crédit Mutuel Arkéa mediator. Some group entities (which are not banking subsidiaries) use professional mediators specific to their field of activity for their customers (Financo, Suravenir, Suravenir Assurances, etc.). In any event, each entity provides its customers, in accordance with the French Consumer Code, and jointly with the mediator, with a mediation system that complies with regulatory requirements. This system is assessed at each renewal of the Mediator's term of office (for a period of three years) by the Financial Sector Advisory Committee (via a collegial body).

A dedicated website is accessible to the general public.⁽¹⁾

4.5.1.2 Inclusion of vulnerable customers

Crédit Mutuel Arkéa, an inclusive and socially responsible company, also pays particular attention to access to banking and insurance for all (financial products and services).

Non-financial risks associated with the challenges: Customer relationship and satisfaction & Inclusion of vulnerable customers

■ Risks of non-compliance

Non-compliance with customer protection rules

Number of beneficiaries of the specific offer dedicated to vulnerable customers: **26,836**

(credit institution scope 15589)

Support for financial fragility

The group supports its financially vulnerable customers and members by involving its employees and directors and by developing its offers and business lines.

In accordance with the charter for banking inclusion and the prevention of overindebtedness adopted by the French Association of Credit Institutions and Investment Firms under the conditions provided for in Article L.312-1-1 (A) of the French Monetary and Financial Code, a system applicable to all group entities sets out the practical procedures for implementing obligations depending on the activity carried out (information, proposal of suitable products, customer support). To date, each group entity subject to compliance with the applicable provisions on financial vulnerability has implemented the group framework system.

In order to provide effective support to financially vulnerable customers, the group's entities train employees in contact with customers on the methods for implementing dedicated systems.

Like all group entities, the Crédit Mutuel Arkéa credit institution has also developed its own operational implementation of the framework system specifying the methods of application within the scope of local bank networks.

Before, it should be noted that financially vulnerable customers holding the specific Budg'Equilibre offer can benefit from a second bank card if they have a joint account. The Bud'jet budget coaching app is also available to customers benefiting from the Budg'Equilibre offer. In addition, Crédit Mutuel Arkéa has formed partnerships with specialised third parties to facilitate customer guidance when financial difficulties cannot be dealt with by the bank alone.

(1) <https://lemediateur.creditmutuelarkea.fr>

Since 2018, Crédit Mutuel Arkéa is committed to putting the customer at the heart of its concerns and has taken a proactive approach to financially vulnerable customers through various initiatives:

- the creation of the Banking Inclusion Coordination Committee (CCIB), set up within Crédit Mutuel Arkéa to improve the system put in place for financially vulnerable customers, continued its work to improve and make the system more reliable within the 15589 institution in 2022.

It met four times in 2022, on 23 March, 23 June, 14 September and 9 December.

The work focused on:

- adjusting the criteria for detecting proven and potential financial vulnerability,
- improving the care and monitoring of vulnerable customers (including the implementation of a quarterly scanning system for incompatible products in the specific Budg'Equilibre offer with the generation of alerts sent to advisors to help them resolve situations, the extension of the specific offer to minors and/or incapacitated adults who are financially vulnerable, etc.),
- supporting the local bank networks in the implementation of the system,
- improving the assessment of actions.

The monitoring indicators defined for 2023 are:

- for the networks of local banks of the federations (CMB, CMSO),
 - the equipment rate for the "Budg'Equilibre" offer of people proven to be financially vulnerable,
 - the meeting rate with customers identified as part of the early detection of financial vulnerability,
- for the monitoring of the non-financial performance of Crédit Mutuel Arkéa:
 - the meeting rate with financially vulnerable people;
- the continued strong mobilisation of local banks to promote the specific offer dedicated to financially vulnerable customers. At the end of 2022, the local bank networks of Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest had 26,836 beneficiaries of the special offer for vulnerable customers;
- the cap on incident fees beyond the regulatory requirements, with the maintenance in 2022 of the exemption of incident fees for customers equipped with the specific Budg'Equilibre offer. Crédit Mutuel Arkéa, true to its cooperative banking DNA and its values of solidarity, has chosen to go further than the obligation imposed by the regulatory framework.

At 31 December 2022, Crédit Mutuel Arkéa had implemented the following mechanisms for detecting financially vulnerable people:

- monthly detection under regulatory criteria, including:
 - customers who have filed an overindebtedness file that is admissible by the Banque de France during the entire period of their registration in the "Fichier des Incidents de remboursement des Crédits aux Particuliers" (FICP), as well as those who benefit from measures to deal with their overindebtedness, during the period of their registration in the file,
 - customers who have been registered with the Fichier Central des Chèques (FCC) for more than 3 months and who have been "banned from banking";
- monthly detection based on so-called "modular" criteria at the discretion of each establishment. The detection process currently in force takes into account the situation of households that present, for all of their current accounts:

- at least 5 operating incidents ⁽¹⁾ over the past month,
- or at least 12 account operating incidents over the last 3 months,
- or have an overdraft exceeding the authorised limit at least one day per month for 3 months, and at least one account operation incident every month for 3 months;

households are taken into account whose monthly income paid into the accounts is less than:

- €1,500 for households with only one adult,
- €2,500 for households composed of two adults;

and where the amount of interest-bearing savings held by adults in the household is less than:

- €5,000 for households with only one adult,
- €15,000 for households composed of two adults.

The group's device also detects customers with a new registration in the Fichier Central des Chèques (FCC) that is more than 30 days old and less than 90 days old.

The customers identified in this way are offered the specific Budg'Equilibre offer.

(1) the account operating incidents noted by these detection tools are those for which the costs incurred are those capped under article R3 12-1-2 of the French Monetary Code, for all of the household's cheque accounts: intervention fees, fees for prior information letter for bad cheques, information letter fees for unauthorised overdrafts, flat fee per cheque rejected for lack of funds, fee for rejection of direct debit for lack of funds, fee for non-execution of standing order for lack of funds, fees following the notification by the Banque de France of a prohibition for the customer to issue cheques, fees for Banque de France declaration of a decision to withdraw a bank card, fee for blocking the card by the bank.

When a customer, previously identified as financially vulnerable, no longer corresponds to the detection criteria, an observation period of three months is allowed for. During this period, the customer continues to benefit from the cap on incident costs. The purpose of this observation is to ensure that the situation is restored on a long-term basis. In the event of a new incident during this period, the customer concerned will not experience an interruption in the cap on incident costs.

■ early detection under the heading of "prevention of overindebtedness":

- this quarterly detection mechanism is based on an AI model that makes it possible to identify a series of events that could eventually lead to financial vulnerability and result in the filing of an overindebtedness dossier,
- it also detects customers who have been billed incident costs of at least €200 in one of the last three months, without otherwise having been identified as financially vulnerable.

After analysing each of these situations, the advisor can identify these customers as financially vulnerable persons for a renewable period of 12 months;

■ a "manual" detection at the initiative of each advisor to identify, for a renewable period of 12 months, a situation of vulnerability that has not been detected by the above processes.

People benefiting from one of the solidarity schemes (Budgetary Support, Assistance to Borrowers in Difficulty or Personal Micro-Credit) are also identified as financially vulnerable and therefore benefit from a cap on incident costs for a renewable period of 12 months.

These efforts are fully in line with Crédit Mutuel Arkéa's Raison d'être (Purpose), which is to assert itself as a socially responsible, ethical and inclusive company.

Since 2019, the solidarity schemes have been extended and are managed at the level of the local banks of Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest, which each have a specific budget for supporting individuals, professionals and member associations.

Thanks to the daily commitment in the field of the directors and employees of the local banks of Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest, in 2022, 6,650 members and customers (6,600 in 2021), 4,075 individuals (3,900 in 2021), 1,163 professionals (1,500 in 2021), 1,417 associations (1,200 in 2021) received assistance and more than 1,700 local jobs (1,800 in 2021) were supported. Depending on the situation, the assistance provided takes various forms: direct donations to families in difficulty or to support the creation or takeover of businesses, payment of part of the loan maturities, reversals of

expenses, personal microloans to facilitate mobility or a return to work, etc.

In 2020, against the backdrop of the health, economic and social crisis, Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest's solidarity mechanisms evolved to provide new responses to the needs of financially vulnerable customers. Thus, in addition to providing financial assistance to borrowers in difficulty, the local banks now have the possibility of supporting customers experiencing temporary difficulties, whether or not they are borrowers, up to a limit of €1,000 per beneficiary. The financial donation scheme for private individuals has been used extensively. In 2022, more than €1 million in donations enabled households to improve their financial situation.

To these now well-established schemes, the group has decided to add, from 2022, an additional budget for emblematic regional solidarity actions, in particular for people with disabilities and who are dependent. This brings the budget dedicated to solidarity schemes to more than €12 million, details of which are specified in Section 4.4.2.2 "An organisation committed to supporting regional development".

Access to home loans after a health event

In 2018, given the difficulty for some people to benefit from home loans due to health problems, the group wanted to strengthen its support for this population excluded from loan insurance by creating an expert unit and a system aimed at finding tailor-made solutions for these customers and thus enable them to realise their housing project and become homeowners (main, secondary or rental residence).

Accessibility of services

The websites of the group's federations have been designed to facilitate their use by all. They comply with the web standards defined by the World Wide Web Consortium (W3C) and the directives of the Web Accessibility Initiative (WAI). The mobile applications are accessible to people with disabilities using assistive technologies. With at least one system per point of sale, withdrawals have also been made accessible to visually impaired people by audio guidance on ATMs, which requires the use of earphones or headsets. All vending machines are installed at a height that complies with accessibility standards for people with reduced mobility (PRM standards). Finally, the telephone numbers of the federations, as well as those of Suravenir Assurances and Suravenir for loan insurance, are accessible to the deaf and hard of hearing via a connected real-time transcription or interpretation service.

Since 2018, the group has strengthened its resources to deal with the issue of accessibility by appointing a dedicated staff member to take this issue into account as of the design stage of projects, but also to raise awareness, provide training on tools.

4.5.1.3 Data protection and security

Non-financial risks associated with the issue: Data protection and security

- Risks of breaching the security of our data

Inappropriate use or access to data

Percentage of targeted staff made aware of information systems security: **85.6%**

* Employees of the Crédit Mutuel Arkéa group of the Arkade ESU, ASCD and the subsidiaries receiving the risk dashboard and/or having appointed a specific CISO: Arkéa Direct Bank (ADB), Suravenir, ProCapital, CFCAL, Arkéa Banking Services (ABS), Monext, Suravenir Assurances and Financo.

Data protection is a key issue for the bank, with strong expectations from the group's stakeholders in the context of a real growth in general exposure to cyber risk. In order to respond to this, Crédit Mutuel Arkéa relies, among others, on the IT Risk Governance Committee and the Permanent Control and Periodic Control Committee (Executive Management Committee) in terms of governance.

The Operational Risk Unit, within the Risk Department, is in charge of assessing and controlling cyber risks and, as such, protecting the data of all its stakeholders.

In addition, the IT Security Division is supported by the Chief Information Security Officer (CISO), who reports to the Operational Risk Department, and the group Operational Security Officer (OSO). In order to ensure group coverage, this organisation is supplemented by a network of ISOs in the main group entities, all of whom report functionally to the CISO.

This ISS sector, and more broadly IT risk, are supervised by the group's General Management through the IT Risk Governance Committee.

Data protection, one of the major aspects of IT risk management, is covered by the group's IT Security Policy (ISSP), which is defined and regularly reviewed by the IT Risk Governance Committee.

This policy, based on the ISO 27001 and 27002 standards, sets out the general guidelines for identifying, reducing and managing risks related to any malfunction or vulnerability of the group's information systems, whether accidental or intentional. These general guidelines are based on thematic policies, procedures, rules, and operational recommendations, which may be broken down by specialised area. This reference framework incorporates the thematic policy on the protection of data, which defines the different levels of classification of data in terms of confidentiality, as well as the recommendations to protect these data in terms of storage, exchange and processing. This policy is regularly updated in conjunction with the Data Protection Officer (DPO) and takes into account the requirements of the European regulation on the protection of personal data (GDPR).

Thus, the organisational and technical practices put in place ensure a security by design approach, by requiring a risk assessment procedure applicable to any group IT project with the implementation of any technical or organisational remediations. Similarly, expert and specialised teams impose and verify the technical roll-out of the security framework (secure development cycle, implementation of access controls, encryption measures, monitoring of vulnerabilities, audit trails, etc.) right across the group information system. In addition, awareness-raising actions are carried out during the year, in particular training in the form of e-learning as well as a "phishing" campaign. The percentage of targeted staff⁽¹⁾ for raising awareness to information system security was 85.6% in 2022 (versus 91.5% in 2021).

More generally, the measures put in place in the various areas of security contribute to the protection of Crédit Mutuel Arkéa's data and that of its stakeholders, whether hosted in its own data centres or outsourced. A number of measures have been put in place to verify their effectiveness, particularly for data encryption. They notably include the periodic performance of intrusion tests, internally and by external companies with expertise in IT security, and a monitoring unit (Security Operating Centre) for the information system in order to detect vulnerabilities. These measures and control systems are regularly strengthened on the basis of an annual plan approved by the IT Risk Governance Committee. An internal incident response unit with the label Computer Emergency Response Team (CERT) helps to further strengthen the existing systems. CERT Crédit Mutuel Arkéa joined the French interCERT association in 2021.

In addition, the framework of the personal data policy is applied within each of the group's entities and covers the various areas of the GDPR. Each entity also has a personal data protection officer who ensures the proper operational implementation of the framework system and whose work is coordinated by the group DPO and their team. The GDPR coordinators are involved from the design stage onwards for projects involving the processing of personal data. Staff are also regularly trained to raise awareness of the protection of personal data. Thus, in 2021 and 2022, GDPR awareness-raising targeting all group employees was conducted and all new hires undergo mandatory GDPR training. In addition, each entity's permanent control plan includes several GDPR controls each year.

(1) Employees of the Crédit Mutuel Arkéa group in the ARKADE ESU, ASCD and the subsidiaries receiving the risk dashboard and/or having appointed a specific CISO (ADB, Suravenir, Pro Capital, CFCAL, ABS, Monext, Suravenir Assurances and Financo)

All of the group's and its subsidiaries' websites have a published data confidentiality policy which systematically specifies, in accordance with the law, all the necessary information relating, for example, to the data processed, the purposes of processing, management of consent, rights of access, rectification, oblivion, opposition, portability, retention periods, etc.

In this respect, the application of the GDPR is part of a permanent control plan rolled out in all group entities ensuring the proper implementation of the various operational practices (monitoring of training plans, records of registers reviewed, privacy by design projects, contractual compliance with the GDPR, etc.). In addition, the Data Protection Officer presents an annual report to the group Executive Committee. These reports include the monitoring of key indicators such as the number of data breaches, the number of exercises of access rights, and the number of complaints.

In addition, an employee charter, available via the group's intranet and given to each new employee, aims to inform each employee of the legal provisions and internal rules for the secure use of data, the internet and internal tools, including workstations. This charter specifies and completes the texts in force in the company and in particular the internal regulations. These materials mention the occurrence of possible disciplinary sanctions that may result from non-compliance with security protocols. Regular awareness-raising sessions for all employees provide regular reminders of these rules and best practices.

The Crédit Mutuel Arkéa group also engages with its subcontractors in the process of data security and protection. The group's framework agreement fully incorporates data security procedures. Dedicated legal clauses adapted to each service and service provider, as well as a GDPR Appendix and a Security Action Plan, where applicable, are included in the contractual documents. These clauses engage the responsibility of the subcontractor and ensure that data is processed in full compliance with the GDPR and the group ISS policy. In addition, the Supplier Code of Conduct, systematically appended to each new contract, includes elements relating to the respect and protection of personal data and privacy.

To strengthen its data system, Crédit Mutuel Arkéa appointed a Chief Data Officer (CDO) in 2022.

The group has made the responsible management of its customers' digital assets a top priority. As such, the issue of transparent and responsible use of data is addressed in the group's strategic plan, via a cross-functional initiative led by the Data Office as part of the implementation of the 2024 Medium-Term Plan. This initiative, sponsored by members of the group Executive Committee, aims to ensure responsible and transparent use of data.

4.5.1.4 Responsible supplier relations

Non-financial risks associated with the issue: Responsible supplier relations

■ Non-responsible supplier relations risk

Collusion

Non-compliant CSR practices

Percentage of purchases* from French suppliers: 85%	Proportion of ESG assessments* of suppliers: 19.6%	Number of controversies identified among suppliers: 0

* Completed in 2021. The reference period is the year 2021 for the coverage of non-responsible supplier relationships in the following entities: Economic and Social Unit (ESU), Arkéa Banking Services (ABS), CFCAL, Financo, Fortuneo, Nouvelle Vague, Arkéa On Life, Suravenir, Keytrade Belgium, Monext, Nextalk, ProCapital, Pumpkin, Izimmo, Armorique Habitat, Schelcher Prince Gestion, Suravenir Assurances.

Since 2017, Crédit Mutuel Arkéa has been a signatory to the Responsible Supplier Relations charter, in which it undertakes to comply with ten principles of responsible purchasing, such as financial equity vis-à-vis suppliers, reducing the risks of mutual dependence and taking environmental issues into account. On this occasion, the group also appointed a purchasing mediator, who can be consulted by suppliers to resolve any contractual or relationship difficulties.

Over a typical year, the group makes 85% of its purchases from French suppliers⁽¹⁾.

The group's purchasing policy takes into consideration the territorial aspect in the choice of its service providers, which is

perfectly consistent with the group's positioning. Crédit Mutuel Arkéa works with nearly 2,500 local companies in its traditional regions (Brittany, South West).

Knowledge of social, human rights, environmental and anti-corruption practices

Since 2017, the department in charge of the group's purchasing system, hereinafter referred to as the Purchasing Department, has carried out, as part of the duty of care, an annual assessment of environmental, ethical, health & safety and human rights risks by major service families (or sectoral risks). In 2021, suppliers assessed on these topics represented 19.6% of total purchases.

(1) Scope covered: equivalent to the Economic and Social Unit, Arkéa Banking Services, CFCAL, Financo, Fortuneo, Nouvelle Vague, Arkéa On Life, Suravenir, Keytrade Belgique, Monext, Nextalk, ProCapital, Pumpkin, Izimmo, Armorique Habitat, Schelcher Prince Gestion, Suravenir Assurances. The reference period is the year 2021 to include all the entities listed previously in the scope.

The group's framework contracts with suppliers and service providers include clauses relating to compliance with labour law and the fight against corruption. Since autumn 2017, a Supplier Code of Conduct has also been appended to the group's framework contracts. By signing it, the supplier undertakes to comply with human rights principles (no use of forced labour and child labour, non-discrimination, etc.), and labour rights (compensation, working hours and holidays, collective bargaining, etc.), business ethics (fight against corruption, conflicts of interest, etc.) and respect for the environment. This Code of Conduct was updated in 2022 in order to broaden the scope of application (respect and protection of personal data and privacy, no recourse to illegal employment, fight against sectarian abuses, right of withdrawal, commercial practices, fight against fraud).

A group framework procedure relating to the Sapin 2 law and the duty of care in the context of supplier relations has been drawn up by the Purchasing Department and is intended to apply to all group entities. The questionnaire on suppliers' knowledge of CSR practices was finalised in 2019 and revised in 2021 to include new issues, including climate risk. This self-assessment questionnaire has been sent to all service providers in charge of critical or important services and is systematically included in all tenders. In addition to these procedures, the Purchasing Department systematically checks the presence of any controversies for each of the bidders during calls for tenders. No controversies were identified during the financial year.

A Code of Ethics ⁽¹⁾ been signed by the buyers in the Purchasing Department. It defines the rules of behaviour and ethical standards to be promoted within Crédit Mutuel Arkéa and its subsidiaries.

The choice of service providers also integrates environmental, social and societal criteria. For services of equivalent quality, suppliers and subcontractors may be selected on the basis of criteria such as the employee compensation policy, training plans set up to promote their development or prevent risks, resource management and waste treatment policies.

The correct assessment of these practices and the risks involved was also strengthened in 2021 by the deployment of a new supplier risk mapping tool. Developed by the French standards association, Afnor, the tool makes it possible to identify the risks specific to each purchasing family, and to adapt in a more targeted manner the selection criteria to be

included in the specifications, as well as the contractual provisions to be imposed on suppliers. In 2022, the application of the recommendations resulting from the AFNOR tool made it possible to significantly reduce the risk levels of the main purchasing families since 30 out of the initial 62 saw their net risk decrease between 2021 and 2022.

The Purchasing Department is also a stakeholder in the group's approach to limiting its direct environmental footprint. In 2021, it formalised a charter of best practice on the purchase of promotional items and the selection of suppliers, which was shared in 2022 with all entities and subsidiaries thus becoming the reference framework for this topic.

Use of the adapted and protected sector

The Purchasing Department, in conjunction with the Human Resources Department, also promotes the use for certain activities of establishments and services for assistance through work (ESAT) and adapted companies (EA), through the national network platform for sheltered and adapted work sector service providers (GESAT). A reference framework for these companies is being formalised so that it can be shared with all group entities.

In addition, the consultation document for tenders has been enhanced with a clause encouraging bidders to respond in collaboration with one or more players in the disability sector.

In order to develop subcontracting with the adapted and protected sector, Crédit Mutuel Arkéa buyers and specifiers were trained in 2017, in partnership with "Union Nationale des Entreprises Adaptées".

In the framework of the new company agreement signed in 2022 on the employment of people with disabilities (Economic and Social Unit scope), the company has set a target of a 15% increase in turnover from the sheltered sector in order to reach €1 million in turnover in 2025 (according to the regulations in force on the day the agreement was signed).

During the Covid-19 health crisis, Crédit Mutuel Arkéa regularly communicated with its main service providers on the health measures implemented in the event of being physically present on the group's sites. As an opt-out and in order to reduce the impact on its service providers, Crédit Mutuel Arkéa has implemented various technical measures to maintain remote services whenever the activity is compatible with this mode of organisation.

(1) https://www.cm-arkea.com/banque/assurance/credit/mutuel/c_39674/fr/code-de-conduite/-fournisseursmuhttps://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2022-10/code_de_conduite_fournisseur_credit_mutuel_arkea_2022-09.pdf

4.5.2 financing the economy responsibly and committing to a sustainable economy

Crédit Mutuel Arkéa is a committed group that wishes to combine economic performance with environmental and societal advances to support the regions and meet the challenges of the future. In addition to monitoring non-financial risks, Crédit Mutuel Arkéa, which places social and environmental issues at the heart of its strategy, identifies real opportunities for development by supporting the regions and assisting its stakeholders in their transitions.

Non-financial risks associated with the challenges: Integration of ESG criteria in financing and investments

Products and services with a social and environmental impact

■ Environmental, Social and Governance risks (ESG)

Controversial financing and investments*

Share of assets under management with an analysis including ESG in Federal Finance Gestion's assets under management: **70%**

Total outstandings (financing and investments) exceeding the thresholds authorised in the coal policy: **€0.3 million**

Physical and transition climate risks

Total outstandings (financing and investments) exceeding the authorised thresholds in the oil and gas policy: **€210.61 million**

Operating real estate with high acute physical risk not covered by a continuity plan: **0 m²**

* Mitigation of environmental and social impacts through the sustainable financing of customers/projects or socially responsible investment in issuers that comply with governance and ethics, social practices and human rights, and environmental and climate standards.

Crédit Mutuel Arkéa's strategy is based on a strong conviction: the performance of a company cannot only be financial but must be a whole, financial and non-financial, to ensure the sustainability of economic activities and the vitality of the regions.

Integration of ESG criteria in financing and investments

Crédit Mutuel Arkéa is committed to providing long-term finance, serving the regions and their players. It is a vector of development and growth for both the group and its stakeholders.

This is why the gradual and systematic integration of environmental, social and governance (ESG) criteria in its financing and investment activities is a key issue for the Crédit Mutuel Arkéa group. It is a concrete application of its purpose. In 2019, Crédit Mutuel Arkéa approved action plans to

accelerate the integration of ESG issues in the heart of its financing and investment business lines, whether on its own behalf or on behalf of third parties, with the aim of supporting priority transitions in favour of the sustainability of the activities.

The group has chosen to focus on two priority transitions, which contribute to the following Sustainable Development Goals:



Commitments and contributions to market initiatives

Crédit Mutuel ARKEA



In 2021, then 2022, Crédit Mutuel Arkéa joined various market initiatives in order to share and work with other players, particularly financial ones, for the development of a more sustainable economy and finance.

During 2022, Crédit Mutuel Arkéa actively participated in various working groups, in particular those of **Finance for Tomorrow on impact finance**. Crédit Mutuel Arkéa is the co-pilot of a working group whose purpose is to propose a range of impact finance for banking products and financing.

For the second consecutive year, Crédit Mutuel Arkéa responded to the **CDP (formerly Carbon Disclosure Project)** questionnaire as part of a process of transparency, continuous improvement and influence. As a signatory of the CDP, Crédit Mutuel Arkéa has also chosen to encourage three partner companies to participate in the questionnaire and provide their environmental data; an approach by which Crédit Mutuel Arkéa commits its responsibility and affirms its desire to act in favour of a more responsible society.

In June 2022, Crédit Mutuel Arkéa published its second climate report ⁽¹⁾ in response to the recommendations of the **Task Force on Climate-related Financial Disclosures (TCFD)**, an initiative it joined in 2021.

Crédit Mutuel Arkéa signed the **Principles for Responsible Banking** in 2021 ⁽²⁾ and publishes its first report in 2023.

Crédit Mutuel Arkéa joined the industry **Finance for Biodiversity Pledge** ⁽³⁾ initiative in 2021. Schelcher Prince Gestion and Federal Finance Gestion, asset management companies of the group, also signatories of the Finance for Biodiversity Pledge, contributed in 2022 to the creation of a guide containing the main tools available to measure the pressures of economic activities on biodiversity.

Crédit Mutuel Arkéa and certain group subsidiaries that are members of the **FAIR** ⁽⁴⁾ association (formerly Finansol), namely Schelcher Prince Gestion and Federal Finance Gestion, joined forces in the "Solidarity Finance Week" ⁽⁵⁾ with the aim of making everyone aware that their savings are a means of action to support projects that meet the challenges facing our society.

(1) https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2022-10/rapport_tcf_d_juin2022_vf.pdf.

(2) https://www.cmarkea.com/banque/assurance/credit/upload/docs/application/pdf/202205/cp190522_le_credit_mutuel_arkea_signe_les_principes_pour_une_banque_responsable.pdf

(3) <https://www.financeforbiodiversity.org/signatories>

(4) <https://www.finance-fair.org/fr/qui-sommes-nous>

(5) <https://www.finance-fair.org/fr/semaine-de-la-finance-solidaire-2022>

At the end of 2022, Crédit Mutuel Arkéa joined the **Net Zero Banking Alliance (NZBA)** programme⁽¹⁾. Launched as part of the United Nations Environment Programme Financial Initiative (UNEP-FI), NZBA brings together many banks from different countries. The signatory institutions undertake to align their investments and their financing portfolios with the objective of

net zero emissions by 2050. Crédit Mutuel Arkéa's membership of this initiative is in line with the work carried out in 2022 on the estimation of financed emissions and the assessment of the alignment of the group's banking activities with the objectives of the Paris Agreement.

Main achievements in 2022

In line with this committed positioning, Crédit Mutuel Arkéa relied in 2022 on the sustainable finance function, set up in 2021, to roll out various meaningful actions. The involvement of structured governance contributes to well thought out decision-making and continuity of management.

Continued efforts to raise awareness and improve the skills of the various internal and external stakeholders

In order to raise employees' awareness and enhance their skills to better take into account the impacts of their activities, various training actions are implemented each year.

In 2022:

- **on climate issues**, nearly 5,500 employees were invited to collaborative workshops, the "**Climate Fresk**". A community of Climate Fresk leaders has been created within the group based on the training of experienced external moderators;

- **on biodiversity issues**, a training course dedicated to the challenges of biodiversity loss and the key role of financial players in the preservation and restoration of biodiversity was offered to the members of the Board of Directors of Crédit Mutuel Arkéa. The sustainable finance managers of the group's various entities were also trained by an expert firm;

- **lastly**, various interventions were proposed internally to strengthen the technical skills of the teams in charge of promoting these initiatives in their entities: expert in agriculture and climate issues (Solagro), member of the Intergovernmental Panel on Climate Change (IPCC) "climate sociologist" and experts in energy-climate scenarios (Enerdata).

Sector Policies⁽²⁾



In accordance with its sustainable finance roadmap, in November 2022 the Board of Directors of Crédit Mutuel Arkéa adopted:

- a **health support policy**⁽³⁾ in the regions;
- a **tobacco exclusion policy**⁽⁴⁾ (production, manufacturing and wholesale);
- and reviewed the coal, and oil and gas sector policies. The revision of the latter is marked by the addition of the ban on

financing midstream projects (oil and gas pipelines; gas storage and liquefaction terminals, but also refineries) and by the ban on new investment financing for midstream players that develop pipelines or develop the capacities of LNG terminals (excluding management on behalf of third parties).

(1) <https://www.unepfi.org/member/credit-mutuel-arkea/>

(2) https://www.cm-arkea.com/banque/assurance/credit/mutuel/c_40472/fr/performance-extra-financiere.

(3) https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2022-12/20221125_politique_sante_2022_web.pdf

(4) https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2022-12/20221125_politique_tabacweb.pdf

Establishment of common frameworks and assessment methodologies

2022 was marked by:

- the assessment of greenhouse gas emissions of financing and cash investments as well as the construction of specific methodologies to assess the alignment of certain portfolios with the objectives of the Paris Agreement;
- the construction of an **impact fund framework**, specific to the group and based on the Finance for Tomorrow principles of Impact Finance;
- a first climate **risk assessment questionnaire for granting loans**, compiled in 2022 and rolled out from the second half of the year to companies with turnover of more than €10 million;
- in the area of biodiversity, the unlisted asset management subsidiaries have developed databases relating to pressures on biodiversity. In the banking business lines, the group initiated an initial analysis of pressures based on the work carried out by the Science Based Target Network (SBTN) to define the material sectors that exert the most pressure on biodiversity. This will then make it possible to identify action plans to reduce these pressures.

Some emblematic initiatives by business line

Asset management

The asset management and private banking expertise structure, **Arkéa Investment Services**, designed the Autofocus Transition Climate fund in October 2022⁽¹⁾, a new generation savings product for customers sensitive to the impact of their investments. This formula-based fund created by Federal Finance Gestion is an investment solution in which the investments made are aligned with the recommendations of global climate scientists.

Institutional investors

Suravenir continued to develop its **range of responsible and sustainable products**, with:

in the scope of Unit-linked contracts:

- the launch of a new arbitration mandate, Conviction Labels⁽²⁾, composed of 50% of unit-linked products with a European sustainable finance label and 50% of euro-denominated funds;
- the listing of two new Article 9-classified venture capital funds (FCPR) within the meaning of the Sustainable Finance Disclosure Regulation (SFDR).

in euro funds:

- the commitment in a dedicated infrastructure fund "Suravenir Infrastructures Vertes" (€150 million) managed by Swen Capital Partners to directly or indirectly finance infrastructure, mainly known as brownfield infrastructure and mainly in OECD countries, enabling the transition to a sustainable economy and a low-carbon world with a target of 70% of financed assets aligned with the European taxonomy;
- a commitment of €150 million in the Infrastructure Transition Platform developed by Schelcher Prince Gestion through the Schelcher Euro Core and Schelcher Euro Impact Infrastructure Transition Debt funds aimed at financing environmental and digital transition infrastructure in Europe with the objective of alignment with the European taxonomy of 50% and 80% respectively of the portfolios. Suravenir is the main sponsor;
- the launch of the "Suravenir Actions Internationales Climat" fund (€50 million): passive management on the Paris Aligned Benchmark and Climate Transition Benchmark indices.

At the end of 2022, **Suravenir Assurances**, the group's property and personal insurance subsidiary, validated its **climate strategy**⁽³⁾. It formalises its objectives in terms of reducing greenhouse gas emissions both in its direct scope of action and that of its stakeholders and financial investments. The aim is to carry out a project to reduce the company's carbon footprint across its entire value chain (adaptation of its offers, financial investments, reduction of its direct emissions).

Private equity

Arkéa Capital, the subsidiary dedicated to private equity activities, launched the We Positive Invest 2 fund⁽⁴⁾ in 2022 (see Section 4.5.2.1 "ESG issues at the heart of the group's activities", sub-section 3. "Products and services"). This Professional Private Equity Fund supports entrepreneurs who develop solutions to accelerate societal and environmental transitions. In 2022, Arkéa Capital also formalised its Trajectory 2024 climate strategy⁽⁵⁾ and started work on its strategy of alignment with the objectives of the Paris Agreement for scopes 1, 2 and 3.

Banking activity

The subsidiary **Arkéa Banque Entreprises et Institutionnels**, which supports companies, public bodies, local institutional investors and real estate development professionals in their transition approach, lowered the access threshold for its Arkéa Pact loan to €2 million in 2022 in order to make it accessible to a greater number of borrowers. The Arkéa Pact solution provides for a subsidy if the borrower improves its Environmental, Social and Governance (ESG) performance according to predetermined criteria. Since its launch in February 2020, more than 160 companies have been supported for a total volume of loans granted of €800 million.

(1) https://www.federal-finance-gestion.fr/gestion/actifs/doc/c_181672/pl-fro014009kb2-pdf

(2) <https://www.suravenir.fr/wp-content/uploads/2022/05/>

Le-Credit-Mutuel-Arkea-lance-Conviction-Labels-un-mandat-darbitrage-propose-en-assurance-vie-1. pdf

(3) <https://www.suravenir-assurances.fr/decouvrez-notre-strategie-climat-complete/>

(4) <https://www.arkea-capital.com/fr/we-positive-invest-2>

(5) <https://www.arkea-capital.com/Medias/Fichier/Rapport Climat Ark A ©a Capital VF.pdf>

Since September 2022, the **Crédit Mutuel de Bretagne** and **Crédit Mutuel du Sud-Ouest** federations have provided their customers and prospects with an intuitive tool that makes it possible to assess the energy performance of their home and identify relevant work, and find out the amount of the associated subsidies while forecasting the envisaged energy savings. This sustainable housing platform⁽¹⁾ aims to raise awareness and support individuals in their energy renovation initiatives. A loan offer at preferential rates dedicated to energy renovation is also available: the Rénovéo loan.

Crédit Mutuel Arkéa's trading room has a strong ambition in terms of the issuing of Green Bonds (public issues, structured investments, Negotiable European Commercial Papers (NEU

CP) with ESG characteristics, etc.). In 2022, the volumes of green structured investments increased. In December 2022, Crédit Mutuel Arkéa issued a first Green Bond for institutional investors (€500 million over ten years), aimed at financing renewable energy projects in the regions, for which loans are granted by the teams of the Arkéa Banque Entreprises et Institutionnels Environmental Transition Department.

In addition, Crédit Mutuel Arkéa's trading room has set up a NEU CP ESG programme for institutional investors. The first issues since April 2022⁽²⁾ have made it possible to refinance green housing loans granted by Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest to their members and customers, with a view to supporting their environmental transition.

4.5.2.1 ESG issues at the heart of the group's activities

As part of a medium-term trajectory, Crédit Mutuel Arkéa has committed to:

1. **gradually systematising ESG analysis across all financing and investment businesses**, by incorporating its vision of transitions and formalising sectoral policies for the business sectors most exposed to these transitions;
2. **deploying a climate strategy** with regard to the climate emergency and publishing a climate report each year, in line with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), and the documents are available on the [website cm-arkea.com](https://www.cm-arkea.com)⁽³⁾;
3. **developing new offers (financing, investment, savings, etc.) aimed at supporting customers' transitions and creating a positive impact.**

These commitments affirm Crédit Mutuel Arkéa's positioning as a "partner in transition to serve the economic vitality of the regions". Crédit Mutuel Arkéa's role is to work alongside regional players to help them prepare for these transitions and support them in transforming their business model.

1. Existing ESG practices in the group's various business lines

Summary table of sustainable finance indicators	2022
Share of ESG outstandings (Federal Finance and Suravenir)	69.95%
Share of SRI/Greenfin-certified outstandings under management in Federal Finance Gestion and Schelcher Prince Gestion's total outstandings	57.48%
Share of the annual refinancing programme and structured investment campaigns based on green or social bond issues	12.6%
Outstanding loans to individuals to finance the transition (in € millions)	885
Outstanding loans to companies to finance the transition (in € millions)	609.45
of which outstandings related to the financing of renewable energies (in € millions)	589.03
Outstanding PACT loans (in € millions)	616

(1) <https://www.cmb.fr/reseau-bancaire-cooperatif/web/plateforme-habitat-durable>

<https://www.cmso.com/reseau-bancaire-cooperatif/web/plateforme-habitat-durable>

(2) https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2022-04/280422_cp-credit_mutuel_arkea_premiere_banque_francaise_a_realiser_une_emission_neu_cp_green.pdf

(3) https://www.cm-arkea.com/banque/assurance/credit/mutuel/c_40472/fr/performance-extra-financiere

Asset management

The integration of ESG criteria is anchored in **Arkéa Investment Services' DNA**⁽¹⁾, the set of Crédit Mutuel Arkéa management companies. Asset management companies share the conviction that the integration of ESG criteria is a source of performance. The ESG approach reflects the ability of companies to imagine their long-term future. The sustainability and longevity of activities benefit financial performance, regardless of the investment universe. Financial and non-financial performance are thus correlated. Arkéa Investment Services also anticipates the expectations of customers who, in addition to financial performance, are looking for meaning for their investments with products that are beneficial for the environment and the individual.

Federal Finance Gestion and Schelcher Prince Gestion have integrated ESG criteria into their investment processes. Since 2000, Federal Finance Gestion has been practicing Socially Responsible Investment (SRI).

These two management companies rely on a joint research team made up of thirteen analysts, including seven ESG experts. Investment research is carried out by a pair of analysts. Thus, managers benefit from financial and non-financial analyses to make their investment decisions.

The ESG analysis system⁽²⁾ is based on a reference framework, proprietary tools and the expertise of the analyst. In practice, the ESG Research model combines a normative approach with a best-in-class approach.

The normative approach aims to ensure that our funds do not invest in:

- players that do not guarantee compliance with the main minimum internationally recognised social, environmental and governance standards, which are grouped together in the United Nations Global Compact. These companies are excluded from the investment universe of all Federal Finance Gestion and Schelcher Prince Gestion's active collective management;
- players involved in the manufacture, marketing or storage of controversial weapons, such as cluster bombs and anti-personnel mines. This exclusion applies to investments in securities issued by such companies and exposure to such securities through derivatives whose sole underlying is the company concerned. Similarly, players involved in the marketing or storage of white phosphorous ammunition or depleted uranium will be excluded from January 2023;
- companies involved in thermal coal since the implementation of a dedicated policy in 2019, as well as in unconventional fossil energy as part of a Fossil Fuel policy in force since 1 January 2022;
- companies involved in tobacco production and marketing (from January 2023).

In addition, the best-in-class approach aims to select the most advanced issuers in terms of ESG within their business sectors. The analysis criteria of the reference framework are based on the study of the three major non-financial issues, adapted to the nature of each issuer. The analysis of these non-financial risks is intended to complement the financial analysis, in order to have a 360° view of the risks and opportunities of issuers in which investments may be made.

An engagement policy was also put in place in 2018 to build a constructive dialogue with companies whose non-financial rating is much lower than that of their sector of activity. These discussions are intended to encourage them to:

- adopt responsible policies and behaviours regarding non-financial issues that are poorly addressed or not addressed at all;
- identify their negative non-financial impacts and reduce them to limit the risk exposure of investments and funds held by customers.

Federal Finance Gestion and Schelcher Prince Gestion also take part in the General Meetings of the companies whose shares are held in their funds and mandates. This exercise of voting rights defends the interests of the minority shareholders represented by the asset management companies. It is also a means of dialoguing with the company and sharing expectations as a responsible investor. Thus, the voting and engagement policies of these asset management companies specifically provide for support for resolutions relating to environmental or social issues.

SWEN Capital Partners, 40% owned by Federal Finance Gestion alongside OFI AM (50.3%) and its employees (9.7%), systematically deploys a Responsible Investment policy, described in its sustainability policy, across all its institutional strategies (primary, secondary and direct investment) and asset classes under management (Private Equity, Private Debt and Private Infrastructure). As a signatory of the PRI, SWEN Capital Partners wishes to be an actor in the promotion of the best approaches within the profession. Each year, it questions the practices and performance of more than 220 management companies in its investment universe, as well as all of its portfolio holdings and underlyings. SWEN Capital Partners is also committed to a fair transition to a low-carbon society. A member of the International Climate Initiative since its launch, it set up a Climate Strategy in 2017, the update of which will be published in 2023, in which it describes its convictions, its process of integrating climate issues into its management and its reports that show the measurement of the carbon footprint of its funds. It is also working on the definition and implementation of a Biodiversity Strategy, which will be published in 2023. In addition, at COP15, SWEN Capital Partners joined the signatories of the Finance for Biodiversity Pledge and became a member of the Finance for Biodiversity Foundation. Lastly, SWEN Capital Partners joined the Net Environmental Contribution (NEC) initiative in 2020, and in 2022 became a shareholder of the company NEC Initiative, in order to be able to measure the environmental impact of its investments using a scientific and transparent method.

Institutional investors

Suravenir, the group's life insurance subsidiary, and a signatory of the PRI since 2018, integrates in its investment policy an **ESG framework that includes non-financial risks in the investment process**. In order to help limit global warming and reduce the financial risks induced by the energy transition in the short- to medium-term, Suravenir defined and published a climate strategy in 2021, aligned with that of Crédit Mutuel Arkéa and incorporating specificities related to its business lines. This **climate strategy** is available on the Suravenir website⁽³⁾.

(1) https://www.arkea-is.com/investments/services/upload/docs/application/pdf/2022-05/ais-esg_plaquette-fev22-bd_pap.pdf

(2) https://www.federal-finance-gestion.fr/gestion/actifs/jcms/c_55417/la-finance-responsable
https://www.schelcher-prince-gestion.com/gestion/actifs/c_58376/fr/recherche-financiere-et-esg

(3) <https://www.suravenir.fr/wp-content/uploads/2021/09/Strategie-Climat-Suravenir-2021-1.pdf>

In 2022, **Suravenir** structured its **sustainable finance roadmap**⁽¹⁾ around three components (Responsible Investor, Responsible Insurer/Distributor, Responsible Company), whose targets and indicators are validated by the Sustainable Finance Committee.

For the scope of financial assets excluding unit-linked policies, Suravenir relies on the ESG expertise of Federal Finance Gestion. The management mandate entrusted to Federal Finance Gestion was classified as **Article 8 according to the SFDR**.

Suravenir's sustainability policy incorporates the sectoral policies⁽²⁾ of Crédit Mutuel Arkéa (tobacco, coal, oil and gas), the exclusion policies shared with Federal Finance Gestion (Global Compact and controversial weapons), as well as an exclusion policy for issuers located in non-OECD countries. In order to limit non-financial risk, Suravenir has also chosen to no longer invest in securities issued by issuers rated E according to the Federal Finance Gestion methodology.

Suravenir pays particular attention to strengthening the **green portion** and the portion of social impact investments in the portfolio. Targets to increase these investments were set for flows in 2022.

In order to steer its **decarbonisation trajectory**, Suravenir measures, at intervals, the temperature of its equity and corporate bond portfolio. This measurement is supplemented by the determination of the carbon footprint of its direct corporate portfolio by asset class and climate sub-sectors. A target is determined and cash flows are monitored against a benchmark representative of the investment universe.

Suravenir asks Federal Finance Gestion to carry out direct **commitment** actions with issuers whose non-financial ratings are low compared to those of their competitors. In addition, since the end of 2021, Suravenir has asked Federal Finance Gestion to initiate a specific dialogue with the companies in the portfolio representing the most significant pressures on the climate, measured in greenhouse gas emissions, or with particularly high temperature forecasts. Suravenir also delegates to Federal Finance Gestion its **voting rights** exercise policy.

For the unit-linked portfolio, Suravenir has leverage through the proposed offer. The listing policy for asset management companies and vehicles proposed in the unit-linked offer has been strengthened, in line with Suravenir's requirements in terms of ESG criteria. Thus:

- the new listings only concern vehicles managed by asset management companies that are signatories to the PRI and, from 1 January 2022, classified as Article 8 or 9 within the meaning of disclosure. Any request for **listing of a new UCITS management company** is now accompanied by a commitment to completely exit the coal business (excluding structured, index and real estate funds);
- since 1 July 2022, management companies already registered and wishing to have a **new fund listed** must

demonstrate that it is covered by a coal sector policy.

For several years, Suravenir has been offering certified units (UC) in the contracts it markets. All contracts marketed by Suravenir include at least one SRI, Greenfin, Finansol, Relance and Low carbon UC (UC Article 9 within the meaning of disclosure with an objective of reducing greenhouse gas emissions). Real estate funds must be at least certified SRI, Finansol or any other European label for the integration of ESG criteria.

Suravenir Assurances, as part of its proprietary investments, has also incorporated ESG criteria into its investment policy. Financial investments are made through Federal Finance Gestion, in accordance with its exclusion criteria (Global Compact, controversial weapons). Suravenir Assurances applies the Crédit Mutuel Arkéa group tobacco, coal and oil and gas policies.

More generally, in order to guarantee the non-financial quality of its portfolio, Suravenir Assurances relies on the SRI ratings of issuers and has implemented non-financial selection criteria: since March 2021, no issuer with a higher rating than C is authorised for investment.

A formal review of the ESG situation of Suravenir Assurances' financial portfolio is carried out at least every six months at the Cash Flow Committee meetings. A non-financial follow-up of the investments made during the half-year is also presented.

In order to make a positive contribution to limiting global warming, Suravenir Assurances adopted a climate strategy at the end of 2022 that covers its entire value chain (direct footprint, offers and investment policy).

Private equity

In 2017, **Arkéa Capital** formalised its values and commitments through an ESG charter⁽³⁾, which confirms the sustainable development of the regions as a major strategic focus, as well as the inclusion of non-financial criteria in the investment policy and support for companies in their environmental and social transition.

Arkéa Capital has also included a list of sector exclusions in its investment policy, in order to integrate its values, convictions and commitments:

- production or marketing of antipersonnel mines and cluster bombs;
- gambling industries;
- tobacco production or marketing activities;
- activities related to prostitution and pornography;
- activities related to thermal coal (mining and power generation);

Arkéa Capital does not have any holdings in companies whose activity is coal mining or the production of electricity from coal-fired power plants.

(1) <https://indd.adobe.com/view/62aeb96a-dc9d-4a0d-9349-b52cb1a6081e>

(2) https://www.cm-arkea.com/banque/assurance/credit/mutuel/c_40472/en/statement-of-non-financial-performance?nav=public

(3) <https://www.arkea-capital.com/fr/notre-demarche>

- oil and/or gas exploitation activities: extraction, refining, production (since 1 January 2022).

Arkéa Capital strengthened its approach to integrating ESG-Climate criteria into its investor activity by becoming a signatory of the PRI in 2019 ⁽¹⁾.

Today, Arkéa Capital incorporates ESG criteria at each stage of the investment cycle.

During the investment phase, each investment opportunity is subject to an ESG analysis carried out by a dedicated team including:

- a qualitative analysis of the company's sensitivity to sustainability risks;
- a summary of the in-depth analysis including internal research and discussions with management where applicable;
- the definition of the points of attention that will be regularly monitored and measured by Arkéa Capital in terms of non-financial performance.

More in-depth ESG audits can be set up, with the support of an external firm, depending on the materiality of the ESG issues for the company.

Arkéa Capital aims to support its investments in their CSR approach. Thus, for each new investment in which Arkéa Capital is a leading financial investor, the objective is to identify areas for ESG improvement, co-construct a roadmap and then monitor its implementation annually.

Post-investment, each year, the ESG reporting campaign carried out by Arkéa Capital makes it possible to collect non-financial data from its investments in order to carry out an analysis and monitor the evolution of the non-financial performance of the companies in the portfolio. The approach put in place by Arkéa Capital aims to initiate a dialogue with its equity holdings based on reporting in order to contribute to the improvement of their ESG practices, mitigate sustainability risks and promote greater transparency of the environmental, social and governance issues of the companies in which it is invested. Arkéa Capital may offer some companies in the portfolio a support assignment by an external consultant on an ESG issue, and may partially cover the cost of this assignment.

By signing the International Climate Initiative Manifesto in 2019 ⁽²⁾, Arkéa is committed to mobilising to contributing, at its own level, to the COP21 objective of limiting global warming to 2°C, contributing to the reduction of greenhouse gas emissions by the companies in its portfolio and ensuring the sustainability of its performance. In 2020 and 2021, Arkéa Capital had an analysis of the exposure of the companies in its portfolio to climate change risks conducted by an external consultant. An estimate of the carbon footprint of Arkéa Capital's holdings was also carried out as part of this analysis.

In 2022, Arkéa Capital formalised its *2024 climate strategy trajectory* ⁽³⁾ based on four pillars:

- mobilise governance and all employees on climate change issues;
- build in 2023 a trajectory of alignment with the objectives of the Paris Agreement;
- support the environmental transition of equity holdings;
- strengthen the integration of climate change issues into the investment cycle.

Arkéa Capital has also started work to build its strategy of alignment with the objectives of the Paris Agreement for scopes 1, 2 and 3.

In 2022, Arkéa Capital took part in the materiality workshop on the climate issue of the France Climate Initiative, which led to the publication of the guide "Assessing the materiality of climate risks by the ICI" (International Climate Initiative).

Lastly, Arkéa Capital has also initiated work that will enable it to define its alignment strategy with long-term objectives related to biodiversity.

Banking activity

For several years, **Arkéa Banque Entreprises et Institutionnels** has deployed a qualitative CSR analysis grid for its counterparties. This grid aims to assess the degree of CSR maturity of the structure and to broaden the customer vision by addressing the issues of human capital, territorial footprint, the environment and relations with stakeholders (suppliers/ partners and customers). Work was carried out in 2021 and 2022 to strengthen this approach and build a sectoral ESG assessment grid, with a trusted third party specialising in ESG. This grid will be deployed in 2023 and will be a tool for both the company and the bank, to identify the company's strengths and its levers for progress in order to enhance its non-financial performance.

In addition, to specifically assess the climate risk when granting loans, a questionnaire was developed and gradually rolled out in the second half of 2022 to companies in at-risk sectors and with more than €10 million in outstandings.

To go further in supporting companies in their ESG approach, since 2020, the Arkéa Pact system provides for a reduction in the interest rate of the loan, providing that the customer's ESG objectives (environment, social and governance) are achieved. In 2022, this system evolved to be made accessible to a greater number of players. In order to guarantee the neutrality of the assessments, Arkéa Banque Entreprises et Institutionnels relies on the independent non-financial analysis agency Ethifinance. It measures the annual progress and the assessment is the subject of a documented report, which is provided to the customer by the bank.

Arkéa Banque Entreprises et Institutionnels also deploys a strengthened approach to raise awareness and support its customers, both corporate and institutional, with regard to sustainability issues, notably through dedicated webinars and adapted solutions offered by the bank.

(1) <https://www.arkea-capital.com/fr/actualite/arkea-capital-signe-les-pri->

(2) https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2019-10/arkea_capital_rejoint_initiative_climat_international_1.pdf

(3) <https://www.arkea-capital.com/Medias/Fichier/Rapport Climat Ark A ©a Capital VF.pdf>

Since 2019, Arkéa Banque E&I has also refocused its investment product offering around responsible investment, creating CSR term deposits and offering its customers funds that meet ESG criteria in its range of mutual funds (UCITS), the majority of which are labelled funds, as well as themed funds.

Crédit Mutuel Arkéa's **trading room**, in its cash management activity, applies the group's tobacco, coal and fossil fuel policy and the exclusion of companies that do not provide assurances that they comply with the principles of the United Nations Global Compact. The investment opportunities and limits granted by the Counterparty Committee are also defined according to an internal ESG rating attributed to the counterparties concerned.

2. Climate strategy

Measurement of financed emissions and low-carbon alignment

After conducting several tests of low-carbon alignment methodologies in 2021, the group carried out work in 2022 to estimate the emissions financed in the banking scope and to assess the reduction efforts to be achieved as part of a 1.5° trajectory, aligned with the Paris Agreement. The group was supported in this work by a specialised consulting firm.

This approach is part of the group's climate strategy and meets the necessary contribution of all economic players to the Paris Agreement. Through this initial work, the group aims to achieve the following objectives:

- contribute to efforts to limit global warming and the transition to a low-carbon economy;
- assert itself and be recognised as a committed player vis-à-vis stakeholders;
- define and manage long-term actions;
- also reduce exposure to stranded assets.

To carry out this exercise, the group has chosen to rely on a methodology recognised in the financial market and based on

science which offers a framework and tools to measure the greenhouse gas emissions of its financing and identify the objectives to be achieved in order to comply with a low-carbon alignment trajectory. The SBTi methodology requires coverage of the following scopes:

- corporate securities - trading room cash investments;
- electricity generation projects;
- non-residential real estate loans ⁽¹⁾;
- loans to companies with more than 500 employees.

In view of its exposures, the group has also chosen:

- to cover two optional scopes under SBTi but for which methodologies exist:
 - loans to companies with fewer than 500 employees,
 - home loans;
- and develop innovative methodologies in collaboration with Ecoact and expert firms in two material scopes for the group:
 - loans to agricultural players - in collaboration with Solagro,
 - sovereign bonds - in collaboration with Enerdata.

With regard to the estimates of financed issues, the results are as follows, based on the methodologies used in 2022, at 31 December 2021:

Scopes	Outstandings covered by the study (in € billions)	Outstandings analysed (in € billions)	Estimated emissions of CO ₂ (in tCO ₂ e)	Comments
Direct footprint (scopes 1, 2 and 3)	N/A	N/A	35,071	The methodology used here is that of the GHG Protocol. This explains the difference with the carbon assessment published previously for the 2021 financial year.
Reinvestments of corporate securities (Trading room)	5.9	5.9	3,947,518	
Electricity production loans	0.12	0.047	1,142	The volumes of loans used for the study are low, as the methodology used only assesses projects in the electricity production phase.

(1) Non-residential real estate loans have been included in loans to companies due to identification issues in the information system.

Scopes	Outstandings covered by the study (in € billions)	Outstandings analysed (in € billions)	Estimated emissions of CO ₂ (in tCO ₂)	Comments
Home loans	29.3	22.7	226,109	Statistical data were used for a significant portion of the portfolio due to a lack of data on the energy performance (DPE) of the assets financed.
Loans to VSEs/SMEs*	21.7	12.3	4,926,598	
Loans to mid-caps*		0.347	619,712	
Reinvestments of sovereign securities (Trading room)	2.3	1.6	201,274	

* Excluding agricultural loans.

The results presented above aim to share the exploratory work carried out in 2022 and an initial snapshot of the financed emissions. They will have to evolve in the context of the coming years, in order to refine the methodologies, broaden the scopes covered and improve the quality of the data.

This initial work will therefore be enhanced in 2023 in order to define targets for reducing these emissions as part of the group's commitment to the Net Zero Banking Alliance (NZBA).

The group wanted to continue work before adopting these medium- and long-term emission reduction targets. This is to:

- make the starting point of these future objectives more reliable, through a sustained effort on the collection of data (actual or statistical), the continuation of methodological studies and the scopes covered;
- strengthen the operational action plans with the business lines, which aim to continue to support customers towards a less carbon-intensive economy, through concrete and adapted offers.

3. Products and services

In addition to the integration of ESG issues, including climate, into the financing and investment processes, in addition to the financial analysis, the various entities of the group are committed to the development of products and services to specifically support projects or activities focused on environmental and social transitions.

Impact products

In the area of impact investing, Arkéa Capital manages the We Positive Invest and We Positive Invest 2 investment funds⁽¹⁾, dedicated to supporting innovative companies in the areas of energy and climate transition, the circular economy, human capital, and health and well-being.

The new We Positive Invest 2 fund, Article 9 within the meaning of the SFDR, launched in May 2022, whose subscription is open to third parties, aims to raise more than €100 million. It will invest up to €10 million in around fifteen intrinsically impactful companies.

We Positive Invest 2 stands out through its methodology, which places impact at the heart of its strategy. The eligibility and sustainability of an investment project are assessed via proprietary impact scoring. This impact scoring assesses the importance of the societal or environmental issue addressed by the company, the intent of the management team, the incremental effect of the solution and the ability to measure the company's impact.

The resulting impact is assessed using a demanding, quantified and valued methodology.

Arkéa Capital also assesses potential negative social and environmental externalities related to operations and products and services, including sustainability risks.

True to its convictions and proof of its commitment, Arkéa Capital has also deployed, within its impact team, a dedicated organisation with an operating partner that provides operational support throughout the life of the equity holding, in terms of the CSR approach and impact measurement.

(1) <https://www.arkea-capital.com/fr/we-positive-invest-2>

The impact team participates in the work of the Impact Commission of France Invest and the working groups on the impact of the Institute for Sustainable Finance (Finance for Tomorrow).

Schelcher Prince Gestion has also positioned itself in the management of impact funds, notably through its debt fund Schelcher Euro Impact Infrastructure Transition Debt⁽¹⁾, dedicated to the financing of essential infrastructure for the benefit of a sustainable economy promoting the transition to a low-carbon model.

This first Article 9 fund, within the meaning of SFDR, was launched in June 2022 and aims to raise €300 million over a period of two years. It will invest in about ten senior and junior financings, intended for infrastructure projects with a positive impact on the environmental and energy transition. This fund is distinguished by its proprietary sustainability analysis methodology, driven by the internal ESG team, and by an ambitious green share objective with an alignment with the European taxonomy of the investment portfolio of 80%, while taking into account negative environmental and social externalities. The ESG analysis and investment process was recognised with the LuxFLAG ESG AFS Label for this fund⁽²⁾.

Products and services dedicated to supporting the environmental transition

After the successful launch in 2020 of the activity dedicated to the financing of the environmental transition, **Arkéa Banque Entreprises et Institutionnels, via the Environmental Transition Department**, has financed more than thirty projects for an amount of €600 million across mainland France. This initiative aims to support SMEs, mid-caps, local authorities, institutional investors and real estate professionals in their transition to carbon neutrality. Renewable energies play a major role in projects financed with mature technologies (photovoltaic, wind, hydraulic, methanisation, biomass, heating networks, NGV stations, etc.). The energy renovation of buildings is also an integral part of this sector's activities. In addition, Crédit Mutuel Arkéa's equity investments in the semi-public departmental energy companies of the four Breton departments (Côte d'Armor, Finistère, Ille-et-Vilaine and Morbihan), as well as the departments of Ain and Gironde, are part of the desire to be at the heart of regional ecosystems for the emergence of structural renewable energy projects. Our presence on the Technical and Strategic Committee of these bodies contributes to the ability to finance these projects. More broadly, the ambition of Arkéa Banque E&I is to provide appropriate resources to support environmental transition and serve the economic vitality of the regions.

Energy efficiency in housing

The group's federations offer a range of loans to finance the energy renovation work of their individual customers: the regulated zero-rate Eco-loan as well as the additional zero-rate Eco-loan and the Rénovéo loan. The latter offers preferential loan conditions to finance energy-saving

equipment for primary, secondary or rental residences. Since 2016, **Crédit Mutuel de Bretagne**⁽³⁾ has been a partner of the Brittany region to facilitate housing renovation. Through this partnership, Crédit Mutuel de Bretagne has undertaken to facilitate access to interest-free eco-loans in Brittany and to encourage its customers to use the engineering services offered by home renovation platforms. **Crédit Mutuel du Sud-Ouest**⁽⁴⁾ a partner of the Agence Régionale pour les Travaux d'Économies d'Énergie and the Nouvelle-Aquitaine region, through which it offers financing solutions tailored to energy-saving renovation work. Crédit Mutuel du Sud-Ouest also participates in Bordeaux Métropole's "marenov" platform, which helps households to make their homes more energy-efficient. The two federations now offer the Sustainable Housing platform in partnership with Société Économie d'Énergie SAS, accessible on their respective websites. For customers and prospects, this application makes it possible to assess the energy performance of their homes, identify relevant work, determine the amount of the associated subsidies and forecast the planned energy savings. This Sustainable housing platform aims to raise awareness and support individuals in their energy renovation initiatives.

Financo is also positioned in the home improvement market, where the majority of its activity is currently generated by the financing of energy renovation work. In this context, Financo has carried out several initiatives, including:

- the signing of a partnership with the BCS France Group, a company specialising in roof insulation work and which covers the national territory, thanks to its eleven regional agencies and 250 experts;
- the signing of a new partnership with Janneau Menuiseries, manufacturer and fitter of wood, PVC, aluminium and steel doors and windows;
- the launch of a split personal loan specially designed to meet the specific needs of the financing of energy renovation projects, in partnership with Soliha.

Suravenir Assurances also supports its policyholders in their eco-responsible housing policies by offering systematic coverage for ecological equipment, such as photovoltaic panels, solar water heaters and heat pumps. In addition, Suravenir Assurances, in its role as a preventive insurer, is setting up a system aimed at mitigating the damage caused by climate events by sending emails and text messages to policyholders in the areas concerned.

Sustainable mobility

Crédit Mutuel de Bretagne and **Crédit Mutuel du Sud-Ouest** offer advantageous loan conditions to the future owners (individuals and professionals) of electric or hybrid vehicles.

Through its property and casualty insurance offers (Fire, Accident and Miscellaneous Risks), the group supports the development of responsible behaviours.

(1) https://www.schelcher-prince-gestion.com/gestion/upload/docs/application/pdf/2022-09/22_09_16_first_close_cp_dette_infra_spg_sep22_vf.docx_1.pdf

(2) https://www.schelcher-prince-gestion.com/gestion/upload/docs/application/pdf/2022-11/cp_label_dette_infra_spg_fr.pdf

(3) <https://www.cmb.fr/reseau-bancaire-cooperatif/web/mieuxvivredeindependance>

(4) <https://www.cmso.com/reseau-bancaire-cooperatif/web/mieuxvivredeindependance>

In this context, **Suravenir Assurances** offers price reductions on motor insurance policies covering vehicles with reduced CO₂ emissions, and electric vehicles.

Suravenir Assurances rewards and also encourages customers who use their vehicle less or better and contribute to reducing the carbon footprint through schemes such as:

- mileage packages (provision of price reductions according to the mileage package declared by the insured person);
- pay as you go;
- behaviour-related payments;
- carpooling;
- use of public transport.

Suravenir Assurances also encourages and supports responsible behaviour through appropriate compensation principles:

- use of re-used parts;
- windshield repair rather than replacement;
- selection of approved garages near the insured person's home;
- loyalty bonus, paid to any policyholder who buys a new vehicle eligible for the environmental bonus following a claim.

Financo is also fully committed to the development of sustainable mobility in France. The very significant increase in sales of electric vehicles and Financo's strong ambitions in green mobility have led it to review its range of warranty extension and servicing products. Rather than adapting its offer, Financo has chosen to create new, specific products for electric vehicles. These two new offers, "My Electric Vehicle Guarantee" and "My Electric Vehicle Service", are only eligible for 100% electric vehicles, while hybrid and plug-in hybrid vehicles remain covered by the traditional offer.

These changes enable Financo to offer specially adapted guarantees at competitive rates.

Sustainable agriculture and agro-ecology

The Crédit Mutuel Arkéa federations support farmer members in all the transitions required of them. These transitions, whether they are environmental, societal (and in particular energy, technical or genetic), in connection with compliance with international agreements, aim to both meet society's expectations but also to improve competitiveness in a context of the search for food security but also of heightened global competition.

In order to support investments, the Agrinovéo loan dedicated to the environmental transition encourages the financing, among other things, of production equipment such as methanisation and agricultural photovoltaics. The Crédit Mutuel de Bretagne federation has developed know-how over nearly two decades, enabling it to support more than one methanisation unit in two in the region. Proximity with industry players, such as GRDF (French gas distribution network), the association of methanisers of Brittany and AILE (Association of Local Initiatives for Energy and the Environment, attached to the environment agency ADEME), makes it possible to secure projects and integrate them into a coherent regional approach. The agricultural methanisation model requires a rate of at least 70% of inputs from the farm and limits the use of fodder such as corn to a minimum. The biogas produced is most often injected into the GRDF network but also distributed locally by BioNGV stations to equipped vehicles.

The Breton federation has also financed the first BioNGV-powered tractor in Brittany.

Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest also offer the "Clé-Mat +" loan dedicated to the financing of precision agricultural equipment that limits inputs and promotes agro-ecology. The federations are actively involved in setting up young farmers with organic farming projects. Indeed, this part represented nearly 40% of start-ups for the year 2022. Crédit Mutuel du Sud-Ouest is a partner of AGROBIO Périgord, an association with which various actions are carried out for more responsible agriculture. Crédit Mutuel du Sud-Ouest has also joined the Interbio Nouvelle-Aquitaine finance club, enabling it to participate in the financing round for projects by food companies specialising in organic farming.

In 2022, in order to support the teams, the members and all players in the movement, around twenty workshops on carbon management in agriculture were organised in Brittany. In addition, the community of agricultural customer managers received specific information on photovoltaic energy in agriculture provided by APÉPHA (Association of Agricultural Photovoltaic Energy Producers).

In the context of risk management in agriculture, a sector that is going through many crises, in particular for pig farming at the beginning of the year, and birds in the second quarter, but also in organic farming since the failures of certain cooperative structures, the entire network was trained in human and social support in times of difficulty. On all subjects, the presentation and information were shared with the elected directors representing the agricultural community.

At the end of 2022, the players serving the agricultural market, nearly 400 people among elected directors and employees, took part in the launch of Crédit Mutuel Arkéa's new agricultural sector policy. These agricultural meetings organised by department provide an ideal launch pad for actions undertaken in a context of agriculture in transition.

Savings products for the environmental transition

Arkéa Investment Services develops savings products to promote the environmental transition.

From 2020, the Federal Global Green Bonds fund was launched, investing in green bonds and receiving the Greenfin label. In 2022, **Federal Finance Gestion** completed its range with the "Autofocus Transition Climat" fund.

2022 saw the deployment by **Schelcher Prince Gestion** of the Infrastructure Transition Platform, which aims to finance the infrastructure essential to the sustainable development of tomorrow, promoting the transition to a low-carbon model. Two multi-investor infrastructure debt funds were launched: Schelcher Euro Core Infrastructure Transition Debt for the financing through long-term senior debt of environmental and digital transition projects in Europe, classified as Article 8 SFDR, and Schelcher Euro Impact Infrastructure Transition Debt for the junior debt financing of energy transition players and projects in Europe, classified Article 9 SFDR. These two funds include ambitious objectives of aligning financed projects with the European green taxonomy, and the second meets the Crédit Mutuel Arkéa group's framework for impact funds. The first investments were made in 2022 in the field of renewable energies, the deployment of fiber optic networks and the construction of a data centre with high energy efficiency. The Infrastructure Transition Platform, composed of a team of seven people, also capitalises on the expertise in sustainable and responsible investment built up by the Arkéa Investment Services teams and will integrate future changes in the European taxonomy into its strategies.

In 2019, **SWEN Capital Partners** launched the SWEN Impact fund for Transition strategy, which today consists of two direct impact investment funds in infrastructure dedicated to the production, development and distribution of renewable gas.

SWEN Capital Partners launched the SWEN Blue Ocean strategy, which invests in innovations for the regeneration of the ocean thus contributing to the achievement of UN Sustainable Development Goal 14.

Investments structured around Crédit Mutuel Arkéa green bonds are also offered to the group's individual customers. During 2022, Crédit Mutuel Arkéa's **trading room** carried out three "Perspectives Globe" structured investment campaigns and a "Sérénité Globe" campaign, products marketed by CMB and CMSO.

Products and services dedicated to supporting social issues

Since September 2019, Crédit Mutuel Arkéa's **trading room** has issued three social bonds on the financial markets, thus becoming one of the leading banking players in Europe in this market. These bond issues, subscribed by institutional investors, for a total amount of €1,750 million, have made it possible to refinance projects dedicated to the social housing, health and education sectors as well as loans to SMEs, which are natural areas for Arkéa Banque Entreprises et Institutionnels, Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest to be involved in. The issues carried out in 2020 and 2021 also made it possible to support the economic and social development of the regions, against the background of the health crisis.

Access to health care, home care, social ties

Crédit Mutuel Arkéa has adopted a policy of supporting the issues of healthcare players in the regions, in order to reaffirm its support for an area that presents major challenges for society as a whole and for future generations. This policy is fully in line with Sustainable Development Goal 3 to empower people to live healthy lives and promote well-being at all ages.

Crédit Mutuel Arkéa's federations offer their customers a range of insurance products designed by **Suravenir Assurances** to cover various health and long-term care risks: health insurance, long-term care insurance (annuity in the event of loss of independence), life accident cover and insurance to help carers.

In the field of health, Suravenir Assurances strives to provide offers that are accessible to all. Thus, the Suravenir Assurances individual health offer incorporates changes related to the so-called "100% health" reform, which makes it possible to offer fully reimbursed opticians', dentists' and audiologists' services. The offer also includes fixed-price psychological consultations to guarantee wider access to these essential services during the period.

In the field of public health, Crédit Mutuel Arkéa finances the university hospitals and main hospitals in Brittany and the South-West. **Arkéa Banque Entreprises et Institutionnels** also supports more than 100 institutions in the healthcare or medico-social sector, for a total amount of €280 million in long-term financing in 2022 and €244 million for working capital requirements.

Arkéa On Life, the group's brand dedicated to the connected services offered by the subsidiary **Arkéa Assistance** (a company declared as a personal services organisation which became a company with a mission in June 2022), is striving towards providing greater peace of mind for the elderly and people with reduced mobility. It offers a home remote assistance service for isolated people, as well as a connected watch for home support for elderly people wishing to continue their activities outside the home. The offer includes a private social network service to stay in constant contact with loved ones, thus limiting the feeling of isolation. This solution proved particularly effective during the Covid-19 epidemic.

In the first quarter of 2023, Arkéa Assistance launched a new digital offer for family caregivers. This service called "Ensemble" offers caregivers adapted and personalised solutions to facilitate the prevention of and support for the autonomy needs of the elderly or disabled. Through the app, caregivers have access to personalised advice from an expert in home care, a "care manager", in charge of setting up and monitoring requests for financial assistance from the various organisations. They also have access to a private family network, co-organisation tools, a communication tool including a service for sending monthly postcards to the loved one to help to reduce their isolation.

Arkéa Assistance also provides tailor-made tele-assistance solutions for senior residences and residential facilities for dependent elderly people (EHPAD). In total, Arkéa On Life now supports over 30,000 people throughout France.

Lastly, to enable professionals to make their premises accessible to the disabled, the Crédit Mutuel Arkéa **federations** offer them a "Pro Accessibility Loan" to finance the necessary works.

Actions to promote housing and social home ownership

As access to housing is a major concern for its customers, Crédit Mutuel Arkéa has chosen to contribute to this issue through various types of initiatives that go beyond property financing. The banking services offered by the **federations** contribute to financing social housing, notably through a portion of the savings collected in CMB and CMSO savings accounts. Since the beginning of 2018, some major cities in Brittany (Rennes, Saint-Malo), in consultation with social housing stakeholders, have decided to facilitate home ownership in difficult areas via a new system: the **"Bail Réel et Solidaire" (Real and Solidarity Lease)**. This new home ownership formula allows a household (subject to a means-tested ceiling) to become the owner of its home and the tenant of its land (land that remains the property of a Solidarity Land Agency, OFS), the price of acquisition of the home is therefore at a lower price compared to the market.

Already a pioneer in the provision of the **"Prêt Social Location Accession" (access to home rental loan)**, Crédit Mutuel de Bretagne is demonstrating its ability to adapt its financing offer and **train** its network to finance these projects under good conditions.

Arkéa Banque Entreprises et Institutionnels has made supporting the housing sector one of its priorities. Thus, it works with more than two-thirds of the social landlords of more than 10,000 housing units. Since 2010, it has financed public players to the tune of more than €10 billion. Arkéa Banque Entreprises et Institutionnels is a partner of the various players in the sector. It has signed agreements with all the professional federations in the HLM sector and has formed an emblematic partnership with Action Logement. Arkéa Banque Entreprises et Institutionnels is now present throughout the entire housing chain, and thus finances local authorities that hold land, developers and social housing operators, by helping them carry out their initiatives (construction of social rented housing, renovation of homes, urban renewal policy, social home ownership, etc.).

Outstanding savings and loans contributing to the financing of social housing (in € thousands)

	2022	2021	2020	2019
CMB, CMSO saving accounts	8,537,984	7,845,234	7,393,871	6,962,226
Social housing incentive loans (PLS and PSLA)	561,756	666,504	754,684	865,829

Support for the social and solidarity-based (third sector) economy and social entrepreneurship

By its very nature and by deep conviction, Crédit Mutuel Arkéa has always positioned itself in support of the social economy (SSE) and social entrepreneurship, in its traditional regions of course, but also more widely, notably through support for innovative initiatives. Thus, the group is a partner of major players in the SSE such as the Association for the Right to Economic Initiative (ADIE).

In Nouvelle-Aquitaine, the group provides financial support to Bordeaux Mécènes Solidaires, a regional foundation that supports concrete projects for social and professional integration, the fight against precariousness, digital inclusion, access to housing and social innovation in the Gironde department. **Arkéa Banque E&I**, thanks to a dedicated team, promotes the development of projects in the SSE field. In this way, it has been able to support new players in carrying out their projects, whether in the education, health or social support sectors.

The group therefore directly finances initiatives with a positive social impact and also enables its customers to direct their savings towards social causes. With the "Livret Solidaire" passbook savings account, the **federations** offer individual customers the opportunity to donate all or part of the interest

earned each year to public interest associations selected from a list of partner organisations in four areas: social and housing, employment, international solidarity and the environment. This passbook savings account has obtained the solidarity finance label awarded by FAIR, with nearly €380,000 donated to charities in 2022.

In addition, holders of "Livret Développement Durable et Solidaire" (LDDS) savings accounts can also donate the interest or capital invested in their sustainable savings accounts to one or more public interest associations. New partner associations were selected by **Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest, Fortuneo and Arkéa Banque Privée**, in line with the group's purpose, to focus on the major social and environmental challenges facing our regions. These partnerships with these associations are long-term and special attention is paid to the use of donations. Lastly, in 2022, **Federal Finance Gestion** launched a specialised professional fund (reserved for institutional investors), called "Federal Solidaire", which strengthens its presence in the third sector. To also enable individual investors to access the SSE sector, Federal Finance Gestion offers three solidarity-based mutual funds in its range dedicated to employee savings, which now benefit from the Finansol label.

Solidarity savings: outstandings (in € thousands)

	2022	2021	2020	2019
Employee savings schemes	376,662	379,679	387,459	10,710
Solidarity Booklet	99,972	70,531	54,398	40,475
Total	476,634	450,210	441,857	51,185

4.5.2.2 Green Taxonomy

1. Application of the European Green Taxonomy

In accordance with European Regulation 2020/852 of 18 June 2020 on the establishment of a framework to promote sustainable investments in the EU, the Crédit Mutuel Arkéa group is subject to the obligation to publish the share of the balance sheet for the 2022 financial year associated with economic activities considered to have sustainable potential from an environmental standpoint according to the classification and criteria defined in the European taxonomy.

The environmental objectives set out in the EU's taxonomy regulation are as follows:

- climate change mitigation;
- adaptation to climate change;
- sustainable use and production of water and marine resources;
- transition to a circular economy;
- pollution prevention and reduction;
- protection and restoration of biodiversity and ecosystems.

Until now, only the technical criteria for the first two objectives have been established in the delegated climate act⁽¹⁾. The application of this regulation is gradual by virtue of the provisions of the Delegated Act to Article 8 of the taxonomy regulation. Credit institutions must publish:

From 1 January 2022 to 31 December 2023, information relating to the share in total assets:

- exposures to economic activities eligible and ineligible for the taxonomy;
- exposures to companies not subject to the NFRD;
- derivatives;
- interbank loans;
- exposures to sovereign and central bank exposures;
- the trading book.

From 1 January 2024, information on the proportion of assets aligned and from 1 January 2026, indicators on the trading book and fees and commissions.

An activity is eligible if it is defined and described in a delegated act relating to one of the aforementioned environmental objectives. It becomes aligned when:

- it contributes substantially to one or more environmental objectives, by meeting technical review criteria;
- it does not cause significant harm to other environmental objectives;
- it respects the minimum social guarantees: Human Rights, UN, OECD, ILO.

This first assessment of the eligibility of Crédit Mutuel Arkéa's activities was carried out on the basis of the draft taxonomy and the Climate Delegated Act available at the date of consolidation of the 2022 balance sheet, through a methodological approach including a detailed analysis of the group's activities, based on existing processes and reporting systems.

All of this constitutes a methodology, the significant elements of which - assumptions and interpretations, methodological details and limitations - are described below. The group will review this methodology on the basis of changes in regulations.

2. Methodological principles and presentation of ratios

■ Methodological principles

For this first approach, the group relied heavily on proven financial reporting systems (FINREP).

■ Determination of the total Green Asset Ratio (GAR) - denominator:

The total assets of the GAR ratio are determined on the basis of the FINREP statements in accordance with the provisions of Article 8 of the Delegated Act applicable to credit institutions.

The denominator of the eligibility ratio is total FINREP assets less loans and advances classified in the trading book or whose counterparty is a sovereign issuer or a central bank.

■ Determination of Green Asset Ratio eligible assets - numerator:

Companies subject to the NFRD are identified according to the following principle: listed companies with more than 500 employees. French companies subject to the NFRD are identified using the information from the Diane database⁽²⁾ in accordance with the criteria defined above. European companies subject to the NFRD are identified after analysing the outstandings of companies not included in the Diane database, according to the most recent published URD.

Then, exposures to counterparties subject to the NFRD are weighted according to the portion of eligible activity published by the counterparty at the end of 31 December 2021.

Companies not subject to the NFRD are identified differently, as this ratio includes both financial and non-financial companies that do not meet the above criteria or that are established outside of the European Union.

In accordance with the information communicated by the European Commission through its FAQs, the information set out in the regulatory publication must be based on data produced and/or provided by the corporate customers of financial institutions. The use of estimates is not permitted.

The following assets are considered eligible for taxonomy in the regulatory publication:

- loans guaranteed by residential real estate, renovation loans and car loans from 1 January 2022;

(1) Commission Delegated Regulation (EU) 2021/2139 supplementing Regulation (EU) 2020/852.

(2) Bureau Van Dijk's database providing access to the financial data of French companies that have published their annual financial statements with the commercial courts.

- the eligible portion of exposures to companies subject to the NFRD, based on the portion of eligible activity published by the counterparty;
- loans to local authorities financing social housing;
- securities obtained by seizure of real estate.

The following assets are considered as ineligible for taxonomy in the regulatory publication:

- the non-eligible portion of exposures to companies subject to the NFRD, based on the portion of non-eligible activity published by the counterparty;
- exposures to households excluding loans guaranteed by residential real estate, car loans from 1 January 2022 and renovation loans;
- exposures to local authorities excluding the financing of social housing.

Crédit Mutuel Arkéa's regulatory ratios based on this methodology are presented below.

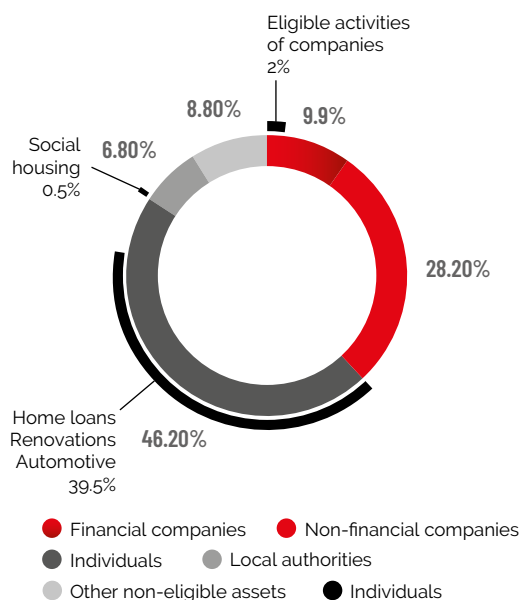
Article 8 of the delegated act of the EU Taxonomy Regulation – Publication on regulatory basis

	2022	2021
1. Activities eligible for the Green Asset Ratio (GAR) taxonomy	42%	32%
2. Activities not eligible for the Green Asset Ratio (GAR) taxonomy	20%	32%
3. Exposures to sovereigns, central banks and supranational issuers on total assets	26%	15%
4. Exposures on hedging derivatives (excluding trading book) on total assets	4%	1%
5. Exposures to entities not subject to NFRD on total assets	22%	24%
6. Trading book on total assets	0%	0%
7. Interbank demand loans on total assets	0%	0%
8. Total Green Asset Ratio (GAR) (in € millions)	100.029	107.900
9. Total assets (in € millions)	136,640	127,706

The change in the eligibility ratio between the closing at 31 December 2022 and the closing at 31 December 2021 is primarily due to the production of housing and renovation loans over the period. In addition, the ratio as of 31 December 2022 includes car loans produced since 1 January 2022, in accordance with the provisions of the text, as well as outstandings to financial companies subject to the NFRD, weighted by the eligibility ratios published by the Company. the latter. Lastly, from the reporting date on 31 December 2022, the Group's deposits with the Caisse des Dépôts et Consignations are classified as Sovereign.

In summary, the following figure shows the breakdown of the Group's balance sheet with regard to Taxonomy.

Breakdown of Green Asset Ratio



In accordance with the 2022/1214 Delegated Act of 9 March 2022, Crédit Mutuel Arkéa publishes the existence of exposures to activities related to nuclear energy and fossil gas in the table below.

Tables 4 and 5 are based on data produced by non-financial counterparties concerning their nuclear energy and fossil gas activities. These data are published for the first time on 31 December 2022. Crédit Mutuel Arkéa is therefore not in a position to publish these tables because it cannot collect this data.

Model 1 - Activities related to nuclear energy and fossil gas

Nuclear energy activities	1. The Company carries out, finances or is exposed to the research, development, demonstration and deployment of innovative facilities for the production of electricity from nuclear processes with a minimum of waste from the fuel cycle.	Yes
	2. The Company carries out, finances or is exposed to the construction and safe operation of new nuclear facilities for the production of electricity or industrial heat, in particular for district heating purposes or for the purposes of industrial processes such as the production of hydrogen, including their safety upgrades using the best available technologies.	Yes
	3. The Company carries out, finances or is exposed to the safe operation of existing nuclear facilities for the production of electricity or industrial heat, in particular for district heating purposes or for the purposes of industrial processes such as the production of hydrogen, from nuclear energy, including their safety upgrades.	Yes
Fossil gas activities	4. The Company carries out, finances or is exposed to the construction or operation of facilities for the production of electricity from gaseous fossil fuels.	Yes
	5. The Company carries out, finances or is exposed to construction, refurbishment or operation of combined heat/cold and electricity production facilities from gaseous fossil fuels.	Yes
	6. The Company carries out, finances or is exposed to construction, refurbishment or operation of heat production facilities that produce heat/cold from gaseous fossil fuels.	Yes

4.5.3 Reducing the environmental footprint

Crédit Mutuel Arkéa is positioning itself as the agile financial partner for the transitions of the future and the actions undertaken are therefore the concrete expression of this ambition. Crédit Mutuel Arkéa also wants to be exemplary in its own actions and transitions to reduce greenhouse gas (GHG) emissions.

Non-financial risks associated with the challenges: Environmental footprint & Exemplarity in business and governance

- Environmental and climate risks

Measurement of the direct environmental footprint*

Group carbon footprint per metric teqCO ₂	48,774 teqCO ₂	4.5 teqCO ₂ per FTE

* According to the most recent method of the Association Bilan Carbone (v8.8).

As part of Crédit Mutuel Arkéa's financial activities, environmental and climate-related issues are described in sections 4.5.2 "Financing the economy responsibly and committing to a sustainable economy" and 4.3.2 "Focus on the integration of climate risks". In the context of the duty of care (the implementation report is provided in Section 4.3.3 "Vigilance plan and implementation report"), Crédit Mutuel Arkéa has also mapped its direct environmental risks.

Reducing its carbon and environmental footprint is at the heart of Crédit Mutuel Arkéa's purpose, in particular by encouraging the commitment of its employees to serve the collective interest.

The Crédit Mutuel Arkéa group, its federations and subsidiaries are committed to reducing its direct environmental footprint. Crédit Mutuel Arkéa wants to pursue its own actions and transitions to reduce greenhouse gas (GHG) emissions, including its actions to promote energy sobriety⁽¹⁾ by reducing its carbon footprint.

Management and reduction of the group's carbon footprint

Each year, Crédit Mutuel Arkéa measures its carbon footprint through a group carbon footprint assessment. Thus, the group's carbon assessment was carried out at the beginning of 2023, on the basis of 2022 data, and according to the Association Bilan Carbone method and is subject to a fairness review by an independent third party.

By publishing its carbon assessment each year, Crédit Mutuel Arkéa reports on its progress while communicating its roadmap to anticipate and comply with regulations and have a positive impact on its own environment.

Because of its strong territorial coverage, the group has chosen to include home-to-work travel in its Scope 3. To date, Scope 3 does not include the carbon footprint of the group's financing and direct investments. Crédit Mutuel Arkéa's membership of various initiatives such as the Net Zero Banking Alliance (NZBA) programme is in line with the work undertaken since 2021 to

estimate financed emissions and assess the alignment of the group's banking activities with the objectives of the Paris Agreement.

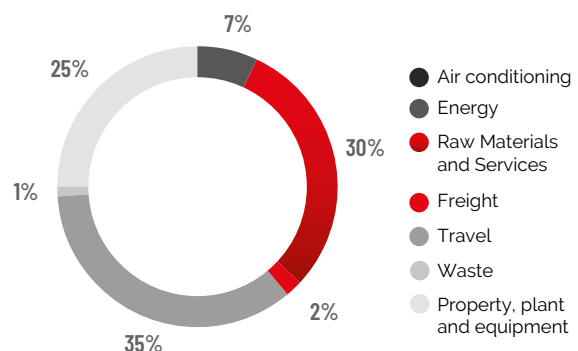
Based on benchmark methodologies, Crédit Mutuel Arkéa is committed to measuring and reducing its emissions beyond its direct scope to align its financing with the objectives of the Paris Agreement. In 2023, Crédit Mutuel Arkéa is continuing its methodological and data collection work (see Section 4.5.2.1 ESG issues at the heart of the group's activities).

For the 2022 financial year, the group's carbon footprint assessment amounts to 48,774 teqCO₂, or 4.5 teqCO₂ per FTE.

The increase of almost 10% compared to 2021 remains an encouraging result, as 2021 cannot be considered a benchmark due to the Covid-19 health crisis.

Each federation and each subsidiary receives their carbon footprint assessment in order to be able to position themselves in relation to the Group average and thus define their own action plan.

Breakdown of Crédit Mutuel Arkéa's GHG emissions



(1) https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2023-01/sobriete_energetique.pdf

Emission categories	Numbers	Emission items	Sources	TeqCO ₂
Direct greenhouse gas (GHG) emissions (Scope 1)	1	Direct emissions from stationary combustion sources	Natural gas and domestic fuel for the sites	867
	2	Direct emissions from combustion engine mobile sources	Diesel fuel in the fleet	1,650
	4	Direct emission leaks	Cold fluid leaks	240
Indirect emissions associated with energy (Scope 2)	6	Indirect emissions from electricity consumption	Site electricity	1,473
	7	Indirect emissions related to the consumption of steam, heat or cold	District heating and for the sites	18
	8	Energy-related emissions not included in items 1 to 6	Same as item 1 and 6	1,262
Other indirect emissions of GHGs (Scope 3)	9	Purchases of products or services	Paper, ink and services	14,462
	10	Fixed assets	Fixed assets: buildings, vehicles and IT equipment	12,184
	11	Waste	Treatment of non-hazardous waste	451
	12	Inbound freight transport	Cash transportation and internal shuttles	1,173
	13	Business travel	Travel by car, train and plane	2,570
	22	Commuting to work	Employee travel	12,423
Total				48,774

In order to mobilise all employees around this objective, since 2017, the profit-sharing agreement (within the scope of the Economic and Social Unit) has included a criterion for increasing the budget linked to the reduction in the carbon footprint assessment per employee.

"CO₂actor" initiatives

The reduction of the Crédit Mutuel Arkéa group's greenhouse gas emissions is one of the major challenges set out in the "Transitions 2024" strategic plan, through a "CO₂actor" initiative.

The group's goal, defined in relation to the objectives set by the Paris Agreement, is to reduce its direct footprint by 15,000 teqCO₂ by 2024 (excluding emissions from financing and investments), a decrease of 25%. This objective is gradually being achieved through concrete actions to mitigate and adapt to climate change, in the service of the preservation of natural resources.

Five action levers have been identified to help reduce the impact: commuting, business travel, impactful supplies, sustainable real estate, impactful supplies and responsible digital technology.

1. Commuting to work

Commuting accounts for more than a quarter of the group's carbon emissions. It thus represents the highest impact in the footprint, but also the main lever for its reduction. To limit and shift practices towards eco-mobility, the group is implementing proactive actions on the subject.

Two key areas for reducing emissions for home-work commuting have been defined: teleworking and soft mobility.

(i) teleworking

Crédit Mutuel Arkéa wants to rely on teleworking to reduce the number of home-work trips with a target of a 4,500 teqCO₂ reduction by 2024.

In 2022, the expansion of teleworking continued. The use of video-conferencing and remote document sharing tools became widespread, with the direct consequence of a sharp reduction in travel. 95% of the group's entities already have a teleworking agreement, or are in the process of negotiating or renegotiating teleworking.

In 2022, teleworking made it possible to avoid more than 3,000 teqCO₂ in emissions.

(ii) soft mobility

Crédit Mutuel Arkéa aims to change the travel habits of its employees by supporting soft and sustainable mobility with a target of a 1,500 teq CO₂ reduction by 2024.

In 2022, the group developed and updated its mobility plans. To encourage employees to travel more responsibly, new agreements have been signed by several entities (ESU, Suravenir, Suravenir Assurances, Novelia, Fortuneo, CFCAL) which provide for the payment of all or part of the costs incurred by employees as part of their journeys between their usual residence and their place of work.

Also, to promote carpooling, a partnership with BlaBlaCar has been set up by several group entities (ESU and Suravenir notably).

Charging stations for electric vehicles have also been installed in the employee car parks of several group sites.

2. business travel

Reducing business travel is one of the major drivers of reducing the group's direct carbon footprint. The recent health crisis has forced the group to organise work in a radically different way (remote meetings, nomadism, etc.). Crédit Mutuel Arkéa wants to capitalise on these changes in practices by adopting new ways of working that make it possible to permanently change travel habits and encourage the use of virtuous modes of transport.

Three key areas for reducing emissions from business travel have been defined: reducing travel, using trains and the greening of the vehicle fleet.

(i) reducing travel

Already in 2021, Crédit Mutuel Arkéa sought to reduce business travel by 30% and maintain this level each year until 2024. Thus, employees are asked to prefer a videoconference meeting over travel.

Since 2019, remote meeting possibilities have been developed internally and externally to limit travel.

In 2022, business travel kilometres totalled 29.4 million, a decrease of 31% compared to 2019.

(ii) using trains

Crédit Mutuel Arkéa wants to replace the use of planes and cars by trains. Thus, 80% of journeys lasting no more than three and a half hours must be made by train (examples: Paris-Marseilles, Paris-Bordeaux, Lyons-Marseilles, etc.). To improve employee comfort, 1st class is offered whenever possible.

Since trains have fifty times less CO₂ emissions than planes, a journey by train represents a saving of 138 kg CO₂ eq per Brest - Paris journey.

A target of a 75% reduction in air travel on the Paris-Brest route by 2024 has been set.

At the end of 2022, 72% of Brest - Paris journeys were made by train.

(iii) Greening of the vehicle fleet

In 2024, Crédit Mutuel Arkéa wants to have a 100% hybrid/ electric vehicle fleet for low mileage drivers (less than 25,000 km/year) and 50% for others.

The vehicle fleet policy has been adjusted to encourage or require employees traveling less than 25,000 km per year to choose plug-in hybrid or electric vehicles. The review of the group's travel policy is accompanied by the provision of company vehicles in line with the needs of the departments. Since 2018, electric vehicles have been offered for short-distance travel by central services employees who have access to recharging stations.

At 31 December 2022, 32% of the group's vehicle fleet was made up of electric or plug-in hybrid vehicles.

3. impactful supplies

In terms of purchasing supplies and services, Crédit Mutuel Arkéa wants to promote a responsible approach that takes into account the environmental impact of the products and services purchased while considering the complete life cycle of products.

The group has identified three key areas for reducing its emissions in this area: paper, office supplies and promotional items. Crédit Mutuel Arkéa also attaches great importance to corporate catering and waste management.

(i) paper

As a player in the financial sector, Crédit Mutuel Arkéa's consumption of natural resources remains limited compared with other activities and mainly concerns paper. Crédit Mutuel Arkéa's objective is to consume only (100% of purchases) certified and/or recycled paper by 2024.

The group's main lever for reducing paper consumption for its customers is the dematerialisation and electronic signature of its offers, which continued in 2022.

For its internal consumption, the group is continuing its efforts to reduce the volume of paper used (double-sided printing, printing by company badge introduced at central sites, Wi-Fi and television/video projectors in the meeting rooms of central departments to limit the printing of materials, etc.). In addition to the attention paid to consumption, the group is also vigilant with regard to procurement: the paper supplied to the reprographic workshops is "Programme for the Endorsement of Forest Certification" (PEFC) and Forest Stewardship Council (FSC) certified. Since 2018, employees have been using recycled paper on a daily basis.

In 2022, paper consumption amounted to 963 metric tons, down by more than 35% compared to 2019.

(ii) office supplies

By 2024, Crédit Mutuel Arkéa wants 50% of new office supplies to be eco-designed.

The group supports the teams in the review of consumption patterns for impactful supplies, with a particular focus on office supplies. Each item in the office supplies catalogue has an eco-designed alternative.

Crédit Mutuel Arkéa is committed to working with responsible suppliers by selecting those who have developed a binding environmental and social policy in line with the group's values.

(iii) promotional items

By 2024, 100% of the goodies must be plastic-free and eco-designed or made in France, both internally and externally.

In 2022, following a workshop with the group's communicators as well as the contacts of the 'Co2actor' initiative, Crédit Mutuel Arkéa reviewed its purchasing policy for promotional items and communication media. A new catalogue of eco-designed products and ecological offers is now available to the group's communicators.

(iv) corporate catering

For the start of 'back-to-business' in September 2022, Crédit Mutuel Arkéa renewed its catering contract with Eurest. The renewal of this partnership makes it possible to reinforce the changes already made in the offer of the canteens for the central services and Suravenir, by taking into account several important markers: the interest in responsible consumption, for local agricultural products from sustainable or organic agriculture and for short supply chains.

Another change concerns the take-away offer, with the implementation of a deposit system, in partnership with GreenGo, for the company canteen at the head office. Thanks to this innovation, packaging is replaced by returnable and reusable glass jars with a target of zero plastic packaging by 2024.

(v) waste management

Corporate waste management is a major challenge for the environment. Different waste sorting systems exist within the group. The main waste generated by the group's activity includes bio-waste from the canteens and waste electrical and electronic equipment (WEEE).

Since 2017, bio-waste from company restaurants has also been collected by a service provider in order to be recycled using a methanisation process.

Crédit Mutuel Arkéa is committed to giving a second life to electrical and electronic equipment that is no longer used within the group via specialised companies. These products are reconditioned and resold on the secondary market, or destroyed according to WEEE standards, with a certificate attesting to their destruction according to an eco-responsible process.

In addition, the recycling of cigarette ends has been in place since 2021.

4. sustainable real estate

Crédit Mutuel Arkéa constantly strives to optimise the energy efficiency of its buildings. The new regulation on office buildings, called the Tertiary Decree, reinforces this vigilance and sets quantified and planned objectives that are in line with those of the group. In addition to buildings and their technical characteristics, Crédit Mutuel Arkéa works on their use and the well-being of the occupants. The group has identified four areas for reducing its emissions: energy improvements in buildings, sustainability, optimisation of spaces and exemplary construction. As part of the cross-functional *Sustainable Real Estate Trajectory* initiative, the group began several actions in 2022.

(i) energy improvement

Crédit Mutuel Arkéa is working to reduce the energy consumption of its buildings in accordance with the Tertiary Decree. Regulations require a reduction of 40% by 2030, 50% by 2040 and 60% by 2050⁽¹⁾. Thus, the buildings subject to the decree were subject, between 2021 and 2022, to an energy audit.

The group also wants to achieve 100% renewable energy in its energy contracts.

The group plans and implements its investments to achieve these objectives. Crédit Mutuel Arkéa carries out work on thermal insulation, low-consumption lighting, and the optimisation of heating and cooling systems.

At the end of 2022, in the context of the climate and energy crisis, Crédit Mutuel Arkéa accelerated its mobilisation in favour of energy sobriety with the implementation of a sobriety plan for the entire group.

The first measures, implemented between October and December, focused on heating buildings to a temperature of 19° C, switching off ventilation from 7 pm, switching off outdoor signs when closing, washing hands in cold water in the washrooms and increasing the time computer equipment remains switched off.

Actions to improve the energy efficiency of buildings have been undertaken (insulation, LEDs, replacement of obsolete facilities, etc.) and other projects concerning autonomous energy production (car park shades, solar charging stations, etc.) are under review.

In view of the stress on the electricity grid, Crédit Mutuel Arkéa has also defined an emergency plan enabling it to react quickly and effectively if necessary.

In 2022, energy consumption was 41.5 Gwh, down 7% compared to 2021.

The group has green electricity contracts for approximately 99% of its electricity consumption and green contracts for 94% of its gas consumption.

(ii) exemplary construction

Crédit Mutuel Arkéa carries out exemplary operations on construction projects.

For the purpose of illustration:

- with regard to the real estate activity as a social landlord, as part of a continuous process aimed at improving the energy efficiency of buildings and social housing under management, the Armorique Habitat subsidiary launched a significant energy renovation operation in 2021 of more than 100 housing units in Morlaix (Finistère). In addition, in 2021 Armorique Habitat chose to become a company with a mission, as permitted by the Pacte law;
- the design of new tertiary building projects is carried out in compliance with the RE2020 environmental regulation;
- since 1 January 2021, the group has consumed energy with the following characteristics: the electricity supplier undertakes to inject into the grid a quantity of electricity of renewable origin equivalent to nearly 100% of the consumption of the sites. The gas supplier undertakes to supply 'green' gas directly from the production of French biomethane, subject to availability;
- in 2022, the group obtained EEC grants for energy improvement work;
- the operational implementation of the missions relating to the "Tertiary eco-energy system" and "BACS" decrees is continuing;

(1) according to the first calculation method proposed by the Tertiary Decree (so-called "relative" objective)

- tertiary sites not subject to regulatory energy obligations (tertiary eco-energy system, BACS decree) have been subjected to energy audits in order to identify possible levers for energy improvement.

5. responsible digital technology

With the acceleration of digital working methods, exchanges are diversifying and the environmental impact of digital technology is increasing sharply. User equipment (PCs, screens, smartphones) and their uses account for a significant portion of the group's overall digital footprint. Crédit Mutuel Arkéa has identified three areas for reducing its emissions: rationalisation of the IT infrastructure, energy efficiency of data centres and promotion of the use of responsible digital technology.

(i) Rationalisation of the IT infrastructure

To streamline its IT infrastructure, Crédit Mutuel Arkéa is focusing on raising employee awareness of reasoned uses and active management of inventory withdrawals (donations, recycling, destruction) to meet two objectives: reduce the workstation per employee ratio by 20% to decrease from 2.3 (2019) to 1.8 workstations per employee in 2024 and make 1,000 IT equipment donations by 2024.

Crédit Mutuel Arkéa sets a framework for the equipment of the employee's workstation, a laptop computer and a recommended screen, and encourages its employees to adopt a digital sobriety approach by returning unnecessary and little-used equipment (dormant PCs, screens, old power cables, etc.).

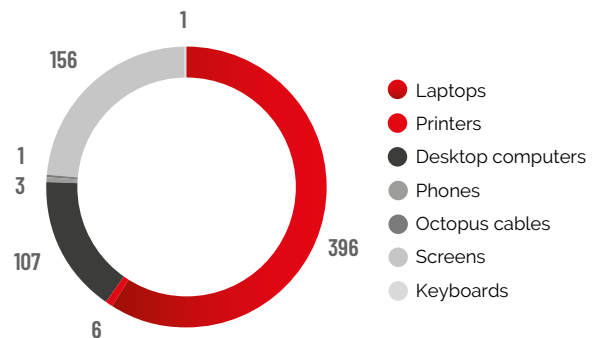
The group has revised its hardware equipment policy and is seeking to optimise the lifespan and use of equipment by monitoring failure rates by type of equipment. In 2022, for example, the lifespan of a laptop was extended to five years. The group also optimises the journeys for equipment deliveries to employees.

In 2022, Crédit Mutuel Arkéa and its entities carried out successful donations of reconditioned computer equipment to customer associations.

For example:

- Crédit Mutuel Arkéa and Fortuneo donated 140 laptops to the "Défis" association;
- CFCAL donated 51 workstations and 150 screens to the Strasbourg association "HUMANIS";
- and CMSO donated 20 laptops and 10 central processing units to the "École de la deuxième chance".

In total, the group donated 720 pieces of computer equipment in 2022.



In 2022, the workstation per employee ratio was two, down compared to 2021 at 2.4.

Regarding donations of computer equipment, Crédit Mutuel Arkéa is on the right track with more than 900 donations made between 2019 and 2022.

(ii) Energy efficiency of data centres

As a player in the financial sector, the group's main energy consumption concerns its IT equipment and data centres. Regarding the energy efficiency of data centres, Crédit Mutuel Arkéa aims to maintain its Power Usage Effectiveness (PUE)⁽¹⁾.

To maintain the energy efficiency of its data centres, the group undertakes recurring technical work on buildings: adaptation of cold aisles, application of specific external paints for thermal insulation, etc.

Crédit Mutuel Arkéa has an extension strategy using hybrid cloud for peaks in consumption. In addition, as part of the energy sobriety plan put in place by the group, the temperature of the server rooms has been raised.

A dismantling committee has been set up to proactively monitor the decommissioning of applications and equipment.

In addition, the group has initiated work to improve the eco-design of its IT applications and websites. Three mobile applications were the subject of a "Greenspector" analysis in 2021, obtaining the Bronze level. In 2022, the CMSO mobile application was audited. Three websites were also audited with the "fruggr" (Digital4Better) tool.

In 2022, the objective of maintaining the PUE was achieved.

(iii) Promotion of the use of responsible digital technology

Crédit Mutuel Arkéa works to promote the use of responsible digital technology by defining best practices and monitoring tools as well as supporting employees in their implementation.

(1) The PUE represents the ratio between the total energy consumed by the data centre and the energy consumed by the IT equipment.

In 2022, the group carried out several awareness-raising actions on digital sobriety.



As part of Digital CleanUp Day, a global day to raise awareness of the environmental footprint of digital technology through action, Crédit Mutuel Arkéa organised its Cyber CleanUp. During this event, several guides were made available to employees to help them optimise their digital impact: use of emails, cleaning the mailbox, data storage, cleaning of the drive, web requests.

In 2022, Fortuneo embarked on a responsible digital labelling process ("NR" label).

Raising employee awareness of good practices

In 2022, Crédit Mutuel Arkéa carried out several awareness-raising actions among its employees: eco-gestures, digital sobriety, climate and energy crisis, etc.

One of the major actions is the participation of many employees in Climate Fresk.



Since March 2022, more than 5,500 Crédit Mutuel Arkéa employees and directors have taken part in Climate Fresk, a collaborative workshop to understand the challenges of climate change. Building on this success, the group decided to go even further by raising the awareness of all its employees and directors about Climate Fresk by the end of 2024. To roll out this workshop more widely, a community of Climate Fresk leaders was created, made up of volunteer employees, trained to raise their colleagues' awareness of these issues.

Public commitments

To demonstrate its commitment and its clear, determined and realistic ambition in terms of reducing its carbon footprint, Crédit Mutuel Arkéa has made public commitments.



As part of the TOMORROW project and the Climate Plan, Brest Métropole encourages regional players to make commitments to help mitigate climate change. Thus, Crédit Mutuel Arkéa has been a signatory of the highest level of the Climate Commitment Charter since 2022: "3. I adhere, I take action and I set quantified objectives".



Crédit Mutuel Arkéa has become a sponsor of the association of partner companies of the "Les entreprises s'engagent" community, to which the group belongs. This community brings together and supports companies working to build a more sustainable and supportive society.

4.5.4 a responsible employer

As a mutualist group deeply rooted in these regions, Crédit Mutuel Arkéa strives to be a responsible employer, committed to diversity and the development of its human capital, with a fair balance in favour of the well-being of its employees and active social dialogue.

4.5.4.1 Diversity and human capital development

To support and develop the employability of employees at all levels, the group invests in the development of all its talents: training, mobility, work-life balance, etc.

Our working environment is built on trust, which drives engagement.

Human capital development

Non-financial risks associated with this issue

■ Psychosocial risks

Workload, quality of life at work, lack of employee commitment, sexism and harassment

Rate of positive opinions on the criterion

"Meaning given to work": **83%**

Rate of positive opinions on the criterion

"Workload": **33%**

Employee satisfaction rate with respect to the company's practices and the working environment: **90%**

Career and skills staging

Percentage of employees

trained: **93.35%**

Lack of attractiveness

Recommendation rate

(e-nps): **-15**

With 10,227 employees on permanent contracts at the end of 2022, **the group is of intermediate size, "on a human scale"**, and offers opportunities for professional development with decision-making centres in the regions and a head office in Brittany near Brest.

Crédit Mutuel Arkéa is present in France ⁽¹⁾, with more than 78% of its workforce located in the historical regions of its two federations, in Brittany and the South-West.

The group complies with the fundamental conventions of the International Labour Organization (ILO), relating to respect for freedom of association and the right to collective bargaining, the elimination of discrimination in respect of employment and occupation, the elimination of forced or compulsory labour and the effective abolition of child labour.

In line with the purpose of the group, which has become a company with a mission, its *Transitions 2024* strategic plan and, in particular, lever four on the employee experience, the HR implementation of the project underlines Crédit Mutuel Arkéa's primary asset, namely its human capital. The HR mission "creating ties" was unveiled in December 2021: **"To support the human opportunities and challenges of an employer with a positive impact on its regions, we create the conditions for the commitment of each employee thanks to a personalised experience"**.

A key player in the success of the group's strategy and its overall performance, the Human Resources Department is a partner and facilitator at the service of all, managers and employees alike. To do this, the HR teams help each employee to achieve their potential within the group and its ecosystems by anticipating the needs of employees, developing their individual and collective skills, facilitating managerial transitions, and making "everyone a stakeholder in their own career".

Supporting each employee to realise their full potential

The quality of life at work is a major HR commitment: the interest taken in the content of the missions, the opportunity to develop new skills and support for new missions are key motivating factors.

A team dedicated to Well-being at Work and the prevention of psychosocial risks is responsible for this mission within the Human Resources Department in collaboration with all the entities.

To formalise the assessment of all occupational risks, including psychosocial risks, the company produces a Single Document (DU) every year, in which it assesses occupational risks. The annual Programme for the Prevention of Occupational Risks and the Improvement of Working Conditions (PAPRI Pact), designed based on the DU, lists the HR actions and the resources corresponding to its implementation. The Economic and Social Unit (ESU) employee intranet site dedicated to well-being provides information on the systems set up and the relays available in the working environment. It is a permanent information vector for all employees on occupational risk prevention. In addition, managers and various occupational risk coordinators are trained in occupational risk prevention through specific training courses.

(1) 280 employees in Belgium (or 2.57% of the permanent workforce now on permanent contracts outside France) since the disposal of Leetchi and Budget Insight in 2022

In view of the group's activity, physical risks are limited. Accidents at work and on the way to and from work remain infrequent and of low severity: 56 accidents in 2022, compared with 51 in 2021. In 2022, the total number of days of absence related to these accidents was 3,863, compared to 2,723 days in 2021. With regard to occupational diseases, only one employee was declared to be suffering from an occupational disease recognised as such by the health service in France in 2022, as in 2021.

An agreement on the supplementary health and welfare scheme was signed in 2017. Its purpose is to define the guarantees that employees benefit from in terms of benefits in addition to social security coverage in the event of long-term illness and provident benefits in the event of incapacity for work, disability or death, in compliance with the legal provisions relating to so-called "responsible" contracts. This collective scheme, with compulsory membership, benefits all employees of the Economic and Social Unit and their dependents. It is financed up to 75% by the employer. An additional health scheme has also been unilaterally introduced to cover excess fees for doctors with optional membership.

As a service company, special attention is paid to the psycho-social risks within the group.

Workshops were organised in the first half of the year, bringing together a total of 140 employees from the various group entities. They worked on the optimisation of work organisation, health and risk prevention, workplace relations and the life-work balance.

2022 was also marked by the launch of a group-wide active listening survey, the *Experience Survey*.

This survey includes the measurement of psychosocial risks and also analyses more broadly the perception of the experience of all group employees. The criteria assessed in this survey are multiple: workload, clarity of roles, physical environment, clarity of assessment criteria, managerial support, change management, autonomy, relationships with colleagues and the meaning of work. The results communicated to all employees in the last quarter of 2022 illustrate the group's ongoing and personalised support for its employees.

Crédit Mutuel Arkéa as a whole and each entity can thus direct their action plans to address their needs as closely as possible and improve the daily working lives of employees.

For example, a method agreement on working conditions was signed on 3 November 2022 with the five representative trade unions. The shared ambition was to find concrete solutions by the end of the year. In advance, 120 employees on permanent employment contracts were recruited in the CMB and CMSO federations. For the central services, an analysis of the use of temporary contracts was launched within each department. Managers were reminded of the conditions for carrying out and recording overtime hours. A test, within the networks of local banks of the CMB and the CMSO, involving the shutting down of workstations between 7:30 pm and 8:00 am, in respect of the right to disconnect was also initiated. Also, the brand new "flex office" project was suspended at the end of 2022 to collect feedback from employees affected by the deployments carried out during the year, and to draw up an assessment.

In addition to very rigorous and imperative health management in the first half, Crédit Mutuel Arkéa also endeavoured to ensure good acceptance of the rules and to maintain a spirit of cohesion. Once again this year, the survey showed an excellent satisfaction rate of 90% thanks to an alignment with the values that unite us "openness, boldness, commitment and solidarity". Employees enjoy coming to work thanks to the relationships of trust forged with their manager, the working atmosphere (solidarity, benevolence, etc.) and the organisation of work (flexibility, life-work balance, etc.).

This satisfaction rate of 90% highlights the pride in belonging of employees, which is related to the recommendation index e-NPS (% of promoters - % of detractors) evaluated at -15⁽¹⁾. These represent two new employee experience measures selected as part of the Transitions 2024 Medium-Term Plan, which are also monitored by the Mission Committee.

These results are in line with the HR Director's promise to be an employer that stimulates and activates a responsible dialogue with and between our employees, present and future, to maximise the social, societal and environmental impact of today and tomorrow.

The "Bien-vivre au travail" (Well-being at Work) team has been integrated into the Health & Safety group and HR monitoring since its creation in February 2020. To support employees, particularly during the pandemic crisis, employees can count, in addition to their local HR managers, their managers and their union representatives, on a community of "BienVeilleurs" deployed by HR at the beginning of 2020 within the group. Trained and led by the Well-being at Work team, these forty or so volunteer employees represent multiple sensors and relays of trust in the field. In addition, dozens of "Covid-19 Arkéa sites" volunteer employees were mobilised to coordinate the smooth running of the continuation of the activity on-site and remotely: awareness-raising and distribution of protective items, adaptation of the workplaces to health constraints, etc. Communications aimed at managers and employees are regularly sent out using practical means of communication: guides for continuing activity remotely or on-site and webinars ("Being a manager in a crisis context" or "Managing stress and its personal and professional impacts" or "Managing the mental pressure in times of health crisis"), which are followed by thousands of employees. In addition to the internal support already offered, an external listening and psychological support system has been put in place. The aim of this service, available 24/7, is to help employees find a better balance in their lives, whether or not it is related to the health crisis, by exchanging information with health professionals, free of charge, anonymously and confidentially. A teleconsultation service has also been made available to employees of the Economic and Social Unit and 7 group subsidiaries.

In addition, as any employee may encounter difficulties of a professional and/or personal nature during his or her life that may have consequences for their health, Crédit Mutuel Arkéa has set up various types of support. In this context, a network of social workers is available to employees within the Economic and Social Unit. As part of the "**Rebound programme**", an action plan adapted to the situation of each employee questioning their personal development or career path can be implemented. There is also a full-time nurse on the premises of the group's central services.

(1) a benchmark with 300 employees of other banks was carried out on the same question by Opinion Way with an e-NPS (recommendation) of -21.

In terms of **moral or sexual harassment and sexist behaviour**, the Prevention team of the Human Resources Department has implemented an awareness-raising process and preventive measures among employees. It has also set up an alert system to mobilise the right players at the best time to intervene quickly. A Stop Harassment campaign has been deployed since November 2020 by the Human Resources Department. The aim is to clarify the reporting process and to free up the floor to enable this type of situation to be resolved. In addition to communicating with all employees and managers, the company provides a certain number of tools to all: a guide that sets out the legal framework governing harassment, concrete examples and steps to be taken, as well as training for managers and employees in the form of e-learning, and an explanatory video, a card giving all the useful numbers and the reporting process, etc.

Launched within the scope of the ESU, this new system has inspired other entities within the group to equip themselves with their own tools.

Since 2022, it is now possible to make a collective alert. Individual and/or collective support for employees on a case-by-case basis is also sought from external firms.

Other support is available to employees, such as the free, anonymous and confidential telephone listening and psychological support system in addition to the assistance that may be offered by occupational medicine and/or by contacting social workers from the Inter-Company Social Service of the West (SSIO).

All these support systems are fully in line with the cooperative and solidarity identity of the group.

The organisation of work plays a major role in simplifying and lightening tasks and contributing to the effective and sustainable protection of employees' health and safety. Taking action on workloads by improving the quality of life of employees is therefore a priority in the fight against accidents at work, occupational diseases and stress. The group wishes to encourage a more flexible organisation of employees' working hours.

Company-wide agreements are implemented within the scope of the Economic and Social Unit in order to allow a more agile organisation of employees' working time:

■ **agreement on remote working organisation in hybrid mode**

Independently of the teleworking imposed by the Covid-19 health crisis, the need to set up a hybrid organisation combining face-to-face and remote work was approved in 2020.

Teleworking is offered to the entire eligible population of central services, and has also been deployed for the networks of the Crédit Mutuel de Bretagne (1,811 teleworkers, 60% of the workforce on permanent contracts) and Crédit Mutuel du Sud-Ouest (667 teleworkers, 78% of the workforce on permanent contracts) federations. All of the group's subsidiaries offer and experiment with teleworking.

At 31 December 2022, 73% of the group's employees were working remotely (8,159 employees, including 5,262 within the ESU). Up by 13 points (60% at 31 December 2021 with 6,642 teleworkers, including 3,751 within the ESU), teleworking contributes to giving Crédit Mutuel Arkéa employer brand a positive image. The group survey confirms that 82% of employees appreciate a hybrid work organisation with the possibility of teleworking and thus benefiting from a more flexible life-work balance. It is also one of the main motivations for young people to join a company in France.

In addition to teleworking, a remote working charter (nomadism) for mobile sales representatives has been in place at Financo since 2017;

Company agreements have been implemented within the group to allow for a more agile organisation of employee working hours:

■ **agreement on chosen part-time work:** it aims to take better account of employees' aspirations regarding their work-life balance and to give greater access to part-time work;

■ **agreement on the 'Day Package':** the spirit of this agreement lies in the desire to abandon the fixed management of daily work organisation in favour of an annual management of days worked, which allows greater flexibility in the professional and personal organisation of employees. At Crédit Mutuel Arkéa, 2,069 employees are now concerned;

■ **donations of leave for seriously ill children or spouses:** this donation, anonymous and with nothing received in return, enables the employee receiving the donation to maintain his or her compensation during their absence. In 2022, 208 ESU employees donated a total of 275.5 days. Since July 2020, employees are no longer required to use up their own leave before being able to benefit from the scheme. This holiday gift is now open to "helping" employees for up to 5 days per year. Donations of leave for seriously ill children or spouses are also in place at the Suravenir subsidiary.

These agreements aim to accompany the company's development from a social and economic point of view, to offer a more flexible working environment to employees, and to pursue initiatives in terms of the life-work balance.

Moreover, while new technologies are now an integral part of the working environment and are indispensable to the smooth running of societies, companies are attentive to the **right to disconnection**. Incentives or even automatic disconnection methods are being considered. Since 2020, a "good email management" module has been available in the training catalogue to guide best practices.

This Quality of Life at Work approach has already been recognised with an award at the "Victoires des leaders du capital humain" awards in November 2018 for its innovative projects serving the commitment and well-being of employees. Since 2019, the "Sport@work" internal cohesion project has enabled more than 150 employees per year to participate in sports projects such as the Paris Marathon or the Arkéa Ride or even a bicycle outing accompanied by professional cyclists from the Arkéa Samsic team. These events allow these employees to proudly display the Crédit Mutuel Arkéa colours, share their feedback and encourage the practice of sport among all employees.

The company also supports its employees involved in humanitarian or civic events. Suravenir has set up a salary rounding scheme, which allows employees to make microdonations every month directly from their pay, for the benefit of three associations chosen by them: "Action Enfance", "Institut Curie" and "Fissa Autisme". For even greater impact, Suravenir is committed to doubling the amount of each donation.

Since 2017, initiatives have been carried out to rethink workspaces and provide improved working conditions for employees in central services and subsidiaries. Offices, meeting and break rooms have been redesigned to promote exchanges, conviviality and modularity. In 2020, a more global review had been initiated concerning all the spaces, buildings and facilities of the central services, which must become important vectors of communication internally and externally. For this, a **cross-functional signature project** is being rolled out, in conjunction with the Human Resources Department, with the aim of contributing to the expression of the group's identity in collective spaces. In addition, in the networks, the concept of "New local banks" provides work areas for employees and customer reception areas that are fully in line with the group's ambitions to sincerely demonstrate attention to customers and employees.

Creating the conditions for commitment

To this end, Crédit Mutuel Arkéa organises regular discussions about the corporate project and the action plans undertaken. Regular communications and privileged moments for discussion are organised between management and all employees.

Information meetings bring together the group's managers at different times of the year, and in particular an annual meeting: the PEPS. After two years marked by the pandemic, the PEPS 2022 took place face-to-face on 14 and 15 March 2022 in Saint-Malo. The 400 participants were able to meet during two days of exchanges under the sign of the 2024 strategic plan. An essential annual event, the PEPS was also an opportunity for Julien Carmona (Chairman of Crédit Mutuel Arkéa), Hélène Bernicot (Chief Executive Officer of Crédit Mutuel Arkéa) and Anne Le Goff (Deputy Chief Executive) to discuss the progress of the MTP project, and the financial results including the measurement of non-financial performance, but also the ambition of becoming a company with a mission.

As an extension of the PEPS, employee encounters were held in April to share these messages with all employees. Organised by the Divisions, structured around this common set of key topics and a sequence dedicated to each entity, they made it possible to discuss and collectively buy into the group's economic trajectory, strategic plan and long-term goals. In June, a filmed "live employee" interview with the management team (Hélène Bernicot and Anne Le Goff) was organised with an audience of around twenty employees from right across the group. A new face-to-face format was announced for 2023, "Rencontres & Nous", special meetings between a member of the Executive Committee and a small group of employees.

Missions on employee and managerial paths are underway

To support the deployment of its *Transitions RH 2024* strategic plan and respond to current HR challenges, the Human Resources Department has undertaken missions based on the actual experiences of managers and employees. Highly

complementary in nature, these major projects aim to support the commitment of all employees, by deploying an individual career approach and by supporting the transition to management through meaning and trust.

Crédit Mutuel Arkéa implements a dynamic recruitment, mobility and training strategy, with the aim of enhancing its attractiveness to current and future talents and the employees' pride in belonging. In 2019, the group was awarded the best distinction in the "Employer brand and recruitment" category at the "Victoires des Leaders du Capital Humain". This Gold Trophy rewards a "strong employer brand, based on people and atypical recruitment operations."

The group is pursuing a proactive recruitment approach based on a "personalised applicant experience" with 1,122 recruits on permanent contracts in 2022 (versus 1,033 in 2021). Given the new behaviour of applicants and the massive arrival of social networks in the context of their job search, the recruitment team is adopting a new stance and deploys different recruitment strategies depending on the jobs to be filled, the scarcity of profiles and the business expertise sought.

The group supports the arrival of employees in its regions, taking into consideration their family situation, in particular the professional situation of the spouse, and belongs to a network of employers in the Brest region. The human resources functions of the group's various entities also organise specific induction and training programmes for new employees. The aim is to provide optimal working conditions for the new recruit, check the match between his or her aptitudes and the expectations of the company, and create a link with the other employees. Crédit Mutuel Arkéa organises a "Carrefour des nouveaux recrutés" (new recruits' forum) to present the company's strategic plan to new group employees, meet with managers, but also to encourage cross-functionality and the creation of a network of relationships. This event brought together 550 employees on 4 October 2022.

Crédit Mutuel Arkéa also contributes to initial training by welcoming interns and work-study students. A "Work-study Encounter" was held on 22 November 2022 to raise awareness of the company's plans, publicise the richness of its business lines and facilitate their integration with a shared ambition: "At Crédit Mutuel Arkéa, work-study programmes can be the first step in your employee career". A teambuilding activity enabled work-study students to mobilise in support of the group's partner associations (associations that welcome employees in skills sponsorship). Thus, through a race of cardboard cars built by different teams, a total of €6,000 was distributed with the following breakdown: €2,500 for the association chosen by the team that finished first, and €2,000 for the association chosen by the second and €1,500 for the association designated by the third.

In 2022, the group continued its actions to promote the employment of young people, welcoming 932 interns and work-study students (compared to 956 in 2021 with increased support in the health context). A Welcome café for work-study students was reactivated face-to-face in the second half of the year by the central services and other group entities.

Since September 2019, the group has also run a co-optation programme, first within the scope of Crédit Mutuel de Bretagne (280 co-optations and 14 incumbents in 2022) and Central Services, before extending it to the Economic and Social Unit.

Given the changes in the banking and insurance market, its strategic objectives, its age pyramid and its territorial positioning, Cr dit Mutuel Ark a considers job mobility to be an essential condition for its development and that of its employees. Internal mobility, both functional and between entities, is encouraged. To publicise and promote the great diversity of the group and its business lines, Cr dit Mutuel Ark a provides its employees with tools to enable them to be fully involved in their own mobility. A Mobility Committee meeting is held every month between the recruitment and mobility teams at head office and in the subsidiaries to discuss job vacancies and the profiles of employees declared to be mobile. Down slightly in 2022, internal mobility affected 12.9% of the group's employees (versus 14.1% in 2021), following the advertising of available positions on a job exchange system. "Objective Mobility" newsletters are sent every month to employees by email so that they can discover a selection of job offers to be filled within the central services. Similar procedures exist in the other group entities. A specific action plan is currently being implemented, the objective of which is to optimise employee mobility by promoting internal mobility and improving dedicated tools. A platform and specific events will be rolled out in 2023.

In addition to this commitment in terms of mobility, the group is committed to developing talent to open up its innovation capabilities even further. Each year, an annual appraisal interview enables employees to discuss the missions carried out and the employee's skills with their manager. During the 2021-2022 campaign, 84% of group employees received annual appraisals. Professional interviews are organised between employees and their managers, at least every two years, in order to discuss the employee's career path and his or her wishes for a one-year and three-year career path. Employees also have the opportunity to meet with an HR correspondent to discuss in greater depth the issues raised during the professional interview. Since 2017, the group has been encouraging intrapreneurship initiatives, enabling company employees to develop new activities, based on personal initiatives. The aim is to enable project leaders to benefit from a welcome, expert advice, training, testing of the solution in real conditions, and even logistical support from the group.

Beyond individual career paths, when jobs are under pressure or when reorganisations are necessary, these changes are anticipated and managed as part of a policy of mobility within the group. In order to reinforce this moral commitment, when reorganisations are implemented, several measures included in the group's mobility charter aim to support the employees concerned (such as a mobility bonus under certain geographical mobility conditions). Each reorganisation project is supported by a dedicated Human Resources correspondent, responsible for supporting groups and individuals. The employee support process always begins with an individual interview, during which the employee and his or her HR contact discuss the employee's career paths and wishes. On a case-by-case basis, the HR correspondent has tools to help the employees concerned stay with the group (dedicated training, skills tutoring support, skills assessment, specialised external office, etc.).

Cr dit Mutuel Ark a is also attentive to its employees over 50. A course dedicated to future retirees is offered over two days with training on the legal pension systems, a presentation of the HR system offered by the group, including the opportunities for skills sponsorship (see dedicated system below under the Section "Employee commitment and solidarity") and "lifesaving skills" training with a virtual headset.

Facilitate managerial transitions

The quality of management is a major lever for success, motivation and employee commitment. It is with this strong conviction that a cross-functional project relating to the managerial experience within Cr dit Mutuel Ark a was launched in September 2021 with the aim of better supporting the group's managers in the exercise of their functions throughout their career.

On the basis of a diagnosis of the managerial culture within the group, the first step of this project consisted of co-constructing (with managers, HR teams and executives) a common managerial base around the specific Cr dit Mutuel Ark a mission, role and management principles. This managerial foundation based on meaning, trust, high standards and benevolence lays the foundations of the managerial path.

Along the way, training is key. It is the vehicle for the proper appropriation and implementation of Cr dit Mutuel Ark a's managerial culture. It is therefore the first project of the path that has been appraised, collectively and cooperatively with all the players concerned.

A new initial training course, Ark a Manager Passport, was designed in 2022. Aimed at supporting managers taking up a management position for the first time in a smooth manner, it is structured around six modules, in a hybrid format, and spans nine months. It addresses the following themes: self-knowledge, intelligence, both emotional and relational, management fundamentals, HR skills for managers to support key moments in the employee journey, managerial posture, progress in managerial practice with co-development between peers. Half of the course is carried out remotely and the other part is face-to-face, in particular for behavioural sessions (managerial/commercial postures, etc.) or for business topics requiring direct practice and discussions.

Similarly, a continuous training offer for current managers was co-created in 2022, in order to support the development of managerial skills over time, in line with new HR challenges and new employee expectations.

Finally, a co-development pilot between peers was set up and made it possible to highlight the benefits of this continuous progress method, with a view to future deployment.

Developing individual and collective skills to help make Cr dit Mutuel Ark a a learning company

Training is a fundamental resource for adapting to changes, developing skills, facilitating the professional career of employees and thus contributing to the company's greater efficiency.

Crédit Mutuel Arkéa pays particular attention to the training of its employees. The group maintains a high level of commitment with 93.4% of its employees⁽¹⁾ having attended at least one training course in 2022 (versus 94.7% of employees trained in 2021) corresponding to 4.7% of payroll (as in 2021). To support each employee in becoming a "mobility player", a digital training application (COGITO) helps employees identify the training courses available from the catalogue through to the post-training assessment. Each person trained in the group attended an average of 23 hours of training in various formats in 2022. The group implements training to support the company's strategy and help its employees grow, facilitate adaptation to employment, promote professional development and maintain employee motivation. In line with 2021, still marked by the health situation linked to the evolution of the coronavirus pandemic (Covid-19), Crédit Mutuel Arkéa continued to transpose its business line training into a digital version such as that relating to new recruits in the local banks of Crédit Mutuel de Bretagne et du Sud-Ouest (EFIBA), professional and agricultural advisors ("Viviers"), new managers (Arkéa Management Académie), insurance distribution, real estate loans, IT training and many more.

At the level of the Economic and Social Unit, 61% of training hours were conducted remotely (e-learning and virtual classes) in 2022. In addition, 30% of the training hours completed by employees are non-mandatory (more than 60% of the training offered in the catalogue), as the group also wishes to promote autonomy and choice in this area for each employee.

In the same vein as for the network's training courses with formal qualifications, certifying training courses such as "Data Prom" and "Jump" are built with external training organisations - Telecom Évolution and the CESI de Brest respectively, to train employees for new functions that are hard to fill in data, artificial intelligence and project management. The Jump programme launched in 2022 concerns thirteen employees between the ages of 25 and 55, who come from various group entities, and were recruited on the basis of their motivation and not their technical skills. From 2023, they will begin a twelve-month work-study project management training course with their manager and a business tutor.

Other training courses encourage the entrepreneurial, collaborative and cross-functional spirit. The "facilitators" training course thus aims to disseminate the method for running collaborative workshops within all group entities. Specifically, with regard to the climate and environmental challenges, awareness-raising and training measures have been set up for the group's employees (see Section 4.5.3 "Reducing the direct environmental footprint").

A reference framework of behavioural skills known as "soft skills" (nearly 120 e-learning training courses) has gradually been made available to all employees by self-registration via the Goodhabit online personal development platform, with very favourable feedback.

In addition to the training plan, employees benefit from individual systems such as the Validation of Prior Experience (VAE), the Personal Training Account (CPF), the Professional Transition Project, and the financing system governed by joint committees.

Offer a motivating salary policy

The annual compensation negotiations for 2022 resulted in a general annual increase of €500 gross per employee for salaries below €40,315, and €360 per employee for higher salaries in the Economic and Social Unit. In 2022, 34% of group employees also received an individual increase. In addition to the 2022 annual negotiation, a general increase for all of €800 gross was granted, including €400 gross following the rebalancing between fixed and variable compensation, as part of the new profit-sharing agreement and the maintenance of purchasing power in an inflationary context.

Following a still too uneven perception of the recognition of work accomplished, in particular for its financial component, Crédit Mutuel Arkéa decided to create new reward levers at both the individual and collective levels. A dedicated group compensation mission will begin in early 2023.

For the federations, various measures have been taken to significantly reduce the objectivised indicators and trigger an evolution of the Perf & Co indicator for 2023 with a bonus rewarding each performance step. In addition to the measures already taken during the year in favour of purchasing power, management granted the payment of the value sharing bonus (PPV) of €1,700, paid with November salaries. Following a unilateral decision by the employer, dated 2 November 2022, an additional minimum of €500 was allowed for, providing that the 2022 net income attributable to equity holders of the parent was higher than that of 2021. Finally, this supplement was paid to each eligible employee in April 2023, thus bringing the PPV to €2,200, regardless of the level of net income for the 2022 financial year.

Employees are involved in the company's performance through profit-sharing and incentive schemes. In 2022, a total employee savings package of more than €96 million was distributed to the group's employees. Within the scope of the Economic and Social Unit, a one-year addendum to the profit-sharing agreement for the period 2020-2021 is in force. It includes criteria for increasing the budget, some of which relate to the group's carbon footprint and gender balance, the objective being to further strengthen the link between profit-sharing and the achievement of the plan's strategic objectives.

In addition, the group has variable compensation schemes aimed at recognising collective and individual sales performance. These schemes apply to the Economic and Social Unit, trading room managers (Federal Finance Gestion and Crédit Mutuel Arkéa), the sales staff of Arkéa Banque Entreprises et Institutionnels delegations, the sales staff of Arkéa Banque Privée, the front-office staff of Arkéa Capital and the sales networks of the two federations. For the latter, the system is based on collective performance with recognition of individual contributions. In 2022, the addition of two levels of collective success (105% and 115%) to the 2022 Perf & Co system, constitutes two additional opportunities for the allocation of a global budget per team.

(1) in the workforce at 31 December 2022

In 2022, the scheme allowed for €9.3 million in variable compensation to be distributed to 3,370 permanent employees.

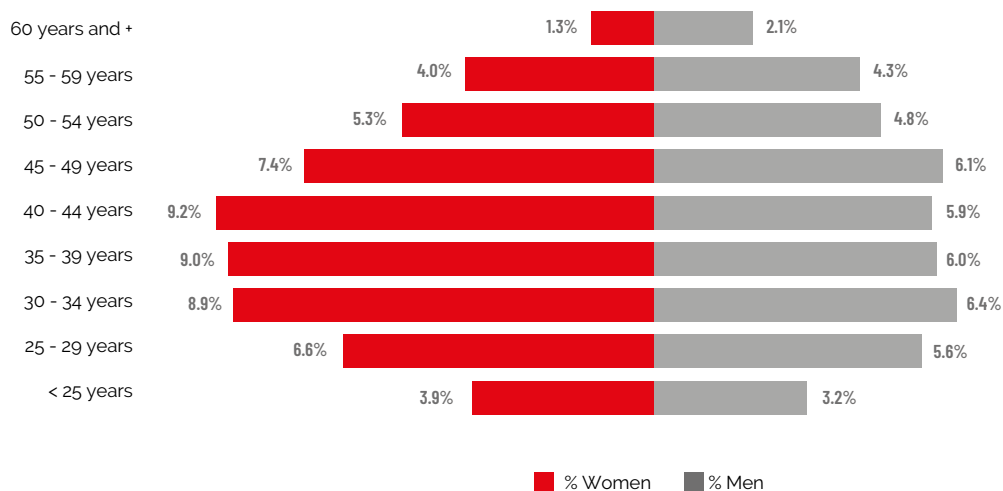
The Economic and Social Unit has a supplementary pension plan that distributes deferred compensation to each employee upon retirement. Each employee benefits from an individual, portable account in a Mandatory Retirement Savings Plan (PERO) in which the employer supports the employee's

retirement savings effort by paying a contribution of 3.90% of the reference salary every month (0.5% employee contributions). Suravenir, Armorique Habitat, ASCD and Fortuneo also benefit from this type of scheme.

Subsidiaries outside the scope of the Economic and Social Unit carry out their own annual negotiations, which are mandatory for those that have union representatives.

	2022	2021	2020	2019
Total workforce (physical persons)	11,170	11,190	10,846	10,560
Permanent staff (permanent contracts)	10,227	10,259	9,990	9,641
Non-permanent workforce (physical persons)	943	931	856	919
Executives	6,761	6,795	6,507	6,146
Non-managers	4,409	4,395	4,339	4,414
Average age (years)	41	40	40	40
Recruitment (permanent and fixed-term contracts)	2,144	2,133	2,058	2,085
Number of employees on permanent contracts who have left the company	816	764	824	579
of which dismissals	88	101	90	82
Average compensation per employee on permanent contracts (in euros)	51,145	48,695	48,334	47,862
Average number of hours of training per employee who has received training	23	25	20	27
% total payroll devoted to training	4.7%	4.7%	3.9%	5.3%
Total number of calendar days of absence	197,523	168,819	177,041	157,232
Total workforce (Full Time Equivalent)	10,806	10,864	10,388	10,174
Permanent staff (Permanent contract – Full Time Equivalent)	9,866	9,975	9,549	9,301
Non-permanent staff (Full Time Equivalent)	940	889	840	873

Age pyramid (distribution by age group, as% of total workforce)



Diversity of human capital

Non-financial risks associated with this issue

- Risks of non-compliant social practices

Risk of discrimination

Gender pay gap (Economic and Social Unit): **-0.3%**

Professional equality index: **91/100**

Percentage of disabled workers in the workforce: **3.5%**⁽¹⁾

An inclusive business model

Crédit Mutuel Arkéa aims to be an inclusive business model. The group's conviction is that a company that is more inclusive of all forms of difference will improve its overall performance. The company takes care to combat all forms of discrimination, whether direct (such as disadvantaging one employee in favour of another due to non-objective criteria at the time of hiring) or indirect, when rules and practices, accepted for economic or functional reasons, have a discriminatory impact on an individual or a group of employees.

The group's management is responsible for ensuring that the principles of non-discrimination are upheld within the company. To this end, it provides each employee with a set of internal rules and regulations when they join the company, in which they are reminded of these principles. The internal rules are specific to each company in the group. The Human Resources teams operate within a procedural framework that enables them to prevent discrimination by being aware of the inclusion and integration of all differences. In addition, the participation of line management in recruitment panels ensures that all forms of discrimination are avoided. In addition, there is no discrimination between full-time and part-time employees regarding employee benefits.

The "All Inclusive" training course has been in place since 2017 to help employees better identify stereotypes that can, often unconsciously, influence judgement. More than 80% of the group's permanent employees have been trained in this way. An updated version will be available to employees in 2023.

Interventions to train and inform our relay communities were carried out for and with the Diversity Ambassadors, the "BienVeilleurs", the Health, Safety and Health at Work Committee (CSSCT) and the members of the Solidarity Committee of the two federations (Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest).

Gender diversity

As the leading bank in Europe with a pair of women at its head⁽²⁾ Crédit Mutuel Arkéa is all the more careful to ensure professional equality and the representation of women in positions of responsibility.

With the launch in February 2021 of the "Boost les potentielles" project, Crédit Mutuel Arkéa is accelerating towards its goal of having the company's women accede to the highest positions of responsibility. The objective is to give a strong impetus to the acceleration of women's career paths, whether in terms of support or the talent spotting process. It is supported at the highest level of the company by Hélène Bernicot, Chief Executive Officer, and Julien Carmona, Chairman of the Crédit Mutuel Arkéa group. Four projects were launched to address

obstacles identified at different times in the careers of the group's women:

- "Potentielles", a 12-month awareness-raising programme for new permanent employees under 30 years of age;
- "Le Révélateur", a tripartite support system (promoter manager and HR) to explore the potential of female "good performers";
- "Déclic", a tailor-made support programme for high-potential women;
- "A la recherche de l'incroyable dirigeante", a voting campaign by our leaders to detect our future women leaders.

The objective for 2023 is to think about a way to further roll out and perpetuate these projects. By 2024, the goal is to reach 40% women in top management and 50% women in key positions (managers and experts).

SHARE OF WOMEN IN SENIOR MANAGEMENT AND EXECUTIVE POSITIONS AT 31 DECEMBER 2022:

- N+2 managers (Heads of Department at head office and Heads of Regional Units in the networks): 35%, stable compared to 2021;
- executives: 35.4% vs. 37.9%;
- senior executives: 29% vs. 20%;
- members of the group's General Coordination Committee: 35.3% vs. 35%;
- members of the group Executive Committee: 38% vs. 38%;
- Crédit Mutuel Arkéa's effective managers: 100%.

As a group composed of 56% women among permanent employees, the challenge for Crédit Mutuel Arkéa is to ensure the balanced representation of men and women at all levels, and in particular the representation of women in positions of high responsibility. In order to achieve a better balance, the group created a dedicated mission, "Mixité inside", at the beginning of 2016, whose aim is to act both on the organisation of work and on mentalities (individual stereotypes and corporate culture). The objective was to initiate a dynamic to lay the foundations for lasting change. Carried out independently and at the heart of the business lines by each of the group's entities, this mission is supported by a network of more than 480 ambassadors, male and female employees who are

(1) Situation at 31 December 2022 reassessed at an **employment rate of 4.7% according to the Urssaf counts received in March 2023** by consolidated entities (excluding Keytrade Bank located in Belgium) in the reference year 2022.

(2) https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2022-12/helene_bernicot_et_anne_le_goff_publient_la_fabrique_de_la_decision_aux_editions_du_cherche_midi.pdf

volunteers, whose role is to raise awareness and participate in the coordination of the subject within their entities. Following a diagnosis of the obstacles to gender diversity drawn up in 2016, a group-wide gender diversity action plan was launched, as well as decentralised action plans specific to each entity under the overall coordination of the group gender diversity mission. New managers also benefit from a half-day training session devoted to the subjects of gender diversity, diversity and inclusion. Several topics are addressed during this training: self-censorship, sexism and support for maternity leave. This module is also available on request to existing managers.

Within the scope of the Economic and Social Unit, since 2004 the actions carried out promoting gender equality have been framed by the signature of six successive company agreements. The aim of the gender equality agreement signed in 2018 is, for equivalent jobs, to measure and eliminate differences in terms of pay and professional or career development between women and men. To limit and eliminate these gaps, it provides solutions in terms of career paths, training and support measures between professional and personal life. Since 2015, a specific annual "Gender Equality" budget has been set up with the aim of reducing the pay gap. This budget amounted to €400,000 in 2022 and 150 women benefited from a pay adjustment under this scheme. At the end of 2021, the average median gender pay gap for each level of employment was -0.3% within the Arkade Economic and Social Unit.

With a gender equality index which is higher than required ⁽¹⁾, reaching 91/100 ⁽²⁾ in 2021, Crédit Mutuel Arkéa has demonstrated its long-term commitment to promoting diversity and combating discrimination.

Since 2015, in accordance with the commitments made in the collective agreement, a system to support maternity, adoption or parental leave is also in place within the Economic and Social Unit. Gender equality in the workplace agreements are also in force in certain subsidiaries. In 2021, as part of the change in the law on second parent leave, the Arkade ESU extended the beneficiaries to include all forms of parenthood. In addition, a contribution of fifteen additional days was put in place, bringing the total of second parent leave to 42 days.

Externally, the group also supports initiatives in favour of gender diversity (see Section 4.5.4.2 "The fight against inappropriate behaviour").

Employees with disabilities

Another important challenge for the group in terms of diversity is to continue and strengthen the employment of people with disabilities and to maintain and support employees with disabilities throughout their working lives.

The percentage of employees with disabilities within the group was 3.5% at 31 December 2022 ⁽³⁾.

In accordance with its values and in a context where the unemployment rate of people with disabilities is double that of the rest of the working population, the group actively continues its efforts.

The direct employment rate was 5.24% within the Arkade ESU according to the URSSAF assessment in 2022, compared to 3.75% in 2018, the start date of the previous agreement.

In 2022, a new agreement for the period 2023-2025 on the employment of people with disabilities, covering the scope of the Economic and Social Unit, was signed. This seventh agreement marks the group's desire to further increase its direct employment rate for people with disabilities and to continue their employment, with three main objectives. The first is to develop the employment of people with disabilities in its regions as part of the recruitment plan for employees with disabilities and through partnerships with institutions in the sheltered and adapted sector. The second is to maintain the employability of employees with disabilities, in particular by supporting workstations adaptations and access to professional training throughout their career. And finally, the third is to improve the working conditions of employees with disabilities by significantly strengthening the policy on digital accessibility to the company's tools.

A "Mission Handicap", coordinates the promotion and coordination of actions in favour of people with disabilities and organises, in conjunction with the disability correspondents in the various establishments of the ESU, the monitoring of actions in favour of people with disabilities. A disability IT correspondent works in collaboration with the team in charge of disability and people with disabilities. They ensure the availability of appropriate IT tools, support and train the users concerned, ensure the accessibility of communication media and anticipate new IT solutions.

On the occasion of the European Week for the Employment of People with Disabilities, but also throughout the year 2022, disability awareness-raising initiatives were carried out for all the group's employees face-to-face, but also at a distance, taking into account the health context. At Crédit Mutuel Arkéa, many initiatives and moments were shared on this subject. For example, remote training on disability was offered to new managers, and for all employees, a first e-learning module on disability and awareness of digital accessibility (subtitling of digital documents) were made available to them.

Employees tasked with the inclusion of people with disabilities are also involved with partner associations and schools to promote inclusive actions. They collaborated and participated in the Committee (CPIL) of the EPI Bretagne association by setting up educational conferences on epilepsy and professional retraining workshops for its members. Once again this year, the focus was on recruiting disabled jobseekers. The group took part in the 2022 edition of Duo Day by creating pairs of employees and professionals with disabilities and also promoted professional retraining by supporting work experience periods (PMSMP).

(1) The requirement set by the government for 1 March 2019 is 75 out of 100, failing which companies have three years to comply.

(2) Weighted average of the Group's eligible companies (headcount > 50 employees) - reference year 2021, as 2022 data is not available in the schedule for preparing the report and the dedicated audit.

(3) Situation at 31 December 2022 reassessed at an employment rate of 4.7% according to the Urssaf counts received in March 2023 by consolidated entities (excluding Keytrade Bank located in Belgium) in the reference year 2022.

Lastly, while the renewal of the partnership agreement between Crédit Mutuel Arkéa and Kerpape (Crédit Mutuel de Bretagne is also a sponsor) is in line with the group's commitment to participate in the financing of their reintegration platform, new partnership agreements with organisations specialising in the recruitment of people with disabilities were also signed with Aimeth, Ohé Prométhée and HandiSup Bretagne. A Digital Talent project was initiated in collaboration with the National Association for the Management of the Fund for the Professional Inclusion of People with Disabilities (Agefiph) and the French Association for Paralysed People (APF).

Employee commitment and solidarity

Skills sponsorship

In accordance with the commitments made under the agreement on support for employees over the age of 50 (Agreement 2017-12, Article 6), Crédit Mutuel Arkéa initiated skills sponsorship in 2018. During their final years of employment, the group offers to make employees who volunteer available (for all or part of their working hours) free of charge to a public interest body located in the regions where the group operates. In this way, the employee's employment contract is maintained, and the employee continues to receive his or her compensation and all related benefits. In this way, the company wishes to encourage employees to invest in the community before they actually leave the company, in order to be able to manage the transition between the end of their

working life and the beginning of their retirement. In 2022, 28 employees benefited from this scheme, vs. 20 in 2021.

Solidarity leave

In addition, in collaboration with the association "Planète Urgence", the company has already supported around twenty of the group's employees who committed to taking solidarity leave in 2018 or 2019 to teach French to women micro-entrepreneurs, first in Benin and then in Togo during the last quarter of 2019. In 2020, forty employees were to participate in two-person teams in this solidarity operation. As the health crisis prevented the continuation of this operation, Crédit Mutuel Arkéa provided financial assistance of €35,000 to the association in 2021, and the same amount in 2022.

The Hackathon Transitions 2024 - a winning team that wants to promote inclusive housing

Hundreds of participants with varied profiles, whether incumbents, work-study students or service providers, from the worlds of information technology, sales or marketing, have pooled their skills around a common and collaborative project to transform the group's business lines. The "SCI Handi" winning team, made up of six participants from Crédit Mutuel de Bretagne, Arkéa Immobilier Conseil and Arkéa Banque Privée, won this edition in the summer of 2022. Crédit Mutuel Arkéa has chosen to help the team develop its project of offers and services to make possible the use of inclusive housing, an alternative between the home and institutions.

4.5.4.2 The fight against inappropriate behaviour

In addition to its inclusive business model (see Section 4.5.4.1 "Diversity and human capital development"), Crédit Mutuel Arkéa shares its values.

By way of illustration, in 2022 the group contributed to movements involved in inclusion and diversity, and in particular:

- as a partner of the **Economic Inclusion Summit** organised by the Mozaik Foundation, which was held on 29 November 2022 on the theme "Acting with Impact" under the high patronage of Bercy. The movement in favour of diversity and economic inclusion acts collectively to advance a cause that creates value for the economy and society. The 2022 edition, under the sign of IMPACT, wanted to go beyond the commitments to effectively make a real difference, and massively embed and co-create solutions that contribute to the society of progress.

Véronique Crouzier, group Head of Human Resources, spoke at the plenary session on the topic: "Action plans, a precondition for impact". She thus affirmed: "It is together that we must co-create the solutions that contribute to the society of progress and that we will act for a more inclusive HR policy that contributes to the group's development and its financial and non-financial performance";

- as a member of the **"Les entreprises s'engagent"** community, which brings together and supports companies committed to an inclusive society and a sustainable world.

Crédit Mutuel Arkéa took part, on 16 November 2022, in the presence of Anne Le Goff (member of the Bureau), Véronique Crouzier and the Minister of Labour, Olivier Dussopt, in the launch of the association of partner companies of this community with seventeen companies with committed executives. Through this commitment, the group wants to boost actions for a more inclusive society within a network of regional players and alongside the public authorities to participate in the collective effort and accelerate mobilisation.

The group is also a partner of the French **"Gender diversity observatory"**, which brings together large companies committed to this subject. This partnership resulted in the publication, in December 2021, of a *"Green Paper of six concrete measures to improve diversity in companies"*.

Crédit Mutuel Arkéa also supports **women entrepreneurs** and was one of the first 56 signatories in 2019 of the charter of commitment driven by the SISTA collective and the French "National Digital Council" (CNNum) to accelerate the financing of women entrepreneurs. This charter, called "SISTAxCNNum" and presented by Secretaries of State Marlène Schiappa and Cédric O in July 2019, sets out best practices for investors to make their recruitment and investment processes more favourable to gender diversity. For Crédit Mutuel Arkéa, this signature illustrates all the measures already implemented to promote equality in the workplace and greater diversity in its federations, subsidiaries and central departments. The target by 2025 is to finance 25% of start-ups founded or co-founded by women.

In 2021, as part of their respective initiatives to fight against discrimination, Crédit Mutuel Arkéa and Mastercard entered into a partnership to develop a programme to raise awareness among girls of technology jobs (defined as jobs with a high numerical component, including algorithmics, artificial intelligence or programming) in which they are underrepresented. This programme, entitled "Tech the power"⁽¹⁾, was launched in June 2021 and aims to raise awareness among 500,000 young women about tech jobs by 2025.

In 2022, Crédit Mutuel Arkéa became a partner and sponsor of events such as the Ada Lovelace challenge (renewed commitment for 2023) for high school girls to raise their awareness and support them in the discovery of digital jobs, particularly through programming.

The group makes a concrete commitment to combat violence against women, including domestic violence. Indeed, beyond the ethical dimension of providing assistance to a person in danger, domestic violence has a significant impact on society and, ultimately, businesses. Psychological distress, loss of performance and/or productivity, emotional instability, refusal of challenge, deterioration of self-esteem, depression and absenteeism, are some of the symptoms that have repercussions in the world of work for the victims.

Thus, commitments have been made by the Arkade ESU, which has incorporated concrete measures to raise awareness and train employees and support victims of domestic violence by adopting a listening and relay role in its new gender equality agreement for 2021-2024. An awareness-raising conference for employees on this subject was set up in early 2023. That same year, one-day training sessions will be provided for certain key contacts of employees (local HR, "BienVeilleurs", diversity ambassador).

In May 2022, the group made a commitment to the Breton Federation of Information Centres on Women and Family Rights (FR-CIDFF) through the signature of a corporate philanthropy agreement established for a period of two years. The objective

is to support it in its work to help the public and more particularly women in areas such as access to the law, the fight against gender-based violence, education, employment and vocational training.

Since 2021, the group has supported the Fifty Fifty association through a partnership⁽²⁾, working since 2019 through sport to support and rebuild women victims of violence. In October 2022, the first part of the reconstruction programme began through sailing. Six women were able to take part in a unique day of sailing, which demonstrated once again that the practice of sport is a real lever for reconstruction, both on the neurobiological level and on the physical and psychological levels.

In addition to these actions, the group, represented by Frédéric Diverrez, Director of the BtoB and Specialised Services Division of Crédit Mutuel Arkéa, signed, in 2021, at the invitation of Elisabeth Moreno, Minister Delegate in charge of gender equality, the manifesto of economic players for the elimination of violence against women. This manifesto includes ten specific actions that the group has undertaken to respect, with the aim of better supporting and protecting employees who are victims of domestic violence while raising awareness of this cause.

In December 2022, the two leaders of the group unveiled their essay *"The making of decision-making - A collective leadership for committed finance"*⁽³⁾ in order to promote the unique and cooperative model of our banking group. In line with its values and commitments in terms of women's rights, Crédit Mutuel Arkéa has undertaken to donate all rights to this work to the associations FR-CIDFF and Fifty Fifty.

Raising awareness of LGBT discrimination

During the Pride Month in November 2022, a call to employees was launched by the Inclusion and Prevention Department to share an experience or propose ways of working. The aim is to work with employees to implement concrete actions to remedy or prevent potential discrimination at Crédit Mutuel Arkéa.

(1) https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2021-03/cp_tech_the_power_vf.pdf

(2) https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2021-09/communiqu%C3%A9_-_le_credit_mutuel_ark%C3%A9a_partenaire_de_la_fifty-fifty_sail_2021.pdf

(3) https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2022-12/helene_bernicoet_et_anne_le_goff_publient_la_fabrique_de_la_decision_aux_editions_du_cherche_midi.pdf

4.5.4.3 In favour of social dialogue

Non-financial risks associated with this issue

- Risks of non-compliant social practices

Failure to respect social dialogue

Number of obstruction offences

(Economic and Social Unit): 0

The group is open to social dialogue that respects different sensitivities and expressions.

Each group company has its own employee representative bodies, in accordance with its own regulatory obligations: union representatives, company or establishment social and economic committees. The Arkade Economic and Social Unit and each subsidiary outside this scope negotiate their own company agreements. There is also a body for economic, social and organisational information: the Group Works Council. It meets twice a year. This body is informed of the situation and prospects of all entities.

At the end of 2022, 98.3% of the group's employees were covered by a collective agreement, vs. 98.2% in 2021.

Within the Arkade ESU, the architecture of the employee representative bodies has been in place since 2020. The agreement on employee representation and trade union rights had been renewed beforehand to allow the organisation of the way these new bodies operate, as requested by the government. This agreement applies to the three Social and Economic Committees (Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest and the head office Corporate and Institutional Division) and to the Central Social and Economic Committee of the ESU, as well as to the various committees that make them up, including the Safety, Health and Working Conditions committees. This agreement also made it possible to set up local representatives to relay employee concerns.

Social dialogue takes the form of negotiating and signing company agreements. In 2022, 67 agreements were signed at group level, including nine in the scope of the Arkade ESU listed below (vs. 11 in 2021) and no obstruction offences were recorded.

Main collective agreements signed in 2022 or whose implementation started in 2022 (scope: Economic and Social Unit)

Soft mobility agreement

Expected impact of the agreements on the company's economic performance and on employees' working conditions

The agreement sets itself the goal of reducing the group's carbon footprint by encouraging ESU employees to use more virtuous means of transport, in particular by covering travel expenses between their home and their place of work, carried out with an alternative non-thermal means of transport under certain conditions.

Leave donation agreement

The agreement extends the previous system to other types of circumstances and situations. This agreement allows for donations of leave between ESU employees for the benefit of an employee who is faced with a particular situation set out in the agreement.

Trade union rights agreement (amendment)

The purpose of the agreement is to allocate additional resources to employee representatives within the framework of a social dialogue that the company wishes to be of high quality.

Purchasing power agreement

The agreement aims to partially mitigate the effects of inflation and thus protect the purchasing power of employees through the allocation of a new general increase in addition to that granted under the 2022 annual negotiation.

2022 profit-sharing agreement

The objective of this agreement is to continue to involve employees in the development of the company by involving them directly in the performance of the Economic and Social Unit while rebalancing the fixed and variable portions of employee compensation in the ESU.

Working conditions method agreement

The objective of this agreement is to improve the day-to-day working conditions of all ESU employees and, consequently, the quality of life at work.

Main collective agreements signed in 2022 or whose implementation started in 2022 (scope: Economic and Social Unit)

Disability agreement

Expected impact of the agreements on the company's economic performance and on employees' working conditions

This agreement aims to continue and strengthen the actions already implemented for several years within the company, to develop and change the way people look at disability. The objective is to increase the direct employment rate of people with disabilities and to keep them in employment.

Agreement on early retirement schemes (extension)

Extension amendment which aims to allow the maintenance of early retirement schemes already in force within the Arkade ESU pending the announced government reform on pensions.

Teleworking agreement (extension)

Amendment extending the teleworking agreement to improve quality of life and working conditions and increase employee autonomy. This agreement also aims to enable the company to meet its CSR policy objectives (carbon impact, property management, reduction of health risks, etc.).

The Human Resources Department regularly communicates with employee representatives during bargaining and Social and Economic Committee (CSE) meetings. Employees are informed of the social dialogue through these communications, with an inventory of the proposals made and decisions taken. The trade union organisations benefit from several means of communication and infrastructures are made available to them with trade union premises.

Since the beginning of the health crisis, Extraordinary Meetings of the central ESC have been devoted exclusively to the measures taken to deal with the pandemic (health instructions, solutions to support employees and managers, organisation of work, particularly teleworking) and the subject is discussed at each meeting of this body. The state of affairs

related to the health crisis is also discussed on a monthly basis at the level of the establishments' ESCs.

In addition, since summer 2022, three representatives of the CSEs have been taking part each week in the HR Health & Safety monitoring group, made up of HR representatives from the group's entities, divisional coordinators, occupational medicine, the Legal Department, the Real Estate Department and the Quality of Life at Work and communication teams. The aim of this working group is to propose HR organisation solutions to the Operational Crisis Unit so that employees can continue their work in complete safety and peace of mind, whether remotely or on-site. This working group was suspended in the summer of 2022 when the Operational Crisis Unit was dissolved.

4.6 Consolidated table of indicators

Key reference indicators	2022 Data
Key performance indicators	
% of staff exposed to AML-TF and trained (credit institution scope 15589)	93.4%
Number of sanctions by ACPR concerning the AML-FT scheme	0
% of persons trained in compliance with the rules of deontology/professional ethics within the credit institution 15589	91.0%
Number of beneficiaries of the specific offer dedicated to vulnerable customers (credit institution scope 15589)	26,836
% of targeted staff aware of information systems security	85.6%
% of group purchases from French suppliers	85%
Share of ESG supplier assessments carried out for the reporting period	19.6%
Number of controversies identified among the suppliers assessed over the reference period	0
Training rate among directors of local banks	80.7%
Average number of training hours provided per trained local bank director	5
Training rate among members of the Board of Directors of Crédit Mutuel Arkéa	100%
Average number of training hours provided per trained Crédit Mutuel Arkéa director	15.8
% of directors approved without condition precedent by the regulators (scope of regulated entities)	93%
Share of members among the individual customers	77.7%
Attendance rate at General Meetings of local banks	1.3%
Attendance rate at Crédit Mutuel Arkéa's General Meeting	84%
Attendance rate at Crédit Mutuel Arkéa's Board of Directors' meetings	95%
% of subsidiaries with an attendance rate of more than 75% at meetings of the supervisory body	94%
Share of assets under management with an analysis including ESG in Federal Finance Gestion's assets under management	69.95%
Total outstandings (financing and investments) exceeding the thresholds authorised in the coal policy	0.3
Total outstandings (financing and investments) exceeding the authorised thresholds of the oil and gas policy	210.61
Operating real estate (in m ²) with high acute physical risk not covered by a continuity plan	0
Carbon footprint (teqCO ₂)	48,774
Carbon footprint (teqCO ₂ /FTE)	4.5
% of positive opinions on the "Meaning given to work" criterion of the QWL survey	83%
% of positive opinions on the "Workload" criterion of the QWL survey	33%
Employee satisfaction rate with regard to the company's practices and the working environment (Arkéa group)	90
% of employees trained	93.4%
Recommendation rate (e-nps) (Arkéa group)	-15

Key reference indicators	2022 Data
Gender pay gap (Economic and Social Unit)	-0.3%
Professional equality index - weighted average of eligible group companies (headcount > 50 employees)	91/100
Share of disabled workers in the workforce	3.5%
Number of obstruction offences (Economic and Social Unit)	0
Governance	
Members – customers	
Number of customers of local banks	2,273,301
of which private individuals	1,733,000
Number of members	1,479,726
of which private individuals	1,345,632
Number of members N-1	1,462,191
Share of members among the individual customers	77.7%
Average amount of shares held (in €)	1,840
Amount of remuneration of the shares paid in 2022 for the year 2021 (in €)	36,445,129
Number of members present and represented at the General Meetings of the local banks	19,055
Attendance rate at General Meetings of local banks	1.3%
Directors of local banks	
Number of local banks	292
Number of directors of local banks	2,538
of which women	1,086
Number of Local Boards held during the year	3,263
Number of chairwomen of local banks	86
% of chairwomen of local banks	29.5%
Number of directors summoned to Local Bank Boards	28,710
Number of directors on Local Bank Boards	22,743
Number of new elected directors of local banks	155
of which women	64
% of women among the new directors of local banks	41.3%
Number of new Chairmen of local banks	18
of which women	8
% of women among the new chairmen of the local banks	44.4%
Directors of the federations	
Number of elected directors of federations	82
of which women	32
Number of newly elected directors of federations	7
of which women	1
% of women among newly elected directors of federations	14.3%
Number of new Presidents of federations	1

Key reference indicators	2022 Data
Directors of Crédit Mutuel Arkéa	
Number of members elected from Crédit Mutuel Arkéa's Board of Directors (excluding employees appointed by the CSEC)	20
of which women	9
of which independent directors	17
Training	
Number of directors or corporate officers of local banks who have attended at least one training course during the year	2,048
Total number of hours dispensed	9,578
Percentage of local bank directors trained	81%
Duration of training per director trained (in hours)	5
Societal	
Number of Crédit Mutuel Arkéa outlets in France and abroad	419
Number of Crédit Mutuel points of sale	358
Number of Crédit Mutuel Arkéa outlets outside France	3
Periodic points of sale	596
Microloans	
Personal supported microloans (partnerships)	
Number of personal microloans granted during the year	460
Average amount of personal microloans granted (in €)	3,391
ADIE Intermediated professional microloans	
Number of intermediated professional microloan files	780
Amount of personal microloans financed during the year (in €)	1,559,794
Amount of credit lines made available (in €)	2,312,589
Help for professionals (solidarity)	
Appui Plus donations (in € thousands)	767
Amount of Appui Pro loans at 0% interest (in € thousands)	4,167
Number of Appui Pro loans at 0% interest granted during the financial year	906
Number of Solidarité Pro jobs supported	1,125
Donations (in € thousands) to professionals in difficulty	500
Number of jobs supported for professionals in difficulty	645
Aid to individuals (solidarity)	
Amount of aid under the "sensitive accounts" scheme (reversal and charges not levied) (in €)	341,955
Number of grants from the "sensitive accounts" scheme (reversal and fees not deducted)	2,102
Amount of aid to borrowers (in €)	200,043
Number of borrower's aids	117
Donations to individuals in difficulty	1,015
Non-profit organisation market	
Number of customer NPOs (associations, trade unions, works councils, etc.)	64,042

Key reference indicators	2022 Data
Philanthropy and sponsoring	
Overall budget for philanthropy and sponsorship (in €)	19,446,723
SRI – ESG	
SRI outstandings (in €)	5,496,709,833
ESG outstandings (in €)	24,013,693,338
Share of ESG outstandings (Federal Finance and Suravenir)	69.95%
Share of SRI/Greenfin-certified outstandings under management in Federal Finance Gestion and Schelcher Prince Gestion's total outstandings	57.48%
Share of the annual refinancing programme and structured investment campaigns based on green or social bond issues	12.6%
Outstanding loans to individuals to finance the transition (in € millions)	885
Outstanding loans to companies to finance the transition (in € millions)	609.45
of which outstandings related to the financing of renewable energies (in € millions)	589.03
Outstanding PACT loans (in € millions)	616
Voting policy	
Rate of approval of resolutions	78.4%
Number of General Meetings attended by the company	108
Solidarity savings	
Total outstanding solidarity savings (in €)	7,722,634,464
Amount donated to associations	376,855
Outstandings excluding capitalisation Livret Solidaire capitalisation (in €)	99,972,146
Outstanding savings on products with the FINANSOL label (in €)	99,972,146
Outstanding solidarity-based employee savings (in €)	376,662,318
Renewable energy and energy efficiency loans	
Number of interest-free eco-loans granted during the year	2,614
Average amount of interest-free eco-loans granted (in €)	13,439
Total amount of 0% interest eco-loans granted (in €)	35,128,337
Number of projects funded (professionals and farmers)	436
Products and services with social purpose	
CMB, CMSO Livrets (passbook accounts) (in € thousands)	8,537,984
Outstanding regulated social loans (PLS, PSLA) (in €)	561,756,236
Mediation	
Number of eligible applications	258
Number of customer-friendly decisions	88
Financial Indicators	
Gross technical provisions of insurance subsidiaries (in € thousands)	32,597,137
Technical provisions for unit-linked contracts of insurance subsidiaries (in € thousands)	19,351,805

Key reference indicators	2022 Data
Social	
Staff	
Workforce physical persons	11,170
of which France	10,890
of which outside France	280
of which non-managerial staff	4,409
of which men	4,914
of which women	6,256
Total staff FTEs	10,806
FTE permanent staff	9,866
of which women	5,510
of which non-managerial staff	3,602
% of employees on permanent contracts	91.3%
Recruitment	
Total number of recruitments	2,144
of which women	1,166
of which permanent contracts	1,122
Number of trainees and work-study students welcomed over the year	932
Conversion rates (permanent and fixed-term contracts)	26.4%
Dismissals and reasons	
Number of employees with permanent contracts who left the organisation	816
of which dismissals	88
Turnover	6.7%
Organisation, working hours and absenteeism	
Organisation of working time	
% of full-time employees	93.4%
% of part-time employees	6.6%
Absenteeism and its reasons	
Total number of calendar days of absence	197,523
of which Diseases	193,660
of which Accidents at work	3,863
Number of declarations of occupational diseases	1
Health and safety conditions	
Number of reported accidents at work, with work stoppage	56
Training and professional development	
Payroll invested in training (in €)	25,088,478
% of payroll dedicated to training	4.7%
Number of employees who attended at least one training course	10,427
% of employees trained	93.4%

Key reference indicators	2022 Data
Total hours spent on employee training	244,960
Average number of hours of training per year per employee who has received training	23
% of annual evaluation interviews carried out	84.0%
Internal mobility rate	12.9%
Professional equality between men and women	
Number of women managers	3,089
% of women among managers	47.7%
% of women at Executive Committee	38%
% of women on the General Coordination Committee	35%
% of women in senior management	29%
% of women in executive management	35%
% of women among N+2 managers ("wealth studies diploma" for head office and technical diploma in the networks)	35%
Number of managers promoted within the year to a higher level of function	585
of which women	270
% of women among management promotions	46.2%
Number of women who have received a pay correction under the professional equality package	221
Social dialogue	
Number of convictions for the offence of obstruction (in France)	0
Number of consultations of staff representatives (ESC, CHSCT, DP)	450
Number of information procedures for staff representatives (ESC, CHSCT, DP)	606
% of employees covered by a collective agreement	98.3%
Employment and integration of disabled workers	
Number of disabled workers	393
% of employees with disabilities	3.5%
Compensation and changes in compensations	
Gross payroll (in €)	529,503,393
Average gross annual compensation for all permanent positions (in €)	51,145
Average gross annual compensation for permanent non-managerial staff (in €)	36,337
Average gross annual compensation for permanent managerial staff (in €)	59,663
Total gross annual compensation for permanent staff (in €)	504,590,997
Total gross annual compensation for permanent non-managerial staff (in €)	130,901,221
Total gross annual compensation for permanent managerial staff (in €)	373,689,776
Amount of employee savings	96,004,584
% of employees who received an individual raise	33.6%
Environmental	
Carbon footprint	
Carbon footprint (teqCO ₂)	48,774
Carbon footprint (teqCO ₂ /FTE)	4.5

Key reference indicators	2022 Data
Water (m³)	
Water consumption (m ³)	48,533
Energy (kwh)	
Total energy consumption (kwh)	41,581,548
of which chilled water in the urban network, billed (kwh)	125,000
of which steam heating – urban network, billed per ton of water returned (kwh)	86,931
of which electricity (kwh)	36,401,799
of which gas (kwh)	4,731,258
of which fuel oil (kwh)	236,560
% of electrical energy from renewable sources	99
Paper (tons)	
Paper consumption (tons)	963
of which paper for internal use (tons)	228
of which paper for external use (external services: printing, communication, customer statements, cheque books, etc.) (tons)	735
% recycled paper at purchase	91.0%
Weight of recycled paper (tons)	507
Travel (km)	
Business travel – plane (km)	4,472,591
Business travel – train (km)	6,362,497
Business travel – car fleets (km)	11,667,089
Business trips with personal vehicle (km)	6,915,923
Mail management: shuttles between cash desks and business lines + cash transport (km)	1,419,948
Number of litres of gasoline consumed by the internal fleet	342,483
Number of litres of diesel fuel consumed by the internal fleet	359,187
Direct emission leaks	
Leakage of refrigerant gases from air conditioning systems (tertiary air and water air conditioning) (kg)	124
Devices to reduce environmental impact and greenhouse gas emissions	
Number of remote conferences	742,312
Sanctions	
Amount of compensation paid during the financial year in execution of a judicial decision in environmental matters (in €)	0
Risks	
Amount of provisions for environmental risks (in €)	0
Number of ministerial decrees recognising a state of natural disaster during the calendar year	28
Number of claims reported under these decrees	385
Number of these claims handled and closed during the financial year	73
Total number of claims (natural disasters) handled and closed during the financial year, regardless of the date of recognition of the disaster	554

Methodological details

Reporting scope

The scope covered by the reporting process corresponds to Crédit Mutuel Arkéa as a whole, as defined by the financial consolidation. Subsidiaries accounted for by the equity method are excluded from the scope.

Reporting period

This report covers the 2021 calendar year from 1 January to 31 December, including data relating to the group's carbon footprint.

In 2021, the energy data (gas, electricity) cover a rolling year from 1 December 2020 to 30 November 2021.

Methodological specificities of the indicators

Concerning social data, unless otherwise specified, the scope is that of the group. Where this is not the case, the scope of the Economic and Social Unit is stipulated and represents 69% of the group's employees (permanent and fixed-term contracts) and includes the following employer companies: Crédit Mutuel Arkéa (Crédit Mutuel de Bretagne network and central services), Arkéa Banque Entreprises et Institutionnels, Federal Finance, Federal Finance Gestion, Arkéa Crédit Bail, Arkéa Capital, and Crédit Mutuel du Sud-Ouest.

Clarifications on some key performance indicators

Annual rate of personnel exposed to AML-TF: the figures refer to training campaigns launched in 2022.

Gender pay gap: average of the differences (in %) in median gender pay observed for each level of employment, weighted by the number of employees at each level of employment.

Clarifications on some governance indicators

Training

The duration of training for directors at Crédit Mutuel de Bretagne is estimated at 8 hours for full-day training, 3 hours for half-day training and 2 hours for evening training.

Clarifications on certain social indicators

Staff

Headcount does not include service personnel.

Absenteeism

The total number of calendar days of absence includes all of the following absences of employees on permanent, fixed-term or work-study contracts: paid sick leave, unpaid sick leave, sick leave without a medical certificate, accidents at work (including those not recognised by the French health service) and commuting accidents, special leave, child sick leave, long-term unpaid leave (longer than one month), sabbatical leave, parental leave, and disability leave.

Unaccounted absences are paid leave or conventional days (RTT, seniority, marriage, etc.), maternity, paternity and adoption leave.

Payroll

The payroll expense invested in training includes the overall training cost, including the gross annual salaries of interns and work-study training, annual bonuses and employer contributions as well as the educational cost of training (expenses for accommodation agreements, meals and transport expenses). Payments to training organisations are excluded from the assessment.

Mobility

The internal mobility rate includes movements within and between group entities for employees on permanent contracts.

Departure rate

The departure rate is calculated by dividing the number of departures (excluding retirement) by the average number of employees during the year.

Clarifications on some environmental indicators

Carbon footprint

The 2022 carbon footprint has been carried out using the most recent method of the Association Bilan Carbone (V8.8), which provides greater precision in the calculation of emissions.

As part of a continuous improvement approach to the measurement of the footprint, Crédit Mutuel Arkéa strives to reduce the uncertainty rate each year (22% in 2022).

The home-to-work travel figures are for the headcount present at 31 December 2022.

The mileage done with company vehicles corresponds to business travel.

The carbon footprint is subject to external verification by the independent third party.

Water consumption

Water consumption refers to actual consumption for all group entities, except for Crédit Mutuel de Bretagne, which is estimated on the basis of average water consumption per employee.

Travelling by train and plane

Air and rail miles travelled are calculated from billing data and can include 2021 journeys that were settled in 2022.

Business travel – Car fleets

The kilometres travelled by company vehicles are prorated based on the average number of days worked during the year.

Exclusions

The following subjects are not described in the Statement of Non-financial Performance, as they are considered non-material in the context of the group's direct activity: food waste and the fight against food insecurity.

External audit approach

In order to obtain an external opinion on the reliability and sincerity of the non-financial data, Crédit Mutuel Arkéa has appointed PricewaterhouseCoopers Audit as an independent third party, to verify the Statement's compliance with the provisions of Article R.225-105 of the French Commercial Code and the sincerity of the information provided in application of 3° of I and II of Article R.225-105 of the French Commercial Code, namely the results of policies including key performance indicators and actions relating to the main risks.

The assurance report issued by the independent third party and detailing the due diligence carried out as well as their comments and conclusions are included in this Universal Registration Document.

4.7 International commitments cross reference table

Global Compact
Principles



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17 OBJECTIFS POUR TRANSFORMER NOTRE MONDE

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- 4.2.1 A deep conviction, in line with stakeholders' expectations
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- 4.3 Crédit Mutuel Arkéa's main non-financial issues and risks
- 4.3.1 Summary table of the main non-financial risks
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4.6 Consolidated table of indicators			

4.8 Report of the independent third party on the consolidated social, environmental and societal data

Report by the Statutory Auditor, appointed as an independent third party, on the verification of the consolidated Statement of Non-Financial Performance

(Financial year ended 31 December 2022)

To the General Meeting

In our capacity as Statutory Auditor of the Crédit Mutuel ARKÉA group (hereinafter "the entity"), appointed as an independent third party, accredited by Cofrac (Cofrac Inspection Accreditation, No. 3-1862, available at www.cofrac.fr), we have carried out work to formulate a reasoned opinion expressing a conclusion of moderate assurance on the historical information (recorded or extrapolated) of the consolidated statement of non-financial performance (hereinafter respectively the "Information" and the "Statement"), prepared in accordance with the entity's procedures (hereinafter the "Reference Framework"), for the financial year ended , presented in the group's management report pursuant to the provisions of Articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code.

Conclusion

Based on the procedures we have implemented, as described in the "Nature and scope of the work" section, and the information we collected, we have not identified any material anomalies that would call into question the fact that the consolidated statement of non-financial performance complies with applicable regulatory provisions and that the information, taken as a whole, is fairly presented in accordance with the Reference Framework.

Preparation of the Statement of Non-Financial Performance

The absence of a generally accepted and commonly used reference framework or established practices used to evaluate and measure the Information allows the use of different yet acceptable measurement techniques that may affect comparability between entities and over time.

Consequently, the Information must be read and understood in conjunction with the Reference Framework, the significant elements of which are presented in the Statement.

Limitations inherent in the preparation of the Information

The Information may be subject to inherent uncertainty in terms of scientific or economic knowledge and the quality of the external data used. Certain information is sensitive to methodological choices, assumptions and/or estimates used to prepare it and presented in the Statement.

Responsibility of the entity

Management is responsible for:

- selecting and/or establishing appropriate criteria for the preparation of the Information;
- preparing a Statement compliant with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks and the results of these policies, including key performance indicators and the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- preparing the Statement by applying the entity's Reference Framework as mentioned above; as well as
- putting in place the internal control that it deems necessary to prepare information that is free from material misstatements, whether due to fraud or error.

The Statement was prepared by the Board of Directors.

Responsibility of the Statutory Auditor appointed as an independent third party

It is our responsibility, based on our work, to express a reasoned opinion with a moderate level of assurance on :

- the compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the fairness of the historical information (recorded or extrapolated) provided pursuant to 3° of I and II of Article R.225-105 of the French Commercial Code, namely the results of policies, including key performance indicators, and actions, relating to the principal risks.

As we are responsible for preparing an independent conclusion on the Information prepared by management, we are not authorised to be involved in the preparation of such Information as this could compromise our independence.

It is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions (in particular in terms of information provided for by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the vigilance plan and the fight against corruption and tax evasion);
- the fairness of the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of products and services with applicable regulations.

Regulatory provisions and applicable professional doctrine

Our work described below was carried out in accordance with the provisions of Articles A.225-1 et seq. of the French Commercial Code, the professional doctrine of the French national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this work, in particular the technical opinion of the French national auditing body - Intervention of the Independent Third Party Organisations - Statement of non-financial performance, in lieu of a verification programme and ISAE 3000 (revised) - Assurance engagements other than audits or reviews of historical financial information.

Independence and quality control

Our independence is defined by the provisions of Article L.822-11 of the French Commercial Code and the Code of Ethics for Statutory Auditors. In addition, we have set up a quality control system that includes documented policies and procedures to ensure compliance with applicable laws and regulations, ethical rules and the professional doctrine of the French national auditing body relating to this work.

Means and resources

Our work mobilised the skills of five people and took place between December 2022 and March 2023 over a total intervention period of three weeks.

To assist us in the completion of our work, we called upon our specialists in sustainable development and Corporate Social Responsibility. We conducted around twenty interviews with the people responsible for preparing the Statement, representing in particular the risk management, compliance, HR, sustainable finance and resource management departments.

Nature and scope of the work

We planned and carried out our work taking into account the risk of material misstatements in the Information.

We believe that the procedures we have implemented, exercising our professional judgement, have enabled us to formulate a conclusion of limited assurance:

- we have reviewed the activities of all the entities included in the scope of consolidation and the description of the principal risks;
- we have assessed the appropriateness of the Reference Framework in terms of its relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, good industry practice;
- we have verified that the Statement covers each category of information provided for in III of Article L.225-102-1 in social and environmental matters, as well as in terms of respect for human rights and the fight against corruption and tax evasion;

- we have verified that the Statement presents the information required by Article R.225-105 II when relevant to the principal risks and includes an explanation of the reasons for the absence of the information required by Article L.225-102-1 III, paragraph 2;
- we have verified that the Statement presents the business model and a description of the principal risks of the business of all entities included in the scope of consolidation, including, where relevant and proportionate, risks created by its business relationships, products or services, as well as policies, actions and results, including key performance indicators relating to the principal risks;
- we have consulted documentary sources and conducted interviews to:
 - assess the process for selecting and validating principal risks and the consistency of the results, including the key performance indicators selected, with the principal risks and policies presented, and
 - Corroborate the qualitative information (actions and outcomes) that we considered the most important, presented in the Appendix. Our work was carried out at the level of the consolidating entity;
- we have verified that the Statement covers the consolidated scope, i.e. all entities included in the scope of consolidation in accordance with Article L.233-16 with the limits specified in the Statement;
- we have examined the internal control and risk management procedures implemented by the entity and have assessed the information collection process with a view to ensuring its completeness and fairness;
- for the key performance indicators and other quantitative results that we have considered most important, presented in the Appendix, we have implemented:
 - analytical procedures consisting of verifying the correct consolidation of the data collected as well as the consistency of their evolution,
 - detailed testing, using samples or other selection methods, consisting of verifying the proper application of definitions and procedures and reconciling the data with the supporting documents. This work was carried out on a selection of contributing entities, and covers between 28% and 100% of the consolidated data selected for these tests;
- we have assessed the overall consistency of the Statement with our knowledge of all the entities included in the scope of consolidation.

The procedures implemented as part of a moderate assurance assignment are less extensive than those required for a reasonable assurance assignment performed in accordance with the professional doctrine of the French national auditing body; a higher level of assurance would have required more extensive verification work.

Nantes, 12 April 2023

One of the Statutory Auditors

PricewaterhouseCoopers Audit

Pierre Clavié

Associate

Anne Parenty

Associate, Sustainability Reporting

Appendix: List of information that we have considered to be the most important

KPI

- Percentage of staff exposed to AML-TF and trained (credit institution scope 15589)
- Number of sanctions by ACPR concerning the AML-TF scheme
- Percentage of people trained in compliance with rules of professional conduct (credit institution scope 15589)
- Number of beneficiaries of the specific offer dedicated to vulnerable customers (credit institution scope 15589)
- % of targeted staff aware of information systems security
- Training rate among directors of local banks
- Average number of training hours provided per trained local bank director
- Training rate among members of the Board of Directors of Crédit Mutuel Arkéa.
- Average number of training hours provided per trained Crédit Mutuel Arkéa director
- % of directors approved without condition precedent by the regulators
- Share of members among the federations' individual customers
- Attendance rate at General Meetings of local banks
- Attendance rate at Crédit Mutuel Arkéa's General Meeting
- Attendance rate at Crédit Mutuel Arkéa's Board of Directors' meetings
- % of subsidiaries with an attendance rate of more than 75% at meetings of the supervisory body
- Share of assets under management with an analysis including ESG in Federal Finance Gestion's assets under management
- Operating property (in m²) with high acute physical risk not covered by a continuity plan (as %)
- Carbon footprint (tons of CO₂)
- Total outstandings (financing and investments) exceeding the thresholds authorised in the coal policy (last available ruling)
- Total outstandings (financing and investments) exceeding the authorised thresholds in the oil and gas policy (last available ruling)
- % of positive opinions on the "Meaning given to work" criterion of the QWL survey
- % of positive opinions on the "workload" criterion
- Employee satisfaction rate with regard to the company's practices and the working environment (Group)
- Percentage of employees trained
- Recommendation rate (e-nps)
- Gender pay gap (Economic and Social Unit)

- Professional equality index (Arkea Group: ESU and eligible entities > 50 employees)
- % of employees with disabilities (Group and ESU)
- Number of obstruction offences (ESU)
- Share of purchases from French suppliers
- % of ESG supplier assessments carried out for the reporting period
- Number of controversies identified

Quantitative indicators

- Number of directors or corporate officers who have attended at least one training course during the year (local banks)
- Total number of hours dispensed (director training - Local banks)
- Number of elected directors - Local banks
- Number of directors or corporate officers who have attended at least one training course during the year (Central functions)
- Total number of hours dispensed (training of central function directors)
- Number of Board members at 31 December 2022
- Number of customers - of which private individuals - CMB and CMSO scope
- Number of adult individual member-customers - CMB and CMSO scope
- Number of members present and represented at local AGMs
- Number of adult individual customers + legal entities that are members of the Local banks
- Sum of ESG funds under collective management - Federal Finance and SURAVENIR scope
- Total outstandings under collective management - Federal Finance and SURAVENIR scope
- Electricity consumption (kWh) - CMB scope
- GAS CONSUMPTION (kWh) - Centralised functions & CMSO scope
- Business travel by plane (km)
- Business travel by train (km)
- Business travel - car fleets (km)
- Total number of employees in average annual FTE as of 31 December of the reference year
- Workforce (natural persons)
- Number of employees on permanent contracts
- Number of employees on fixed-term contracts
- Number of disabled workers
- Total amount of GROUP purchases
- Total amount of group purchases made from French suppliers
- Amount of purchases made from suppliers who have responded to a CSR questionnaire

Qualitative information (actions and outcomes):

- Anti-money laundering and financing terrorism: training of network employees (LCBFT)
- Promotion of a culture of ethics and responsibility
- Professional ethics and business conduct
- New provisions introduced by the law of 21 March 2022
- Protection of customers' interests
- ISS awareness-raising actions
- The member is at the heart of corporate governance - Ark'Envie
- Support for vulnerable member-customers
- Customer relations and satisfaction
- Integration of ESG criteria in financing and investments: Net Zero Banking Alliance (NZBA)
- Sector policies
- Creation of the Autofocus Transition Climate fund in October 2022
- As a service company, special attention is paid to the psycho-social risks within the group: collective reporting
- Developing individual and collective skills to help make Crédit Mutuel Arkéa a learning company: JUMP programme
- Disability and women's rights: SEEPH, Convention Fédération bretonne des Centres d'Information sur les Droits des Femmes et de la Famille (FR-CIDFF)
- Social dialogue takes the form of negotiating and signing company agreements: Purchasing Power Agreement & Soft Mobility Agreement
- Knowledge of social, human rights, environmental and anti-corruption practices: knowledge questionnaire on supplier CSR practices
- Use of the adapted and protected sector: company agreement on the employment of people with disabilities

4.9 SNFP and URD cross

	Reference texts	Sections	Pages
Presentation of the business model	Articles L.225-102-1 and R.225-105, I of the French Commercial Code	Presentation of Crédit Mutuel Arkéa	3
		1.1 / Crédit Mutuel Arkéa's business model	3 , 6
Business model		4.1 / Crédit Mutuel Arkéa's business model	102
Main activities of the group: business lines and their key figures, products and services, results		1.2 / Group profile	8
		1.6 / The Crédit Mutuel Arkéa business lines	19
Organisation: presentation of the main activities, workforce, governance		Presentation of Crédit Mutuel Arkéa	3
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		4.6 / Consolidated table of indicators	189
Strategy, outlook and objectives		1.3 / Overall performance	11
		1.7 / Crédit Mutuel Arkéa strategy	26
		1.8 / 2022 highlights	29
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		4.2.2.2 / Concrete actions at the heart of the strategic project	106
		4.2.2.3 / The search for overall performance	109
General presentation of the principal non-financial activity-related risks			
Description of the principal risks related to the activity of the company or group, including, where relevant and proportionate, risks created by business relationships, products or services	Articles L.225-102-1 and R.225-105, I. 1° of the French Commercial Code	4.3 / Crédit Mutuel Arkéa's main non-financial issues and risks	110

	Reference texts	Sections	Pages
Materiality Analysis			
Main non-financial risks including key performance indicators and summary	Articles L.225-102-1 and R.225-105, I. 1° of the French Commercial Code	4.3.1 / Summary table of the main non-financial risks	113
		5.1 / Risk Factors	210
Description of the policies applied and due diligence procedures implemented to prevent, identify and mitigate the principal risks related to the activity of the company or group	Articles L.225-102-1 and R.225-105, I. 3° of the French Commercial Code	4.3 / Crédit Mutuel Arkéa's main non-financial issues and risks	110
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		Summary table of the mitigation policies and main associated due diligence measures in place to prevent the occurrence of major risks	
		4.3.2 / Focus on the integration of climate risks	122
		4.3.3 / Vigilance plan and implementation report	123
		4.7 / International commitments cross reference table	197

	Reference texts	Sections	Pages
Information on the effects of the activity on respect for human rights and the fight against corruption and tax evasion, and the way in which the company or group takes into account the social and environmental consequences of its activity	Articles L.225-102-1, III, L.22-10-36 and R.22-10-29, R.225-104 and R.225-105, I. 2°, II. B. 1° of the French Commercial Code	4.2 / Sustainability issues at the heart of Crédit Mutuel Arkéa's Purpose and Transitions 2024 plan	103
		4.3 / Crédit Mutuel Arkéa's main non-financial issues and risks	110
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Social information (employment, work organisation, health and safety, labour relations, training, equal treatment, including the fight against discrimination and promoting diversity & measures for people with disabilities)	Articles L.225-102-1 and R.225-105, II. A. 1°, of the French Commercial Code	4.5.1.4 / Responsible supplier relations	151
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Environmental information (general environmental policy, pollution, Articles L.225-102-1 and R.225-105, II. A. 2° of the French Commercial Code (circular economy, climate change)	Articles L.225-102-1 and R.225-105, II. A. 2° of the French Commercial Code	4.2 / Sustainability issues at the heart of Crédit Mutuel Arkéa's Purpose and Transitions 2024 plan	103
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Societal information (societal commitments to promote sustainable development, subcontracting and suppliers, fair practices)	Articles L.225-102-1 and R.225-105, II. A. 3° of the French Commercial Code <i>Food waste and the fight against food insecurity, even if taken into account in the criteria for investments and customer support, do not justify an in-depth analysis in this report because they are considered immaterial in the context of Crédit Mutuel Arkéa's direct business</i>	4.2 / Sustainability issues at the heart of Crédit Mutuel Arkéa's Purpose and Transitions 2024 plan	103
		4.3.3 / Vigilance plan and implementation report	123
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*LOOK + MENTALITY = EQUALITY

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5.1 Risk Factors

This section presents the main risks identified to date as being significant and specific to Crédit Mutuel Arkéa, and which could have a significant impact on its business and financial position.

Crédit Mutuel Arkéa is exposed to two main categories of risk, which are detailed in the following pages:

- **Strategic, business and ecosystem risks:** these risks are likely to affect all banking institutions and/or to cause the group's major orientations in terms of business model, competitive positioning and human resources management to fail. They also include the risk related to the change in Crédit Mutuel Arkéa's affiliation to Crédit Mutuel group.
- **Risks related to Crédit Mutuel Arkéa's business profile:** they mainly include credit, operational, liquidity, interest rate, insurance, market and climate risks. These risks could materialise idiosyncratically at Crédit Mutuel Arkéa within the banking or insurance business, or result from systemic causes (from the previous category).

Crédit Mutuel Arkéa has a process for identifying and assessing (in terms of probability and scale in the event of occurrence) the risks associated with its business activities in order to establish the matrix of its most significant risks. The risk factors are listed taking into account their importance for Crédit Mutuel Arkéa.

Information relating to Pillar 3 of Basel III is available on Crédit Mutuel Arkéa's website, under the heading "Pillar 3 report", in the "Investors" section, under "Financial information".

5.1.1 Strategic, business and ecosystem risks

5.1.1.1 Macroeconomic risk

The unfavourable economic and financial context could have an impact on Crédit Mutuel Arkéa and the markets in which it operates

In carrying out its activities, Crédit Mutuel Arkéa is exposed to the economic environment in France, Europe and the rest of the world. The deterioration of economic and market conditions could have one or more of the following consequences for the group:

- an unfavourable economic environment could have repercussions on the activities and transactions of Crédit Mutuel Arkéa's customers, which could increase the default rate among borrowers, in particular due to the deterioration in the financial capacity of companies and households;

- a fall in the price of bonds and equities (to a lesser extent) could impact the group's activities, in particular its capital markets and asset management activities;
- the macroeconomic policies adopted in response to the current or anticipated economic situation could have unforeseen effects and impact market parameters such as interest rates, which could in turn impact the group's activities:
 - a deterioration in the global economic and financial context could lead to an additional easing of monetary policies which, combined with a resurgence of risk aversion, would lead to a prolonged adoption of very low rates in countries deemed to be risk-free (Germany, United States),
 - the very low interest rate environment could lead investors, looking for returns, to move towards riskier assets, which could lead to the formation of financial asset bubbles, including in certain real estate markets. The low interest rate environment also leads private economic players and governments to take on debt, and debt levels are sometimes very high. This increases the risks in the event of a market reversal,
 - a sharp rise in short- and long-term market rates as a result of the monetary policies implemented to combat persistent inflation could have an adverse effect on Crédit Mutuel Arkéa;
- the favourable perception of the global or sectoral economic situation could result in the forming of speculative bubbles, which could exacerbate the impacts arising from corrections resulting caused by a deterioration in the economic situation;
- a major economic disruption (such as the financial crisis of 2008, the European sovereign debt crisis of 2011 or the health crisis of the Covid-19 pandemic since 2020) could have a significant adverse impact on the all of the group's activities, in particular if the disruption were characterised by a lack of liquidity on the markets that would make it difficult or even impossible to sell certain products at their estimated market value;
- unfavourable political and geopolitical events such as natural disasters, geopolitical tensions (in particular protectionist measures), health or social crises or terrorist acts could increase the level of uncertainty and have a temporary or lasting impact on the economic environment in which Crédit Mutuel Arkéa operates.

It is difficult to anticipate potential downturns in the economic environment or financial markets, and to determine their impacts. If economic or market conditions were to deteriorate or become increasingly volatile, this could have a material adverse impact on the group's business, results and financial position.

The ongoing geopolitical crisis and its possible consequences could impact the group's financial position

Since mid-February 2022, international geopolitics have been destabilised by Russia's invasion of Ukraine.

The geopolitical context exacerbated the increase in inflation observed in the second half of 2021 and forced global central banks to tighten their monetary policy. Inflation and the resulting rate hikes amplify the risks of an economic slowdown or even recession. A potential recession could have an impact on corporate failures and the cost of risk. At the end of December 2022, the group did not observe any significant increase in credit risk indicators.

The Crédit Mutuel Arkéa business model involves low direct exposure to this type of international conflict. However, governance bodies were mobilised from the start of the crisis to monitor its evolution. Particular attention will be paid to the consequences of inflation and the increase in the cost of materials for customers in business sectors identified as the most sensitive.

5.1.1.2 Risk related to the regulatory environment

Changes in prudential and regulatory requirements could reduce the group's capital surplus

The capital surplus (or capital requirement, if negative) is the difference between the capital of the institution and the capital requirement defined by the supervisor. While to date there is no indication that prudential requirements will be increased in the short term, a potential increase in prudential requirements constitutes a risk for Crédit Mutuel Arkéa.

At 31 December 2022, Crédit Mutuel Arkéa had a CET1 ratio of 16.9%, more than 8 points above the regulatory requirement, and an overall ratio of 20.6%.

5.1.1.2.1 Risk related to changes in prudential requirements

Supervisors have the power to increase the capital requirement for institutions under their supervision. This increase may result from an increase in the ratio requirements under Pillar 1 and may also result from a change in the supervisor's Pillar 2 requirements, particularly in the context of the prudential Supervisory Review and Evaluation Process (SREP). These Pillar 2 requirements are defined as part of the annual dialogue with the European Central Bank⁽¹⁾, based on governance and risk management criteria, the business model, and solvency and liquidity specific to each supervised institution.

The High Council for Financial Stability also has the power to make decisions to increase or decrease the capital requirements of institutions in view of macroeconomic conditions via the countercyclical buffer rate. These decisions and changes in the countercyclical buffer rate have an impact on the capital requirements of institutions.

To date, there are no plans to change the Pillar 1 requirement, which is common to all banks.

The European Central Bank informed Crédit Mutuel Arkéa that the Pillar 2 requirement arising from the SREP will also remain unchanged for the 2023 financial year.

The French High Council for Financial Stability (HCSF) has approved a gradual increase in the countercyclical buffer, currently at 0%, to 0.5% from 7 April 2023 and to 1% from 2 January 2024. These decisions, dated 7 January 2022 and 27 December 2022, could be followed by other subsequent increases in view of the evolution of the macroeconomic situation and the recommendations of the European Systemic Risk Board (CERS). Conversely, the HCSF could also loosen the countercyclical capital buffer in the event of a reversal in the financial cycle, with immediate application, as was the case at the beginning of the Covid crisis. Such a loosening would enable the banks to mobilise this capital reserve to preserve their capacity to supply credit, in particular to small and medium-sized enterprises, which are the most dependent on bank financing.

The Single Resolution Board (SRB) may also revise capital requirements and the Minimum Requirement of Eligible Liabilities (MREL) upwards or downwards.

5.1.1.2.2 Risk related to changes in regulatory requirements

Crédit Mutuel Arkéa's operational framework is regulated. It determines risk management expectations and is a source of direct impact. For example, the measurement of the capital ratio could change in the event of a change in regulatory requirements and in particular in the event of a change in the equity calculation method, or in the event of a change in the asset weighting method.

It should be noted that a proposal for the European transposition of the finalisation of the Basel III agreements is being discussed in the European Parliament. This draft European regulation intended to amend EU Regulation 575/2013 on the prudential requirements of institutions (future "CRR 3") should be applicable from 1 January 2025. It is expected to impact the methods for calculating operational risks, with a new standard calculation method that would apply to all institutions. It is also expected to modify the method for calculating market risks (Fundamental Review of the Trading Book), the market value of the risk of default of a counterparty or Credit Value Adjustment (CVA). In addition, it will include a capital floor for the use of internal models (output floor) and other significant changes to the standard method for calculating credit risk and the use of internal approaches (scope and parameters of internal approaches). Numerous parliamentary discussions were held in 2022 and amendments were proposed on provisions that could have an impact on the capital requirements of institutions.

Provision charges on sound or non-performing loans could therefore increase in the event of an imposed change in the methods used to calculate risk parameters. An increase in the corporate tax rate or other tax constraints (transaction tax) could reduce net income. An increase in the cost of deposits, in particular through the remuneration of regulated savings, could reduce the net interest margin.

(1) SREP Review: Supervisory Review and Evaluation Process.

In addition, the European Banking Authority was mandated to deliver a report on the advisability of providing for a prudential treatment of ESG risks. This report is expected by June 2023 at the latest and could lead the Council and the European Parliament, on a proposal from the European Commission, to adopt a standard providing for additional capital requirements for ESG risks.

5.1.1.3 Strategic risk

5.1.1.3.1 Business model risk

Failure by Crédit Mutuel Arkéa to achieve its strategic and financial objectives could adversely impact its business and results

In January 2021, Crédit Mutuel Arkéa adopted its new Transitions 2024 strategic plan, describing the trajectory for the 2021-2024 period.

This trajectory, designed as an extension of the group's Raison d'être (Purpose), aims to establish Crédit Mutuel Arkéa's positioning as an agile financial partner for the transitions of the future, at the service of the regions and their players. The aim is to focus on a strategy of responsible growth and overall performance, with a balanced approach between financial performance and a positive impact on all stakeholders.

Crédit Mutuel Arkéa's business model has historically been based on mutual and cooperative retail banking in Brittany and in South-West. The group then strengthened its position by diversifying its activities, firstly in insurance through its two subsidiaries in life insurance (Suravenir) and non-life insurance (Suravenir Assurances), but also by developing new activities in online banking, asset management, corporate and white-label banking services.

The diversification of the group's activities has historically allowed for strong revenue resilience, even in contexts of major national or global crisis. However, this diversification implies a significant exposure of the group to insurance activities, which could be exposed to a certain volatility in an uncertain rate environment. The group is also exposed to real estate in most of its business lines, from financing to investment. As such, a deep and lasting deterioration in the outlook for the property market could have an impact on the profitability of the group as a whole.

While the focus on supporting future transitions, whether societal or environmental, is in line with the group's historical business model, it nevertheless brings a shift in the direction in that all the group's activities will now be managed with a view to achieving overall performance for the benefit of its customers, the regions and, more generally, all of its stakeholders. The search for this overall performance may lead to investment choices or allocation of resources for reasons that go beyond strict financial profitability, even if this remains necessary for the group's long-term development.

The strategic plan also includes financial objectives, in particular related to revenues, results and solvency. These financial targets have been established for internal planning and resource allocation purposes and are based on a number of assumptions relating to the group's economic environment and business.

The group's results may differ significantly from these objectives for various reasons, in particular in the event of the occurrence of one or more of the risk factors described in this section. If the group does not evolve in line with these objectives, its financial position and the value of its financial instruments could be affected, as could its financing costs.

5.1.1.3.2 Risks relating to Crédit Mutuel Arkéa's affiliation to Crédit Mutuel group

A fully-fledged cooperative banking group that is independent from the rest of Crédit Mutuel

The Crédit Mutuel Arkéa group is a fully-fledged cooperative and regional group. It defines and has its own strategy based on a sound financial platform and on an autonomous and control which is therefore independent of all of the other groups within Crédit Mutuel over its production and financing resources, but also of equity.

With a bank balance sheet of nearly €189 billion, the Crédit Mutuel Arkéa group, supervised directly by the ACPR and the ECB, has a recognised financial stability that allows it to pursue a profitable growth trajectory with a moderate risk profile unlike that of most of its competitors, and to commit as a company with a mission, in line with its Raison d'être (Purpose) as adopted by Crédit Mutuel Arkéa's General Meeting in May 2020.

However, maintaining the affiliation to Crédit Mutuel constitutes a risk for Crédit Mutuel Arkéa of involvement or even interference with its strategy by the other members of the Crédit Mutuel group, which could complicate, delay or even prevent the implementation of Crédit Mutuel Arkéa's strategic guidelines. This risk takes the form of communications and/or decisions that are required and/or could be imposed and could have negative impacts on Crédit Mutuel Arkéa, its strategy and the maintenance of its jobs and regional decision-making centres. These impacts can be assessed as significant and the probability of the risk occurring to date remains unchanged and significant in the absence of any notable change in the governance of Crédit Mutuel group in 2022.

In this respect, Crédit Mutuel Arkéa considers itself to be in direct competition in a wide range of its activities with other Crédit Mutuel group entities, which constitutes a risk for the Crédit Mutuel Arkéa group's business model, especially since the Crédit Mutuel Alliance Fédérale group and CNCM share the same Chairman, and that the governance of CNCM induces an imbalance which does not give Crédit Mutuel Arkéa any opportunity to oppose the decisions taken.

In light of these risks, Crédit Mutuel Arkéa's Board of Directors, which met on 17 January 2018, mandated its managers to take any action enabling Crédit Mutuel Arkéa to become a cooperative banking group independent from the rest of Crédit Mutuel, in order to pursue its original development strategy based on three strengths: its regional roots, its culture of innovation and its intermediate size. This mandate was renewed by the Board of Directors of Crédit Mutuel Arkéa on 2 July 2021.

Since the end of 2022, a negotiation process (detailed below, in section 5.1.1.3.3 Risks relating to Crédit Mutuel Arkéa's disaffiliation from the Crédit Mutuel group) was undertaken between CNCM, Crédit Mutuel Arkéa, and the other regional groups of Crédit Mutuel.

These discussions involve, on the one hand, the main executive officers of Crédit Mutuel, and on the other hand, the directors, including the Chairmen of CNCM and Crédit Mutuel Arkéa. Covering all the problems caused by affiliation to the CNCM and by the governance of the central body, these negotiations aim to find a solution to preserve Crédit Mutuel's cohesion and strengthen the autonomy of its members. The final decisions will rest with the corporate bodies of the various components of Crédit Mutuel. In the event of an agreement, the affiliation risk described above could be mitigated or even eliminated. At the date of publication of this document, it is not possible to comment on the likelihood of an agreement or its timetable.

5.1.1.3.3 Risks relating to Crédit Mutuel Arkéa's disaffiliation to Crédit Mutuel group

The directors of the local banks and federations of Brittany and South-West and Massif Central were invited to vote during the first half of 2018 in an orientation vote. At the end of the consultation process initiated by the local banks of Crédit Mutuel Arkéa and the meetings of the federations' Boards of Directors, Crédit Mutuel Arkéa officially announced the results of the votes cast by the 307 local banks. 94.5% of these local banks voted in favour of Crédit Mutuel Arkéa's plan to become an independent local cooperative group, independent from the rest of Crédit Mutuel. This vote confirms Crédit Mutuel Arkéa's intention to withdraw from the Crédit Mutuel group and makes it possible to initiate the project to define the terms and conditions of its disaffiliation in the context of the General Decision (DCG) no. 1-2019, relating to the disaffiliation of the Crédit Mutuel branches at their request.

This project aims to preserve the fundamental characteristics of the cooperative model and Crédit Mutuel Arkéa's Raison d'être. It also promotes development and will enable Crédit Mutuel Arkéa to continue to serve its members, customers and partners.

Operational implementation of disaffiliation

The Board of Directors of Crédit Mutuel Arkéa, on 29 June 2018, approved the target organisational structure of the future independent. Work to define the detailed technical details of the project has been underway in contact with the supervisory authorities.

Disaffiliation operations will then be initiated in conjunction with the CNCM, within the limits of the powers granted to it by law.

On 18 February 2019, the Board of Directors of CNCM recognised the possibility of withdrawing from the Crédit Mutuel group by adopting DCG no. 1-2019, relating to the disaffiliation of Crédit Mutuel branches at their request. In this context, Crédit Mutuel Arkéa intends to exit the Crédit Mutuel group.

In accordance with the DCG, the main stages of disaffiliation are as follows:

- the Boards of Directors of the local banks of Crédit Mutuel Arkéa wishing to disaffiliate from the Crédit Mutuel group will have to adopt a notification of the proposed disaffiliation. The Boards of Directors of the local banks will be consulted following the conclusion of discussions currently underway with the ECB and ACPR on the basis of a consultation file;
- each Federation must then notify CNCM of the proposed disaffiliation of each local bank;
- once authorised by the Board of Directors of CNCM within two months of receiving the proposal to disaffiliate, each Federation may organise a consultation of the members of

each local bank meeting in an Extraordinary General Meeting. The proposed disaffiliation must be adopted by a two-thirds majority of the members present or represented;

- if the members approve the proposed disaffiliation project, the CNCM Board of Directors shall rule on the request for disaffiliation within two months of receiving the complete file sent by the federations. A memorandum of understanding between the outgoing local bank and the CNCM setting out the commitments of the local bank and the practical arrangements for their disaffiliation must be concluded.

The independence of Crédit Mutuel Arkéa, through its disaffiliation from the central institution, is the preferred scenario for the group and is also the sole mandate given to corporate officers by the Board of Directors of Crédit Mutuel Arkéa on 17 January 2018. This mandate was renewed on 2 July 2021 following the appointment of Julien Carmona as Chairman of Crédit Mutuel Arkéa. Crédit Mutuel Arkéa thus reaffirmed its desire for independence in order to preserve its complete autonomy vis-à-vis Crédit Mutuel group.

This scenario, despite the risks and uncertainties it presents, makes it possible to guarantee compliance with the Crédit Mutuel Arkéa group's model over the long term. Discussions with the supervisory authorities on the terms of this separation have been suspended since the health crisis.

On 10 May 2022, at the General Meeting of Crédit Mutuel Arkéa, Julien Carmona shared an update on relations with the CNCM and on the plans to defend the group's independence and thus preserve its regional cooperative banking model with the Chairpersons of the local banks.

Julien Carmona took the opportunity to say that among the possible scenarios for Crédit Mutuel Arkéa was that of a real, comprehensive and solidly guaranteed strategic independence while remaining part of the Crédit Mutuel group.

Since then, Crédit Mutuel Arkéa and CNCM have agreed on the framework and method for conducting a negotiation process. The aim is to preserve the group's cohesion and strengthen the autonomy of its members, thus seeking an alternative to the disaffiliation project pursued until now by the directors of Crédit Mutuel Arkéa, whose term of office could change depending on the discussions. These negotiations give rise, under the aegis of CNCM, to instructional work carried out between Crédit Mutuel's main executive officers, which will result in the development of proposals defined between elected members and directors within a dedicated body. At the end of these various phases, the final decisions will be made by the corporate bodies of the various component parts of Crédit Mutuel.

The Crédit Mutuel Arkéa's target scheme

Under the proposed target scheme, the Crédit Mutuel Arkéa will be formed around Arkéa (currently Crédit Mutuel Arkéa), a cooperative public limited company and a union of cooperatives, which will remain individually authorised as a cooperative bank.

Crédit Mutuel Arkéa will in particular be governed by Law 47-1775 of 10 September 1947 on the status of cooperation (the "1947 Law") and Article L512-1 of the CMF.

The local banks would take the form of local cooperatives (LCs) and would no longer be credit institutions. The local banks will retain their status as cooperative companies with variable capital, and will continue to constitute among themselves the union of Arkéa cooperatives, pursuant to the Law of 1947. The purpose of the new LCs will be refocused on their primary purpose: to develop membership and facilitate access to banking, financial and insurance services. They will thus be responsible for supporting and promoting membership as part of their regional outreach.

To do this, all of the regulated financial activities of the local banks will be transferred to Arkéa, which will accordingly open local branches within the LCs. In addition, under this new organisation, all banking operations and investment services will then be carried out by Arkéa's local branch, open in the same premises as those of the LC.

Each LC will also be able to advise its local Arkéa branch to provide banking, financial and insurance services tailored to its members.

In accordance with the Law of 1947, each member will continue to participate in the business life of the LC according to the principle of "one person, one vote" and stand as a candidate for the election of the members of the Board of Directors of his or her LC. The latter will continue to hold the A shares issued by Arkéa. In other words, Arkéa's governance will be based on the involvement and participation of each LC playing its role as shareholder.

In addition, a cooperation pact between all LCs and Arkéa will be concluded for a period of 99 years with a view to implementing solidarity, mutual aid and support mechanisms to promote the fulfilment of the LCs' primary mission, namely to foster access to banking, financial and insurance services for all.

Regional federations will guarantee the good functioning and governance of the LCs.

A share issue plan is currently being discussed with the ACPR and the ECB. In this respect, it should be noted that work in progress favours a scheme whereby Arkéa shares would be issued by Arkéa itself. In any event, the envisaged scheme will be submitted to the authorities beforehand.

Risks relating to the complexity of the context and risks related to the disaffiliation of Crédit Mutuel Arkéa from the Crédit Mutuel group

Crédit Mutuel Arkéa considers that the factors described below could affect the implementation of Crédit Mutuel Arkéa's disaffiliation from the Crédit Mutuel group. They are linked to events that may or may not occur. The probability of their occurrence and the extent to which they would occur are assessed by Crédit Mutuel Arkéa for each risk factor.

Crédit Mutuel Arkéa's plan to disaffiliate the group is unprecedented and complex to implement. Investors' attention is drawn to the complexity of the situation related to Crédit Mutuel Arkéa's plan to disaffiliate from the Crédit Mutuel group and the uncertainties and risks involved. This complexity relates in particular, but not exclusively, to the accounting and prudential consolidation mechanisms that will have to be implemented to determine the scope of supervision of Crédit Mutuel Arkéa by the supervisory authorities once it is no longer part of the Crédit Mutuel.

Because of its novel and complex nature, the disaffiliation project requires, for its implementation, conditions to be met, particularly in relation to the various stages described in the paragraph on the operational implementation of disaffiliation.

Prior to any investment decision, potential investors should conduct an in-depth analysis of the planned disaffiliation, Crédit Mutuel Arkéa's target organisational structure as described above and the related uncertainties and risks, as described below. In particular, investors should carefully review all the information included in this document and, in

making their investment decision, should carefully consider the risk factors related to the change in the organisation of the main players in the shares and the risks related to Crédit Mutuel Arkéa's disaffiliation from the Crédit Mutuel group listed in this document.

The implementation of Crédit Mutuel Arkéa's disaffiliation will not change its nature as a cooperative and territorial group. However, its disaffiliation from the Crédit Mutuel group has consequences that may be difficult for investors to grasp but which must be understood and analysed before taking any investment decision. Due to its unprecedented nature, Crédit Mutuel Arkéa cannot guarantee that the project will be carried through to completion, that it will not be subject to major changes compared with what was initially planned or that new difficulties will not arise during its implementation.

Risks related to the local banks

Uncertainties about the shares issued by the local banks before Crédit Mutuel Arkéa's disaffiliation from Crédit Mutuel

Crédit Mutuel Arkéa's analysis of the implementation of Crédit Mutuel Arkéa's disaffiliation from the Crédit Mutuel group has confirmed that, under the planned target scheme, the A, B and C shares issued by the local banks to date will not be affected.

Indeed, the cases of early redemption based on a legal basis applicable to A, B and C shares result from (i) the **Law of 1947** and (ii) EU Regulation no. 575/2013 of 26 June 2013, as amended, taking into account the equity quality of the shares. These texts do not include any case of early redemption relating to the loss of the banking authorisation of the local banks or any change of purpose as long as the cooperative status remains.

Similarly, the contractual terms and conditions of the A, B and C shares do not include any case of early redemption relating to the loss of the local banks' approval.

The risk is therefore low, within the planned target scheme, that the shares issued by the local banks prior to Crédit Mutuel Arkéa's disaffiliation from the Crédit Mutuel group will be affected.

Uncertainty about the implementation of a new share issue scheme following the disaffiliation of Crédit Mutuel Arkéa from Crédit Mutuel group

The disaffiliation of the local banks from Crédit Mutuel will entail the loss of the benefit of the collective banking licence granted under the terms of Article R.511-3 of the CMF, which will have an impact on their ability to issue, in the future, B shares through a public offer.

These B shares are currently a key source of financing for Crédit Mutuel Arkéa. A share issue plan is currently being discussed with the ACPR and the ECB. In this respect, it should be noted that work in progress favours a scheme whereby Arkéa shares would be issued by Arkéa itself. In any event, the envisaged scheme will be submitted to the authorities beforehand.

It is therefore possible that Crédit Mutuel Arkéa may not obtain the agreement of the authorities, which could prevent the disaffiliation project from being carried out according to the planned target scheme.

Risks linked to the fate of the local banks that voted against the disaffiliation project

Under DCG, the operational implementation of the disaffiliation of Crédit Mutuel Arkéa remains subject to the approval and vote of the Boards of Directors of the local banks, as the disaffiliation of Crédit Mutuel Arkéa (Caisse Interfédérale du Crédit Mutuel Arkéa) does not automatically result in the disaffiliation of the local banks that are shareholders.

Local banks that vote against the disaffiliation from the Crédit Mutuel group, or do not wish to take part in the vote, may not be part of this new organisation.

Even if 94.5% of the local banks that voted in 2018 did so in favour of independence, these results in no way prejudice the results of the future vote of the local banks on the operational implementation of this disaffiliation from the Crédit Mutuel group.

Each local bank will be called upon to give its opinion on the implementation phase of Crédit Mutuel Arkéa's disaffiliation, to approve the disaffiliation project, the terms and conditions of disaffiliation and the filing of a disaffiliation request by the Federation concerned, in accordance with the DCG.

Local banks that choose to vote against disaffiliation may join another federal or inter-federal mutual in order to benefit from a new collective approval. This new affiliation will not constitute a case of early redemption of the A, B and C shares held by the members. These local banks will be reimbursed for the A shares they hold in Crédit Mutuel Arkéa's share capital.

It is possible that some local banks may ultimately choose to vote against the disaffiliation from the Crédit Mutuel group. However, the financial consequences for Crédit Mutuel Arkéa will depend on the number and characteristics (shares, reserves, loans, deposits) of the local banks that choose to vote against disaffiliation. On the basis of the orientation vote in April 2018, the impact of this exit on Crédit Mutuel Arkéa would be small.

Risks related to the final vote of the members

The local banks that vote to disaffiliate from the Crédit Mutuel group will have to call an Extraordinary General Meeting to adopt the disaffiliation plan in accordance with the General Decision (DCG) and approve the related amendment to their Articles of Association.

The vote of the members, which, in accordance with Article 2.3 of the DCG, may not take place less than two months after the CNCM's authorisation to convene the Extraordinary General Meeting of the local banks in question, shall relate to the express approval of the proposed disaffiliation, the terms and conditions of disaffiliation set out in the notification file previously approved by the Boards of Directors of these local banks and the consequences, in particular the financial consequences, for said local banks and their members, in accordance with Appendix 2 of the DCG.

In accordance with Appendix 2 of the DCG, a presentation document summarising the main points of the notification file and the amendments to the Articles of Association will be notified to the members at least fifteen (15) days before each Extraordinary General Meeting is held. Members will thus be able to make their decision on the basis of clear, precise and exhaustive information on the proposed disaffiliation and its consequences for their local bank, its members, customers, creditors, employees and the Crédit Mutuel group, in accordance with the DCG.

The Extraordinary General Meeting of each concerned local bank must decide in favour of the request for disaffiliation by a two-thirds majority of the members present or represented, in accordance with Article 2.4 of the DCG.

In the event of disapproval by an Extraordinary General Meeting, the Federation in question may not transmit a new request for disaffiliation from the concerned local bank before a period of three (3) years has lapsed, in accordance with Article 2.3 of the DCG.

The results of the orientation vote on Crédit Mutuel Arkéa's planned independence in no way prejudice the results of the future vote of the local banks on the operational implementation of this disaffiliation from Crédit Mutuel.

It is possible that the Extraordinary General Meetings of some local banks may not adopt the proposed disaffiliation plan and may not approve the amendment to their Articles of Association relating thereto. However, the financial consequences for Crédit Mutuel Arkéa will depend on the number and characteristics (shares, reserves, loans, deposits) of the local banks that choose to vote against the proposed disaffiliation and the amendment to their Articles of Association. On the basis of the orientation vote in April 2018, the impact of this exit on Crédit Mutuel Arkéa would be small.

Risks related to Crédit Mutuel Arkéa

Following the disaffiliation of Crédit Mutuel Arkéa from the Crédit Mutuel, of which CNCM is the central body, Arkéa (currently Crédit Mutuel Arkéa) will continue to be authorised as a cooperative bank and supervised directly by the ACPR and the ECB.

Risks related to the agreement of the supervisory authorities

Pursuant to Article 1 of the DCG no. 1-2019, the CNCM, as the central institution, must immediately notify the ACPR of the decision to disaffiliate the Crédit Mutuel Arkéa banks.

The ACPR and the ECB will have to review the banking licence of Crédit Mutuel Arkéa and the local banks attached to it.

At this stage, in-depth and documented work is underway with these authorities in order to obtain their agreement. No assurance can be given as to whether their agreement will be obtained or as to the timeframe and modalities for obtaining their agreement. Any change in Crédit Mutuel Arkéa's corporate name will require the prior approval of these authorities.

Discussions with the supervisory authorities on the terms of separation were temporarily suspended due to the health crisis. This work has been suspended ever since. Actions will soon be taken by Crédit Mutuel Arkéa in order to determine, as far as possible, a reasonable execution schedule, in the context of the health crisis generating calendar uncertainties.

Ultimately, it is therefore possible that Crédit Mutuel Arkéa will not obtain the agreement of the ACPR and the ECB, which could prevent the disaffiliation project from being carried out according to the planned target scheme.

Risks related to prudential calculations

In addition, the disaffiliation of Crédit Mutuel Arkéa from Crédit Mutuel group could lead to a change in the internal model for calculating weighted risks, potentially leading to an increase in capital requirements, or even, for certain portfolios, a return to a standardised method.

As a result, the disaffiliation from the Crédit Mutuel group could lead to a review of the weighted risk assessment method for the portion of credit risk exposures currently assessed using an internal ratings approach, without calling into question the financial strength of Crédit Mutuel Arkéa.

Risks related to the practical procedures for disaffiliation set by DCG

DCG stipulates that the notification file must mention *"the commitments proposed by the fund to compensate all past and future costs incurred by Crédit Mutuel group entities as a result of the planned disaffiliation"*. In addition, the application for disaffiliation, which will be sent to CNCM by the Federations after the vote of the members of the local banks concerned who are affiliated to them, must include the draft memorandum of understanding setting out the commitments of these local banks and the practical procedures for disaffiliation.

Within this framework, the local banks will make a financial proposal to the CNCM Board of Directors on the basis of objective and legally founded elements.

Lastly, the DCG stipulates that the Board of Directors of CNCM must determine the final terms and conditions of the disaffiliation, *"taking into account, in particular, the effective date of disaffiliation of the relevant fund, the amount of compensation to be paid to Caisse Centrale de Crédit Mutuel and the memorandum of understanding setting out the commitments of the fund and the practical terms and conditions of disaffiliation"*. DCG does not specify how this compensation is to be calculated or its amount, which could ultimately be significant and which Crédit Mutuel Arkéa could then contest.

Furthermore, in accordance with Article 2.4 of the DCG, in the event of a change in legal or factual circumstances between the authorisation given to the Federations to organise the members' vote and the vote of approval of each Extraordinary General Meeting, or after the latter vote, the Board of Directors of CNCM may ask the local banks and Federations concerned for any additional information that may be useful in order to *"assess at short notice whether the essential conditions for disaffiliation are still met and the consequences of such a change for the Crédit Mutuel group in the event of disaffiliation"* and *"decide whether to grant the request for disaffiliation"*.

It is therefore possible that Crédit Mutuel Arkéa may not agree with CNCM on the practical terms and conditions for disaffiliation set by DCG, which could prevent the disaffiliation project from being carried out.

Risks related to the commercial stakes of disaffiliation

Crédit Mutuel Arkéa's disaffiliation from the Crédit Mutuel group has a number of consequences, including the commercial stakes involved in Crédit Mutuel Arkéa's adoption of a name and trademarks that do not use the term "Crédit Mutuel".

In addition, the possibility of opening a large number of local banks in Brittany and South-West federations could increase competition with Crédit Mutuel Arkéa in these two regions.

In any case, competition in the French banking sector is strong. Crédit Mutuel Arkéa considers that the intensification of competition in the context of its disaffiliation project will not affect its development capacities.

The preparatory work leading to the adoption of a new brand is nearing completion in order to initiate a new commercial and industrial dynamic.

In addition, on 2 February 2021, CNCM adopted a new general decision on strengthening the cohesion of the Crédit Mutuel group (the Cohesion DCG), which regulates:

- the names of Crédit Mutuel entities by requiring affiliates to state that they belong to Crédit Mutuel and to use the words "Crédit Mutuel" in all their activities. In this context, Crédit Mutuel Arkéa must use the name "Crédit Mutuel Arkéa";
- regulates the names (or, as appropriate, the related documentation) of certain banking or financial services and products distributed by members by subjecting them to an authorisation regime;
- makes certain transactions (creation of subsidiaries and equity investments) subject to prior authorisation.

On 14 January 2021, an Exceptional Meeting of Crédit Mutuel Arkéa's Board of Directors was held and unanimously requested the immediate withdrawal of this draft general decision relating to the strengthening of the Crédit Mutuel group's cohesion. It had given a mandate to the Executive Management to take all measures to ensure the protection of Crédit Mutuel Arkéa's interests.

The DCG came into force on 2 February 2021. A complaint has been filed with the French Council of State for abuse of power to contest its legality. The Council of State issued its decision on 27 January 2023 and:

- cancelled the provisions that required the use of the name "Crédit Mutuel" by regional groups, including Crédit Mutuel Arkéa, and by Crédit Mutuel banks; and
- confirmed the other provisions relating to the control and monitoring by the French "Confédération des risques" of the risks inherent to the products and services marketed by the group's entities, as well as their significant acquisitions.

More generally, this decision of the Council of State reminds us of the scope and limits of the power legally conferred on CNCM as the central institution of Crédit Mutuel: according to the Council of State, the powers devolved to it *"are used for the sole purpose of guaranteeing the financial stability of the network and the protection of depositors and members, and must be reconciled with the autonomy of the banks"*.

Consequently, the disaffiliation of Crédit Mutuel Arkéa from the Crédit Mutuel group could have commercial impacts on Crédit Mutuel Arkéa. However, work in progress has shown that the consequences of the occurrence of this risk are low.

Risks related to the governance of Crédit Mutuel Arkéa

The CNCM amended its Articles of Association by an Extraordinary General Meeting on 16 May 2018 (the **"Articles of Association"**).

A new Article 29 relating to the sanctions that may be pronounced by the CNCM has been incorporated into the Articles of Association. This new Article 29 is accompanied by a disciplinary regulation which would have the same legal force as the Articles of Association.

The regulatory measures referred to in the powers of the Board of Directors refer to the creation of a new Article 33 of the Articles of Association, entitled "Withdrawal of confidence or approval as a regulatory measure", allowing the directors of the regional groups to be removed from office without any sanction procedure.

It is possible that these provisions of the Articles of Association will be implemented by CNCM, as the potential negative impact on Crédit Mutuel Arkéa can be assessed as significant.

Risks related to potential litigation

Following the implementation of the disaffiliation of Crédit Mutuel Arkéa from the Crédit Mutuel group, there is a risk of a legal dispute in connection with the application of the DCG.

In addition, the operational implementation of the disaffiliation of Crédit Mutuel Arkéa could give rise to various claims or disputes against Crédit Mutuel Arkéa by members, customers or counterparties of the Crédit Mutuel group.

Any potential litigation or recourse could have a potentially significant negative impact on Crédit Mutuel Arkéa.

Risks related to the loss of inter-federal solidarity

Crédit Mutuel Arkéa will no longer benefit, from the effective date of disaffiliation, from the national inter-federal solidarity mechanism if Crédit Mutuel Arkéa's independence from Crédit Mutuel is implemented.

However, it is specified that Crédit Mutuel Arkéa has its own solidarity mechanism that would intervene in the first instance.

A cooperation pact between all LCs and Arkéa will be signed for a period of 99 years with a view to implementing solidarity, mutual aid and support mechanisms to promote the fulfilment of the LCs' primary mission, i.e. to promote access to banking, financial and insurance services for all.

For more information on the solidarity mechanism, investors may refer to section 1.7 on solidarity relationships of this Universal Registration Document.

Crédit Mutuel Arkéa's exit from the national inter-federal solidarity mechanism could lead to the lowering of certain Crédit Mutuel Arkéa's financial ratings. However, it should be noted that Fitch Ratings already assigns a rating to Crédit Mutuel Arkéa independently of Crédit Mutuel without taking into account this national inter-federal solidarity mechanism.

At this stage, there is no certainty as to how this situation may develop and/or the timing of its outcome, or the impact it may have on the B Shares.

5.1.1.3.4 Risk related to the competitive environment

Increased competition could have an adverse impact on Crédit Mutuel Arkéa's revenues and profitability

Crédit Mutuel Arkéa faces strong competition in all the markets in which it operates. Consolidation in the banking and financial services sector is strengthening this competition, by creating a certain number of institutions which, like Crédit Mutuel Arkéa, have the ability to offer a wide range of services and products to their customers (insurance, loans and deposits, asset management, etc.).

The group is also subject to competition from new entrants, for whom the regulatory constraint may be less severe and who are able to capture a targeted part of the value chain through the appropriate use of innovative technologies. These new players pose a threat, but can also represent growth drivers for the group through the development of appropriate partnerships.

In addition, technological advances and increasing digitisation have enabled institutions other than banks to offer products and services that were traditionally banking products, and other financial institutions and companies to provide electronic financial solutions that could compete directly with the group.

An increase in competitive pressure could thus affect the group either by a decrease in business volume caused by an aggressive strategy of conquest by competitors in its various markets, or by a decrease in margins caused by the actions of competitors on the pricing of their products, or by a combination of these two factors.

5.1.1.4 Resolution risk

Governance risk (related to the implementation of resolution measures)

Holders of Crédit Mutuel Arkéa shares could suffer losses if the group were to be subject to a resolution procedure

The regulation gives the resolution authority the power to initiate a resolution procedure with respect to the Crédit Mutuel group if, after application of the measures referred to in Article L.511-31, the failure of CNCM, the central body of the group and all its affiliates is proven or foreseeable with the objective of ensuring the continuity of critical functions, avoiding risks of contagion, recapitalising or restoring the viability of the Crédit Mutuel group. These powers must be implemented in such a way that losses, subject to certain exceptions, are borne first by the impairment or conversion of own funds instruments, then by the holders of additional Tier 1 and Tier 2 capital instruments (such as subordinated bonds), then by the holders of non-preferred senior bonds and finally by the holders of preferred senior bonds in accordance with the priority of their claims.

The resolution authority has broad powers to implement resolution tools with respect to the Issuer, or the Crédit Mutuel group, which may include, inter alia, the total or partial transfer of activities to a third party or a bridging institution, the separation of the assets of this institution, the substitution of the issuer as debtor under debt instruments, the total or partial write-down of regulatory capital instruments, the dilution of regulatory capital instruments through the issuance of new equity securities, full or partial impairment or conversion to equity of debt instruments, modification of the terms of debt instruments (including modification of the maturity and/or amount of interest payable and/or temporary suspension of payments), the suspension of the listing and admission to trading of financial instruments, the removal of management or the appointment of a special administrator.

Issuers affiliated to Crédit Mutuel Arkéa are covered by the Crédit Mutuel group's internal financial solidarity mechanism. Nevertheless, creditors are reminded that the full repayment of their claims is subject to the risk of the implementation of this financial solidarity mechanism.

When the emergency plan or the measures taken in the context of solidarity are not sufficient to restore the members of the central body, including the Issuer, or if objective information leads to the conclusion that the implementation of this emergency plan or the measures that the CNCM could take would be insufficient to restore compliance with prudential requirements, the resolution of the Crédit Mutuel group will be considered on a collective basis. Indeed, the implementation of solidarity is accompanied by a merger between the affiliates of the Crédit Mutuel group.

In a phase of proven financial difficulty, meaning if the European Central Bank alerts the Single Resolution Board of the risk of default (principle of "Failing Or Likely To Fail" or FOLTF), understood to be on a consolidated basis of the Crédit Mutuel group, or the Single Resolution Board proceeds to the declaration of FOLTF on a consolidated basis of the Crédit Mutuel group in accordance with Article 18.1 of Regulation (EU) 806/2014 known as "SRMR" or, as provided for in the national solidarity scheme, if the emergency plan or the measures taken by the CNCM under this scheme are not sufficient for the recovery of a failing group or if objective information leads to the anticipated conclusion that the implementation of this emergency plan or of the measures that could be taken by the Confederation would prove insufficient to restore compliance with prudential requirements, the CNCM shall exercise, if necessary at the request of the supervisory or resolution authorities, all its powers in terms of solidarity in order to satisfy the objectives and principles pursued by these authorities.

In the event of proven financial difficulties or in the event of resolution, solidarity between CNCM members is unlimited.

The implementation of these means and powers in relation to the Issuer or the Crédit Mutuel group could give rise to significant structural changes.

If the CNCM were to merge all of the affiliates, the creditors could find themselves competing with creditors of the same rank as the creditors of other CNCM affiliates. After the transfer of all or part of the business, creditors (even in the absence of any write-down or conversion of their claims) would hold claims in an institution whose remaining business or assets might be insufficient to meet those claims held by all or part.

If the CNCM did not merge all affiliates upon entry into resolution, the resolution authority could consider alternative resolution strategies (divestment of business, bridging institution, establishment of an asset separation structure, or coordinated internal bail-in of all CNCM affiliates). In the event that the resolution authority implements coordinated internal bail-in, the liquidity of the CNCM affiliates and all capital instruments, eligible liabilities could be called upon to absorb losses, and recapitalise the CNCM affiliates. In this case, the write-down or conversion of eligible liabilities would follow the rank of the creditors in receivership. The internal bail-in would be based on capital requirements at the consolidated level but applied pro rata at the entity level, i.e. the same rate of write-down or conversion will be applied to all shareholders and creditors of the same class notwithstanding the issuing legal entity in the network.

The exercise of the powers described above could result in losses to investors.

5.1.1.5 Human Resources risk

Difficulty attracting and retaining qualified staff could have an adverse impact on Crédit Mutuel Arkéa's activities and performance

The financial services sector relies primarily on the quality of its teams. Human capital is therefore an integral part of Crédit Mutuel Arkéa's culture. It is important in all the group's teams, for product design, customer service and the defence of the banking licence. The potential increase in the attrition rate related to the potential unavailability of human resources to meet recruitment needs constitutes a risk for Crédit Mutuel Arkéa.

5.1.2 Credit risk

5.1.2.1 Customer and counterparty credit risk

Crédit Mutuel Arkéa is exposed to customer and counterparty credit risks that could have a material adverse effect on its business, results and financial position

Crédit Mutuel Arkéa is significantly exposed to credit and counterparty risk through its financing and market activities. Capital requirements for credit risk represent more than 90% of the group's capital requirements.

Credit risk is the risk incurred in the event of default in payment by a counterparty or counterparties considered as the same group of customers, within the regulatory meaning of this term. Credit risk includes:

- customer credit risk, relating to loans granted by the group to private individuals, small and medium-sized enterprises (SMEs), large groups, central and public administrations and credit institutions. A counterparty's default results in its inability to honour its commitments in accordance with the agreed terms;
- counterparty risk, relating to the repayment of debt securities (particularly bonds) or the payment of flows under performance swap contracts ("derivative" contracts). With regard to debt securities held in the investment portfolio, credit risk includes the risk of default by the issuer but not the spread risk, which is classified under market risk.

The group could incur losses in the event of the default of one or more customers or counterparties (financial institutions, industrial or commercial companies, States or State entities, natural persons, etc.). For counterparties, such losses could materialise if the group encounters legal or other difficulties in exercising its collateral or if the value of such collateral does not make it possible to fully cover the exposure in the event of default. Although the group seeks to reduce its exposure to credit risk through the use of risk mitigation techniques (such as the creation of collateral, obtaining guarantees or entering into netting agreements), it cannot be certain that they would offset losses resulting from the default of one or more of its counterparties. In addition, only a portion of the credit risk borne by the group is covered by risk mitigation techniques.

In addition, despite the vigilance of Crédit Mutuel Arkéa, aimed at limiting the effects of concentration of its loan portfolio, it is possible that defaults might be amplified within the same economic sector or geographical area due to interdependence effects. In addition, certain economic sectors could in the longer term be particularly affected by the measures put in place to promote the energy transition or by the physical risks related to climate change. Thus, the default of one or more major customers or counterparties could have a material adverse impact on the group's cost of risk, results and financial position.

For information, at 31 December 2022, the non-performing loan (NPL) rate, which measures the ratio between the amount of principal and interest on receivables declassified for accounting purposes and total outstanding principal and interest on total receivables, was 1.8%. The incident rate, which measures the ratio between the amount of unpaid and irregular loans for more than 30 days, and performing loans, was 0.04% (excluding disputed receivables).

5.1.2.2 Provisions for credit risk

A substantial increase in provisions for credit risk could have a material adverse effect on Crédit Mutuel Arkéa's results and financial position

As part of its lending activities, Crédit Mutuel Arkéa recognises expenses for non-performing loans in the income statement under "Cost of risk" whenever necessary in order to record actual or potential losses in respect of its portfolio of loans and receivables.

In accordance with IFRS 9, the provisioning includes expected losses as soon as they are granted. Provisioning models are based on historical default rates, historical recovery rates in the event of default, and corrective factors to incorporate a forward-looking dimension, linked to positioning in the economic cycle (the forward-looking approach). Although the group endeavours to set up an appropriate level of provisions, it may in the future be required to increase its level of provision in response to an increase in non-performing assets or other factors such as a deterioration in economic conditions.

The substantial increase in provisions for non-performing loans, the substantial change in the estimated risk of loss inherent in its portfolio of performing loans, or the realisation of losses on loans in excess of the amounts provisioned, could have a material adverse impact on the group's results and financial position.

For information, Crédit Mutuel Arkéa's cost of risk amounted to €136 million for 2022.

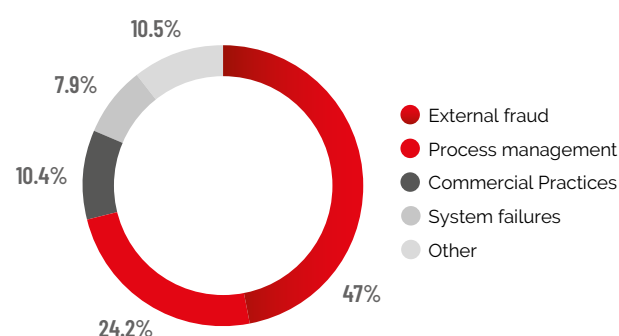
5.1.3 Operational risk

The concept of operational risk corresponds to the risk of losses resulting from inadequate or failed internal processes, personnel and systems, or from external events. Operational risk includes risks related to events with a low probability of occurrence but with a high potential impact, such as risks of

external fraud, non-compliance, legal risks, reputational risk and IT risks and risks with a probability of higher occurrence but low impact, such as external fraud, risks related to internal processes and external events and risks related to the use of models.

The breakdown of losses and provisions for incidents declared in 2022 by Basel categories is as follows:

Breakdown of losses and provisions for incidents declared in 2022



The regulatory capital requirement for operational risk was €223.9 million at the end of 2022. The proven claims ratio (losses and provisions) for operational risk amounted to €15.2 million for the 2022 financial year.

5.1.3.1 IT risk

Any interruption or failure of Crédit Mutuel Arkéa's information systems could have a material adverse impact on the group's activities

Like most financial institutions, Crédit Mutuel Arkéa is highly dependent on information systems for conducting its business. This dependence has increased since the widespread use of online banking.

Any failure, interruption or failure of the security of these systems could lead to errors or interruptions in customer management, general accounting, deposits, services and/or loan processing systems. If, for example, the group's information and communication systems were to temporarily fail, even over a short period, the affected group entities would no longer be able to meet the needs of their customers on time and could then lose business opportunities. Similarly, a temporary failure of Crédit Mutuel Arkéa's information systems, despite backup systems and emergency plans, could generate significant costs for the recovery of lost data and their verification. Crédit Mutuel Arkéa cannot guarantee that such failures or interruptions will not occur or, if they did occur, that they would be adequately resolved. The occurrence of any failure or interruption of the information and communication systems could therefore have a material adverse impact on the group's results and financial position.

In addition, Crédit Mutuel Arkéa's information and communication systems, as well as those of its customers, service providers and counterparties, could also be subject to malfunctions or interruptions as a result of cybercrime or cyberterrorist acts. For example, the main cyber risks identified could lead to the following:

- fraudulent operations following an intrusion into the information system, such as Swift access usurpation;
- a theft or data leak;
- an attack on the integrity of the data can lead to an interruption of activity while reconstruction is being carried out;
- an attack leading to a major unavailability of the information system, such as a distributed denial of service (DDoS) attack, or an attack targeting one or more data centres.

Such malfunctions or interruptions to information systems could cause significant operational losses and have an adverse impact on the group's reputation, business and results.

Lastly, Crédit Mutuel Arkéa is also exposed to the risk of operational malfunction or interruption of a clearing agent, foreign exchange markets, clearing houses, custodian banks or any other financial intermediary or external service provider, to which the group has recourse to execute or facilitate its transactions involving financial instruments. Due to its growing interconnection with its customers, Crédit Mutuel Arkéa could also see an increase in its exposure to the risk of operational malfunction of its customers' information systems.

5.1.3.2 External fraud risk

The risk of external fraud, arising from internal or external events, constitutes a financial risk for Crédit Mutuel Arkéa

External fraud is growing and spreading across the market in all business lines and areas with increasingly sophisticated and shifting methods and increasingly heavy financial losses for Crédit Mutuel Arkéa's customers and institutions.

Faced with its challenges, a system to combat external fraud in order to place customer protection at the heart of the strategy while securing the group's position in the market and limiting financial losses is based on several areas within Crédit Mutuel Arkéa:

- structured governance to manage, measure and decide;
- adapted and efficient detection tools (24/7);
- monitoring and prevention;
- a system for processing claims and reimbursements.

5.1.3.3 Risk related to internal processes and external events

The inadequacy or failure of internal processes or deliberate, accidental or natural external events could lead to operational losses and have an adverse impact on Crédit Mutuel Arkéa's activities and financial position

Crédit Mutuel Arkéa has implemented risk management and hedging strategies and techniques via the implementation of risk management procedures. However, it is not possible to systematically guarantee the effectiveness of these procedures and effectively limit the group's risk exposure to all types of economic and market environments and to all types of risks. These strategies and techniques could also prove ineffective in the face of risks that the group has not previously identified or anticipated. In addition, the risk management strategies and techniques used by Crédit Mutuel Arkéa may not completely limit its risk exposure and guarantee an effective reduction in the overall level of risk.

In addition, Crédit Mutuel Arkéa is dependent on its natural and social environment. Unforeseen events such as a serious natural disaster, extreme weather conditions, a new pandemic crisis, terrorist attacks or large-scale social movements could disrupt the conduct of the group's activities and result in substantial losses, particularly in terms of reinsurance premiums.

5.1.3.4 Non-compliance risk

In the event of non-compliance with applicable laws and regulations, Crédit Mutuel Arkéa could be exposed to significant fines and other legal, administrative or disciplinary sanctions likely to have a material adverse impact on its financial position, its activities and its reputation

The risk of non-compliance is defined as the risk of judicial, administrative or disciplinary sanctions, significant financial loss or damage to reputation, arising from failure to comply with provisions specific to banking and financial activities, whether of a legislative or regulatory nature, national or European directly applicable, or whether they are professional and ethical standards, or instructions from the actual managers taken in particular in application of the guidelines of the supervisory body.

The ever-increasing regulatory pressure means that banks face a growing risk of sanctions or damage to their reputation, requiring increased vigilance.

Through its distribution networks and subsidiaries, Crédit Mutuel Arkéa covers all banking and financial activities. As a manufacturer and distributor, Crédit Mutuel Arkéa is able to offer its customers, whether individuals, professionals, companies or local authorities, a complete range of banking, financial, wealth management and insurance products and services.

Given the multiplicity of activities carried out, the range of compliance risks to be taken into consideration is all the more extensive.

In order to protect the interests of its customers and preserve the group's integrity and reputation, Crédit Mutuel Arkéa has set up a compliance risk prevention and management system based on a set of procedures and the complementarity of actions within the group. It is described in more detail in Section 4.4.7 dedicated to the risk of non-compliance.

5.1.3.5 Internal fraud risk

Despite the procedures deployed, Crédit Mutuel Arkéa is exposed to the risk that a member of its staff will not comply with internal procedures and rules and will deliberately commit fraud, which exposes Crédit Mutuel Arkéa to a financial risk.

As Crédit Mutuel Arkéa does not operate in proprietary speculative trading, it limits the risk of internal fraud linked to rogue trading.

5.1.3.6 Risk related to the use of models

The models used by Crédit Mutuel Arkéa in decision-making or asset valuation could contain defects in their design, implementation or use and lead to financial losses

For several years, the increasing integration of models in decision-making or asset valuation processes has generated model risk. The term "model" refers to a quantitative method, a system or an approach used for decision-making purposes.

The risk of errors in the implementation and use of models is an operational risk. The risk of model uncertainty related to the assumptions used in its design is a risk in its own right. This involves the identification, assessment and management of model risk throughout the model life cycle, in line with regulations⁽¹⁾ which this risk.

Without anticipating the risk associated with its models, Crédit Mutuel Arkéa could face financial losses.

5.1.3.7 Legal risk

The legal risk to which Crédit Mutuel Arkéa is exposed could adversely impact its financial position

Legal risk is the risk of any litigation with a counterparty, resulting from any imprecision, shortcoming or insufficiency, real or supposed, that may be attributable to the company subject to its operations.

This risk may result from a failure of the legal function, a failure of a legal nature in another function, or an operational failure (non-legal), with legal consequences (i.e. materialisation of a dispute), regardless of the entity concerned.

In this respect:

- Legal risk is synonymous with the risk of any dispute between a Crédit Mutuel Arkéa group entity and a counterparty.
- It includes the risk of litigation arising from non-compliance with applicable regulations and may therefore correspond to the liability of Crédit Mutuel Arkéa being invoked by the authorities, in particular the AMF.

- It is likely to create a reputational risk, a commercial risk or a financial risk.

Legal risk can be broken down into three categories, depending on the origin of the alleged failure:

1. Incident resulting from a failure of the legal function.
2. Incident resulting from a legal failure of a function other than the legal function.
3. Incident resulting from an operational failure (non-legal), with legal consequences.

The legal function is in charge of managing legal risk, under the responsibility of the Legal Department, with the support of the other head office departments and subsidiaries exposed to legal risk.

The legal function identifies and interprets the legislative and regulatory texts that are applicable to the Crédit Mutuel Arkéa group's activities, and provides legal advice to protect and secure the interests of the group, its employees and managers in the exercise of their activities.

The legal function is made up of 140 lawyers within the central Legal Department, other central departments and the subsidiaries.

The legal function is mainly coordinated by two committees:

- The Legal Coordination Committee, chaired by the General Counsel of Crédit Mutuel Arkéa, in which the legal managers of the central departments and subsidiaries participate;
- The Legal Risk Steering Committee bringing together the Legal Department and the Risk Department.

Provisions have been set aside to cover current legal risks that could have a negative impact on Crédit Mutuel Arkéa's assets and liabilities, based on the best estimate of senior management based on the information available to it.

5.1.3.8 Reputational risk

Damage to Crédit Mutuel Arkéa's reputation could have an adverse impact on its business and financial position

Maintaining a solid reputation for Crédit Mutuel Arkéa is essential to retain and develop its relationships with its customers and other counterparties in a highly competitive environment in the banking and financial services industry.

The use of inappropriate means to promote its products and services, inadequate management of potential conflicts of interest, ethical issues or data protection requirements could tarnish the group's reputation and affect its competitive position. Any inappropriate behaviour or misconduct of an employee, any fraud or wrongdoing committed by financial sector players to which the group is exposed, any act of cybercrime, any reduction, restatement or correction of net financial income, or any legal or regulatory action with a potentially unfavourable outcome could also harm the group's reputation.

In addition, inadequate management of these issues could create a legal risk for the group, which could increase the number of disputes and expose it to regulatory sanctions.

(1) Order of 3 November 2014, amended in early 2021.

5.1.4 Liquidity risk

Crédit Mutuel Arkéa's access to financing and the costs of this financing could be adversely impacted in the event of a financial crisis or a deterioration in economic conditions

Crédit Mutuel Arkéa's ability to access short- and long-term financing is essential for its activities. If the group were to face a restriction in access to financing or a deterioration in the conditions of this financing or if it were to suffer an unforeseen outflow of cash (including a significant decrease in customer deposits), its liquidity would be negatively impacted.

If the group were unable to maintain a satisfactory level of deposit collection from its customers, it could be forced to resort to higher volumes of market financing and thus increase its dependence on the market. At 31 December 2022, the commitment factor, which measures the share of loans financed by bank deposits and, consequently, dependence on the financial markets, was less than 101%.

In addition, the group's ability to access capital markets, as well as the cost at which it obtains this financing, depends on events that the group cannot control or predict. Thus, the financial crisis of 2008, the debt crisis in the euro zone, and more recently the tensions on the financial markets related to the Covid-19 crisis before the intervention of central banks, have led, on an ad hoc basis, to a restriction of access to financing or a deterioration in the conditions of this financing by European banks, due to several factors including the significant increase in credit risk perceived by the banks, the deterioration of ratings affecting certain governments and financial institutions or speculation on the debt markets. The resulting liquidity constraints could have a material adverse impact on the group's business, results and financial position.

In recent years, the European Central Bank has taken measures to facilitate the access of European financial institutions to liquidity, in particular by lowering its interest rates to historically low levels and by setting up Targeted Longer-Term Refinancing Operations (TLTROs) in which Crédit Mutuel Arkéa has participated. Although facilitating access to liquidity, the expiry of the TLTROs will have no impact on Crédit Mutuel Arkéa's liquidity reserves because the sums borrowed were kept in cash and deposited in the central bank account.

At 31 December 2022, the Liquidity Coverage Ratio (LCR), which measures the ratio between liquid assets and net cash outflows at thirty days under a stress scenario, stood at 157% and liquidity reserves amounted to €33.3 billion, covering more than twice the LCR regulatory requirements.

A deterioration in external credit ratings could have an adverse impact on Crédit Mutuel Arkéa's financing costs and access to liquidity

Credit ratings have an impact on Crédit Mutuel Arkéa's liquidity. Rated by Fitch Ratings and Moody's Investors Service, Crédit Mutuel Arkéa has one of the best quality ratings in the French banking sector. A deterioration in external credit ratings could

have an adverse impact on the group's liquidity and competitive position. Indeed, a downward trend in Crédit Mutuel Arkéa's external ratings could limit access to capital markets, increase financing costs or trigger additional obligations under its covered issuance programmes.

In addition, the cost of the unsecured long-term refinancing of Crédit Mutuel Arkéa is directly related to its credit spreads, which are themselves partly dependent on its credit ratings. An increase in credit spreads can significantly increase the group's refinancing cost. Credit spreads change in line with the market and sometimes undergo unpredictable and highly volatile changes.

5.1.5 Interest rate risk

Any significant change in interest rates could have a negative impact on Crédit Mutuel Arkéa's revenues or profitability

As the value of an institution is directly linked to its future results, changes in interest rates also translate into a change in its portfolio value with an impact on the balance sheet and off-balance sheet items. The sensitivity of the net present value (NPV) of Crédit Mutuel Arkéa's balance sheet, determined according to the six regulatory scenarios, is below the threshold of 15% of Common Equity Tier 1 capital. For information purposes, over five-year horizons, the sensitivity of inventory revenues at 31 December 2022 has been between +1.9% and -1.8% of NBI over the first five years:

- for a +100 bp increase, the maximum annual impact over the first five years was -1.8% of NBI;
- for a decrease of -100 bp, the maximum annual impact over the first five years was -0.1% of NBI.

A low interest rate environment carries risks that could affect Crédit Mutuel Arkéa's revenues or profitability

Approximately one third of the revenues generated by Crédit Mutuel Arkéa consists of a net interest margin, equal to the difference between the income generated by receivables granted to customers (recorded as an asset on the balance sheet) and the cost of refinancing (recorded as a liability). Interest rates change according to many factors over which Crédit Mutuel Arkéa has no influence, such as the level of inflation, the level of regulated rates and the monetary policies of central banks. The markets have been operating for several years in an environment of low interest rates, significantly impacting Crédit Mutuel Arkéa's profitability. During periods of low interest rates, interest rate spreads tend to tighten; Crédit Mutuel Arkéa may not be able to lower the interest rates on its deposits sufficiently to offset the drop in revenues from loans granted at lower rates. A negative interest rate environment involving the invoicing of liquidities deposited by banks with central banks, while bank deposits are usually not invoiced by banks to their customers, is a factor that tends to reduce banks' margins.

Similarly, a sharp rise in short- and medium-/long-term market rates (linked in particular to an increase in inflation) could have a significant adverse effect on net banking income and affect the short-term profitability of Crédit Mutuel Arkéa

The euro zone has been facing a rapid and sharp rise in interest rates for several quarters, mainly due to the upcoming tightening of the ECB's monetary policy to counter the sharp rise in inflation. Thus, like all the other banking institutions in the market, Crédit Mutuel Arkéa is faced with the problem of passing on the increase in market rates on the interest rate of the new production of fixed-rate loans granted to individuals (in particular due to usury ceilings that increase more slowly than market rates), as well as to companies, while at the same time the cost of customer deposits is increasing rapidly (in particular that of regulated savings accounts partly indexed to the inflation rate). In addition, certain sight deposits with no interest or little interest (such as current accounts) could be redirected to more costly deposits (for example on term accounts or passbook accounts), or some customers could terminate certain low fixed-rate term deposits to make new ones at higher fixed rates (particularly for corporate customers and large accounts). Therefore, the rapid rise in interest rates could have an unfavourable impact on revenues and the bank's short-term profitability. Nevertheless, in the medium and long term, the increase in the spread between short-term and long-term rates would make it possible to improve the bank's financial margin insofar as the transformation into liquidity and the increase in the rate of loans would help to crystallise higher future revenues on the assets over a time horizon of several years.

5.1.6 Market risk

The evolution and volatility of the financial markets could have an adverse impact on Crédit Mutuel Arkéa's financial position

Crédit Mutuel Arkéa's financial market activity is limited to cash management and refinancing, as well as activity on behalf of customers. It excludes any speculative activity or proprietary trading.

Crédit Mutuel Arkéa's exposure to financial market volatility is limited.

Transactions carried out on behalf of customers are exposed to a residual market risk in view of their systematic backing on the market. The currency risk is also not material given the low foreign exchange position limits granted by the group's risk management policy.

In addition, interest rate risk constitutes a market risk but is treated separately in this document (see Section 5.1.5 "Interest rate risk").

The market risk to which Crédit Mutuel Arkéa is exposed mainly results from market positions in the scopes relating to investments (management of liquidity surpluses).

Market risk-weighted assets amounted to €135.9 million at 31 December 2022.

5.1.7 Insurance risk

5.1.7.1 Life insurance risk

5.1.7.1.1 Underwriting risk

Suravenir is exposed to underwriting risks that could have an adverse impact on its financial position

Suravenir is exposed to underwriting risk, which covers all risks inherent in the distribution business (risks of massive surrender, mortality, incapacity/disability, longevity, natural disasters), the occurrence of which would have a negative impact on the value of the Suravenir's insurance liabilities. This situation may be the result of several factors, including:

- anti-selection in borrower insurance;
- significant amounts of capital accumulated (included in reinsurance risk);
- failure to manage commercial savings exemptions;
- an increase in claims not anticipated at the time of pricing or risk acceptance.

The main underwriting risk for Suravenir is the surrender risk (lapse risk) and could result in a loss or a decrease in the value of insurance liabilities resulting from an upward or downward change in the surrender rates for life insurance policies or early repayment rates in borrower insurance. This risk also exists in the event of arbitrage by policyholders between unit-linked and euro-denominated vehicles.

5.1.7.1.2 Interest rate risk

Any significant change in interest rates could have a significant negative impact on Suravenir's financial position

A change in interest rates has a direct impact on the valuation and profitability of the bond portfolio of Suravenir, whether it concerns capital managed for own account or euro-denominated funds. Fixed-rate bonds expose Suravenir to a risk of changes in asset value; variable-rate bonds expose it to a risk of fluctuations in income.

A sustained low interest rate environment could exert downward pressure on the level of margin taken by Suravenir, affecting its profitability and ultimately its solvency. Life insurance contracts in euros commit the company to serve a minimum rate. When market rates fall, the return on the portfolio may become insufficient to meet this commitment. In this case, French regulations require insurance companies to set aside a specific provision (provision for financial contingencies).

An increase in interest rates would lead to a decrease in the value of the fixed-rate bonds held in the portfolio. Depending on the IFRS accounting classification of these securities, this devaluation would have an impact on shareholders' equity or income. A significant and lasting increase in rates would also expose Suravenir to a financial risk due to the potential increase in redemptions by policyholders on euro funds due to the lack of attractiveness of these funds compared to other investments. Such a situation could lead Suravenir to sell assets and bear any capital losses resulting from these disposals.

5.1.7.1.3 Liquidity risk

A massive outflow could have a significant adverse impact on Suravenir's liquidity and capital adequacy

Suravenir is exposed to the risk of massive and sudden redemptions by its customers. Indeed, massive redemptions on euro funds (which could result from a sudden increase in interest rates or as a consequence of reputational risk) or massive outflows of unit-linked contracts with an illiquid underlying would have a negative impact on Suravenir's liquidity.

This risk thus appears in particularly unfavourable scenarios in life insurance, generating massive outflows.

Such massive outflows could force the Suravenir to sell illiquid securities and/or securities with significant unrealised losses (for example in the event of a sharp rise in interest rates), which could adversely impact the return paid to policyholders, and the capitalisation reserve up to a certain level, as well as the level of liquidity and the company's equity.

5.1.7.1.4 Market risks

Suravenir is exposed to market risks that could have an adverse impact on its financial position

The market risk to which Suravenir is exposed includes the interest rate risk related to asset/liability management and the equity risk related to investments included under assets. Suravenir is exposed to:

- a change in the equity markets or other markets (market decline resulting in a loss in the event of disposal) and volatility in the market value of the shares;
- a change in the real estate market (decline in the real estate market) and volatility in the market value of real estate assets;
- the risk of capital loss on all its assets, whether in bonds or in title deeds. On its bond portfolios, Suravenir carries a risk of default, or of an unfavourable change in the financial position, resulting from fluctuations affecting the credit quality of issuers of securities, counterparties or any debtor.

5.1.7.1.5 Credit / counterparty risk

Suravenir is exposed to a risk of default by one or more counterparties that could have an adverse impact on its financial position.

Suravenir is exposed to credit risk on market transactions (or counterparty risk) relating to financial market transactions:

- the credit risk on issuers related to the default of the latter and/or the non-repayment of all or part of the economic value of the debt securities subscribed for these issuers;

- credit risk on the counterparties with which Suravenir deals for off-balance sheet derivative transactions.

The counterparty risk within the scope of Suravenir is:

- direct, in respect of the proprietary reinvestment of its own cash;
- partial, for the reinvestment of funds in euros.

The counterparty limit systems, the group's governance in terms of counterparty limit management and the management of reporting on counterparty risk in the Suravenir scope are for the most part common with those included in the section of this document relating to counterparty systems and the monitoring of counterparty risk on the bond and off-balance sheet portfolio - proprietary banking scope.

5.1.7.2 Risk specific to the non-life insurance business

5.1.7.2.1 Underwriting risk

Suravenir Assurances is exposed to underwriting and provisioning risks likely to have an adverse impact on its financial position

The underwriting risk in non-life insurance is the risk that the profitability of non-life insurance products may be affected by inadequate acceptance rules, pricing and/or reinsurance coverage of the guarantees offered to policyholders. The main activities concerned by underwriting risk management are:

- design of new product(s);
- changes in the offer (subscription rules, new coverage, changes in the product/network pairing, etc.);
- loyalty and discount programmes;
- price changes;
- portfolio monitoring (by dealer network, by product) and broker monitoring. Only individual brokers' points of sale are monitored. The other physical distributors (banks of the distributing federations) are subject to monitoring at the overall network level.

Suravenir Assurances is exposed to underwriting risk, including the following three sub-categories:

- the risk of under-pricing resulting from the potential inadequacy of the pricing of guarantees with the profitability objectives of the portfolio when designing new products, changes to the offer or prices proposed by Suravenir;
- the risk of anti-selection resulting from over-subscription of an unwanted risk caused by pricing;
- the risk of natural disasters resulting from any extreme or exceptional events that would have a financial impact on Suravenir Assurances. The coverage of potential losses remains the main objective of reinsurance coverage (peak risk).

Global warming and its consequences affect exposure to underwriting risks through the increase in the frequency and cost of extreme weather events (drought, floods, storms, thunderstorms, etc.) resulting in an increase in claims payable that are higher than those anticipated through pricing. Another potential consequence on underwriting risk that could have a negative financial impact for Suravenir Assurances would be an increase in mortality and tropical diseases.

Suravenir Assurances is also exposed to provisioning risk, which is the risk of loss or adverse change in the value of insurance commitments, due to inadequate assumptions regarding provisioning. This risk is intrinsically linked to the underwriting risk, as the monitoring of provisions must be carried out in a manner consistent with the management of risks and claims related to the guarantees marketed.

5.1.7.2.2 Interest rate risk

Suravenir Assurances is exposed to a risk of changes in interest rates that could have an adverse impact on its financial position

Changes in interest rates and spreads constitutes a risk for the company due to the potential decrease in value of the bond assets in the portfolio. The interest rate risk borne by the company is mainly due to an increase in interest rates given that the duration of Suravenir Assurances' liabilities is shorter than that of its assets.

An increase in interest rates and/or credit spreads would expose the company to a decline in the market value of the bond assets held in the portfolio.

Conversely, a drop in interest rates would not have a negative impact on the company. Indeed, a drop in interest rates would lead to a greater increase in the market value of assets than the increase in technical provisions in liabilities, which would in fine lead to an increase in Suravenir Assurance's economic equity.

However, a low interest rate environment is likely to have a long-term impact on the returns on new investments and, consequently, on Suravenir Assurances' financial result.

5.1.7.2.3 Credit / counterparty risk

Suravenir Assurances is exposed to a risk of default by one or more counterparties that could have an adverse impact on its financial position

Suravenir Assurances is exposed to a credit risk on two main types of counterparties: issuers of securities that have been the subject of an investment, and reinsurers.

The investments made by Suravenir Assurances in medium- or long-term instruments, mainly bonds, expose Suravenir Assurances to a counterparty credit risk on the issuers of these vehicles. In the event of default by these issuers, Suravenir Assurances may not be reimbursed in part or in full for the invested capital and/or the related coupons.

Suravenir Assurances has taken out reinsurance contracts giving it recourse against a second insurer in the event of the payment of sums to its insured customers for covered claims. In the event of default by a reinsurer, it would no longer be able to honour its commitments, which would have a negative financial impact on Suravenir Assurances.

The counterparty risk on reinsurers would be all the more significant for Suravenir Assurances if it is combined with the occurrence of a major loss, generating a significant amount receivable from reinsurers.

5.1.8 Environmental including climate

Environmental risks, including climate risks, both physical and in terms of the transition, could adversely impact Crédit Mutuel Arkéa's business and financial position

Climate change and environmental degradation are sources of structural changes that can affect economic activity and, as a result, the financial system. Climate and environmental risks are commonly considered to include the following main risk factors:

- physical risk refers to the financial effects of climate change (including increased extreme weather events and gradual climate change) and environmental degradation (such as air, water and land pollution, water stress, biodiversity loss and deforestation);
- transition risk is the financial loss that an institution may incur, directly or indirectly, as a result of the process of adapting to a low-carbon and more environmentally sustainable economy. It can arise, for example, from the relatively abrupt adoption of climate and environmental policies, technological progress or changes in market sentiment and preferences;
- reputational risk corresponds to the fact that the public, the institution's counterparties and/or investors could associate the bank with negative effects on the environment. It could manifest itself in the difficulty of attracting and retaining customers, employees, business partners and investors;
- liability risk represents the damages that a legal entity would have to pay if it were found liable for global warming. This risk may arise from legal recourse. A legal entity may be held liable for damage caused to third parties as a result of climate events or because of public commitments it has made in terms of climate.

Environmental risks could materialise directly for Crédit Mutuel Arkéa. Its business is therefore exposed to physical risk for its real estate assets and transition risk. They could also materialise indirectly via its financing and management activities and through mechanisms for transmission to other risks (including credit risks and operational risks).

Without anticipation and without measures to mitigate this risk, Crédit Mutuel Arkéa could be faced with financial losses.

5.1.9 Risk summary

5.1.9.1 Risk matrix

Risks are classified by broad categories. Within each category, the risk factors are ranked in order of importance:

- the probability of occurrence is considered "low" if the risk has not already occurred in the past and there is no presumption of occurrence;
- it is considered "medium" if the risk has already occurred in the past and there is no presumption of occurrence;
- it is deemed "high" if the risk has already occurred in the past and there is a presumption of occurrence.

The magnitude in the event of an occurrence has been assessed according to the impact of a stress scenario based on risk history (e.g. credit risk) and on realistic scenarios for risk items that have not materialised significantly in the past. The magnitude in case of occurrence reflects the impact of the identified risk on liquidity and solvency indicators, in the event of materialisation:

- the magnitude in case of occurrence is deemed "low" if the risk does not have a significant impact on the liquidity and solvency ratios;
- the magnitude in case of occurrence is deemed "medium" if the risk significantly affects the annual result and ratios, but does not compromise the announced remuneration of the various investment vehicles (shares, debt securities);
- it is deemed "high" if the risk is such as to compromise the remuneration of the various investment vehicles.

The probability of occurrence and the estimated magnitude of the negative impact in the event of occurrence are described in the dedicated paragraphs.

Crédit Mutuel Arkéa's risk matrix

Risk categories and factors	Probability of occurrence	x	Magnitude in case of occurrence	=	Materiality
Strategic, business and ecosystem risk					
Macroeconomic risk	Medium		Medium		Medium
Regulatory risk	Medium		Low		Low
Strategic risk	Low		Low		Low
Resolution risk	Low		Low		Low
Human resources risk	Low		Low		Low
Credit risk					
Customer credit risk	Medium		Medium		Medium
Credit risk on market counterparties	Low		Medium		Low
Operational risk					
IT risk	Medium		Medium		Medium
Risk of external fraud	Medium		Low		Low
Risk related to internal processes	Medium		Low		Low
Non-compliance risk (including money laundering)	Low		Medium		Low
Risk of internal fraud	Low		Medium		Low
Model risk	Low		Low		Low
Legal risk	Low		Low		Low
Reputational risk	Low		Low		Low
Liquidity risk					
Liquidity risk	Low		Medium		Low
Interest-rate risk					
Interest-rate risk	Medium		Low		Low
Insurance					
Life insurance	Low		Medium		Low
Non-life insurance	Low		Low		Low
Market risk					
Market risk	Medium		Low		Low
Environmental risks					
Climate risk	Medium		Low		Low

Legend

Low
Medium
High

The risk factors identified within Crédit Mutuel Arkéa do not deviate from the risk appetite framework defined by Crédit Mutuel Arkéa. Thus, their materiality does not exceed a stage deemed "Medium".

5.2 Risk appetite

The Group defines its risk appetite through a cross-analysis of its business model and risk mapping.

5.2.1 Link between Crédit Mutuel Arkéa's business model and risk appetite

In line with its purpose and as a company with a mission, Crédit Mutuel Arkéa, cooperative and mutualist, maintains a sustainable, modern, profitable and globally prudent development model. The level of capital accumulated over the years reflects the recurrence of the revenues and results achieved. It illustrates the trust generated based on a development strategy, combined with a moderate risk profile, inherent in the appetite framework effectively implemented over time.

Priority is given to reasoned profitability and risk, which reinforces the capital of trust necessary to maintain the commercial relationship with customers. It is a unique feature of Crédit Mutuel Arkéa's cooperative and mutualist model, where the co-owner and member is also a customer and gives priority to the quality of a lasting relationship with his or her bank over the return offered by the share capital they hold. The criterion of return on share capital is part of an overall medium- or long-term assessment, but without immediacy. The group can thus bear, or even anticipate, changes in its environment by continuing to properly manage its risks.

5.2.2 Risk mapping

Crédit Mutuel Arkéa analyses its environment, from a regulatory and societal perspective, to identify the main risk factors that could impact its business. On this basis, it monitors its risk exposure by mapping all the risks to which the group is exposed.

This risk analysis serves as a guideline for the development and updating of the risk appetite framework and exercises such as the Internal Capital Adequacy Assessment Process (ICAAP), the Internal Liquidity Adequacy Assessment Process (ILAAP), and the associated capital and liquidity adequacy statements.

5.2.3 Risk appetite policy

Crédit Mutuel Arkéa affirms, as part of its medium-term plan, its desire to support and anticipate changes in its environment according to a measured risk appetite. The group defines its risk appetite through a cross-analysis of its business model and risk mapping. The group's risk appetite policy does not aim to avoid all risks, but to situate this risk at a level compatible with its overall performance objectives while ensuring that it can always control it through its know-how. Risk levels and risk control are criteria that are the subject of very close attention and are particularly selective in terms of the direction of development.

Risk appetite is defined by the desired and tolerable levels of each type of risk, both in a normal and a deteriorated economic and financial context, in accordance with a development strategy over a forecast horizon of at least three years. The Crédit Mutuel Arkéa group's risk appetite framework aims to properly govern and steer risk management by implementing a consistent system.

The architecture of the risk appetite framework can be represented according to the different possible levels of risk, formalised in the form of scenarios:

- the central position corresponds to a normal risk situation;
- the stressed position corresponds to an exceptional deterioration of one or more risks;
- the extreme position corresponds to a risk situation requiring the implementation of the crisis recovery plan;
- the critical position corresponds to a situation where the resolution is carried out by the Single Resolution Board, the European body for resolving non-viable financial institutions.

The review of the risk appetite framework, at least once a year, is part of the group's overall management process. The medium-term business and income forecast necessarily includes an assessment of future risk, both under normal and deteriorated conditions. This exercise aims to ensure a development trajectory leading, with the greatest chance of success, towards the achievement of the target return/risk ratio set.

The risk appetite framework is thus a comprehensive tool for managing the group's activities. Its annual review is an opportunity to:

- decide on the level of risk to which the group is exposed;
- measure the capacity for potential additional exposure to risk;
- project this level of risk based on business development assumptions associated with risk scenarios.

This iterative exercise is compared to the annual plan and the medium-term plan, thus ensuring a sound and consistent development of commercial and financial policies with regard to the group's risk profile. Prepared jointly by various departments under the supervision of the Crédit Mutuel Arkéa group Risk Department and this, in consultation with the management of the group's entities, the risk appetite framework is presented to the Crédit Mutuel Arkéa Risk Monitoring Committee and then to the Crédit Mutuel Arkéa Executive Committee for validation, before being submitted to the Risk and Internal Control Committee and then to the Crédit Mutuel Arkéa Board of Directors for final adoption. Its application is then monitored, the results of which are published in the quarterly risk dashboard and communicated to Crédit Mutuel Arkéa's management body. This system is also rolled out annually by each of Crédit Mutuel Arkéa's subsidiaries, in order to manage and define the risk appetite according to their activity.

5.3 Credit and counterparty risk

Credit risk is the risk incurred in the event of a default in payment by a counterparty or counterparties considered as the same group of customers, within the regulatory meaning of this term.

5.3.1 Credit and counterparty risk monitoring and management systems

5.3.1.1 Customer loans

5.3.1.1.1 Selection, limit and monitoring procedures

All risk selection, limit and monitoring procedures are part of a regulatory framework. This framework complies with the Administrative order of 3 November 2014, amended by the Order of 25 February 2021, on the internal control of companies in the banking, payment services and investment services sector, which are subject to supervision by the French prudential supervision and resolution authority (ACPR).

5.3.1.1.2 Risk selection system

■ For the Crédit Mutuel Arkéa group, the risk selection system is designed in accordance with a certain number of principles:

- Compliance with unit commitment limits

The granting of new loans is subject to compliance with the unit limits set for the Crédit Mutuel Arkéa group, which correspond to the maximum unit risk that the group can bear on a Risk group. Three types of commitment limits are defined:

- the regulatory limit for large Risks, applicable to the group's banking scope,
- the corporate unit concentration limits, broken down by rating of the group of related customers, applicable to the group's banking scope,
- the consolidated exposure limit for corporates, set by the group for itself, applicable to the scope of the Arkéa conglomerate.

Any breach of these limits, regardless of the cause, must be presented to the Board of Directors of Crédit Mutuel Arkéa.

- Compliance with sectoral limits

Limits are updated each year for 19 sectors of activity, these limits being expressed in relative value compared to the total commitments of the Crédit Mutuel Arkéa group.

- Compliance with leveraged transaction limits

Following the publication of the EBA Guidelines on leveraged transactions, the group has defined a system for managing them, including exposure limits for leveraged transactions.

- Delegations of powers granted to the group Credit Committee

Powers are assigned to the group Credit Committee. In addition to these powers, a request for approval must be

made to the Board of Directors of Crédit Mutuel Arkéa, in order to formulate a positive opinion on a loan application.

- This system is rolled out and adapted at the level of each Crédit Mutuel Arkéa group entity.

In addition, decision-making powers, expressed according to the rating of the Risk group and/or by type of customer or transaction, are defined for the highest decision-making body within each credit distribution entity.

Within each entity, these powers are delegated to the various committees and players involved in credit decisions. The defined chain of powers is described in a Credit Risk Management System and in the granting procedures of each entity. These documents are updated at least annually.

In addition to its powers, the entity must obtain a positive opinion from the group Credit Committee to satisfy a new loan request, and from the Board of Directors of Crédit Mutuel Arkéa whenever the powers of the group Credit Committee are themselves exceeded.

The granting of credit by the group's entities is based on detailed analyses of the quality of borrowers and their ability to meet the repayments of the loans requested.

Whatever the profile of the borrowing customer (individual, company, institutional), these analyses integrate, depending on the case, the following elements:

- external data (entry in the national file of incidents involving the repayment of loans to individuals, banking ban, Banque de France rating, outstanding amounts declared to the Banque de France's Risk Centralisation Department, unpaid debts, existence of collective procedures, certificate of incorporation, etc.);
- personal data describing the financial situation (account operation, accounting documents, etc.);
- qualitative contextual elements (matrimonial regime, legal form, sectors of activity, etc.).

5.3.1.1.3 Monitoring of customer loans

- Monitoring of indicators

The specific credit risk indicators, defined as part of the Crédit Mutuel Arkéa group's appetite framework, are regularly monitored by the Crédit Mutuel Arkéa Risk Department.

- Individual file monitoring

Individual risk monitoring is based on the identification of customers:

- upstream of difficulties, resulting from various sources (daily review of main risk events, deterioration of internal ratings, early warning system, etc.) enables the implementation of preventive measures (securing loans, enhanced monitoring, etc.),
- presenting an incipient risk (existence of arrears, opening of out-of-court proceedings, etc.), for which the entities implement support measures (restructuring of loans),

- requiring litigation management (failure of out-of-court settlements, commencement of insolvency proceedings).

Each entity of the Crédit Mutuel Arkéa group has set up a global and individual monitoring system (monitoring of risk indicators). Thus, the risk management structures of the group's entities ensure the proper handling of risky cases. At the second level, overall monitoring of risks is carried out by Crédit Mutuel Arkéa's Risk Department (monitoring of major risks, detection of downgraded commitments, analysis of the main doubtful and disputed cases).

Executive Management Committees also monitor changes in credit risk at the level of the Crédit Mutuel Arkéa group:

The Customer Commitments Committee (with a frequency that can be reviewed if necessary), is responsible for a quarterly review of the portfolio of the most important commitments (in order to detect any difficulties "upstream"), for compliance with limits on customer credit risk (unit commitment limits, sectoral limits, specific limits on leveraged transactions), monitoring changes in risk indicators and examining individually the situation of the Risk groups presenting a significant unit risk.

5.3.1.1.4 Reporting

The members of Crédit Mutuel Arkéa's Executive Committee are provided with a monthly report on customer credit risks. The main risk monitoring indicators are calculated by market and by group entity.

A summary of credit risk exposure and an update on compliance with commitment limits are provided at each meeting of Crédit Mutuel Arkéa's Board of Directors.

Finally, the group's credit risk situation is also presented to the group Risk Monitoring Committee, which meets at least quarterly. It is also included in the quarterly group risk scorecard, which is sent and presented to Crédit Mutuel Arkéa's Executive Committee and then to the group's Risk and Internal Control Committee.

5.3.1.2 Bond and off-balance sheet portfolio - proprietary banking scope

5.3.1.2.1 Organisation of dedicated governance, selection, limit and monitoring procedure

The group Counterparty Committee is dedicated to managing credit risk on market counterparties

The group Counterparty Committee is a Senior Management Committee, an extension of the management body in its executive role. It acts within the framework of the limits approved by the Board of Directors of Crédit Mutuel Arkéa and the detailed limit system validated by the group Executive Committee.

Within Crédit Mutuel Arkéa's prudential framework, its role is to approve:

- the listing of the group's market counterparties;

- the limits to be allocated to market counterparties for proprietary purposes and on behalf of third parties;
- the approvals of intermediaries and custodians;
- counterparty limits being exceeded;
- the risk level (Orange List, Red List) of listed and unlisted counterparties (Black List).

In addition, the committee prepares changes to the prudential system in terms of counterparties and ensures that ESG issues are gradually taken into account.

All of the group's market counterparties, used for management purposes on behalf of third parties or for proprietary purposes, report to this committee.

The transactions under the responsibility of this committee concern all debt instruments (balance sheet and off-balance sheet), including bank loans, compliant for Crédit Mutuel Arkéa's proprietary purposes and for third parties, carried for market counterparties by all Crédit Mutuel Arkéa structures operating on the capital markets and/or carrying out external investment transactions as part of their cash management.

The Middle Credit and Counterparty Department monitors counterparty risk

The group Risk Department, responsible for the group's risk management function, includes a Credit and Counterparty Risk Unit and a unit dedicated to overall management of credit and counterparty risk: the Systems and Monitoring Unit of the Risk and Counterparty Department, including the Middle Credit and Counterparty Department.

This department is mainly responsible for monitoring the counterparty risk related to market transactions carried out by the trading room of Crédit Mutuel Arkéa, Federal Finance Gestion, SPG and the group's subsidiaries and for ensuring daily compliance with the limits set by the Board of Directors of Crédit Mutuel Arkéa. It is also responsible for carrying out analyses for each limit request for a counterparty.

In addition, the group Risk Department consolidates the group's credit risks (customer credit risk and credit risk on market transactions) and calculates the related capital requirements.

Counterparty risk management is part of the group's appetite framework

The management of counterparty credit risk is based, in addition to the group's risk appetite statement, on framework and detailed procedures that define the limits and decision-making powers at the group and entity level. These systems are approved annually by the Board of Directors or the group's Executive Committee.

The Counterparty Risk Management Policy details the entire system: organisation of counterparty risk management (description of activities, committees, etc.), risk identification, risk measurement, risk modelling system (current ratings system), risk management (including the current system for limits), and risk monitoring. This policy, which is updated each year under the responsibility of the Director of Credit and Counterparty Risk, is validated by Crédit Mutuel Arkéa's Risk Monitoring Committee.

Counterparty risk management is governed by a system that is reviewed annually

Crédit Mutuel Arkéa has a system of unit limits per type of counterparty (or group of "related customers" within the meaning of Article 4-1-39 of EU Regulation No. 575/2013, known as "CRR") that applies separately to proprietary and third-party activities (assets representing euro-denominated life insurance funds).

Unit limits are reviewed at least once a year by Crédit Mutuel Arkéa's Board of Directors. They are set on the basis of the internal rating of the counterparties, classified into four categories:

- sovereigns (States), public sector, supranational and secured debt;
- public authorities;
- banking, insurance and securitisation (senior and subordinated debt);
- companies.

As regards proprietary market activities, individual limits are set, in terms of amount and duration, mainly by reference to Crédit Mutuel Arkéa's equity and earnings, as well as to the "fundamentals" of the counterparty (equity, debt and ratings).

Requests for limits for a given counterparty are examined by Crédit Mutuel Arkéa's Counterparties Committee, which bases its decision on the reasoned opinions of Crédit Mutuel Arkéa's Risk Department, which is responsible for analysis, monitoring and second-level control. First level control is carried out by the structures carrying and/or managing the outstanding amounts on the counterparties.

Any financial market transaction involving a credit risk must relate to an issuer or security listed by the group Counterparties Committee.

In the event of a request for a waiver of the limit between two revisions, the decision is taken by the Board of Directors of Crédit Mutuel Arkéa.

5.3.1.2.2 Proprietary bond portfolio counterparty risk management

The group's proprietary bond portfolio is mainly composed of securities invested as part of external investment transactions carried out as part of the management of the Crédit Mutuel group's liquidity reserves on the capital markets.

The cash surplus investment strategy is particularly prudent in terms of counterparty risk, resulting in an investment portfolio with a very good credit risk quality (see details below in section 5.3.1.2.4 Reporting on the counterparty risk of the bond portfolio and off-balance sheet proprietary banking scope), with a very strong preponderance of "investment grade" outstandings, invested primarily in instruments issued by French and European sovereigns or European financial counterparties, mainly in the form of covered bonds.

5.3.1.2.3 Counterparty risk management on derivatives and repurchase agreements

Derivatives and repurchase agreements represent a very limited portion of Crédit Mutuel Arkéa's counterparty risk exposure, whether in terms of EAD or RWA.

This situation is the result of Crédit Mutuel Arkéa's desire, shown for many years, not to carry out proprietary transactions. Repurchase and derivative transactions carried out by Crédit Mutuel Arkéa are carried out exclusively for the purpose of hedging existing risks or supporting corporate and institutional customers.

Derivative transactions

Derivative transactions set up with customers are systematically returned to market counterparties back-to-back via micro-hedging transactions, so as to cancel out any risk (other than vanilla interest rate risk or counterparty risk on the counterparty of the derivative).

In addition to these customer derivative neutralisation transactions, micro-hedging derivatives aim to neutralise any risk (other than "simple" interest rate risk or counterparty risk on the counterparty of the derivative) borne by a balance sheet item (securities, issues, etc.).

Macro-hedging derivatives cover Crédit Mutuel Arkéa's overall balance sheet risk.

Therefore, derivatives do not carry any complex residual risk (after neutralisation of the hedged risk).

The exposure at default (EAD) of derivatives is based on the SA-CCR method and no internal model is used.

At 31 December 2022, 100% of market transactions on derivatives were collateralised. Since 1 September 2022, derivatives have been subject to Initial Margin. However, as the regulatory threshold of €50 million has not been reached or exceeded, no exchange of Initial Margin had been carried out at 31 December 2022.

Repurchase agreements

Transactions are mainly composed of repurchase agreements and, to a lesser extent, reverse repurchase agreements. These repurchase agreements are carried out solely as part of Crédit Mutuel Arkéa's cash management and do not in any way contribute to structured transactions. They are concluded for short periods and on "simple" rate indices.

Repurchase agreements are carried out under the following conditions:

- securities repurchase agreements must first be covered by framework agreements set up by Crédit Mutuel Arkéa's Legal Department, which may or may not provide for a collateralisation system with daily margin calls;
- the maximum maturity (= duration of the repurchase agreements) is 5 years or with the possibility of recalling the repurchase agreement within 5 years maximum;
- the credit risk exposure of securities repurchase agreements will be different depending on the type of transaction.

The calculation of the exposure differs depending on the direction of the repurchase, reverse repurchase, securities lending or tripartite repurchase transactions. As part of the change in calculation method pursuant to Regulation (EU) No. 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms, the calculation of risk (fully adjusted exposure value) is calculated at the level of each security pledged as collateral under repurchase agreements, reverse repurchase agreements and securities lending transactions.

Securities received as collateral for reverse repurchase agreements are as follows:

- senior securities of sovereigns, supranationals and public sector government issuers, eligible for open market transactions of the ECB (3G pool), and with **external ratings greater than or equal to BBB-** according to the application of the "standard" method;
- covered debt securities (Covered Bonds) of European Union issuers, eligible for ECB open market transactions (3G pool), and with **external ratings greater than or equal to BBB-** according to the application of the standard method;
- senior securities of corporate issuers, eligible for ECB open market transactions (3G pool), and with **external ratings greater than or equal to BB** according to the application of the standard method, taking into account a fixed haircut on the nominal value of securities sold under repurchase agreements (4% for securities with external ratings of between AAA and A-, 8% for securities with external ratings of BBB+/BBB-, 12% for securities with external ratings of BB+/BB);
- senior securities of financial issuers, eligible for ECB open market transactions (3G pool), and with **external ratings greater than or equal to BBB-** according to the application of the standard method, subject to compliance with certain constraints;
- UCITS units with a flat-rate haircut of 20% and a maximum maturity of 6 months.

5.3.1.2.4 Reporting

The group's Counterparties Committee regularly reviews the credit risk related to market transactions.

A quarterly risk report is drawn up and communicated to the members of Crédit Mutuel Arkéa's Executive Committee. It includes an update on compliance with credit risk limits on market counterparties.

An update on compliance with credit limits is given at each meeting of the Board of Directors of Crédit Mutuel Arkéa.

At 31 December 2022, the entire investment portfolio of the banking scope was of very good quality.

Investments in the bank and insurance proprietary accounts mainly concern issuers with the best external ratings: 87.0% have external ratings of between AAA and A-.

With regard to the breakdown by internal rating, 99.98% of investments are made in "Investment Grade" issuers (agency ratings ranging from AAA to BBB- inclusive; agency rating equivalent to an internal rating of A+ to C- inclusive).

From a geographical and sectoral point of view, investments are mainly made in two main types of issuers: the banking sector (banks and covered bonds) for 64.6% and sovereigns, supranationals, public authorities and the public sector for 27.1%. 83.4% of the investments in this scope concern European issuers.

5.3.2 Analysis of outstandings

5.3.2.1 Credit risk exposures

The tables below present the exposures at default (EAD) of Crédit Mutuel Arkéa's outstandings subject to the calculation of capital requirements for credit risk.

The group uses its internal rating system to calculate the majority of its regulatory capital requirements for credit risk, following the authorisation issued by the supervisory authorities:

- using the advanced method (IRBA), for the retail and corporate mass portfolio;
- using the foundation method (IRBF), for the portfolio of banks and Key Accounts and similar.

As part of the Target Review of Internal Models, the ECB confirmed the approvals obtained. The related recommendations are being taken into account.

The percentage of exposures approved under the IRB method was more than 80% at 31 December 2022 in the Institutions, Corporate and Retail categories.

Exposure (EAD) by Basel exposure class (in € millions)	31.12.2022						31.12.2021			Changes		
	IRBA	IRBF	Standard	Total	of which deriva- tives and repur- chase agree- ments	of which specia- lised finan- cing	IRBA	Standard	Total	of which deriva- tives and repur- chase agree- ments	of which specia- lised finan- cing	Total
A - Administrations and central banks			36,259	36,259	35			27,986	27,986	76		8,274
B - Institutions		6,997	8,114	15,111	1,473		11,853	6,674	18,527	1,634		-3,416
C - Corporates	17,301	8,408	235	25,944	108	735	23,809	267	24,076	400	567	1,868
D - Retail Customers	44,688		10,883	55,571	0		40,950	10,053	51,002	2		4,569
E - Shares	4,626		53	4,679	-		4,596	29	4,625	-		54
G - Other assets	635		820	1,455	-		653	811	1,464	-		-9
Sum	67,250	15,405	56,365	139,019	1,616	735	81,862	45,818	127,680	2,112	567	11,339

The exposures presented above correspond to all outstandings in CM Arkéa's assets subject to the calculation of capital requirements for credit risk. The same scope is shown in the following tables, sometimes applying a specific selection stipulated under each of them. The Pillar 3 nomenclature is sometimes specified in the title of certain tables.

5.3.2.2 Credit risk exposure diversification

The loan portfolio includes a very diversified customer base where individuals represent the largest share alongside local professionals (craftspeople, small businesses, farmers, etc.), associations, SMEs and large companies as well as local authorities and institutions.

Basel exposure category and main algorithms	Exposures (EAD) (in € millions) at 31.12.2022
A - Administrations and central banks	36,259
of which Sovereigns	34,629
of which Public Health Facilities	1,019
of which Banks	472
B - Institutions	15,111
of which Banks	7,485
of which Local Authorities	7,208
C - Corporates	25,944
of which Corporate Enterprise	10,510
of which Key Accounts	6,282
of which SCI (real estate management companies)	2,524
of which Property Companies	1,112
of which Corporate Financing	1,063
of which Real Estate Development	1,060
of which Farmers	821
of which Specialised Financing	735
of which Acquisition financing	629
D - Retail Customers	55,571
of which Private Individuals	42,311
of which SCI (real estate management companies)	3,251
of which Financo	2,459
of which Sole proprietorships	2,403
of which Retail Legal Entities	2,196
of which Farmers	2,180

Scope: outstandings excluding equities and other assets.

5.3.2.2.1 Geographical distribution

The breakdown of the Group's outstandings by geographical area in which it operates confirms the fact that it is essentially a French and European player. The geographical breakdown of net exposures at 31 December 2022 reflects this, with 97.24% of commitments in France, Belgium and Luxembourg (of which 96.77% in France). This concentration even rises to more than 99% in the Corporate and Retail categories.

Basel exposure category (in € millions)	France	Germany	Belgium	Spain	Luxembourg	Rest of the world	Exposures (EAD) (in € millions) at 31.12.2022	Exposures (EAD) (%) at 31.12.2022
A - Administrations and central banks	35,011	143	93	170	252	592	36,259	26.1%
B - Institutions	12,428	117	59	73	25	2,410	15,111	10.9%
C - Corporates	25,413	160	128	8	80	155	25,944	18.7%
D - Retail Customers	55,570	0		0	0	1	55,571	40.0%
E - Shares	4,645		2		13	18	4,679	3.4%
G - Other assets	1,455						1,455	1.0%
Total	134,522	419	283	251	369	3,175	139,019	
Total (%)	96.77%	0.30%	0.20%	0.18%	0.27%	2.28%		100%

Scope: all outstanding assets.

5.3.2.2.2 Sector breakdown

The CM Arkéa group is present in almost all business sectors, with a predominance in the real estate sector.

(in € millions)	Basel exposure category			
	C - Corporates		D - Retail Customers - SMEs	
NACE code	(in € millions)	(%)	(in € millions)	(%)
A - Agriculture, forestry and fisheries	814	3.1%	1,904	17.9%
B - Extractive industries	39	0.1%	2	0.0%
C - Manufacturing industry	1,302	5.0%	282	2.6%
D - Electricity, gas, steam and air conditioning supply	737	2.8%	31	0.3%
E - Water production and distribution; sewerage, waste management and remediation	188	0.7%	14	0.1%
F - Construction	2,151	8.3%	617	5.8%
G - Retail; Automotive and motorcycle repair	2,347	9.0%	667	6.3%
H - Transport and storage	516	2.0%	144	1.4%
I - Accommodation and catering	462	1.8%	355	3.3%
J - Information and communication	343	1.3%	61	0.6%
K - Financial and insurance activities	3,911	15.1%	381	3.6%
L - Real estate activities	7,484	28.8%	3,446	32.3%
M - Professional, scientific and technical activities	3,731	14.4%	547	5.1%
N - Administrative and support service activities	783	3.0%	219	2.1%
O - Public Administration	18	0.1%	1	0.0%
P - Education	69	0.3%	140	1.3%
Q - Human health and social action	208	0.8%	715	6.7%
R - Arts, entertainment and recreation	128	0.5%	75	0.7%
S - Other service activities	70	0.3%	167	1.6%
T - Activities of households as employers	-		0	0.0%
U - Extra-territorial activities	-		0	0.0%
Other	646	2.5%	889	8.3%
Total	25,944	100.0%	10,654	100.0%

Scope: all outstandings in the assets of the Corporate and Retail/SME exposure categories.

5.3.2.3 Risk-weighted assets

5.3.2.3.1 Summary

Pursuant to the provisions of Regulation (EU) No. 575/2013 on prudential requirements applicable to credit institutions and investment firms, as amended by Regulation (EU) No. 2019/876 of the European Parliament and of the Council of 20 May 2019 the accounting and regulatory scopes consist of the same entities. Only the consolidation method differs for entities in the insurance sector and securitisation mutual funds that are consolidated by the equity method, regardless of the percentage of control.

As described above, CM Arkéa mainly uses the internal rating approach to calculate its capital requirements for credit risk. At 31 December 2022, CM Arkéa's Credit Risk Weighted Assets (RWAs) amounted to €41,673 million.

Exposures (RWA) by Basel exposure class (in € millions)	31.12.2022						31.12.2021				Changes	
	IRBA	IRBF	Standard	Total	<i>of which deriva- tives and re pos</i>	<i>of which specia- lised finan- cing</i>	IRBA	Standard	Total	<i>of which deriva- tives and re pos</i>	<i>of which specia- lised finan- cing</i>	Total
A - Administrations and central banks	-	-	238	238			-	182	182	-		56
B - Institutions	-	1,264	1,536	2,800	425		1,079	1,255	2,334	262		466
C - Corporates	8,153	5,754	196	14,102	92	440	13,523	217	13,740	267	401	363
D - Retail Customers	4,016	-	5,651	9,668	0		3,752	5,369	9,121	1		547
E - Shares	13,512	-	111	13,623			13,710	84	13,794			-171
G - Other assets	422	-	820	1,242			483	811	1,294			-52
Sum	26,103	7,018	8,552	41,673	517	440	32,546	7,918	40,464	531	401	1,209

Scope: outstandings in assets

5.3.2.3.2 IRB approach

Rating system and parameters

Rating algorithms and expert models have been developed to improve the assessment of credit risks within Crédit Mutuel as a whole and to meet regulatory requirements relating to internal rating approaches.

The definition of rating methodologies is the responsibility of Confédération Nationale du Crédit Mutuel (hereinafter "CNCM") for all portfolios. The Crédit Mutuel Arkéa group provides CNCM with human resources dedicated to the development and maintenance of statistical models. In addition, it is directly involved in the completion and validation of working group projects on specific subjects as well as work relating to the quality of data and the acceptance of its applications.

The counterparty rating system is common to Crédit Mutuel as a whole.

The probability of default (hereinafter "PD") is the probability that a counterparty will default over a one-year period. Crédit Mutuel Arkéa group counterparties eligible for internal approaches are rated by a single system based on:

- statistical algorithms or "mass ratings" based on one or more models, using a selection of representative and predictive risk variables; or
- manual rating grids developed by experts.

Discrimination and the proper classification of risk are ensured by these models. The scale of values reflects the progression of the risk and breaks down into eleven positions, including nine sound positions (A+, A-, B+, B-, C+, C-, D+, D-, E+) and two for default (E- and F).

In the so-called "mass" Corporate and Retail scopes, at the end of the internal rating process, each borrower is assigned a rating. Based on this and other characteristics, performing borrowers are grouped into homogeneous risk classes, prior to the process of measuring the regulatory PD parameter. Grouping analyses are carried out on the segments defined as part of the modelling of the algorithms. The probabilities of default of a risk class are then estimated on the basis of the historical default rates observed on the exposures belonging to this class, over a history of more than ten years of observations. Margins of prudence are applied to take into account the uncertainty of estimates (related to time volatility or data quality, for example).

In the other scopes for which too few defaults by customers are available to guarantee the relevance and robustness of statistical estimates, the probabilities of default associated with the internal ratings are calibrated on the basis of external data.

The Loss Given Default (hereinafter "LGD") is the ratio between the loss incurred on an exposure due to the default of a counterparty and the amount exposed at the time of default.

Internal models for estimating LGD have been developed by Crédit Mutuel and approved for the Banking, Corporate and Retail exposure categories.

For the Corporate and Retail scopes, the LGD is calculated by classes defined according to the type of loan and the nature of the collateral. The LGD estimate is based on the updated monthly recoveries observed for each class. Margins of prudence are taken into account in order to allow for the uncertainties of LGD estimates. The calculations are based on an internal history of defaults and losses of more than 10 years.

For the other scopes, for which too few defaults are available to guarantee the relevance and robustness of statistical estimates, LGDs are estimated on the basis of quantitative information and modelled by experts, based on benchmarks and external data and using a conservative approach.

The conversion factor (hereinafter "CCF") corresponds to the ratio between the currently undrawn portion of a credit line that could be used and would therefore be exposed in the event of default and the currently undrawn portion of this credit line.

For the Corporate and Retail customer portfolios, the CCF is calculated using an internal method approved for financing commitments. For guarantee commitments and the banking exposure category, regulatory values (foundation method) are applied.

For the Corporate and Retail scope, internal CCFs are estimated based on average historical CCFs weighted by the number of contracts, by segmenting them based on the product axis. They are calibrated on internal data.

The parameters used to calculate risk-weighted assets (hereinafter "RWA") are national and apply to all Crédit Mutuel entities.

Model mapping

Modelled parameter	Exposure category	Portfolios	Number of models	Methodology
PD	Institutions	Financial institutions	2 models: Banks, Covered Bonds	Expert-type models based on grids including qualitative and quantitative variables
		Key Accounts (Revenue > €500 million)	6 models depending on the type of counterparty and sector	Expert-type models based on grids including qualitative and quantitative variables
		"Mass" Corporate (Revenue < €500 million)	3 models	Quantitative-type models with qualitative grids based on expert opinion
		Key Accounts acquisition financing	1 model	Expert model based on a grid with qualitative and quantitative variables
	Corporates	Corporate acquisition financing	1 model	Quantitative-type models combined with qualitative grids based on expert opinion
		Specialised financing	Specialised financing of assets: 6 models according to the type of asset Specialised financing of projects: 4 models depending on the sector Specialised financing of real estate: 1 model	Expert-type models based on grids including qualitative and quantitative variables
		Other Corporates	2 models: Property, Insurance	Expert-type models based on grids including qualitative and quantitative variables

Modelled parameter	Exposure category	Portfolios	Number of models	Methodology
PD	Retail customers	Individuals	6 models depending on the type of loan (home loan, current account, etc.)	Quantitative-type models
		Legal entities	4 models depending on customer type	Quantitative-type models
		Sole proprietorships	3 models depending on the type of profession (retailers, craftspeople, etc.)	Quantitative-type models
		Farmers	6 models according to the state of the account and the type of activity (cyclical or not)	Quantitative-type models
		Associations	1 model	Quantitative-type models
		SCIs	1 model	Quantitative-type models
LGD	Institutions	Financial institutions	1 model	Expert model depending on the counterparty and the contract, based on quantitative and qualitative information
	Corporates	Key Accounts, Acquisition Financing, Property and Insurance	1 model, with sectoral parameters	Expert model depending on the counterparty and the contract, based on quantitative and qualitative information
		"Mass" corporate	1 model applied to 8 segments according to the type of loan and the nature of the collateral	Quantitative-type models based on internal recovery flows
CCF	Retail customers		1 model applied to 10 segments according to the type of loan and the nature of the collateral	Quantitative-type models based on internal recovery flows
	Corporates	"Mass" Corporate	1 model applied to 4 segments according to the type of loan	Quantitative model, calibration of CCFs based on internal data
	Retail customers		1 model applied to 8 segments according to the type of loan	Quantitative model, calibration of CCFs based on internal data

5.3.2.3.3 Simple weighting method

The weighted risks of equity exposures are obtained using the simple weighting method, which consists of applying standard weightings to the carrying amounts of the exposures.

Equity exposures subject to the simple weighting method (EU CR10.5)

At 31.12.2022 (in € millions)	Balance sheet exposure	Off-balance sheet exposure	Risk weighting	Value at risk	Risk-weighted exposure amount
Categories					
Private equity exposures	738,400	0	190%	738,400	1,402,960
Exposures to listed equities	207,648	0	290%	207,648	602,179
Other equity exposures	2,473,352	5,316	370%	2,478,667	9,171,069
Total	3,419,400	5,316		3,424,715	11,176,209

Scope: shares under IRB and excluding UCIs.

5.3.2.3.4 Slotting criteria method

The weighted risks of Specialised Financing exposures are obtained using the "slotting criteria" method, presented within the IRB-A category. The Crédit Mutuel Arkéa group has no exposure to specialised financing such as object financing and commodity financing.

Specialised financing - Focus on project financing (EU CR10.1)

At 31.12.2022 (in € millions)	Residual maturity	Balance sheet exposure	Off-balance sheet exposure	Risk weighting	Value at risk	Risk-weighted exposure amount
Regulatory categories						
	Less than 2.5 years	1,978	4,536	0.50	5,380	2,803
Category 1	2.5 years or more	104,507	39,346	0.70	134,016	97,751
	Less than 2.5 years	-	-	0.70	-	-
Category 2	2.5 years or more	-	-	0.90	-	-
	Less than 2.5 years	-	-	1.15	-	-
Category 3	2.5 years or more	-	-	1.15	-	-
	Less than 2.5 years	-	-	2.50	-	-
Category 4	2.5 years or more	-	-	2.50	-	-
	Less than 2.5 years	-	-	-	-	-
Category 5	2.5 years or more	-	-	-	-	-
Total	Less than 2.5 years	1,978	4,536		5,380	2,803
	2.5 years or more	104,507	39,346		134,016	97,751

Specialised financing - Focus on income-generating properties and high-volatility commercial properties (EU CR10.2)

At 31.12.2022 (in € millions)	Residual maturity	Balance sheet exposure	Off-balance sheet exposure	Risk weighting	Value at risk	Risk-weighted exposure amount
Regulatory categories						
	Less than 2.5 years	53,596	12,297	0.50	62,819	32,729
Category 1	2.5 years or more	69,029	13,941	0.70	79,484	57,976
	Less than 2.5 years	-	-	0.70	-	-
Category 2	2.5 years or more	-	-	0.90	-	-
	Less than 2.5 years	-	-	1.15	-	-
Category 3	2.5 years or more	-	-	1.15	-	-
	Less than 2.5 years	-	-	2.50	-	-
Category 4	2.5 years or more	-	-	2.50	-	-
	Less than 2.5 years	-	-	-	-	-
Category 5	2.5 years or more	-	-	-	-	-
Total	Less than 2.5 years	53,596	12,297		62,819	32,729
	2.5 years or more	69,029	13,941		79,484	57,976

5.3.2.3.5 Standardised approach

Exposures treated under the standard method are presented in the table below.

The Crédit Mutuel Arkéa group uses the assessments of rating agencies recognised by the supervisor (ECAI) to measure the risk on exposures treated using the standard method. The ratings of the Standard & Poor's, Moody's and Fitch rating

agencies are mainly used for exposures to institutions, administrations and central banks. Banque de France's valuations are mainly used for corporate exposures.

The cross-reference table used to link the credit quality levels to the external ratings taken into account is that defined by regulatory texts.

Standardised approach (EU CR5)

At 31.12.2022 (in € millions)	Risk weighting								
	0%	2%	4%	10%	20%	35%	50%	70%	75%
Exposure categories									
Central governments or central banks	25,051,676	-	-	-	-	-	-	-	-
Regional or local authorities	63,889	-	-	-	6,793,850	-	-	-	-
Public sector entities	10,780,821	-	-	-	580,224	-	-	-	-
Multilateral development banks	188,114.13	-	-	-	-	-	-	-	-
International organisations	44,752	-	-	-	-	-	-	-	-
Institutions	153,156	-	-	-	4,077	-	5,186	-	-
Corporates	-	-	-	-	14,869	-	32,324	-	-
Retail customer exposures	-	-	-	-	-	-	-	-	3,686,563
Exposures secured by real estate mortgages	-	-	-	-	-	6,234,023	-	-	739,827
Exposures in default	-	-	-	-	-	-	-	-	-
Particularly high-risk exposures	-	-	-	-	-	-	-	-	-
Guaranteed bonds	-	-	-	8,911	-	-	-	-	-
Exposures to institutions and corporates subject to a short-term credit assessment	-	-	-	-	-	-	-	-	-
Units or shares of undertakings for collective investment	-	-	-	-	-	-	-	-	-
Equity exposures	-	-	-	-	-	-	-	-	-
Other items	-	-	-	-	-	-	-	-	-
Total	36,282,408	-	-	8,911	7,393,020	6,234,023	37,510	-	4,426,390

At 31.12.2022

(in € thousands)

Exposure categories	Risk weighting						Total
	100%	150%	250%	370%	1250%	Other	
Central governments or central banks	-	-	95,280	-	-	-	25,146,957
Regional or local authorities	-	-	-	-	-	-	6,857,739
Public sector entities	-	-	-	-	-	-	11,361,044
Multilateral development banks	-	-	-	-	-	-	188,114
International organisations	-	-	-	-	-	-	44,752
Institutions	-	-	-	-	-	-	162,420
Corporates	176,724	2,124	-	-	-	-	226,041
Retail customer exposures	-	-	-	-	-	-	3,686,563
Exposures secured by real estate mortgages	-	-	-	-	-	-	6,973,850
Exposures in default	225,286	6,594	-	-	-	-	231,879
Particularly high-risk exposures	-	-	-	-	-	-	-
Guaranteed bonds	-	-	-	-	-	-	8,911
Exposures to institutions and corporates subject to a short-term credit assessment	-	-	-	-	-	-	-
Units or shares of undertakings for collective investment	-	-	-	-	578	8,170	8,747
Equity exposures	10,234	-	33,788	-	-	-	44,022
Other items	819,940	-	-	-	-	-	819,940
Total	1,232,184	8,717	129,069	-	578	8,170	55,760,979

Scope: outstandings excluding derivatives and repurchase agreements.

Exposures to central governments and central banks (sovereigns) are weighted exclusively at 0%. Sovereign loans weighted at 250% correspond to deferred tax assets.

5.3.2.3.6 Counterparty credit risk

Counterparty credit risk corresponds to the risk borne by:

- banking book and trading book derivatives;
- repurchase agreements on the banking book.

The exposure to counterparty credit risk of derivative instruments is calculated in accordance with Chapter 6 of the CRR, using the SA-CCR method. The capital requirements are then determined without specificity: the weighting applied to the exposure at default (EAD) depends on the segmentation of the instrument (in particular, on the IRBA scope), for determining the applicable probability of default and loss given default).

The risk mitigation techniques for repurchase agreements are taken into account in accordance with Chapter 4 of the CRR and presented below in Section 5.3.2.3.7 "Credit risk mitigation techniques". The main categories of collateral taken into account by the institution are presented in it.

5.3.2.3.7 Credit risk mitigation techniques

Financial, personal and real guarantees can be directly used to reduce the calculation of the capital requirements measured in respect of credit risk and involved in the calculation of the group's solvency ratio. The use of guarantees in risk mitigation techniques is, however, subject to compliance with eligibility conditions and minimum requirements imposed by the regulations.

Netting and collateralisation of repurchase agreements and over-the-counter derivatives

When a framework agreement is entered into with a counterparty, the signatory entity offsets the counterparty's exposures.

With the financial counterparties, the Crédit Mutuel Arkéa group supplements these agreements with collateralisation agreements (Credit Support Annexes). The operational management of these is done through the TriOptima platform.

Thanks to regular margin calls, the residual net credit risk on OTC derivatives and repurchase agreements is greatly reduced.

Description of the main categories of collateral taken into account by the institution

Guarantees are used in the calculation of weighted risks according to the nature of the borrower, the calculation method used for the exposure covered and the type of guarantee.

For mass customer contracts (i.e. the retail customer portfolio and, in part, the corporate portfolio) treated using the advanced internal rating method (IRB-A), guarantees are taken into account in the calculation and in the segmentation of loss given default (LGD) calculated statistically on all of the group's non-performing and litigious loans.

For the contracts falling within the portfolio treated under the IRB-F method and the standard method, personal and financial guarantees can be used as risk mitigation techniques as defined by the regulations:

- personal guarantees correspond to the commitment made by a third party to replace the borrower in the event of default by the latter;

- financial collateral is defined as a right of the institution to liquidate, retain or obtain the transfer or ownership of certain amounts or assets such as pledged cash deposits, debt securities, equities or convertible bonds, gold, units of UCITS, life insurance contracts and instruments of any kind issued by a third party and redeemable on first demand.

Procedures applied to the valuation and management of real collateral instruments

The procedures for valuing guarantees vary according to the nature of the instrument constituting the collateral. For the general case, the studies carried out are based on statistical estimation methodologies, directly integrated into the tools, from external indices to which haircuts may be applied depending on the type of asset taken as collateral. In the case of real estate guarantees, the initial valuation is generally calculated on the basis of the acquisition or construction value of the asset.

During the life of the guarantee, the latter is revalued periodically according to internal rules.

Main categories of protection providers

The main categories of protection providers taken into account are home loan guarantee companies.

Type of guarantee	Exposures (EAD) at 31.12.2022	
	(in € millions)	(%)
First-line residential or commercial mortgage	18,660	22.9%
Crédit Logement and other guarantor bodies	15,206	18.7%
Other financed guarantees	8,347	10.2%
Other unfinanced guarantees	6,224	7.6%
No guarantee	31,494	38.6%
Other	1,584	1.9%
Total	81,515	100.0%

Scope: all outstandings recognised in the Corporate and Retail exposure categories.

5.3.2.4 Portfolio credit risk quality

Crédit Mutuel Arkéa's credit risk is the result of a prudent credit risk policy based on an internal rating system:

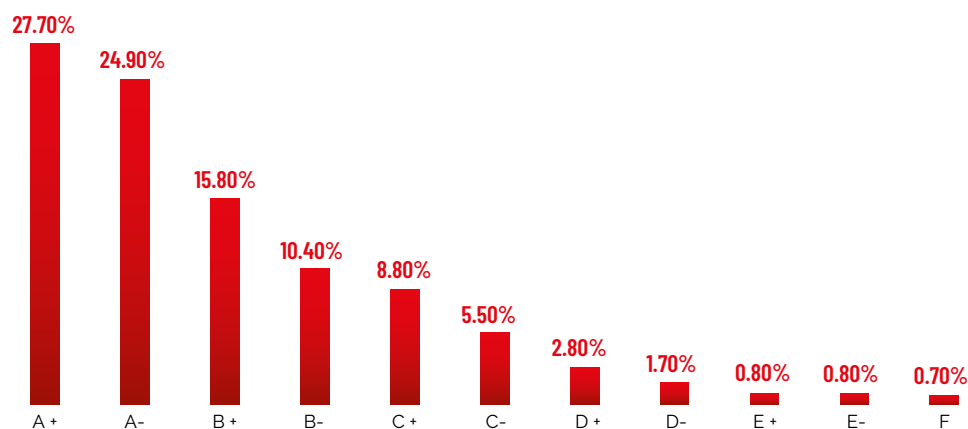
- the loan portfolio includes a very diversified customer base (see section 5.3.2.2). The lending policy is based on in-depth knowledge of the borrower, its activity and its project and refers to a proven internal rating system, essentially based on statistical models approved by the supervisory authority, or a point-of-sale consumer credit rating system. The intrinsic repayment capacity takes precedence over the value of the collateral in the granting decision.

The risk quality of the customer loan portfolio is assessed through internal customer ratings, and updated on a daily basis.

- Cash investments also reflect a high quality of credit risk, with a very strong preponderance of "investment grade" outstandings, invested primarily in instruments issued by French and European sovereigns or European financial counterparties, for a large part in the form of covered bonds.

Performing outstandings accounted for 98.2% of total outstandings and non-performing and disputed outstandings (E- and F ratings) for 1.8%.

Breakdown of exposures at default by rating level at the end of 2022



Scope: outstanding customer loans listed according to the main CM Arkéa rating algorithms.

The group's non-performing and litigious (NPL) outstandings (capital and interest) increased by €31 million over the financial year and amounted to €1,488.8 million at the end of 2022 compared to €1,457.8 million at the end of 2021. The NPL rate on overall outstandings was stable at 1.8% compared to 2% at the end of 2021.

Presentation of non-performing and disputed loans (NPL)

Markets	2021		2022	
	Amount (in € millions)	%	Amount (in € millions)	%
Individuals	601.1	41.2%	568.4	38.2%
Non-financial companies	646.4	44.3%	728.5	48.9%
Sole proprietorships*	210.2	14.4%	191.92	12.9%
Total	1,457.8	100.0%	1,488.8	100.0%

*Including farmers.

Outstanding restructured loans

Restructured loans, within the meaning of European regulations (EBA ITS), are contracts that have been the subject of "concessions to debtors having or about to have difficulties in honouring their debts". These concessions may correspond in particular to changes in the residual term of the contract or debt refinancing, excluding commercial renegotiations.

Default downgrading is stricter for restructured loans, which are automatically downgraded to doubtful debt as soon as they are more than 30 days past due or when a new restructuring is implemented.

For debtors already in default at the time of identification of the restructuring, the maintenance in default is carried out for a minimum period of one year.

According to these definitions, restructured loans represent €745.8 million (in capital and interest) or 0.91% of Crédit Mutuel Arkéa's total outstandings. €503.9 million has been downgraded to non-performing or litigious loans, while €241.9 million has been recognised as performing loans.

5.3.3 Provisioning and cost of risk

5.3.3.1 Provisioning

The provisioning of risk on customer loans concerns, on the one hand, non-performing and disputed loans (internal notes E- or F) and, on the other hand, sound loans.

For non-performing loans, the provision is applied automatically or based on an expert's assessment.

In the current economic climate, Crédit Mutuel Arkéa remained prudent in its approach to customer credit risk in 2022.

The provision rate for non-performing and litigious loans (principal + interest) was 46.8% at the end of December 2022 compared with 49.3% in December 2021. This rate was 47.8% for companies, 54.3% for sole proprietorships and 43% for individuals.

With regard to sound receivables, a new regulatory accounting standard for financial instruments came into force on 1 January 2018 (IFRS 9 – International Financial Reporting Standards). Since its implementation, a provision for credit risk is made as soon as the loan is granted. The provisioning of each contract is also calculated according to an estimate of the "expected" loss, determined on the basis of risk parameters whose calculation methods and values are specific to Crédit Mutuel Arkéa.

As the Covid-19 crisis was replaced by a more diffuse economic crisis, the calculation of provisions for performing loans was adapted by again taking the Covid-19 sectoral provision, increasing the weighting of the pessimistic forward looking scenario and allocating a provision in respect of sector risk not taken into account by the models.

As a result, the balance sheet provisioning rate for performing customer loans increased to 0.60% compared to 0.56% at 31 December 2021, representing a total of €486 million in provisions for performing loans (balance sheet).

Additional information on the CM Arkéa provisioning system is also detailed in the consolidated financial statements in Section 6.1.

5.3.3.2 Cost of risk

The cost of customer credit risk corresponds to the net allocation to provisions and losses not covered by provisions, less recoveries on amortised loans. It amounted, including provisions on performing loans, to €136.4 million in 2022 compared to €116.2 million in 2021. It consisted of a cost of risk of €50.1 million on downgraded loans and €86.2 million on performing loans.

The cost of risk on performing loans increased in 2022 compared to 2021 in connection with the update of IFRS 9 parameters and the additional sum for ex-ante provisioning of expected losses due to the macro-economic situation. The cost of risk on non-performing or litigious loans was down compared to 2021 in line with the decrease in NPLs. As a percentage of customer outstandings, the cost of risk remained close to the level of the previous year and that of 2019 at 0.17% compared to 0.16% in 2021 and in 2019.

5.3.3.3 Taking into account the cost of risk in pricing

The cost of credit risk is taken into account in setting the financial terms and conditions granted to the customer according to a generally accepted approach, in the spirit of the Basel III regulations. The average or statistically "expected" cost of risk is incorporated into the cost of credit and contributes directly to the reference pricing, with the cost of exceptional or "unexpected" risk being, in principle, to be covered by equity capital.

5.4 Operational risks

5.4.1 Operational risk management function

5.4.1.1 Organisation

Crédit Mutuel Arkéa has chosen to apply its operational risk management system to all its components, including those not directly subject to Basel III regulations (life insurance subsidiaries, non-life insurance, etc.).

The general framework for controlling operational risk is based on the functional coordination provided by the Operational Risk Department, a component of Crédit Mutuel Arkéa's Risk Department.

This department, made up of three parts (Operational Risks, Information Systems Security and the Fight against External Fraud) defines the group's risk management policies, consolidates the results and monitors the evolution of operational risks, including IT, for the entire group. In order to carry out this mission, it relies, in its capacity as functional manager of the operational risk management function, on:

- the operational risk correspondents who report to each subsidiary's management, and who are the relay for the Operational Risk Department for the application of the operational risk management policy within each structure;
- information systems security managers in subsidiaries, in charge of implementing the group's IT Security Policy (ITSP);
- a team, located within it, dedicated to managing and monitoring the operational and IT risks of the Crédit Mutuel Arkéa credit institution (central departments, local banks and central services of the Crédit Mutuel federations).

Operational risk management is governed by formalised procedures relating to:

- updating the mapping of operational risks, including their self-assessment;
- the collection of claims;
- modelling of operational risk as part of the calculation of the capital requirement.

In addition, and in order to cover its main operational risk areas, cross-functional systems are defined by the Operational Risk Department and deployed across all entities. They concern in particular:

- the security of the IT;
- the implementation of emergency and business continuity plans;
- management external fraud prevention efforts;
- managing the risks associated with outsourcing.

5.4.1.2 Reporting

Quarterly reporting is prepared by Crédit Mutuel Arkéa's Risk Department and communicated in various formats:

- to the group Risk Monitoring Committee;
- to the group Executive Committee;
- to the Risk and Internal Control Committee of Crédit Mutuel Arkéa;
- to the Board of Directors of Crédit Mutuel Arkéa.

This reporting covers four main themes:

- the observed loss rate;
- the results of the tests of the emergency and business continuity plans (EBCP);
- risk self-assessment, resulting from the mapping of operational risks;
- IT risk.

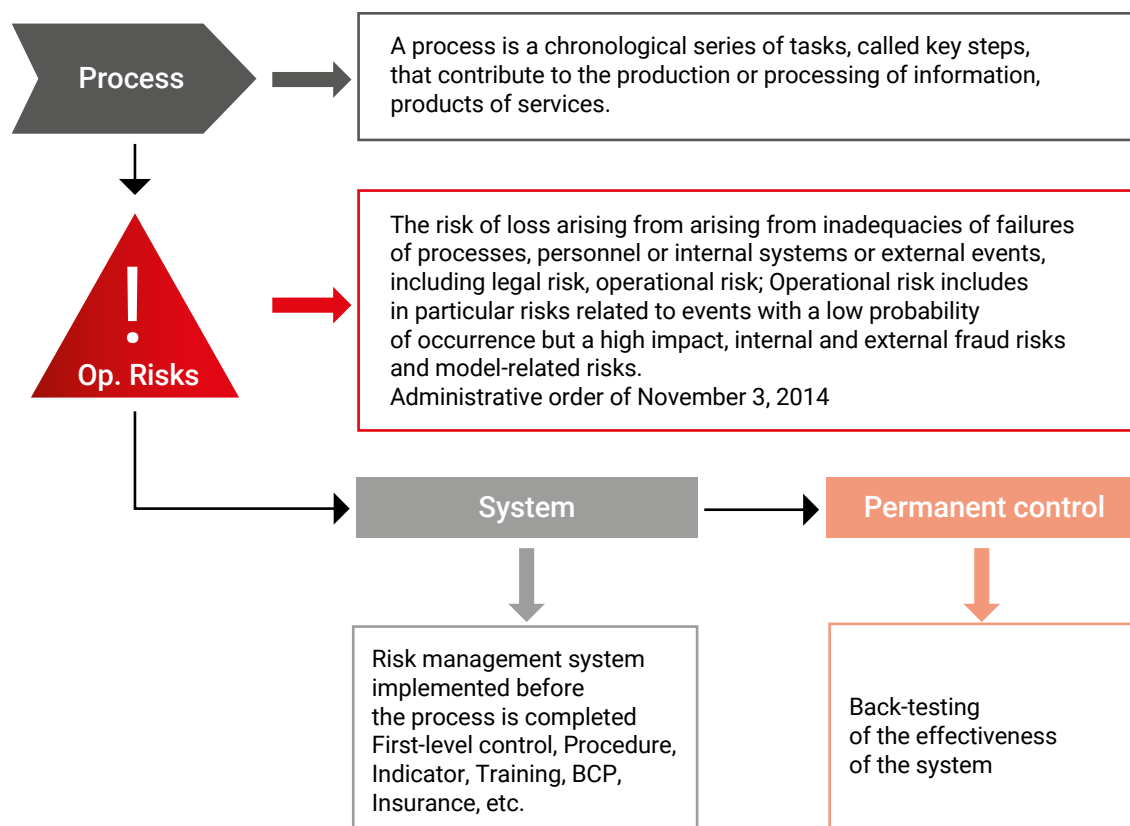
5.4.2 Operational risk measurement

The measurement of Crédit Mutuel Arkéa's operational risk is mainly based on a two-pronged approach:

- a self-assessment of risk, carried out by the operational risk correspondents within the group's structures, with recourse to the expertise of the operational staff of these structures;
- a declaration of any incident following the occurrence of a proven operational risk, in a dedicated tool based on the mapping of processes and risks.

The self-assessment of operational risk is based on an internal approach called "PRDC" for "Process-Risk-Management System-Permanent Second Level Control". This approach has led to the construction of the PRDC reference framework, whose objectives, presented in stages, are as follows:

- processes: definition and description of the processes, in the form of a flow chart for the most important ones;
- risks: identification, evaluation and prioritisation of operational risks;
- systems: identification and evaluation of inherent risk control systems (means to reduce risks or their impacts) classified according to their nature (procedures, first-level operational control, tools, training, alerts, insurance, EBCP);
- permanent 2nd level controls: verification and assessment of the relevance and effectiveness of the risk management systems attached to the processes.



Considering each unitary risk at the crossroads of the process and risk references and considering the effects of the control system in force on this risk, a self-assessment of the risk is carried out on a scale of 8 levels of frequency and 10 levels of severity.

This approach covers all Crédit Mutuel Arkéa's activities. Given the level of computerisation of processes, the effectiveness of risk management systems relating to the information system is examined with particular attention.

5.4.3 Operational risk modelling

5.4.3.1 Organisation

Since 1 January 2010, the group has been authorised to use its Advanced Measurement Approach to calculate regulatory capital requirements for operational risk for a large majority of its companies.

Crédit Mutuel Arkéa participates in projects undertaken at national level by the entire Crédit Mutuel group. In this context, dedicated resources are allocated to the annual review of risk mapping and expert opinion models, as well as to statistical modelling and the calculation of regulatory capital requirements. This enables the group to maintain the level of expertise and responsiveness required to model operational risks and quantify their capital requirements.

In addition, Crédit Mutuel Arkéa includes risk indicators for "severity" risks and the distribution of claims for "frequency" risks in the calculation of capital requirements carried out for Crédit Mutuel as a whole.

5.4.3.2 Quantification

For the quantification of operational risk, two modelling approaches have been adopted:

- for so-called "frequency" risks that may have been recorded in the loss histories and whose severity anticipated by the experts is not such as to result in a significant unexpected loss, the "Loss Distribution Approach" (LDA) technique is used;
- for other so-called "serious" risks, the analysis carried out by the group's experts leads to the implementation of scenarios requiring the provision of risk indicators. These indicators are used in conditional probability models based on each scenario.

The approach is supplemented by taking into account the correlations between the various risks in order to arrive at the capital requirement and the application of the insurance deduction.

The overall capital requirement is then distributed among the different entities of Crédit Mutuel as a whole. For Crédit Mutuel Arkéa, the regulatory capital requirement for operational risk was €223.9 million at the end of 2022.

5.4.3.3 Insurance

In 2012, Crédit Mutuel as a whole obtained authorisation from the Autorité de Contrôle Prudentiel et de Résolution (ACPR) to use the deduction from insurance policies taken out to cover its operating risks.

Insurance is thus fully integrated into the risk management process:

- the assessment of operational risks leads to the production of scenarios for severity risks;
- asymmetries between insurance cover and product scenarios are analysed;
- insurance programmes can thus be better adapted to the determined risk profile (scope covered, full cover).

The insurance coverages used to date in the deduction process are those relative to:

- damage to movable and immovable property (multi-risk);
- to fraud ("global bank" insurance);
- to professional civil liability (PCR);
- to cyber risks.

Crédit Mutuel Arkéa's insurance programmes comply with Basel III eligibility criteria (rating, initial term, residual term, termination notice, etc.).

5.4.4 Business continuity

The purpose of the Emergency and Business Continuity Plan (EBCP), as defined in the Order of 3 November 2014, is to take rapid action in the event of a crisis situation in order to minimise the impact of a major disaster on Crédit Mutuel Arkéa's activities and its customers. The activities covered are essential services as defined by the regulations.

This device is triggered when an incident causes the cessation of an essential activity, the foreseeable or certain duration of which exceeds the maximum permissible period of interruption of that activity.

The Group's emergency and business continuity plan is based on the following three documents:

- the Emergency and Business Continuity Plan for the business lines and support functions (EBCP);
- the general crisis management procedure;
- description of the Operational Risk Crisis Management System.

The general crisis management procedure deals with the organisational aspects, in the event of a disaster, by defining the roles and responsibilities of the players in the various crisis units:

- the decision-making crisis unit (headed by the Chief Executive Officer of Crédit Mutuel Arkéa);

- the operational crisis unit (headed by the Chief Risk Officer of Crédit Mutuel Arkéa);

- the Crisis Recovery Unit (headed by the person in charge of restoring the failing resource).

Each business and support function "Emergency and Business Continuity Plan" is placed under the responsibility of the manager of the entity or activity concerned. The latter designates an EBCP manager who is responsible for the implementation and operational maintenance of the entity's EBCP.

The overall consistency of all EBCPs is ensured by the Operational Risk Unit within Crédit Mutuel Arkéa's Operational Risk Department. As such, the person responsible for the group's EBCP is the Head of the Operational Risk Department.

The Emergency and Business Continuity Plans are designed to respond to six scenarios:

- Scenario: extreme shock (exceptional, unexpected and violent risk);
- Scenario: unavailability of premises (premises prohibited, unusable or inaccessible);
- Scenario: unavailability of information systems (central system, server, network or software incident);
- Scenario: staff unable to work (regardless of location, including at home);
- Scenario: resolution (resolution situation in the event of default by the group);
- Scenario: unavailability of key suppliers (suppliers - external and internal - vital for essential activities).

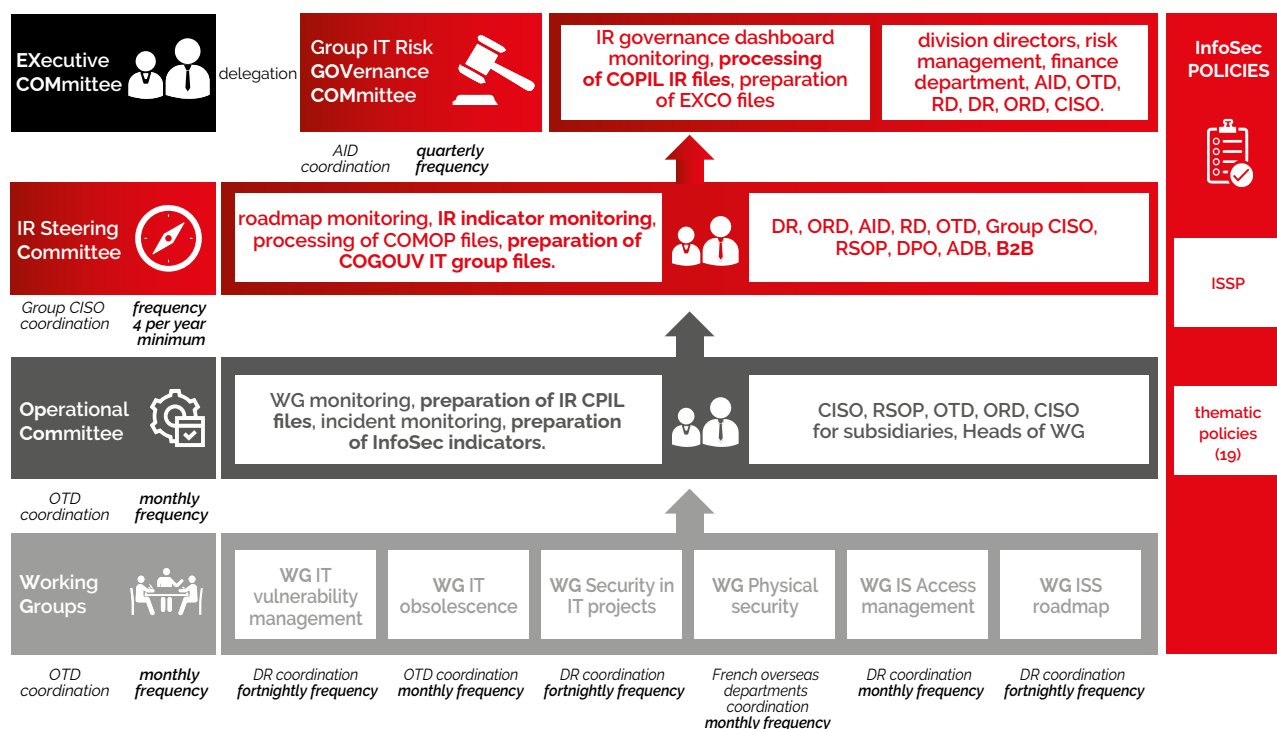
The EBCP starts from the moment when operations are entrusted to the operational crisis unit by decision of the decision-making crisis unit.

5.4.5 IT risk measurement

IT risk is an operational risk. It is therefore part of the operational risk management system set up by the Crédit Mutuel Arkéa group as described in the operational risk management policy.

The governance of IT risk management is part of that of operational risk management. It relies both on a committee dedicated to IT risk and on the deployment of an ISS function in the Crédit Mutuel Arkéa group structures.

IT risk governance diagram:



By delegation of the Crédit Mutuel Arkéa group's Executive Management and Executive Committee, the IT Risk Governance Committee contributes to monitoring that the IT strategy matches the group's risk appetite framework.

The mission of the IT Risk Governance Committee, at the Crédit Mutuel Arkéa group level, is strategic management and IT governance, including the associated IS risks. As such, it covers the following areas:

■ **architecture:**

- definition of Crédit Mutuel Arkéa's general IT policy, guiding principles and strategic vision for group IT,
- definition of the trajectory and arbitration of decisions to extend the Crédit Mutuel Arkéa group IT platform,
- verification and guarantee of the consistency and vision of the enterprise architecture;

■ **IS risk:**

- definition of the IS risk management policy incorporating the IS security policy, the organisation and operation of the ISS function,
- updating of the internal standards in force,
- monitoring of risk exposure, definition of prevention and risk reduction measures with monitoring of the associated action plans,
- analysis and monitoring of the impacts of regulatory changes in terms of IS risk,
- analysis of ISS files in the context of projects beyond the powers of the CPIL of IS risk.

The Crédit Mutuel Arkéa group's Information Systems Security Policy, validated by the Crédit Mutuel Arkéa group's Executive Management, sets out the guiding principles and general guidelines for information security.

The objective of the methodology adopted in this respect is to improve the overall security of the Information System. As such, it enables:

- the identification of IT risks;
- the quantification of IT risks;
- the definition of the actions to be implemented and their priority;
- the recurrence of the cycle for constant improvement.

The approach to reducing and preventing IT risks, both in terms of causes and consequences, is based on four classes of systems:

- **detection system:** used to alert to an imminent risk or a recent incident;
- **prevention system:** to prevent a risk from occurring;
- **protection system:** to reduce damage caused by an incident;
- **financing mechanism:** to reduce the economic cost of a claim.

In accordance with the Operational Risk Management Policy, a dashboard of risks related to its Information System (IS) and its Security (ISS) has been defined and implemented. This dashboard, called the "IT Risk Dashboard", is presented quarterly to the IT Governance Committee in order to enable it to manage and control the risks identified in the IS scope. It aims to have relevant indicators to monitor and manage the level of IT risk and to adjust the strategy in order to improve control over the group's level of risk.

5.4.6 Legal risk

Legal risks are included in operational risks and concern, among other things, exposure to fines, penalties and damages for events that could result in the group being held liable in connection with its activities.

The group's Legal Department is part of the Development Support Division, which reports to the Deputy Chief Executive Officer, who is also a member of the Executive Committee.

Crédit Mutuel Arkéa is subject to all regulations governing, in particular, the activities of companies in the banking, insurance and financial services sector. In an environment marked by the multiplication of regulations that lead to increased constraints on the exercise of activities and therefore legal risks, the legal function has a global vision and the capacity to intervene in a vast field of expertise.

To this end, the group Legal Executive Manager relies on a centralised team of more than 50 lawyers in addition to the community of lawyers operating in the subsidiaries. In the interests of efficiency, the networks' litigation activity has been centralised in order to ensure that cases are handled consistently and optimally. At the same time, the Legal Department increased its staff and continued to refine its policy for managing outside legal counsel.

Since 2017, the new organisation of the Legal Department has enabled it to:

- fully play its role as guarantor of the group's legal security;
- lead a legal coordination committee with all of the group's legal managers to encourage cross-functional collaboration and networking.

Provisions have been set aside for legal risks outstanding at 31 December 2022 that are likely to have a negative impact on the group's assets and liabilities, in accordance with the best estimates made by Executive Management on the basis of the information available to it.

In view of these factors, no dispute is likely to have a material impact on Crédit Mutuel Arkéa's financial position.

5.4.7 Non-compliance risk including money laundering and the financing of terrorism

5.4.7.1 An organisation under the aegis of the Compliance and Permanent Control Department (DCCP)

In order to maintain the confidence of its customers and stakeholders in its products and business lines, the group constantly strives to protect the interests of its customers while preserving its integrity and reputation.

The teams in charge of the group's compliance control work on a daily basis to enable the group to control its risks and thus adapt to changes in the economy and society with complete peace of mind.

In order to ensure a common vision and synergy of practices within the group, the DCCP relies on the group's compliance charter and drives the group compliance policy. It assists the entities on a daily basis in implementing the compliance systems that it develops. Within each entity, a compliance officer reporting functionally to the group Compliance Officer advises the operational teams closest to the business lines.

This organisation is fully in line with the group's collaborative and agile spirit. Each employee is an active participant in the process and contributes through their actions to the development of a common compliance culture and the control of the risk of non-compliance.

The compliance control function ensures compliance with regulations, informs stakeholders of the challenges and risks, monitors compliance with best professional practices, the transparency of information and the consistency of systems with the group's strategy.

In addition to the legal watch carried out by the group Legal Department, the DCCP carries out a specific regulatory watch on:

- changes in the prudential framework set out in the decree of 3 November 2014 on the internal control of banking, payment services and investment services companies subject to ACPR supervision;
- changes in the framework set out in the AMF General Regulation or the French Monetary and Financial Code;
- in general, any changes related to compliance control systems (financial security, fight against money laundering and the financing of terrorism, protection of customers' interests, fiscal transparency, business conduct, professional ethics, protection of personal data, investment services, etc.). The DCCP also participates in meetings of the French financial community.

The group's compliance system, which is developed, managed and coordinated by the DCCP, is deployed around four major areas:

- financial security including the fight against money laundering and the financing of terrorism (AML-FT) and the preservation of market integrity;
- business conduct and professional ethics;
- customer protection including the protection of personal data;
- fiscal transparency.

Training also plays a key role in managing the risks of non-compliance.

The DCCP carries out training initiatives for the group's entities:

- training in compliance systems for employees in the compliance function when they take up their duties;
- raising the awareness of exposed employees on themes of particular interest to the group;
- training of secondary school administrators aimed at providing them with a knowledge base on the major themes of compliance (fight against corruption and influence peddling, conflicts of interest, professional ethics and business conduct, AML-FT);
- awareness of compliance and AML-FT issues on the part of the governing bodies;
- support for the compliance function in the implementation of group framework systems;
- meetings in plenary meetings of employees in the compliance function aimed at sharing information concerning the evolution of the group's body of procedures, tools, legislative or regulatory changes, and topical issues.

In each entity, the compliance verification officer is responsible for training the employees concerned in compliance verification tools and procedures.

Local banks employees in contact with customers are trained each year according to a regulatory training schedule that changes in line with changes in regulations. Ethics and rules of good conduct in financial matters, obligations related to banking inclusion, the fight against money laundering and the financing of terrorism and the processing of customer complaints are among the recurrent topics for which training is provided. This was the case in 2022. Training on the fight against corruption, the processing of complaints, shares and AML-TF were delivered in 2022. An awareness-raising campaign on the prevention and detection of risks of corruption, the prevention and management of conflicts of interest as well as AML-TF was offered to Crédit Mutuel Arkéa's directors in 2022 via the distance learning platform.

In investment services, in order to reduce the risk of non-compliance in relation to the sale of financial instruments in the group's banking networks, employees subject to a certified examination of their knowledge and not benefiting from the grandfathering clause (Article 313-7-1 of the AMF General Regulation) took an external or internal examination.

Lastly, the Crédit Mutuel Arkéa group's Executive Management Committee attended a regulatory training course on AML-TF on 5 December 2022.

5.4.7.2 Compliance frameworks supported by the DCCP

The DCCP draws up the group's framework systems, which the group's entities are responsible for implementing according to the specific nature of their business.

5.4.7.2.1 Financial security

Anti-Money Laundering and financing of terrorism (AML/FT)

Faced in recent years with an increase in the level of risk linked to the financing of terrorism and the growing need to combat the underground economy and tax fraud in order to preserve the financial balances of states, European and French regulators again this year strengthened the regulatory arsenal in the area of AML-TF.

The bulk of the sanctions issued by the Autorité de Contrôle Prudentiel et de Résolution in recent years relate to shortcomings identified in the area of AML-FT. The amount of the fines imposed by the Enforcement Committee is constantly increasing, reaching several tens of millions of euros.

Beyond the financial damage caused to the sanctioned institution, these sanctions, whose grievances are made public by the regulators, are likely to damage the image of the institution concerned.

In accordance with regulatory requirements, the anti-money laundering and terrorist financing system was adapted during the 2022 financial year. Particular attention was paid to the application of the ACPR guidelines and in particular the publication of 16 December 2021 on identification, verification of identity and knowledge of customers. In particular, work was carried out to adapt our systems on the identification of actual beneficiaries and the declaration of discrepancies to INPI.

In 2022, most of the work focused on:

- updating the classification of money laundering and terrorist financing risks according to the five regulatory axes and, more specifically, enriching the risk factors used to calculate the level of intrinsic risk for customers;
- updating the AML-FT country classification that applies to all Crédit Mutuel Arkéa entities in the context of its international activities. This update is notably the result of an analysis of publications issued by the FATF and the French and European authorities concerning countries that are fiscally non-cooperative or that impede AML-FT or countries subject to international sanctions;

- the optimisation of our AML-TF filtering and asset freeze tools "FILEA": Crédit Mutuel Arkéa has set up a tool common to all group entities based on a market algorithm with enhanced functionalities. The deployment of this tool was initiated in the last quarter of 2021 and was completed in the second half of 2022 for all of the relevant group entities. The scope of the screening carried out concerns the detection of business relationships under freezing of assets, of politically exposed or high-risk persons according to the group's policy. This filtering concerns customer databases, new relationships and cross-border financial flows; the quality of the KYC files and their management, the questioning of the register of beneficial owners;
- the implementation of the annual AML-TF training plan for exposed personnel;
- the annual meeting of the subsidiaries subject to regulation and the half-yearly plenaries of Crédit Mutuel Arkéa's AML-TF experts led by the Compliance and Permanent Control Department;
- the adaptation and update our AML-TF risk mapping methodology;
- the adaptation of our system to the challenges of the Russia-Ukraine AML-TF crisis: implementation of a watch list in our filtering tool, communications to the AML-TF community of the Crédit Mutuel Arkéa group via a newsletter on the various sanctions packages, information for governance within the framework of the internal committees and via the RUSSIA-UKRAINE cross-functional working group set up at the beginning of this crisis.

As every year, the procedural body has also been updated to reflect changes in regulations, guidelines and sanctions issued by ACPR, as well as publications by the TRACFIN financial intelligence unit.

Investment services

The framework arrangements under the AMF General Regulation are intended to cover the activities of group entities subject to market abuse and financial instrument market regulations.

The group thus ensures that its activities comply with the rules defined in this area through the following systems:

- Investment Services Compliance Charter;
- Framework procedure for detecting and reporting suspicious market abuse transactions;
- Framework procedure for privileged information protection and transaction monitoring;
- Management of permanent insiders;
- Supervision of the transactions of the persons concerned;
- Reporting obligations of investment services providers;
- Detection and management of conflicts of interest policy;
- Product governance and supervision;

- Know your client for investment services;
- Customer information obligations;
- Best execution and best selection obligations;
- Registration obligations;
- Incentives;
- Asset protection;
- Assessment of knowledge and skills.

A tool to monitor transactions in order to detect market abuse completes the procedural body.

It should be noted that the "know your customer" and "customer information requirements for investment services" systems have evolved in order to include the rules relating to customer preferences in terms of sustainability and that the "Incentives" system has evolved to specify minor non-monetary benefits, and in particular to provide details on the conditions "for improving the quality of customer service".

5.4.7.2.2 Professional conduct and ethics

Each group entity draws up and updates its reference texts on ethics and professional conduct based on the group's framework, internal regulations, Code of Conduct and Code of Ethics.

Right to whistleblowing

In addition to the usual channels for reporting malfunctions, consisting of line management, internal control and employee representative bodies (Article 36 of the Order of 3 November 2014 on internal control), the group has, in accordance with Article 37 of the Order of 3 November 2014 relating to internal control and Law No. 2016-1691 of 9 December 2016 relating to transparency, the fight against corruption and the modernisation of economic life ("Sapin 2" Law), a group framework mechanism relating to "whistleblowing". The right to whistleblowing is included in the Arkade ESU Internal Regulations and all of the requirements of the "Sapin 2" Act relating to the internal whistleblowing system are set out in the group's "Fight against corruption and influence peddling" framework.

In 2022, the framework system was amended in view of the new provisions introduced by the law of 21 March 2022 aimed at improving the protection of whistleblowers and by the organic law of 21 March 2022 aimed at strengthening the role of the defender of rights in terms of whistleblowing. The update of the system was approved by Crédit Mutuel Arkéa's Board of Directors on 25 August 2022. Finally, the compliance manager of each entity is designated as the contact recipient of the alerts and is in charge of processing them.

Anti-corruption and influence peddling

Since 2017, Crédit Mutuel Arkéa has been implementing a group framework system for the "Fight against corruption and influence peddling" incorporating the new system for combating corruption introduced by Law No. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernisation of economic life ("Sapin 2" law).

In 2022, this framework system was updated in light of the new provisions introduced by the law of 21 March 2022 aimed at improving the protection of whistleblowers. The system has also been enhanced with provisions relating to anti-corruption accounting controls inspired by the AFA Practical Guide on anti-corruption accounting controls in companies. Lastly, the Anti-Corruption Statement signed on 9 December 2021 by the Chairman of the Board of Directors of Crédit Mutuel Arkéa, for the Board of Directors, and by the Chief Executive Officer, for the Executive Committee, has been included in the body of the Chapter 2. "Commitment of the Crédit Mutuel Arkéa group's governing body in the prevention and detection of acts of corruption".

The updated framework system was validated by the Compliance and Permanent Control Committee on 19 July 2022.

Lastly, the awareness-raising campaign, launched in 2021, in the form of fun communications intended for all of the group's directors, managers and employees, continued in the 2022 financial year, focusing in particular on the fight against corruption and conflicts of interest.

The entire compliance function was made aware of these approaches at the 2022 Compliance Plenary Meetings.

Supervision of "Interest Representatives"

Pursuant to the provisions on transparency in public life, a procedure applicable to credit institution 15589 defines lobbyists, whose main or regular activity is to influence public decision making. Credit institution 15589, which has been listed on the www.hatvp.fr directory since 2017, filed its report on 30 March 2022 in accordance with its regulatory obligations.

Conflict of interest

Crédit Mutuel Arkéa has a dedicated policy approved by its Board of Directors that sets out the principles for detecting, preventing, managing and recording situations of conflict of interest within the group.

Point 2.6 of this Universal Registration Document sets out in detail the content of the system set up within the group.

5.4.7.2.3 Protection of customers' interests

Devices dedicated to customer protection

The Compliance and Permanent Control Department ensures compliance with customer protection rules within the group. It draws up framework procedures aimed at ensuring that customers' interests are respected, from the design of products and sales tools, the choice of partners, through product or service marketing practices (advertising, precontractual information) to the conclusion of the contract (duty to advise) and the handling of complaints.

The group's framework measures contributing to customer protection within the group concern the handling of complaints; account entitlement; protection of financially vulnerable people; banking mobility; intermediation (prescription); prior approval of the compliance of new products and projects; product governance and supervision; the protection of personal data, and the marketing of insurance, banking and/or financial products to potentially vulnerable seniors.

Other systems listed as falling within the scope of financial security on the one hand (customer knowledge of investment services, obligations to inform customers about investment services, "best execution and selection" obligations, registration obligations, incentives for investment services, protection of assets) and the scope of professional ethics and professional conduct on the other hand (fight against corruption and influence peddling, management of conflicts of interest, whistleblowing) also contribute to the protection of customers' interests.

For 2022, it is worth noting the creation of a policy to market insurance, banking and/or financial products to potentially vulnerable seniors.

In addition to the changes made to the systems falling within the scope of investment services, it should be noted the changes, in 2022, of the framework systems relating to the account entitlement, intermediation, product governance and supervision, and the processing of complaints.

In addition to reviewing the body of procedures, Crédit Mutuel Arkéa, which places the customer at the heart of its concerns, also continued its actions to protect the interests of its customers.

In this respect, it is worth noting the proactive approach towards financially fragile customers that has resulted since 2018 in the creation of the Banking Inclusion Coordination Committee (CCIB), a governance body responsible for steering the system within the group and supervising work to improve the assistance provided to financially vulnerable customers.

In 2022, the committee continued its work to improve and make the system more reliable within the Crédit Mutuel Arkéa credit institution.

The actions implemented are set out in more detail in the chapter dedicated to the inclusion of people in situations of fragility in the Statement of Non-Financial Performance.

The group also pursued its efforts to continuously improve processes by holding the quarterly committee meetings for the qualitative analysis of Crédit Mutuel Arkéa's customer complaints and the community of practices for handling complaints, which, as in previous years, brought together the group entities that handle complaints to share best practices and their tools in order to further improve customer satisfaction and commercial practices.

Protection of personal data

The Personal Data Protection Department ensures that credit institution 15589 complies with the General Data Protection Regulation (GDPR) and manages the group's personal data protection system. To carry out its missions, the Department has five staff members and can rely on a network of contacts within each Crédit Mutuel Arkéa company. Thanks to this system, the objectives are to:

- ensure the operational implementation within the entities of the personal data protection policy;
- disseminate the GDPR culture within the entities by offering staff awareness-raising sessions on the protection of personal data;
- assist managers from the design stage of projects, according to the privacy by design principle;
- follow up on data disclosures;
- manage complaints received by the CNIL;
- manage and analyse the cross-functional control framework dedicated to the protection of personal data;
- ensure the regulatory watch related to the activity.

5.4.7.2.4 Fiscal transparency

Crédit Mutuel Arkéa ensures compliance with the regulations relating to the automatic exchange of information on:

- financial accounts through the Foreign Account Tax Compliance Act and the Common Reporting Standard for Financial Institutions;
- cross-border arrangements that must be declared (DAC6 regulation).

To do so, Crédit Mutuel Arkéa has set up a system governing the automatic exchange of information on financial accounts covering the provisions relating to the American law known as FATCA, as well as the international standard on tax transparency known as the OECD/CRS.

In addition, in application of the DAC 6 directive, Crédit Mutuel Arkéa set up a system in 2021 to regulate the automatic exchange of information on cross-border arrangements that must be declared.

5.5 Structural interest rate and liquidity risks

5.5.1 Organisation

The objective of the ALM management function is to steer the group's major financial balances over a medium to long-term horizon. In addition to allocating equity capital, its missions consist of measuring, monitoring and recommending actions to optimise liquidity risk and interest rate risk (the currency risk being marginal).

It is carried out both by a dedicated, centralised structure – Crédit Mutuel Arkéa's Balance Sheet Management Department that reports to the Finance Department and oversees the balance sheet balances of Crédit Mutuel Arkéa as a group and of Crédit Mutuel Arkéa as a whole – and by the Finance Departments of the subsidiaries, which operate within the framework of the standards set by the group.

The main indicators on the banking sector are produced by Crédit Mutuel Arkéa's Balance Sheet Management Department. The risks of the insurance subsidiaries are monitored at their level, under the supervision of the group Capital Management and ALM Committee.

Steering is organised on three levels:

- the principles and limits for managing the group's balance sheet are set annually by the Board of Directors of Crédit Mutuel Arkéa, on the recommendation of the group's Capital Management and ALM Committee. Subsidiaries' limits are adopted by their supervisory bodies within the framework defined at group level;
- the Capital Management and ALM Committee carries out strategic steering and controls the exposure of the group and its components. Chaired by the group's Chief Executive Officer, it met 8 times in 2022;
- the Operational ALM Committees of the group and subsidiaries are responsible for the day-to-day management of the balance sheet of the entity concerned, by delegation and within the framework of the guidelines defined by the group's Capital Management and ALM Committee. The group's Operational ALM Committee meets on a monthly basis.

Crédit Mutuel Arkéa is solely responsible for financial market transactions, enabling it to control and optimise the management of the group's liquidity and interest rate risks. Hedging decisions taken by the banking entities are therefore exclusively carried out by Crédit Mutuel Arkéa.

The reporting data relating to the main indicators of the balance sheet risk management policy are included in the management dashboards for the attention of Crédit Mutuel Arkéa's senior management, the Risk and Internal Control Committee and the Board of Directors. The Board of Directors and senior management of Crédit Mutuel Arkéa are thus informed of any group limits that are exceeded and must be immediately rectified (unless a specific decision is taken, with reasons, and a timetable for the return of the limit, if applicable).

5.5.2 Interest rate risk on the banking portfolio

Interest rate risk is the risk, present or future, to which the bank's shareholders' equity and profits are exposed as a result of unfavourable movements in interest rates. It can result from a difference in maturity between fixed-rate assets and liabilities, a difference in the reference index between fixed-rate assets and liabilities (base risk) or the exercise of options (such as caps and floors or early repayment of loans).

5.5.2.1 Measurement and monitoring

The system in place within Crédit Mutuel Arkéa concerning interest rate risk complies with the provisions of the Order of 3 November 2014 on the internal control of companies in the banking sector, the Supervisory Review and Evaluation Process (SREP) and EBA guidelines⁽¹⁾ (2018/02) on the management of interest rate risk inherent in non-trading book activities.

Interest rate risk is measured and monitored within the consolidated banking perimeter and at each of its component entities. All balance sheet and off-balance sheet items, notably financial instruments (swaps and options) and deferred transactions, are included in the measurement of this risk.

The interest rate risk is generated by the group's commercial activity and results from the differences in interest rates and benchmark indices between uses and resources. Its analysis takes into account outstanding products with no contractual maturity and implicit options (early repayment of loans or term accounts, extension, use of credit rights, etc.). Three main indicators, calculated at least every quarter, make it possible to measure interest rate risk on a static basis:

- the sensitivity of the Net Present Value (NPV) is an indicator provided for by the Capital Requirements Directive 5 (CRD 5). Expressed as a percentage of Tier 1 capital, it measures the change in the present value of the balance sheet for the six scenarios of interest rate shocks in accordance with the EBA guidelines: +200 bp, -200 bp, steepening, flattening, increase in short rates, decrease in short rates, excluding equity, equity holdings and fixed assets. The CRD 5 sets a maximum exposure threshold of -15% of Tier 1 capital.
- At the end of 2022, the sensitivities of NPV to Tier 1 capital of the group according to the six EBA scenarios were at the following levels:
- upward shock in interest rates (+200 bp): -5.7%,
 - downward shock in interest rates (-200 bp): +8.6%,
 - steepening (short-term rates down, long-term rates up): +0.0%,
 - flattening (short-term rates up, long-term rates down): -1.0%,
 - increase in short-term rates: -2.6%,
 - decrease in short-term rates: +2.8%.

(1) European Banking Authority

NPV sensitivity levels comply with the internal management threshold. The maximum sensitivity was nearly -€426 million under a +200 bp interest rate increase scenario;

- the interest rate gaps consist of projecting outstandings at a known interest rate based on their contractual characteristics (maturity date and type of amortisation) or by modelling their flow.

Flow modelling is necessary when the amortisation profile is not known (products with no contractual maturity such as current accounts, passbooks or equity capital) or when implicit options are incorporated in customer products (early repayments on loans and term accounts, etc.). With the exception of reserves and investments that are disposed of by agreement, the modelling is essentially based on the analysis of past customer behaviour. In the context of early repayments, it takes into account a possible correlation between market rates and early repayment rates.

At the end of 2022, the level of transformation into short-term rates (<2 years) was between 1% and 3% of the size of the bank balance sheet, in particular in connection with the recent change in the formula for calculating TLTRO interest by the ECB (ECB decision of 23 November 2022). Beyond that, the interest rate position is reduced on all maturities, with an overall neutral exposure in the central scenario and in interest rate shock scenarios of +/- 100 bp. The levels of exposure to the interest rate gap are well below internal management thresholds and reflect the group's desire to minimise its exposure to interest rate risk;

- the sensitivity of the interest margin expresses the gain (or cost) of a change in interest rates on the group's interest margin. It is expressed as a percentage of NBI, according to different rate variations. It is built on the basis of static interest rate gaps and the impact of option risks, which are projected over five years on contracts in inventory.

In a parallel shock scenario of +/- 100 bp on the interest rate curve, the sensitivity of the Crédit Mutuel Arkéa group's interest margin at the end of 2022 was between +1.9% and -1.8% of NBI over the first five years.

- for a +100 bp increase, the maximum annual impact over the first five years was -€1.8 million, equivalent to 100% of NBI;
- for a decrease of -100 bp, the maximum adverse annual impact over the first five years was -0.1% of NBI.

Other static indicators are produced in order to monitor the basic risk and the risk related to the activation of explicit options on customer loans (capped interest rate).

In addition, dynamic indicators are also produced to determine the impact of the future production of loans and deposits on the net interest margin in the group's central economic scenario and in different stressed rate environments (constant and dynamic balance sheet).

5.5.2.2 Management

Crédit Mutuel Arkéa acts as a central interest rate unit for the banking sector. The interest rate position of banking entities is backed by the central rate. The interest rate office manages the group's level of hedging on the markets in line with the target level of exposure defined by the group Operational ALM Committee and in compliance with the framework set by the Capital and ALM Committee and the Board.

When the risk arises from a difference in interest rates (between fixed-rate assets and variable-rate liabilities, for example), hedging is mainly provided through macro-hedging swaps.

In the case of an explicit optional risk, hedging must take the form of an option; the hedging of capped variable-rate loans is thus ensured by interest rate caps.

Macro-hedging transactions are generally justified in relation to Fair Value Hedge under IFRS on the basis of loan and deposit portfolios. Accounting documentation and effectiveness tests are produced at the inception of the hedge and updated on a half-yearly basis to ensure the quality of the hedge and limit the impact on the group's IFRS earnings.

In the current context of rising market rates, rising inflation and the corresponding impacts on monetary policy, the group is maintaining a prudent policy and a level of rate matching consistent with the appetite framework set by the Board of Directors. It thus remains structurally slightly exposed to interest rate risk in order to protect its margins and value, which is corroborated by the level of the gaps, the interest margin sensitivity indicator and the NPV sensitivity.

5.5.3 Liquidity risk on the banking portfolio

Liquidity risk is the risk for the reporting company that it will not be able to meet its commitments or that it will not be able to unwind or offset a position due to its situation or the market situation within a certain period of time and at a reasonable cost. It arises from a maturity mismatch between jobs and resources.

It may result in an additional charge in the event of a rise in liquidity spreads; in its most extreme form, it could result in the institution's inability to honour its commitments.

The group has historically been vigilant and prudent in the face of this risk.

5.5.3.1 Measurement and monitoring

As part of the management of liquidity risk, the Crédit Mutuel Arkéa group has established its Internal Liquidity Adequacy Assessment Process (ILAAP) in compliance with the recommendations of the Basel Committee (09-2008), those of the EBA relating to the Supervisory Review and Evaluation Process (SREP), the Order of 3 November 2014 on the internal control of companies in the banking sector and the ECB guidelines of November 2018 relating to the ILAAP.

Liquidity is managed centrally across all entities within the banking prudential scope. The Crédit Mutuel Arkéa group acts as a liquidity centre:

- Crédit Mutuel Arkéa is the only entity operating on the markets: Crédit Mutuel Arkéa implements a refinancing programme (short- and long-term) and manages excess liquidity for the entire banking group. Transactions are almost exclusively carried out in euros;

- Crédit Mutuel Arkéa is the only entity in the group that can access refinancing from the Central Bank and has a 3G (Global Collateral Management) asset pool. As such, Crédit Mutuel Arkéa manages the group's collateral;
- subsidiaries with cash requirements (or cash surpluses) refinance (or lend) exclusively to Crédit Mutuel Arkéa.

This organisation is justified by the vital nature of the liquidity risk, which is managed by specialised teams at Crédit Mutuel Arkéa (ALM Department and Financial Markets Department). By bringing together and pooling the needs of all banking entities, this organisation enables Crédit Mutuel Arkéa to reach the critical size sufficient to access markets under competitive price and volume conditions.

Liquidity risk is measured and monitored within the consolidated banking scope and at each of its component entities. They are mainly based on three elements:

- static liquidity gaps;
- liquidity ratios (regulatory and non-regulatory);
- refinancing volumes and available collateral (particularly short-term).

Static liquidity gaps, calculated at least quarterly, include all balance sheet items (all financial and non-financial assets and liabilities) and off-balance sheet items impacting the group's liquidity (overdraft authorisations, release of loans granted). They are established on the basis of static scenarios (without any assumption of new production), and supplemented by dynamic scenarios in order to estimate refinancing requirements for the various maturities, liquidity reserves and the survival horizon in the event of financial market tensions.

Static gaps are produced according to a central scenario and a crisis scenario. The latter is characterised in particular by assumptions of leakage of commercial resources, drawdowns of certain off-balance sheet liquidity agreements or differentiated levels of liquidity of financial securities held according to their nature. These assumptions are consistent with the principles adopted by the European Union on the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR).

On the basis of the crisis scenario, the group has set itself a rule for minimum credit matching over the next five years, consistent with the NSFR weighting assumptions, with a level between 100% and 85% depending on the maturity. This objective was maintained throughout 2022 with significant room for manoeuvre.

Several liquidity ratios are particularly monitored:

- the LCR is a liquidity ratio provided for by the CRD 4 and CRR texts (transposing the so-called "Basel III" proposals into European standards). It measures the ratio between liquid assets and net cash outflows at 30 days under a

stress scenario. The minimum required level has been set at 100% since 2018. The group met the minimum regulatory requirement throughout 2022 with significant room for manoeuvre. At the end of 2022, the LCR stood at 157%;

- the NSFR (Net Stable Funding Ratio) is also a liquidity ratio provided for in the CRD 5 and CRR 2 texts. It verifies the coverage of stable uses by stable resources. The minimum level required is 100%. The NSFR came into effect on 30 June 2021. At the end of 2022, the NSFR stood at 113.6%;
- the loan/deposit ratio measures the proportion of loans financed by bank deposits and, consequently, the dependence on the financial markets. The gross loan/deposit ratio stood at 101% at the end of 2022.

Limits on short-term refinancing volumes (overnight and less than three months) and on annual medium- to long-term refinancing volumes are also defined in order to limit the impact of non-renewal of these lines in the event of market tensions. These limits have been respected throughout 2022.

In addition, the group has developed additional indicators to ensure its ability to withstand situations of severe tension on the financial markets or with customers. The qualitative assessment of these indicators shows a low risk that is managed thanks to a high level of hedging and a holding of significant liquidity reserves representing nearly twice the LCR requirements.

5.5.3.2 Refinancing programme

Crédit Mutuel Arkéa acts as a central refinancing body on behalf of all the group's banking entities. It therefore manages a portfolio of resources that it makes available to the banking entities.

The group's refinancing programme is drawn up annually and updated on a quarterly basis based on observed and forecast changes in business activity. It aims to comply with the various limits set by the Board of Directors, in particular the minimum matching rule in a crisis scenario, and takes into account:

- the maturity concentration risk;
- the level of collateral available for issues of secured vehicles;
- the need to promote the group's signature on the markets in order to maintain a regular presence with investors;
- the capital and subordinated debt requirements within the framework of solvency ratios;
- the projected levels of the LCR and NSFR ratios.

The implementation of the refinancing programme also takes into account investor appetite and preferential issue periods. In 2022, the group borrowed €4.3 billion with maturities of more than one year of which €1.9 billion in a secured format).

Crédit Mutuel Arkéa has developed a policy of diversifying its refinancing channels and had the following financial resources at 31 December 2022:

- a short-term refinancing programme with a maturity of less than one year (€4.4 billion of NEU CP ⁽¹⁾);
- an unsecured medium- to long-term refinancing programme (€11.6 billion):
 - senior debt: €5.9 billion,
 - non-preferred senior debt: €3.3 billion,
 - subordinated debt: €2.4 billion.
- €7.6 billion in secured refinancing programmes through two refinancing ⁽²⁾:
 - a housing financing company (€6 billion in outstanding issues guaranteed by housing loans),
 - a property loans company (€1.6 billion guaranteed by exposures to public entities).
- €1.6 billion in unsecured long-term interbank loans or secured by a mobilisation of receivables from:
 - the Caisse de Refinancement de l'Habitat (€0.3 billion),
 - the European Investment Bank (€0.8 billion),
 - the Caisse des Dépôts et Consignations (€0.5 billion).

In addition, several issues were made in the "green bond" and "social bond" format, in line with the group's purpose and the financing of the energy transition.

Particular attention is paid to the terms and conditions of debt issuance contracts. In addition to the usual clauses, these contracts may include an option for early redemption at the group's discretion. Conversely, they do not include an option for early redemption at the option of the counterparties.

The group is therefore in control of the timing of these contracts and can, for certain securities, redeem them early.

At the same time, the group is careful to limit its dependence on the financial markets by collecting bank savings from its customers. It regularly enhances its range of deposits (passbook savings accounts, term deposits) for individual, business and institutional customers as well as financial customers. In 2022, it achieved a €5.5 billion increase in outstanding bank deposits, net of centralisation, due to the inflows received by Arkéa Banque Entreprises et Institutionnels, and the Crédit Mutuel Arkéa networks.

5.5.3.3 Emergency financing plan and liquidity reserves

The group's emergency financing plan is updated, tested and approved each year by the Crédit Mutuel Arkéa group's Board of Directors.

The plan is triggered according to various qualitative and quantitative indicators: projected cash position, market situation and Crédit Mutuel Arkéa's refinancing, etc. A Crisis Treasury Committee, which meets at least once a week with the heads of the main structures concerned (balance sheet management, trading room, middle and back office), is responsible for managing the crisis and decides on the transactions to be carried out with the central bank and on the markets; it may also propose commercial actions to the Executive Committee. The main axiom, in connection with the survival time indicator, is to finance projected cash requirements through the mobilisation of liquidity reserves (notably from the Central Bank).

The group has significant liquidity reserves to protect itself against a market closure. These are set up to comply with the various limits, including the survival period limit, set by the Board of Directors.

Binding rules have been laid down to ensure that buffers are available quickly in the event of a crisis:

- securities held by Crédit Mutuel Arkéa with a maturity of more than 6 months must be highly liquid (meaning eligible for the numerator of the LCR) and/or eligible with the European Central Bank, and included in the so-called "3G" asset pool (global collateral management);
- the availability of eligible securities from the Central Bank must be tested annually to ensure that there are no difficulties in implementing the project within a limited timeframe;
- the amount of liquidity reserves and the level of use of collateral eligible for central bank approval are subject to specific limits.

At the end of 2022, liquidity reserves - including available cash - amounted to €33.3 billion, which is almost double the amount required under the LCR. Liquidity reserves increased by €6.3 billion in 2022.

(1) *Negotiable European Commercial Paper.*
 (2) Excluding self-managed issues.

5.6 Market risk

The market risk in this section is understood here as the market risk of the banking scope only, namely excluding market risk related to the insurance business of the Crédit Mutuel Arkéa group. In addition, the scope of equity investments, dealt with in a separate chapter, is also excluded.

Market risk or price risk arises from unfavourable changes in market parameters that have an impact on the value of financial instruments recorded on the balance sheet. Market risks are defined as the risk of loss or adverse changes in financial position, resulting directly or indirectly from fluctuations in financial markets.

Crédit Mutuel Arkéa is mainly exposed to first-order spread, interest rate and currency rate risks. Proprietary exposure of Crédit Mutuel Arkéa to optional banking risks is not material.

From a management point of view, the market risks of the banking scope dealt with in this paragraph stem either from the portfolios of financial instruments managed by Crédit Mutuel Arkéa's Financial Markets Department or from the portfolio of Arkéa Direct Bank. The latter, which results from the acquisition of the Belgian online bank Keytrade in June 2016, was immediately placed under management in extinguishment. The exposure to market risks of the group's other banking subsidiaries remains immaterial due to the almost systematic centralisation of their cash investments with Crédit Mutuel Arkéa.

Interest rate risk is essentially managed globally at the level of a central interest rate centre whose risk limits and management principles are defined by the group's Balance Sheet Management function. The Financial Markets Department is responsible for the effective management of this central interest rate centre.

At the end of 2022, the market risk exposure of investments on the balance sheet amounted to €7.1 billion for the banking scope. This amount was down on the previous year by €1.6 billion. It breaks down as follows:

Exposure of the banking scope to market risks at 31 December 2022

(in € millions)

Crédit Mutuel Arkéa LCR portfolio	5,094
Other investments	2,022
Crédit Mutuel Arkéa	1,841
Cash investments of less than one year	803
Arkéa Direct Bank (Keytrade portfolio being wound down)	173
Other entities	9
Total investments	7,116

The value of investments on the balance sheet is exposed to the risk of changes in the issuer spread, this risk being more pronounced on the longest maturities (the portion of securities with a residual maturity of more than five years is 18%). This risk is concentrated in Crédit Mutuel Arkéa's LCR portfolio.

Changes in the value of Crédit Mutuel Arkéa's investments due to interest rates are transferred, via internal swaps, to the central interest rate centre whose objective is to manage the overall interest rate risk within sensitivity limits set by the Board of Directors. Changes in the value of Arkéa Direct Bank's investments, consisting entirely of fixed-rate securities, are retained in full. Arkéa Direct Bank's interest rate risk is managed directly by matching assets recorded at fair value with liabilities recorded at amortised cost.

In 2022, the sensitivity of investments to spread and interest rate risks decreased due to decreased exposure.

Derivatives traded with network customers in connection with the provision of investment services represented a notional amount of €10.9 billion at 31 December 2022. Their reversal in the market means that the market risks of the business are neutralised, with the exception of CVA-DVA and FVA risks. The valuation of derivative instruments gives rise to two adjustments.

In accordance with IFRS 13, the first adjustment is intended to incorporate the market value of the counterparty risk. The adjustment takes into account the bilateral nature of this risk; on the one hand the counterparty risk or Credit Valuation Adjustment (CVA), and on the other hand Crédit Mutuel Arkéa's own credit risk or Debit Valuation Adjustment (DVA).

The second adjustment aims to incorporate the financing cost of derivatives that are not subject to margin calls, i.e. those negotiated with customers (Funding Valuation Adjustment – FVA).

In total, net income of €0.9 million was recognised in respect of the 2022 financial year⁽¹⁾, for a total CVA net of DVA + FVA of -€8.9 million at 31 December 2022.

Lastly, from a regulatory point of view, Crédit Mutuel Arkéa's market risk concerns the interest rate risk on the trading portfolio⁽²⁾, the CVA risk and the currency risk. The trading portfolio is not material since it is limited to the group's debt management transactions. It did not contain any transactions at 31 December 2022.

With regard to CVA risk, the regulatory capital requirement stood at €5.8 million at 31 December 2022.

With regard to currency risk, it should be noted that Crédit Mutuel Arkéa is not subject to the calculation of capital requirements, as mentioned in Section 4.6.2 "Currency risk".

The above exposures relate to Notes 2, 3 and 4 to the consolidated financial statements of Crédit Mutuel Arkéa.

(1) CVA-DVA: +€9.6 million, FVA: -€8.7 million.

(2) The trading portfolio consists of positions held with a view to short-term disposal.

5.6.1 Risk organisation and monitoring

5.6.1.1 Organisation

Crédit Mutuel Arkéa's market transactions are negotiated by a trading room attached to the Financial Markets Department. This room is organised around Departments, which are themselves organised into services:

- the Structuring Department, comprising two units:
 - the investment structuring unit;
 - the debt structuring unit.
- the Commercial Activities Department;
- the Treasury, Refinancing and Foreign Exchange Department, composed of two Departments:
 - the Treasury and Refinancing unit;
 - the Currency unit.
- the Front-Office Cross Support Department;
- the Investor Relations and Economic Studies Department.

The accounting recording and settlement of transactions are handled by the Back Offices Unit (Finance & Global Performance Department).

The Market Risk Monitoring Department within the Risks division is responsible for valuing positions, assessing the management result and market risks, and calculating capital requirements.

Each of the phases in the processing of transactions is subject to permanent control in accordance with regulations.

5.6.1.2 Monitoring

The Board of Directors of Crédit Mutuel Arkéa, on the proposal of the Executive Committee and after a meeting of the group Risk Monitoring Committee, sets the overall capital market intervention system, and in particular the market risk appetite. The detailed system of limits is then decided by the group's Executive Committee, after review by the Risk Monitoring Committee.

This system consists of management limits or thresholds that cover positions, sensitivities, losses, and capital requirements.

In 2022, the limits relating to the various portfolios were adjusted mainly to support the business.

The corpus of limits is supplemented by a procedure for approving new products that takes the form of a list of instruments authorised for trading.

5.6.1.2.1 Reporting to Executive Management

The Risk Department informs the Operational Departments on a daily basis of the level of indicators subject to limits. In the event that limits are exceeded, a procedure is activated to inform the actual managers. The Risk Department also regularly prepares consolidated market risk reports for them.

5.6.1.2.2 Reporting to the supervisory body

Communication on the risks associated with market activities is made at each meeting of Crédit Mutuel Arkéa's Board of Directors. It includes a presentation of exposures, results and risk indicators as well as an update on compliance with the limits decided by the Board.

The consolidated risk position, which includes market risk, is also presented regularly to Crédit Mutuel Arkéa's Risk and Internal Control Committee.

5.6.1.3 Sensitivity analyses

The valuations used as a reference for sensitivity analyses are obtained according to a hierarchy of methods. When the asset is listed on an active market, fair value is determined on the basis of its quotation. In the absence of such a quotation, the price results from the application of market valuation techniques using market data that are generally observable. Valuations based on models may be adjusted to take into account liquidity risk.

Changes in the value of Crédit Mutuel Arkéa's portfolios recorded at fair value are subject to sensitivity limits. The sensitivity of the portfolios to normative and small variations in spreads and interest rates is measured on a daily basis.

5.6.1.3.1 Value at Risk (VaR)

The market risk of the trading book is measured in VaR.

The method used is based on a full revaluation of positions based on a history with a depth of 250 working days.

The model is calibrated with a confidence interval of 99% and a horizon of 10 working days. It has not been audited by the Statutory Auditors nor has it been submitted for approval by the Autorité de Contrôle Prudentiel et de Résolution for the calculation of the capital requirement. The amount obtained is therefore provided for information purposes only.

At 31 December 2022, the VaR amount was nil due to the absence of positions in the trading portfolio.

5.6.1.3.2 Potential loss

The daily measurements of portfolio sensitivity are supplemented monthly by a calculation of potential losses carried out for the banking scope.

The objective is to assess the impact on the income statement and on equity capital of tensions likely to arise on the markets under reasonably possible conditions, based on a full revaluation of positions.

The choice of risk factors is based on a detailed analysis of the composition of the portfolio, as a financial instrument may be sensitive to a number of factors.

The potential loss is estimated using a VaR-type model based on historical data for the last three rolling years.

Two approaches coexist:

- **spread, equity and currency risks:** the scenarios applied correspond to relative or absolute variations observed over a time horizon of one month, with a 99% probability, over sliding periods within a historical period of three years;
- **interest rate risk:** the potential loss retained is the historical daily 99% VaR, extrapolated to one month.

The overall potential loss is the sum of the impacts of the shocks obtained for each of the risks.

The model used to calculate the potential loss has three main simplifications:

- the scenarios applied to the positions are based exclusively on historical observations;

- due to the difficulty of obtaining individualised historical data outside of interest rates, the volatility of the portfolio's risk factors is estimated from proxies, the latter being as granular as possible;

- the addition of the stress test results for each of the risk factors leads to a conservative overall amount.

The estimate of the potential loss at 31 December 2022 shows, on the one hand, that adverse market movements would almost exclusively affect shareholders' equity (98% of total impairment losses) and, on the other hand, that the portfolio is mainly exposed to spread risk (88% of the total).

The results obtained are subject to ex-post control.

Maximum potential loss at 99% at 31 December 2021 – (one-month horizon)

Risk	Scenario	Exposure (in € millions)	Potential loss (in € millions)	Of which impact on net income (in € millions)	Of which impact on equity (in € millions)
TOTAL			(56.6)	(1.1)	(55.4)
INTEREST RATE	SCENARIO SELECTED ON THE BASIS OF OBSERVED HISTORY	6,799	(6.1)	0.0	(6.1)
FOREIGN EXCHANGE	+/- 5%⁽¹⁾	15	(0.8)	(0.8)	-
	TOTAL	6,799	(49.6)	(0.3)	(49.3)
	+20 bp on supranationals	233	(1.1)	0.0	(1.1)
	+30 bp on French sovereign	1,040	(11.7)	0.0	(11.7)
	+30 bp on Austrian sovereign	105	(0.2)	0.0	(0.2)
	+20 bp on German sovereign	200	(1.2)	0.0	(1.2)
	+20 bp on Dutch sovereign	94	(0.4)	0.0	(0.4)
	+30 bp on Belgian sovereign	109	(1.9)	0.0	(1.9)
SPREAD	+45 bp on Spanish sovereign	170	(0.1)	0.0	(0.1)
	+65 bp on Italian sovereign	249	(0.2)	0.0	(0.2)
	+25 bp on Luxembourgish sovereign	22	(0.2)	0.0	(0.2)
	+10 bp on US sovereign	175	(0.6)	0.0	(0.6)
	+25 bp on covered bonds	2,248	(15.4)	0.0	(15.4)
	+75 bp on European financials	1,474	(10.6)	(0.3)	(10.3)
	+105 bp on corporates	679	(6.0)	0.0	(6.0)

(1) In relative value.

5.6.1.3.3 Crisis scenarios

The calculation scope of the strength tests is identical to that of the potential loss. The shocks applied correspond, for each of the selected risk factors, to the worst variations observed over a period of one year in a reference history whose depth varies from 13 to 18 years depending on the data available.

It should be noted that the simplifications mentioned for potential loss also apply to stress scenarios.

Crisis scenario at 31 December 2021 - (one-year horizon)

Risk	Scenario	Exposure (in € millions)	Stress test (in € millions)	Of which impact on net income (in € millions)	Of which impact on equity (in € millions)
TOTAL			(180.9)	(4.8)	(176.0)
INTEREST RATE	SHOCKS DIFFERENTIATED ACCORDING TO MATURITY	6,799	(25.7)	(0.8)	(24.9)
FOREIGN EXCHANGE	+/- 24% ⁽¹⁾	15	(3.5)	(3.5)	-
	TOTAL	6,799	(151.6)	(0.5)	(151.1)
	Medium/long-term	3,842	(140.7)	0.0	(140.2)
	+70 bp on supranationals	107	(3.6)	0.0	(3.6)
	+130 bp on French sovereign	1,025	(50.0)	0.0	(50.0)
	+40 bp on German sovereign	165	(2.8)	0.0	(2.8)
	+115 bp on Austrian sovereign	20	(0.4)	0.0	(0.4)
	+45 bp on Dutch sovereign	85	(0.9)	0.0	(0.9)
SPREAD	+30 bp on Luxembourg sovereign	22	(0.3)	0.0	(0.3)
	+215 bp on Belgian sovereign	109	(12.9)	0.0	(12.9)
	+35 bp on US sovereign	153	(2.3)	0.0	(2.3)
	+70 bp on covered bonds	1,463	(40.0)	0.0	(40.0)
	+190 bp on European financials	494	(21.8)	-0.5	(21.3)
	+110 bp on corporates	199	(5.8)	0.0	(5.8)
	Short-term	2,956	(10.9)	0.0	(10.9)
	+125 bp on short-term securities	2,956	(10.9)	0.0	(10.9)

(1) In relative value.

5.6.2 Currency risk

Currency risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The probability of occurrence of currency risk is considered low in view of the low exposure and existing hedges. In the event of occurrence, the impact would also be low.

A cumulative exposure limit on the foreign exchange position is set at €60 million (including equity investments and investments in foreign currencies). Since this limit is always less than 2% of the group's equity capital, it does not give rise to a calculation of a regulatory capital requirement in accordance with Article 351 of EU Regulation No. 575/2013.

The Financial Markets Department hedges currency risk either on its own initiative or at the request of the entities concerned.

5.7 Risks specific to the insurance business

5.7.1 Technical risks

5.7.1.1 Life insurance technical risks

Suravenir is exposed to underwriting risk in its personal protection insurance business.

Underwriting risk is the risk of loss or adverse change in the value of insurance liabilities. This situation results from an increase in claims not anticipated at the time of pricing, risk acceptance or risk monitoring (provisioning risk).

To manage and monitor these risks, Suravenir has established underwriting and provisioning policies, implemented by the company's Departments.

The breakdown of the various technical provisions set aside to cover these risks in accordance with the French Insurance Code, based on the nature of the products and therefore the group's commitments, is set out in Note 21c to the consolidated financial statements at 31 December 2022 (see Section 6.1 Consolidated financial statements).

The main underwriting risks relating to Suravenir's activities are described below.

5.7.1.1.1 Policyholder behaviour risks

The risk of policyholder behaviour is related to poor anticipation of policyholder behaviour in terms of surrenders, arbitrage, cancellations or early repayments.

The policyholder has a surrender option on his or her life insurance policy at any time; an option that can negatively impact the profitability, solvency and liquidity of the company when it is exercised on a massive scale by customers, or if it deviates from the expected redemption rate. This risk is the main underwriting risk applicable in life insurance, which increases in a context of high interest rates due to potential competition from bank savings.

In the same way, the policyholder of a borrower protection contract has the right to repay his or her loan in advance, and, since the Lemoine law, to substitute their borrower insurance on the home loan at any time.

In addition, policyholders have the option of choosing between unit-linked and euro-denominated savings. In a low interest rate environment, arbitrage to euro-denominated funds and in particular to a capital-guaranteed fund, negatively impact the Company's profitability and solvency.

5.7.1.1.2 Biometric risks

The main biometric risks applicable to the insurance policies marketed by Suravenir are:

- mortality risk: mortality risk is defined as the risk of loss or an unfavourable change in the value of insurance liabilities resulting from an increase in mortality affecting the borrower insurance business, and the individual provident and pension business, where the latter has a supplementary death benefit;
- risk of incapacity/disability: the risk of incapacity/disability corresponds to a loss or an unfavourable change in the value of insurance liabilities resulting from an increase in the claims record for accidents and illnesses leading to temporary or permanent disability and subject to compensation. These risks are mainly related to the borrowers' insurance business but also to the individual provident business;
- longevity risk: longevity risk is the risk of loss or unfavourable change in the value of insurance liabilities resulting from an increase in human duration affecting the business of life insurance contracts in the portfolio.

Biometric risks are the main underwriting risks applicable in borrower insurance.

5.7.1.1.3 Risk of an unfavourable change in the insurer's costs

Cost or "management" risk is the risk that the costs incurred by the insurer will be higher than anticipated. An increase in costs leads to a change in the value of insurance liabilities and could lead to an overestimation of the profitability assessment when prior studies are carried out.

Suravenir's overheads are taken into account in the pricing of insurance contracts. Thus, an unfavourable change in the costs that Suravenir will have to incur in the future for the acquisition and management of insurance contracts may lead to an underestimation of the amount of premiums paid by policyholders.

This risk impacts all insurance activities.

5.7.1.1.4 Natural disaster risk

Natural disaster risk is defined as the risk of loss or unfavourable change in the value of insurance liabilities attributable to a sudden event that directly causes serious harm to policyholders and whose origin may be a natural phenomenon, human intervention or a combination of both within the scope of the borrowers' insurance business, the individual provident business and the floor guarantees of certain life insurance contracts. This risk is not very critical for Suravenir.

5.7.1.1.5 Risk monitoring

Underwriting risk is identified, analysed and measured in particular through the following processes:

- analysis of pricing via profitability studies for new products/partnerships or any modification of the existing offer, prior to their launch;
- exposure analyses to ensure that risk exposure remains within the risk appetite limits defined by Suravenir's management bodies;
- the reinsurance plan to limit certain exposures in order to protect solvency and reduce the volatility of net financial income;
- review of technical provisions;
- monitoring of pricing derogations.

It should be noted that, in accordance with IFRS 4, Suravenir conducted a liability adequacy test (LAT) on 31 December 2022, which revealed that the insurance liabilities measured under French accounting standards were higher than the fair value of these liabilities, taking into account the surrender option embedded in the contracts.

5.7.1.2 Non-life insurance technical risks

Suravenir Assurances is exposed to underwriting and provisioning risks in connection with its property and personal insurance business, particularly in the areas of motor, home, health and personal protection.

The underwriting risk is related to a mismatch in the acceptance, pricing and/or reinsurance coverage rules for the guarantees offered to policyholders. Within this risk, a distinction is made between the concepts of underpricing risk, anti-selection risk and natural disaster risk.

The provisioning risk is linked to a shortfall in technical provisions on the liabilities side of the balance sheet.

Suravenir Assurances monitors and manages these risks on the basis of an underwriting and provisioning risk management policy.

5.7.1.2.1 Non-life insurance underwriting risk

The underwriting risk in non-life insurance is the risk that the profitability of insurance products may be affected by inadequate acceptance rules, pricing and/or reinsurance coverage of the guarantees offered to policyholders.

The underwriting risk consists of three sub-risks:

1. the risk of underpricing, which results from the failure to adapt the pricing of guarantees to the portfolio's profitability objectives. This risk is linked to the design of new product(s), changes in the offer and/or the proposed rates;
2. the risk of anti-selection, meaning the risk that inappropriate pricing will lead to the excessive underwriting of an undesired risk.
3. natural disaster risk, which results from the occurrence of extreme or exceptional events. Covering these potential losses remains the main objective of reinsurance coverage (see section 5.7.1.3 Reinsurance system).

The risks of under-pricing and adverse selection are assessed and measured through various analyses and regular monitoring of the portfolio's technical indicators, in particular:

- a posteriori profitability analyses (observation of claims/premiums ratios) of product/distribution channel and/or product/distribution network combinations;
- change in the loss ratio of the main guarantees (frequency, average cost, etc.), in order to assess the origins of any observed deviations;
- detailed monitoring of claims for the main products, by main coverage and by distribution network;
- annually, preparatory analyses for price changes make it possible to assess the current pricing by risk profile;
- the risk of adverse selection in particular is assessed through the analysis of the evolution of the portfolio in terms of claims ratio, net subscriptions and conversion rates on the basis of the most discriminating criteria influencing the rates.

The monitoring and analysis of this data allows for the definition and implementation of appropriate policies:

- changes in the underwriting policy in terms of pricing, selection, product development and guarantees offered;
- targeting of actions by geographical area and by distributor.

With regard to natural disaster risk, in the event of an exceptional climatic event (based on a forecast in the four Breton departments and on the Gironde of a loss rate of 20% equivalent to storm Klaus in 2009, involving a gross compensation cost for policyholders of €116 million), Suravenir Assurances' reinsurance programme is structured so that the remaining expense for the company is limited to €10 million, in accordance with the risk appetite framework defined by the Board of Directors of Suravenir Assurances.

The overall underwriting policy is also the subject of an independent opinion issued by the actuarial function. This opinion is formalised in the Actuarial Report, which is drawn up annually and presented to the Board of Directors of Suravenir Assurances.

5.7.1.2.2 Provisioning risk

The provisioning risk is the risk of loss or adverse change in the value of insurance commitments due to inadequate provisioning assumptions.

This risk is intrinsically linked to the underwriting risk, as the monitoring of provisions must be carried out in a manner consistent with the management of risks and claims related to the guarantees marketed.

The management and control of the provisioning risk is carried out in particular through the following studies:

- monitoring of gains/losses: used to identify prudent provisioning practices or a structural shortfall in provisioning by product;
- analysis of historical claims/premium ratios and ultimate claims/premium ratios to identify any significant changes in provisioning practices;

- analysis of distortions between provisions under French accounting standards and those under Solvency 2;
- reinsurers' reports on the management and reserving of serious bodily injury claims.

In addition, the actuarial function, as part of its regulatory missions and on the basis of an independent recalculation, ensures the appropriateness of the methodologies, models and assumptions used to calculate technical provisions under Solvency 2. Its conclusions are formalised in the Actuarial Report.

5.7.1.3 Reinsurance system

The reinsurance mechanism makes it possible to limit the insurer's risk exposure by transferring part of the insurer's risk to one or more reinsurers.

Suravenir Assurances implements a reinsurance policy based on a process that effectively calibrates the level of risk transferred to reinsurers, in line with the risk appetite, and monitors the level of counterparty risk of reinsurers, defined as the potential default risk of a reinsurer honouring its commitments.

The reinsurance policy aims to control the two main reinsurance risks:

- the inadequacy of the reinsurance programme in relation to the risk strategy of the insurance company and the group. Deterministic and stochastic actuarial analyses as well as stress tests are carried out in order to best structure the reinsurance programmes;
- the default of one or more reinsurers, which would then be unable to bear their share of the claims. The reduction of this risk is based on:
 - diversification of reinsurers, including by setting limits on the maximum level of risk that can be ceded to a single reinsurer.
 - the selection of reinsurers for the programme on the basis of financial soundness criteria (rating, importance as a global player, dispersion of their risks, etc.,
 - the pledging of securities by reinsurers to cover long-term receivables.

Beyond the selection process, sensitivity analyses are carried out. In addition, reinsurers' ratings are monitored to ensure their financial soundness.

The adequacy of the reinsurance arrangements is also the subject of an independent opinion issued by the actuarial function in an Actuarial Report.

5.7.2 Interest rate risk

A change in interest rates has a direct impact on the valuation and profitability of the bond portfolio, whether it concerns capital proprietary managed or euro-denominated funds. Fixed-rate bonds expose Suravenir to a risk of changes in asset value; variable-rate bonds expose it to a risk of fluctuations in income.

5.7.2.1.1 Risk of a fall in interest rates

A sustained low interest rate environment could exert downward pressure on Suravenir's margin, affect its profitability and ultimately its solvency. Life insurance contracts in euros commit the company to serving a guaranteed minimum rate. When market rates fall, the return on the portfolio may become insufficient to meet this commitment. In this case, French regulations require insurance companies to set aside a specific provision (provision for financial contingencies). Suravenir has not allocated this provision for the 2022 financial year. At the end of 2022, the future risk relates to an average guaranteed rate of 0.13%, which is well below the actuarial rate of return on the average purchase of Suravenir's fixed-rate bond portfolio.

5.7.2.1.2 Risk of a rise in interest rates

A rise in interest rates has several consequences on the assets held: firstly, a fall in the value of fixed-rate bonds held in the portfolio. Depending on the IFRS accounting classification of these securities, this devaluation has an impact on either shareholders' equity or income. At the end of 2022, a 100 basis point increase in interest rates would have adversely impacted Suravenir's net IRS income by €16.2 million and its IFRS shareholders' equity by €135.6 million.

The second risk linked to a significant and lasting rise in interest rates is an increase in surrenders by policyholders on euro funds, due to a loss of competitiveness of the contracts in relation to other investments. In this case, in order to adjust the assets under management, the company may be forced to dispose of assets. In the event that it has to dispose of fixed-rate assets, it may have to bear capital losses. To protect itself from such a risk, Suravenir has a significant volume of variable-rate bonds in its portfolio, as well as hedging options (cap/cap-spread/adjusted cap duration). These financial instruments enable Suravenir's euro fund returns to converge more quickly with the returns offered by other savings products, thereby limiting the risk of outflows. At 31 December 2022, the proportion of the bond portfolio protected against a rise in interest rates was 30% of general assets.

5.7.3 Liquidity risk

Liquidity risk arises when the company is forced to sell assets following a wave of massive surrenders. This risk is assessed by studying liquidity gaps that compare asset flows (coupons/redemptions, etc.) with liability outflows in a central scenario and a stressed scenario (tripling of redemptions/deterioration in asset valuation).

In the event of a cash shortfall, Suravenir may repurchase securities, in particular those eligible for BCE refinancing, at their market value adjusted by a haircut, in order to have additional liquidity. At 31 December 2022, studies show that in the deterministic stress scenario, Suravenir could face a tripling of surrenders without encountering a liquidity problem.

5.7.4 Credit and counterparty risk

5.7.4.1 Credit risk on market counterparties

5.7.4.1.1 Risk monitoring

The risk monitoring and credit risk reporting system applicable to insurance is presented in Section 4.3.1.2 of this report.

5.7.4.1.2 Analysis of credit risk on market counterparties

The counterparty risk of the insurance scope includes:

- the proprietary insurance business, which includes the exposures of the own accounts of Suravenir and Suravenir Assurances;
- the third-party account for the insurance business (assets representing funds in euros), which includes Suravenir's exposures, for which the counterparty risk is contractually borne by the group.

These exposures relate to all debt securities and debts (including bank loans), leading it to bear a direct risk on counterparties.

The group is only directly exposed to credit risk on its proprietary insurance portfolios.

The credit risk related to third-party investments for the insurance company Suravenir is mainly borne by policyholders via the return they receive on euro-denominated funds.

Crédit Mutuel Arkéa's analysis of counterparty risk is based on its own internal rating system as well as on the ratings of the rating agencies.

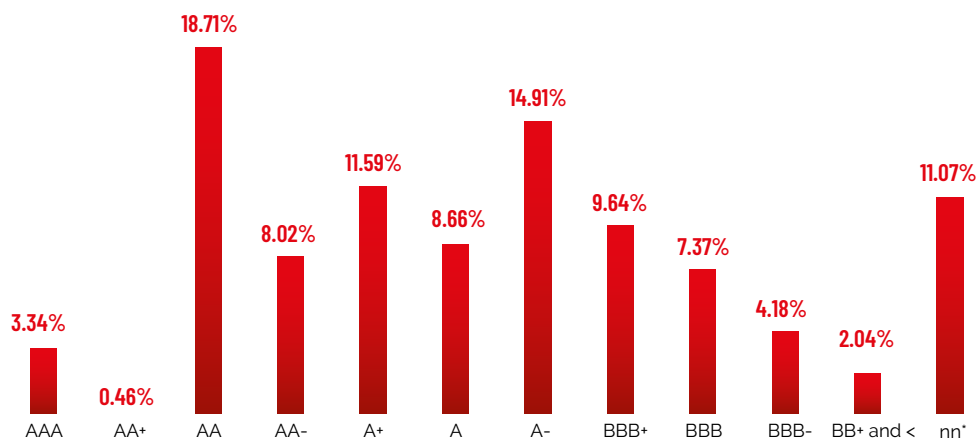
■ For the insurers' proprietary scope

At 31 December 2022, the entire proprietary investment portfolio of the insurers was of very good quality.

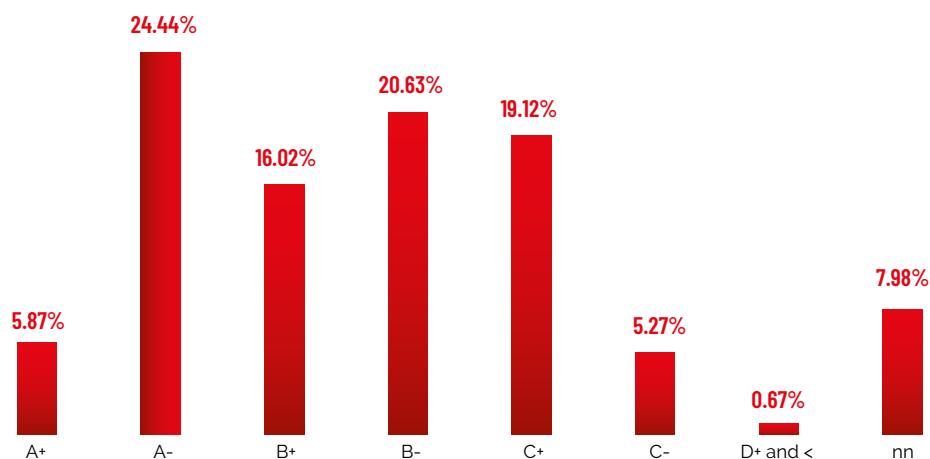
The proprietary investments of the insurers mainly concern issuers with the best external ratings: 65.7% have external ratings of between AAA and A-.

With regard to the breakdown by internal rating, 91.3% of investments are made in "Investment Grade" issuers (agency ratings ranging from AAA to BBB- inclusive; agency ratings equivalent to an internal rating of A+ to C- inclusive.).

Breakdown by external rating of proprietary insurance outstandings

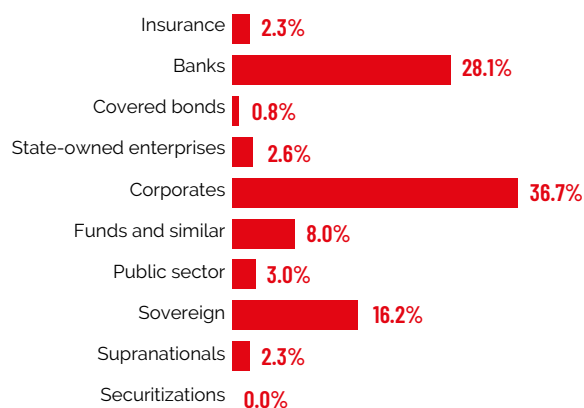


Breakdown by internal rating of proprietary insurance outstandings

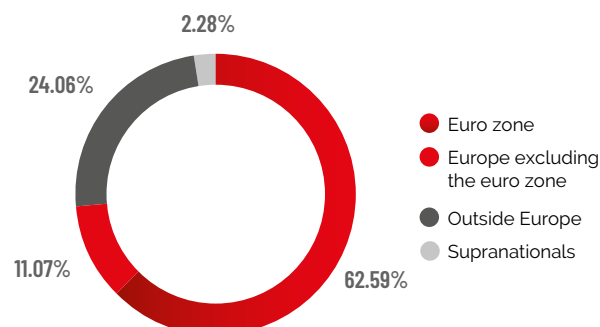


From a geographical and sectoral point of view, investments are mainly made in three main types of issuers: corporates for 36.7%, the banking sector (banks and covered bonds) for 28.9% and sovereigns, supranationals, public authorities and the public sector for 24%. 73.7% of the investments in this scope concern European issuers.

Breakdown by category of issuer for proprietary insurance



Breakdown by geographical area of proprietary insurance



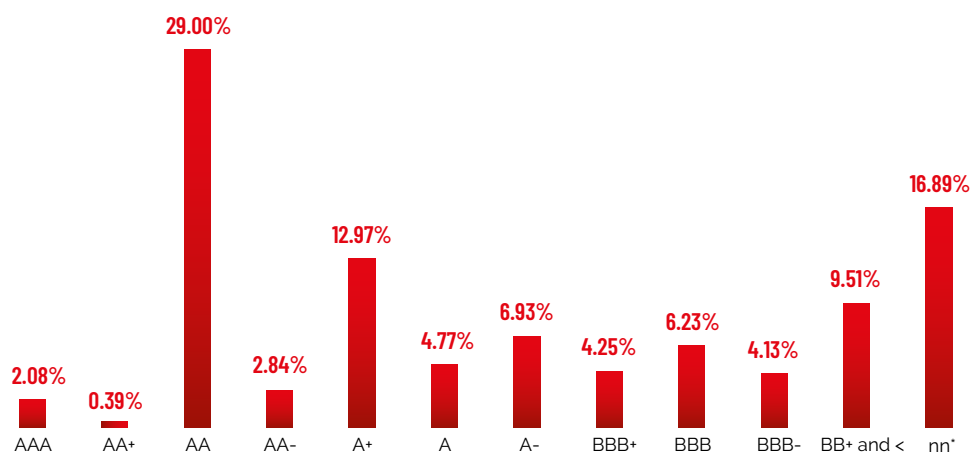
■ For the third-party account scope of Suravenir

At 31 December 2022, the entire investment portfolio of the insurers' third-party accounts was of good quality.

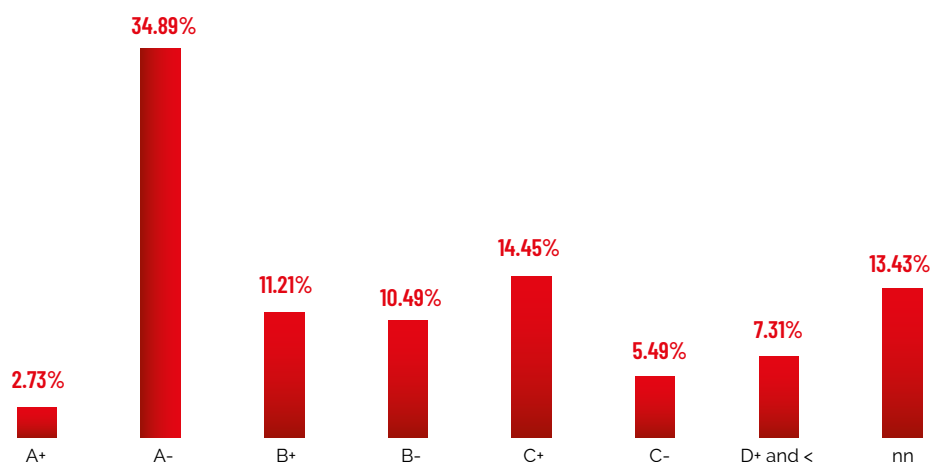
The third-party account investments of the insurers mainly concern issuers with the best external ratings: 59.1% have external ratings of between AAA and A-.

With regard to the breakdown by internal rating, 79.3% of investments are made in "Investment Grade" issuers (agency ratings ranging from AAA to BBB- inclusive; agency ratings equivalent to an internal rating of A+ to C- inclusive).

Breakdown by external rating of third-party insurance outstandings



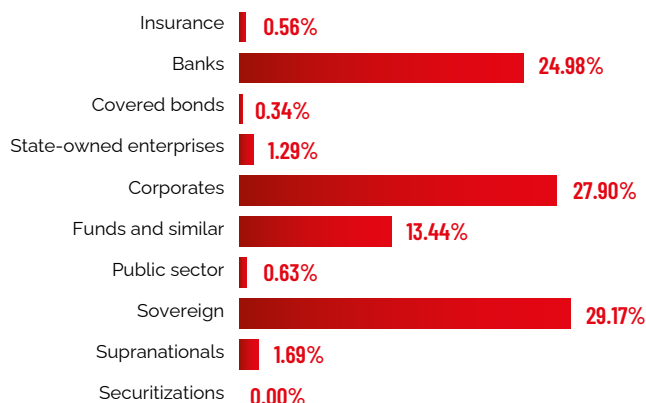
Breakdown by internal rating of third-party insurance outstandings



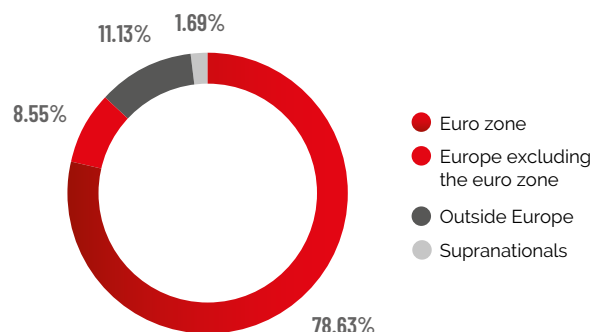
From a geographical and sectoral point of view, investments are mainly made in three main types of issuers: sovereigns for 29.2%, corporates for 27.9% and the banking sector (banks and covered bonds) for 25.4%.

87.2% of the investments in this scope concern European issuers.

Breakdown by category of issuer of third-party insurance



Breakdown by geographical area of third-party insurance outstandings



5.7.5 Market risks

5.7.5.1 Scope

The market risks to which insurers are exposed are defined below:

- **Equity risk and, more generally, the risk of capital loss:** the company is exposed to changes in the equity markets (or other markets) (market decline resulting in a capital loss in the event of disposal) and to volatility in its share market value of the shares;
- **Real estate market risk:** the company is exposed to changes in the real estate market (decline in the real estate market) and volatility in the market value of real estate assets.

Equity and real estate market risk in the insurance scope is borne by the Suravenir life insurance subsidiary.

5.7.5.2 Risk monitoring

The market risk of Suravenir is monitored by the Crédit Mutuel Arkéa group within the appetite framework system via the net potential loss indicator. The indicator aims to measure equity and real estate risks and, more generally, the risk of capital loss by estimating the potential impact on one year and after tax, of the scenario at 99.5%, and which could be renewed for three consecutive years in the absence of a market rebound. This calculation includes Suravenir's non-bond assets applied to a correlation matrix to take into account a diversification effect between the various risks, and the gross VaR is restated for the level of unrealised non-bond capital gains or losses that reduce or increase the estimated level of risk.

Suravenir completes monitoring with its appetite framework and details with this indicator for the various asset classes invested, a measure of the risk of capital loss, which is aggregated at the level of the portfolio, called the "Consumed Risk Budget". Suravenir's governance bodies define the maximum level of risk not to be exceeded. Diversification risk (mainly equity and real estate risk) is also controlled by the

specifically allocated risk budget.

An investment policy is approved at least each year by the Management Board and the Supervisory Board of Suravenir defines the investment framework and the rules, limits and constraints that apply to the management of Suravenir's assets.

Analyses of the sensitivity of the solvency ratio to a decline in the equity and real estate indices are carried out quarterly and are reported in the risk dashboard prepared by the Crédit Mutuel Arkéa group's Risk Department.

In its forward-looking risk management, Suravenir incorporates the downside risk of diversified assets in the definition of crisis scenarios in its ORSA process as well as in its Recovery Plan. The risk of a decline in equities is also considered in the Crédit Mutuel Arkéa group's ICAAP process, in which Suravenir participates.

The risk on equities and other variable-income securities and the risk on long-term investments carried by Suravenir is also monitored through:

Available-for-sale assets

Shares and other variable-income securities available for sale amounted to €0.9 billion. These assets represent the securities held on a long-term basis by Suravenir as part of its portfolio management, mainly equities and mutual funds (private equity, real estate, fixed income).

Assets at fair value on option

Shares and other variable-income securities at fair value on option represented €24.2 billion. They are held by Suravenir in connection with unit-linked contracts in the insurance business to be consistent with the treatment applied to liabilities.

5.7.6 Reporting to bodies

A quarterly report of underwriting risks is established by Suravenir and Suravenir Assurances and sent to:

- the insurers' Risk Committee;
- the Risk Monitoring Committee of Crédit Mutuel Arkéa.
- the insurers' supervisory bodies;

5.8 Risk related to investments (excluding insurance)

The Crédit Mutuel Arkéa group bears the risks associated with the decline in the value of its equity investments and private equity portfolio.

The investment and private equity portfolio also carries a credit risk, which is taken into account in the overall assessment presented in Section 5.3 Credit and counterparty risk.

5.8.1 Risk organisation and monitoring

5.8.1.1 Organisation

Within the Risk Department, the Market and Equity Risks unit relies on the Equity and Conglomerate Risk Monitoring unit, which is tasked with organising the management and monitoring of risk relating to equity investments and private equity.

5.8.1.2 Monitoring

The Board of Directors of Crédit Mutuel Arkéa, on the proposal of the Executive Committee and after a meeting of the group Risk Monitoring Committee, sets the risk appetite framework for equity investments and private equity, formalised by the definition of a framework system and a detailed system validated by the group's Executive Committee, after review by the Risk Monitoring Committee, and approved by the Board of Directors of Crédit Mutuel Arkéa.

These systems set limits and management thresholds on capital requirements for investments.

In 2022, the limits relating to the various portfolios were adjusted mainly to support the business.

Transactions in the investment portfolio are subject to dedicated validation processes according to the criteria of the transaction (nature, type, duration, amount, etc.) based on a risk analysis intended for governance. This process is valid for investments and divestments, the examination of which is informed by a study of the shareholding, the opportunity, the context, the structuring of the transaction, a risk assessment, security measures and impacts in financial and equity terms.

Private equity investments occupy a special place in the group's strategy and are grouped directly under the Arkéa Capital brand. The subsidiary positions itself as a minority shareholder and acts alone or as a co-investor in equity through various investment vehicles:

- Arkéa Capital Partenaire (€400 million): long-term investment for mid-caps and large regional companies as reference shareholder over a period of more than ten years;

- Arkéa Capital Investissement (€250 million): vehicle to support projects for SME managers in France and Arkéa Capital 2 (€80 million): associated with a philanthropic endowment fund serving the regions and employment;

- Arkéa Capital Managers (€200 million): enables managers to strengthen/consolidate the shareholding in their company.

5.8.1.2.1 Reporting to the executive body

The Risk Department informs the operational departments (External Growth, Partnerships Department, Finance and Global Performance Department) on a half-yearly basis, for unlisted investments, and quarterly for listed investments, on the level of the indicators defined in the risk appetite framework as well as on the occasion of the presentation of a transaction on the portfolio of investments. In the event that limits are exceeded, a procedure is activated to inform the actual managers.

5.8.1.2.2 Reporting to the supervisory body

A communication on the risks attached to the risks of investments and private equity is carried out at least half-yearly and sent to the Board of Directors of Crédit Mutuel Arkéa, also when a transaction on the portfolio of investments is presented. It includes a presentation of the indicators defined in the risk appetite framework approved by the Board of Directors.

The consolidated risk position is also presented regularly to Crédit Mutuel Arkéa's Risk and Internal Control Committee.

5.8.1.3 Sensitivity analyses

The valuations used as a reference for sensitivity analyses are obtained according to a hierarchy of methods. When the asset is listed on an active market, fair value is determined on the basis of its quotation. In the absence of such a quotation, the price results from the application of market valuation techniques using market data that are generally observable. Valuations based on models may be adjusted to take into account liquidity risk.

At 31 December 2022, the group assessed the sensitivity of the fair value of the Crédit Mutuel Arkéa group's level 3 securities, mainly concerning the portfolio of investments and private equity based on the main non-observable parameters.

For private equity, a specific stress is defined in the ICAAP according to the economic environment and the context of changes in valuations. Stress consists of partially or totally neutralising increases in valuations estimated in the central scenario.

Lastly, investment and private equity activities are also included in the EBA stress test exercises.

5.8.2 Equity and other variable income securities risk and fixed income securities risk

Equity risk arises when adverse movements in the equity markets lead to a decrease in the value of the portfolio.

Certain unlisted variable-income securities are exposed to real estate risk, which arises in the event of an adverse change in the valuation of the underlying property assets.

From an accounting point of view (see Notes 27a and 27b to the consolidated financial statements), the risk on equities and other variable-income securities covers two very distinct perimeters, out of the following four categories:

■ Financial assets at fair value through equity

Shares and other variable-income securities at fair value through equity represented €108.9 million. They concern securities held by Crédit Mutuel Arkéa with a long-term perspective. They consist mainly of listed securities and investments in unlisted companies.

■ Assets at fair value through profit and loss

Shares and other variable-income securities at fair value through profit and loss represented €734 million. They concern securities held for the private equity businesses in unlisted companies.

In addition, the group held a portfolio of fixed assets with a fair value of €579 million at 31 December 2022. These securities are held over the medium and long term to derive a capital gain or with the intention of fostering the development of lasting economic relationships or exercising influence over the issuing companies.

5.8.3 UCI securities

In addition, the group held a portfolio of UCI-type unlisted securities with a fair value of €310 million at 31 December 2022.

5.9 Environmental risks, including climate

5.9.1 Governance and organisation

Within Crédit Mutuel Arkéa, the definition of the framework, supervision and management of environmental risks are reviewed and approved at the highest level of corporate governance through:

- the Board of Directors of Crédit Mutuel Arkéa, which is involved in the climate and environmental risks process, supported by the Risks and Internal Control Committee;
- the Executive Committee of Crédit Mutuel Arkéa proposes to the Board the group's strategic orientations and risk appetite framework. It regularly reviews its risk exposure in relation to its appetite.

With a view to integrating the short-, medium- and long-term effects of environmental risks, Crédit Mutuel Arkéa has optimised its organisational and operational structure in line with the changes made to governance:

- the Risk Department has been in charge of managing environmental risks, including climate risks, since June 2019. To be able to support Crédit Mutuel Arkéa's ambitions in terms of ESG risks and meet the significant increase in the expectations of the regulator and supervisor, a new organisation was put in place in 2022 with the creation of an ESG Risks Department.

In order to comply with the regulatory framework, the recommendations of voluntary initiatives and as part of its action plan to comply with the European Central Bank's "Guide to climate and environmental risks", Crédit Mutuel Arkéa has organised itself to meet the challenges of these matrix risks by type, taking into account their transmission to other risks.

- The risk managers of the subsidiaries have been integrated into the group's climate management system. In 2022, Crédit Mutuel Arkéa appointed ESG risk correspondents within its risk function with the aim of extending and implementing ESG risk management at all levels of the group, drawing on its network of local risk managers.

5.9.2 Integration into the risk management framework

Climate-type environmental risks are fully integrated into the physical risk and transition risk components of the risk management framework.

In terms of risk management, the risk appetite framework has been strengthened by integrating environmental risks from 2020.

5.9.3 Identification and assessment

5.9.3.1 Sectoral approach

Crédit Mutuel Arkéa has developed a sectoral climate reference framework for physical and transition risks. The objective is to provide a first measure of gross exposure to climate risks, by a sectoral approach. The sectoral reference framework is based on objective qualitative and/or quantitative sources (OECD, United Nations, FAO, etc.), including CO2 emissions.

In addition, Crédit Mutuel Arkéa is extending its approach to other non-climate environmental risks, through the development of a sectoral reference framework for risks related to biodiversity loss, based on the analysis and aggregation of studies produced by enforceable and recognised sources (TNFD, UNEP, IPBES, SBTN, etc.).

5.9.3.2 Geographical approach

Crédit Mutuel Arkéa has undertaken work to assess its own real estate assets (operating real estate) with physical risks, via the development of an internal tool for assessing and measuring physical climate risk on a geographical basis. It is based on scientific databases of national climate risks and forecasts (Geohazards, DRIAS) and international climate forecasts (PREPdata). This tool covers both acute and chronic physical risks.

5.9.3.3 Scenario approach: climate scenarios

Unlike the approaches traditionally adopted for risks in finance, the originality of climate risks lies in the absence of historical data on past climate crises. So, the use of forward-looking methods and scenarios to project the possible consequences of climate risks is necessary.

To this end, after participating in the ACPR and EBA climate stress tests, and in parallel with those of the ECB in 2022, Crédit Mutuel Arkéa has initiated a climate scenarios project in order to establish over time its own climate stress test methodology, consisting of the adaptation of climate scenarios into macro-economic data to assess their impacts on various risk management parameters.

5.9.3.4 Individualised approach

For companies, as part of its lending activities, and in order to comply with the guidelines of the European Banking Authority relating to the granting and monitoring of loans, Crédit Mutuel Arkéa is gradually rolling out an ESG risks questionnaire.

It is intended to collect ESG risk data from large corporate borrowers in order to determine their ESG risk rating. In particular, it aims to assess the measures taken by companies to mitigate the ESG risks to which they are exposed due to their business sector.



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6.1 Consolidated financial statements for the year ended 31 December 2022

Balance sheet

(in € thousands)

Assets	Notes	12.31.2022	12.31.2021
Cash, due from central banks	1	23,453,717	15,835,673
Financial assets at fair value through profit or loss	2	2,175,331	1,515,229
Derivatives used for hedging purposes	3	5,365,023	941,733
Financial assets at fair value through equity	4	7,322,719	9,438,286
Securities at amortized cost	5	569,489	632,290
Loans and receivables – credit institutions, at amortized cost	1	12,044,954	15,207,862
Loans and receivables – customers, at amortized cost	6	81,178,096	73,250,954
Remeasurement adjustment on interest-rate risk hedged portfolios		(4,501,996)	58,734
Placement of insurance activities	7	56,731,460	58,775,760
Current tax assets	8	175,125	127,398
Deferred tax assets	9	200,763	130,806
Accruals, prepayments and sundry assets	10	1,188,125	992,972
Non-current assets held for sale		-	80,813
Deferred profit-sharing	10a	1,518,572	-
Investments in associates	11	218,139	176,345
Investment property	12	130,209	125,897
Property, plant and equipment	13	338,789	328,741
Intangible assets	14	540,283	532,452
Goodwill	15	484,610	566,533
Total assets		189,133,408	178,718,478

(in € thousands)

Liabilities	Notes	12.31.2022	12.31.2021
Due to central banks	16	-	-
Financial liabilities at fair value through profit or loss	17	2,049,947	1,345,024
Derivatives used for hedging purposes	3	4,525,378	956,291
Debt securities	18	19,843,532	16,438,840
Due to banks	16	14,021,591	14,596,802
Liabilities to customers	19	81,064,164	74,571,114
Remeasurement adjustment on interest-rate risk hedged portfolios		(2,011,826)	(120,935)
Current tax liabilities	8	101,465	94,463
Deferred tax liabilities	9	84,128	143,169
Accruals, deferred income and sundry liabilities	20	2,137,849	2,866,796
Liabilities associated with non-current assets held for sale		-	345,128
Insurance companies' technical reserves	21	56,109,541	56,248,145
Provisions	22	299,195	347,472
Subordinated debt	23	2,182,014	2,473,362
Total equity		8,726,432	8,412,808
Shareholders' equity, group share		8,719,212	8,406,884
Share capital and additional paid-in capital	24	2,725,133	2,548,829
Consolidated reserves	24	5,679,636	5,152,784
Gains and losses recognized directly in equity	25	(236,269)	131,547
Net income for the year		550,712	573,723
Non-controlling interests		7,220	5,924
Total liabilities and shareholders' equity		189,133,408	178,718,478

Income statement

(in € thousands)	Notes	12.31.2022	12.31.2021
Interest and similar income ⁽¹⁾	29	2,159,060	1,828,767
Interest and similar expense ⁽¹⁾	29	(1,319,763)	(1,103,665)
Commission income	30	754,861	697,700
Commission expense	30	(196,887)	(177,509)
Net gain (loss) on financial instruments at fair value through profit or loss	31	218,327	263,297
Net gain (loss) on financial instruments at fair value through equity	32	(6,937)	20,090
Net gain (loss) on derecognition of financial instruments at amortized cost	33	3,673	4,373
Net income from insurance activities	34	690,086	712,019
Income from other activities	35	341,545	354,585
Expense from other activities	35	(74,230)	(69,282)
Net banking income		2,569,735	2,530,375
Gains (losses) on disposal – dilution in investments in associates	36	(287)	275
Net banking income including gains (losses) on disposal – dilution in investments in associates		2,569,448	2,530,650
General operating expenses	37	(1,658,063)	(1,550,442)
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	38	(155,955)	(151,605)
Gross operating income		755,430	828,603
Cost of credit risk	39	(136,006)	(115,789)
Operating income		619,424	712,814
Share in net income of equity-accounted associates and joint ventures	11	635	3,425
Gains (losses) on other assets	40	87,113	349
Changes in goodwill		(33,711)	-
Pre-tax income		673,461	716,588
Income tax	41	(122,053)	(143,047)
Net income		551,408	573,541
O/w non-controlling interests		696	(182)
Net income – group share		550,712	573,723

(1) The interest calculated using the effective interest rate method for instruments valued at fair value through OCI or at amortized cost is presented in note 29.

Statement of net income and gains and losses recognized directly in equity

		12.31.2022	12.31.2021
Net income	Notes	551,408	573,541
Revaluation of financial assets at fair value through recyclable equity (net of taxes)		(69,730)	(16,227)
Revaluation of available-for-sale financial assets (net of taxes)		(384,400)	(56,713)
Revaluation of derivatives used to hedge recyclable items (net of taxes)		-	964
Share of gains (losses) recognized directly in equity from investments in associates (net of taxes)		(582)	426
Items to be recycled to profit or loss		(454,712)	(71,550)
Actuarial gains (losses) on defined benefit plans (net of taxes)		19,612	12,613
Revaluation of credit risk specific to financial liabilities recognized at fair value through profit or loss by option (net of taxes)		23,359	6,017
Revaluation of equity instruments at fair value through equity (net of taxes) ⁽¹⁾		35,392	(16,087)
Share of gains (losses) recognized directly in equity from investments in associates (net of taxes) not recycled to profit or loss		(2,743)	3,007
Items not to be recycled to profit or loss		75,620	5,550
Total gains and losses recognized directly in equity		(379,092)	(66,000)
net income and gains and losses recognized directly in equity	42	172,316	507,541
of which group share		171,160	507,732
of which non-controlling interests		1,156	(191)

(1) of which the impact of the transfer to reserves of non-recyclable items for €(112,000).

Changes in shareholders' equity

(in € thousands)	Share capital and reserves	Consolidated reserves	Total gains and losses recognized directly in equity	Net income attributable to equity holders of the parent	Shareholders' equity, group share	Non-controlling interests in equity	Total equity
Position at 1 January 2021	2,378,428	4,793,564	197,537	356,241	7,725,770	3,230	7,729,000
Capital increase	170,401	-	-	-	170,401	-	170,401
Cancellation of treasury shares	-	-	-	-	-	-	-
Issuance of preferred shares	-	-	-	-	-	-	-
Equity components of hybrid instruments	-	-	-	-	-	-	-
Equity components whose payment is share-based	-	-	-	-	-	-	-
Allocation of the previous year income	-	356,241	-	(356,241)	-	-	-
Dividend paid in 2021 in respect of 2020	-	(36,512)	-	-	(36,512)	(7)	(36,519)
Change in equity interests in subsidiaries with no loss of control	-	-	-	-	-	-	-
Subtotal of changes involving transactions with shareholders	2,548,829	5,113,293	197,537	-	7,859,659	3,223	7,862,882
Changes in gains and losses recognized directly in equity	-	28,592	(65,990)	-	37,398	(9)	(37,407)
2021 net income	-	-	-	573,723	573,723	(182)	573,541
Subtotal	2,548,829	5,141,885	131,547	573,723	8,395,984	3,032	8,399,016
Impact of acquisitions and disposals on non-controlling interests	-	1,484	-	-	1,484	2,839	4,323
Share of changes in shareholders' equity from investments in associates and joint ventures	-	(89)	-	-	(89)	-	89
Change in accounting methods	-	35,390	-	-	35,390	-	35,390
Other changes	-	(25,885)	-	-	(25,885)	53	(25,832)
Position at 31 December 2021	2,548,829	5,152,785	131,547	573,723	8,406,884	5,924	8,412,808
Capital increase	176,304	-	-	-	176,304	-	176,304
Cancellation of treasury shares	-	-	-	-	-	-	-
Issuance of preferred shares	-	-	-	-	-	-	-
Equity components of hybrid instruments	-	-	-	-	-	-	-
Equity components whose payment is share-based	-	-	-	-	-	-	-
Allocation of the previous year income	-	573,723	-	(573,723)	-	-	-
Dividend paid in 2022 in respect of 2021	-	(36,501)	-	-	(36,501)	(8)	(36,509)
Change in equity interests in subsidiaries with no loss of control	-	297	-	-	297	-	297
Subtotal of changes involving transactions with shareholders	2,725,133	5,690,303	131,547	-	8,546,983	5,916	8,552,899
Changes in gains and losses recognized directly in equity	-	354	(379,550)	-	(379,196)	460	(378,736)
2022 net income	-	-	-	550,712	550,712	696	551,408
Subtotal	2,725,133	5,690,657	(248,003)	550,712	8,718,499	7,072	8,725,571
Impact of acquisitions and disposals on non-controlling interests	-	(11,734)	11,734	-	-	173	173
Share of changes in shareholders' equity from investments in associates and joint ventures	-	(242)	-	-	(242)	-	(242)
Change in accounting methods	-	-	-	-	-	-	-
Other changes	-	955	-	-	955	(25)	930
Position at 31 December 2022	2,725,133	5,679,636	(236,269)	550,712	8,719,212	7,220	8,726,432

Net cash flow statement

(in € thousands)	12.31.2022	12.31.2021
Cash flows from operating activities		
Net income	551,408	573,541
Tax	122,053	143,047
Pre-tax income	673,461	716,588
Depreciation and amortization of property, plant and equipment and intangible assets	150,665	149,381
Impairment of goodwill and other non-current assets	39,648	14,672
Net additions to depreciations	90,652	5,358
Share of income (loss) from investments in associates	(177)	(3,425)
Net loss (gain) from investing activities	(30,159)	(6,361)
(Income)/expense from financing activities	-	-
Other changes	(1,786,224)	3,020,057
Total non-cash items included in net income and other adjustments	(1,535,595)	3,179,681
Interbank transactions	1,883,067	1,345,597
Transactions with customers	(2,753,002)	380,963
Transactions involving other financial assets/liabilities	5,268,481	(164,829)
Transactions involving other non-financial assets/liabilities	1,280,352	795,122
Dividends from investments in associates	-	1,919
Taxes paid	(149,478)	(149,364)
Net decrease/(increase) in operating assets and liabilities	5,529,420	2,209,408
Net cash flow from operating activities	4,667,286	6,105,678
Cash flows from investing activities		
Financial assets and investments	61,729	47,315
Investment property	40,736	(6,886)
Property, plant and equipment and intangible assets	(179,117)	(174,738)
Other	-	-
Cash flows from investing activities	(76,652)	(134,309)
Cash flows from financing activities		
Cash flows from/to shareholders	139,562	143,094
Other cash flows from financing activities	2,865,588	(3,430,726)
Cash flows from financing activities	3,005,150	(3,287,632)
Net increase/(decrease) in cash and cash equivalents	7,595,784	2,683,737
Cash flows from operating activities	4,667,286	6,105,678
Cash flows from investing activities	(76,652)	(134,309)
Cash flows from financing activities	3,005,150	(3,287,632)
Cash and cash equivalents, beginning of the year	15,895,670	13,211,933
Cash, central banks (assets & liabilities)	15,835,673	12,901,851
Deposits (assets and liabilities) and demand loans with credit institutions	59,997	310,082
Cash and cash equivalents, end of the year	23,491,454	15,895,670
Cash, central banks (assets & liabilities) (Notes 1 and 16)	23,453,717	15,835,673
Deposits (assets and liabilities) and demand loans with credit institutions (Notes 1: 7d; 16 and 21d)	37,737	59,997
Change in net cash and cash equivalents	7,595,784	2,683,737

The cash flow statement is presented using the indirect method.

Net cash and cash equivalents includes cash, debit and credit balances with central banks and demand debit and credit sight balances with banks.

Changes in cash flow from operations record the cash flow generated by the group's activities, including such flows arising from negotiable debt securities.

Changes in cash from financing activities include changes related to shareholders' equity and subordinated debt.

Notes

Highlights of the year

Buoyed by strong sales activity, net income group share reached €551 million for the year ended 31 December 2022.

At €2,569 million, revenues reflect controlled and diversified growth despite the effects of the unstable market environment in 2022. The net interest margin grew and fee and commission income rose significantly. The effects of climate change, particularly the events that affected the south-west this year, impacted the profit or loss from non-life insurance.

At €1,814 million, operating expenses were up due to measures taken to improve employees' purchasing power, further investments as part of the implementation of the Transitions 2024 medium-term plan, provisions for restructuring of the Nouvelle Vague and Pumpkin subsidiaries, and an increase in contributions to the Single Resolution Fund.

At €136 million, cost of risk increased by €20 million compared with 2021. It includes a review of the economic scenarios and considers the uncertain prospects for portfolios sensitive to the inflationary economic environment, while the cost of risk on non-performing outstandings fell slightly.

The group completed the sale of Keytrade Luxembourg in April 2022 as well as the sales of Leetchi, Mangopay and Budget Insight in July 2022.

Lastly, taking into account the value in use of its subsidiaries Izimmo and Crédit Foncier Commercial d'Alsace Lorraine, whose business models are affected by the change in the real estate cycle and the effects stemming from the rise in interest rates on discount rates, Crédit Mutuel Arkéa recorded goodwill impairment of €18 million and €15.7 million respectively at 31 December 2022.

Accounting standards applied

Pursuant to European Regulation 1606/2002 of 19 July 2002 on the application of international standards, Crédit Mutuel Arkéa group prepared its summary consolidated financial statements for the period ending 31 December 2022 in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable as of that date.

At 31 December 2022, the group applied the standards in force as at 1 January 2022 and adopted by the European Union. The group chose to forgo early application of other standards and interpretations adopted by the European Union whose application was optional in 2022.

The group has elected to publish its Annual Financial Report 2022 using the European Single Electronic Format (ESEF) as defined by the European Delegated Regulation 2019/815 amended by the Delegated Regulation 2020/1989.

Amendment to IAS 37, Onerous contracts – Cost of Fulfilling a Contract

The amendment adopted by the European Union on 18 June 2021 provides clarification regarding the elements to be considered in determining the cost of fulfilling a contract and how to conduct the impairment test prior to the recognition of any provision for an onerous contract.

Amendment to IAS 16, Property, Plant and Equipment – Proceeds before Intended Use

The amendment prohibits the deduction from the cost of an item of property, plant and equipment of the net proceeds generated when testing the functioning of the asset. The proceeds from the sale of such items must be recognised immediately in profit or loss.

Amendments to IFRS 3 – Reference to the Conceptual Framework

This amendment updates the reference to the updated version of the 2018 Conceptual Framework (replacing the reference to its earlier 1989 version). It adds an exception to prevent inconsistencies with the existing consequences of asset and liability recognition from arising at the time of a business combination.

Under this exception, an acquirer should refer to the definitions provided in IAS 37 – Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 – Levies, rather than those provided in the new Conceptual Framework.

An acquirer should not recognise contingent assets acquired at the time of a business combination.

Improvements to IFRS – 2018-2020 cycle

The minor amendments mainly concern the following standards:

- IFRS 1 – First-time Adoption of IFRS: simplifies the application of IFRS 1 by a subsidiary that adopts IFRS after its parent;
- IFRS 9 – Financial Instruments: clarifies which fees should be included in the 10 percent test for determining whether to derecognise a financial liability in case of a renegotiation of terms. Only fees paid or received between the borrower and the lender, including fees paid or received on the other's behalf, should be included;
- IFRS 16 – Leases: modifies Illustrative Example 13 in order to remove any confusion regarding the treatment of lease incentives received by the lessor.

The group was not affected by these amendments at 31 December 2022.

Current developments

Targeted longer-term refinancing operations – TLTRO III

Since September 2019, the TLTRO III program has enabled banks to benefit from seven new refinancing tranches, each with a maturity of three years, at an interest rate that varies depending on the period.

The TLTRO III amount that Crédit Mutuel Arkéa can borrow depends on the percentage of outstanding loans granted to non-financial companies and households at the end of February 2019.

The TLTRO III interest rate is set according to market conditions defined by the ECB and banks may benefit from a lower rate (the "special interest rate") depending on their lending performance.

In response to the health crisis, the ECB eased the conditions of these refinancing operations in March 2020 and January 2021 to support the distribution of loans to households and businesses. A number of parameters have been reviewed⁽¹⁾. Therefore, more favourable conditions allowed a reduction of 50 bps (i.e. additional special interest rate) during the "special" and "additional special" interest periods from June 2020 to June 2021¹ and then from June 2021 to June 2022⁽²⁾.

As part of its monetary policy measures, the ECB has successively raised its three key interest rates since June 2022 to get them to more restrictive levels and ensure a return to a 2% medium-term inflation target.

On 27 October 2022⁽³⁾, the ECB recalibrated the remuneration arrangements for TLTRO III operations in order to strengthen the transmission of the increase in key interest rates to bank lending conditions. The interest conditions applicable to TLTRO III were adjusted as of 23 November 2022. The interest conditions take into account the fact that the group achieved the credit performance targets set by the ECB for the two reference periods of the program:

- from its start date until 22 November 2022 and excluding the special interest period and the additional special period, the interest rate on TLTRO III operations was the average deposit facility rate during that period (and no longer over the lifetime of the operation);
- during the special interest period and the additional special interest period (from 23 June 2020 to 23 June 2021 and from 23 June 2021 to 23 June 2022, respectively), it was equal to the average deposit facility rate over the period, reduced by 0.50%; a floor of 1% was applied;
- from 23 November 2022 to the maturity date (or the early repayment date, if applicable), the interest rate is now indexed to the average of the ECB's key interest rates applicable during this period and no longer to the lifetime of the operation, as previously.

This change was accompanied by the offer of three additional early repayment dates.

At 31 December 2022, Crédit Mutuel Arkéa participated in TLTRO III refinancing operations in the amount of €10.4 billion, for amounts drawn down between March 2020 and March 2021. They were analysed as variable-rate financial instrument recognized at amortized cost. The decision to recalibrate the interest conditions of TLTROs was made unilaterally by the ECB, with no impact on the accounting treatment for these operations. The interest rate applicable to these operations is analysed as a market rate since it concerns all institutions that meet the criteria set by the ECB. Interests related to the additional special interest rate are still spread until the maturity date of operations.

Following the ECB's decision, the group adjusted the method for calculating accrued interest not yet due related to these operations:

- interest recorded up to 23 November corresponds to the interest contractually due up to that date, additional special interest rate excluded;
- from 23 November, Crédit Mutuel Arkéa uses the overnight deposit facility rate;
- from 23 November, Crédit Mutuel Arkéa uses the overnight deposit facility rate though the effective interest rate of these operations, additional special interest rate excluded;
- The additional special interest rate is subject to prorata temporis spreading on the entire expected lifetime of the operation.

Russia's invasion of Ukraine

Since it does not operate in Ukraine and Russia, no Crédit Mutuel Arkéa employees work in the conflict zones; direct exposures in these two countries and in Belarus pertain only to individual borrowers, which are immaterial. Moreover, the group has no assets at Russia's Central Bank.

The group is committed to implementing and complying with the restrictive measures and individual and economic sanctions imposed by the European Union in response to Russia's military aggression against Ukraine. In particular, it has a robust risk governance and management system that enables it to closely monitor payments made by its customers with Russia in order to combat money laundering, tax fraud and terrorist financing. The group also remains extra vigilant in terms of cybersecurity.

In addition, Crédit Mutuel Arkéa is taking steps to address the impacts of the Ukrainian crisis and the increasingly uncertain economic environment, which continues to weigh on sectors previously affected by the Covid-19 crisis. An enhanced oversight system has been put in place to support and monitor the group's customers who may be directly or indirectly impacted by the micro- and macroeconomic consequences of the conflict.

(1) Decision (EU) 2021/124 of the European Central Bank of 29 January 2021 amending Decision (EU) 2019/1311 on a third series of targeted longer-term refinancing operations (ECB/2021/3).

(2) Decision (EU) 2020/614 of the European Central Bank of 30 April 2020 amending Decision (EU) 2019/1311 on a third series of targeted longer-term refinancing operations (ECB/2020/25).

(3) Decision (EU) 2022/2128 of the European Central Bank of 27 October 2022 amending Decision (EU) 2019/1311 on a third series of targeted longer-term refinancing operations (ECB/2019/21) (ECB/2022/37).

Calculation of expected credit losses

At 31 December 2022, the business outlook remained downbeat due to the slowdown factors linked to the impact of the conflict between Ukraine and Russia, its consequences on the international environment and persistently high inflation. In the very short term, there are significant risks and consumer confidence, the main driver of French growth, is fluctuating close to its historical lows. Households and companies are facing a drastic change in financing conditions with the end of the era of negative interest rates. In light of the latest statements from the European Monetary Authority, the ECB's key interest rates are expected to rise again in 2023: the consensus is for an increase of 100 basis points in the first half of 2023.

According to Banque de France, French growth remained positive in the fourth quarter of 2022, allowing GDP to grow by 2.6% over the year. However, according to the main forecasters, activity will remain sluggish throughout 2023, with a possible recession in the first half. Production is expected to be negatively impacted by a combination of three factors: a slowdown in demand, the tightening of financing conditions and the gradual dissipation of a "whatever the cost" attitude. Some sectors, such as the automotive industry, also continue to face supply difficulties. Concerning the financial health of companies, cash is likely to be strained by the surge in production costs, in particular those of companies highly exposed to the increase in energy bills (heavy industry, chemicals, transport, etc.). Beyond energy, the riskiest companies in terms of financial stability remain those that are most vulnerable to a rise in raw materials prices, even though global prices are tending to stabilise or even decline slightly. Similarly, structures that are most exposed to international competition are suffering from a reduced capacity to adjust their prices to new production conditions.

As a result, certain economic macro-sectors could potentially be very affected by the emerging crisis, including some that are already present in the selection made in 2020 as part of the COVID-19 crisis:

- power-intensive sectors (heavy industry, consumers of processed raw materials for example);
- transport sectors;
- agri-food sectors;
- agriculture sectors;
- clothing sectors.

In summary, the economic situation as at 31 December 2022 remains pessimistic: the economic crisis foreseen following the COVID-19 pandemic has not fully materialised, but has gradually been replaced by a more diffuse economic crisis driven by strong inflation and tougher financing conditions. The group's macroeconomic scenario is based on the following assumptions:

- GDP is expected to decline by 0.2% in 2023. A partial economic recovery is expected from 2024, with annual French GDP growth of 1%;
- unemployment is expected to inch up in 2023 to reach 8.7% before easing from 2024;
- inflation is expected to slow to 3.5% in 2023, and then hold steady at around 2% per annum over the period 2024-2027;

- the 10-year constant maturity rate (TEC 10) is expected to be around 2.2% in 2023 and will then increase slightly in 2024-2026. The 3-month Euribor is expected to be around 1.9% in 2023 and then lower in 2024, before stabilising from 2025. Interest on Livret A savings accounts is expected to peak in 2023.

On this basis, and in the context of the work currently under way to revise the methodology for calculating expected losses, a prudent portfolio provisioning mechanism is being maintained:

- the credit risk identification models and processes that make up the internal rating system (IRS) remain efficient in the context of the conflict in Ukraine, the general rise in prices and the rapid rise in interest rates. More generally, the direct consequences of the conflict in Ukraine did not have a significant impact on the cost of risk for the year given the very low level of the group's direct and indirect exposures to Russian and Ukrainian counterparties;
- the group has an early warning system that anticipates and detects precursors of customer fragility;
- the parameters used to calculate expected credit losses, probabilities of default, losses given default and credit conversion factors were updated on 31 December 2022 based on the existing methodology;
- The weighting of the forward-looking pessimistic scenario was aggravated during the year 2020 to integrate an increase in the probability of entering into the recession in the context of the COVID-19 health crisis.
- This high level of weighting was maintained since then and CMA chose to increase this weighting in 2022 to take into account the diffused anticipated economic crisis. This increase resulted in an additional provision of €18.8 million at 31 December 2022. The increase in the weighting of the pessimistic scenario automatically results in a decrease in that of the neutral scenario (19% versus 24% in 2021), while the weighting of the favourable scenario remains stable at 1%.

For information, a sensitivity test involving a 100% weighting of the pessimistic scenario was carried out: under this assumption, an additional allocation to the cost of risk of €86 million would have to be made. The scale of this allocation is justified by the severity of the assumptions used when defining the pessimistic scenario. Rather, a 100% weighting of the pessimistic scenario would entail a €270 million reversal of provisions, which demonstrates cautious hypotheses of weighting scenarios retained by the Crédit Mutuel Arkéa group. Elements à rajouter For these sensitivity analysis, Crédit Mutuel Arkéa took into account the impact of a 100% weighting of the pessimistic or neutral scenario on the changes in the buckets of performing loans. In addition, these analyses include all the sector adjustments described below:

- The economic crisis caused by COVID-19 is turning into a more diffuse crisis and the sectors weakened during the pandemic are not all specifically impacted by the economic consequences of the current environment. As such, the COVID-19 sector provision was reversed as at 31 December 2022.

A €14.5 million sector provision, intended to cover the fragility of the sectors affected by the future crisis, was raised as at 31 December 2022. This new provision affects expected losses but does not impact the breakdown of outstandings by buckets. This provision covers the manufacturing, construction, transport and warehousing, retail and clothing sectors.

This sector provision supplements the agricultural sector provision, which was maintained at €22 million as at 31 December 2022.

The portfolio's structure remained stable overall during the period under review, although the outstandings in bucket 2 did increase as a result of updating the parameters and the weighting of the pessimistic scenario. This update more than offsets the decline linked to the removal of the COVID-19 sector provision.

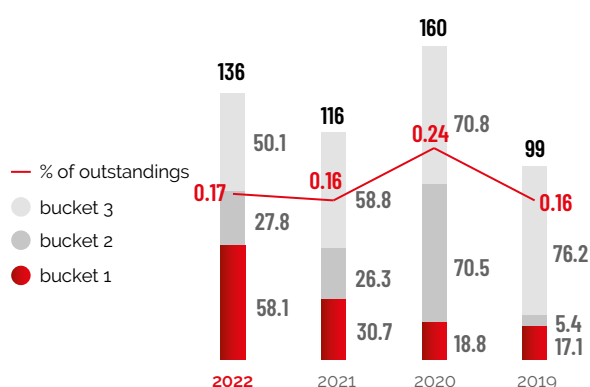
Outstanding loans subject to provisions for expected losses for credit risk (in M€)

	12.31.2019	12.31.2020	12.31.2021	12.31.2022
12-month expected losses – Bucket 1	78,859	89,346	93,279	95,427
Lifetime expected loss – Bucket 2	2,797	4,373	4,364	4,711
Impaired assets – Bucket 3 and POCI	1,468	1,444	1,451	1,482
TOTAL	83,124	95,163	99,095	101,620

Non-performing loans (NPLs) grew by €30 million during the year to reach €1,482 million at the end of 2022. This change was driven by the addition of a significant new loan, partially offset by assignments of receivables and a downward trend in housing-related NPLs over the past several months. The NPL rate on total customer outstandings fell to 1.8% compared with 2% at the end of 2021.

The cost of risk amounted to €136 million at 31 December 2022 and was 17 bp of customer outstanding loans. It is slightly higher than the pre-crisis level due to a significant portion of provisions for performing loans (buckets 1 and 2), reflecting the expectation of an emerging crisis and a relatively low level for loans in default.

The increase in the cost of risk on performing loans is therefore due to the updating of parameters and the additional allocation for ex ante provisioning of expected losses due to the macroeconomic situation. The cost of risk on non-performing and litigious loans fell compared with 2021, in keeping with the decline in NPLs.



Main standards not yet adopted by the European Union

IFRS 17 Insurance Contracts

Date and methods of first-time application

On 18 May 2017, the IFRS Foundation published the new IFRS 17 Insurance Contracts. IFRS 17 replaces IFRS 4 Insurance Contracts published in 2004. Under IFRS 4, companies were

allowed to continue using national accounting rules for insurance contracts, which resulted in a large number of different approaches, making it difficult for investors to compare the financial performance of companies.

IFRS 17 offers a solution to the comparison problems created by IFRS 4 by requiring all insurance contracts to be recognized in a standardized manner.

The IASB has examined some of the implementation issues raised by various stakeholders since the publication of IFRS 17 and will determine whether it is necessary to amend IFRS 17. In addition, on 26 June 2019 the IASB published an exposure draft containing a number of amendments to IFRS 17 "Insurance Contracts". The aim of the amendments is to facilitate implementation of the standard. An amendment was adopted on 25 June 2020 by the IASB. It pushes back the date of application, originally planned for 2021, to 1 January 2023.

The IASB has published an amendment to IFRS 4 Insurance Contracts extending the temporary exemption for the application of IFRS 9 at 1 January 2023.

Lastly, IFRS 17 has been adopted by the European Union on 19 November 2021.

Accounting principles under IFRS 17

IFRS 17 defines the new rules for recognition, measurement and presentation of insurance contracts that fall within its scope (insurance contracts, reinsurance contracts and financial contracts with a discretionary profit sharing component):

- Measurement of insurance contracts on the balance sheet: their value will be updated at each reporting date based on a reassessment of the future cash flows related to their fulfilment. This reassessment will take into account market data in relation to the financial elements and policyholders' behaviour;
- Recognition of the margin: even if the profitability of the insurance contracts remains unchanged, the recognition in profit or loss of their margins will be modified to be spread over the duration of the insurance benefit; and
- Presentation of the income statement: the operating expenses attributable to the fulfilment of the insurance contracts will now be presented as a deduction from Net Banking Income under Insurance Service Expenses and will therefore no longer impact the total operating expenses in the consolidated income statement.

Grouping of contracts

To measure the insurance contracts issued, IFRS 17 requires that they be grouped into homogeneous portfolios. Within these portfolios, contracts must be subject to similar risks and managed together.

Within each portfolio, a distinction must be made between three groups of contracts at initial recognition: onerous contracts, contracts that have no significant possibility of becoming onerous subsequently, and other contracts.

Moreover, IFRS 17 stipulates that each group of contracts must be divided into annual cohorts (with no more than a 12-month

interval between the contract issue dates). In adopting IFRS 17, the European Commission gave European companies the option not to apply this provision to contracts benefiting from intergenerational pooling of the returns from the underlying assets.

The group plans to use this optional exemption for its life insurance contracts as they include direct participation or discretionary features, which allow for the sharing of risks and cash flows between different generations of policyholders. These life insurance contracts are also managed across generations to mitigate exposure to interest rate and longevity risks.

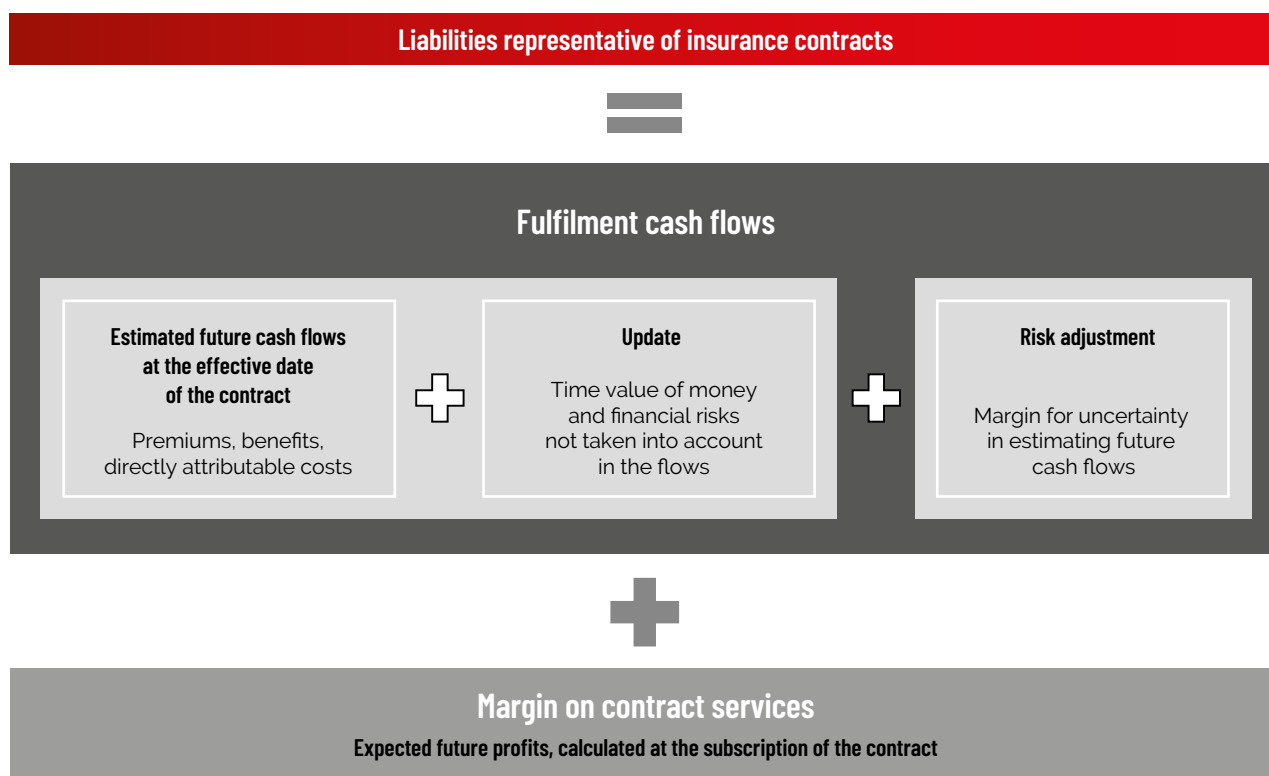
Measurement models

General model applicable to insurance contracts issued

The general model used to measure contracts shown as liabilities will be based on the aggregation of three components using a building blocks approach: discounted future cash flows, a risk margin and a contractual service margin.

Initial measurement

At initial recognition, the value of a group of insurance contracts issued is the sum of the following elements:



Positive contractual service margins will be recognised gradually in profit or loss over the duration of the insurance benefit. In the case of onerous contracts, the loss corresponding to the net cash outflow for the group of contracts must be recognised in profit or loss when the contracts are underwritten.

This general model will apply by default to all insurance contracts.

The adjustment for non financial risks is determined from a quintile-based approach.

Subsequent measurement (except for onerous contracts)

At each reporting date, the carrying amount of the group of insurance contracts issued is re-estimated.

It is then equal to the sum of the following two amounts:

- the liability for the remaining coverage, which comprises the value of the re-estimated fulfilment cash flows at that date (present value of the premiums receivable and of the cost of future benefits over the remaining coverage period) and the contractual service margin discounted at that same date as described above;
- the liability for incurred claims, in an amount equal to the present value of the estimated cash flows required to settle the valid claims on past events.

At that same reporting date, the amount of the contractual service margin is discounted to take into account:

- the impact of new contracts added to the group of contracts;
- the interest capitalised at the discount rate used to determine the initial margin value;
- the re-estimate of the fulfilment cash flows (present value of premiums receivable and of the cost of future benefits over the remaining coverage period, except for the estimated expenses to be paid for claims already incurred, which are measured separately).

A share of the margin amount thus reassessed is then recognised in profit or loss, representing the insurance coverage provided under the group of contracts during the period; this share is determined by distributing this reassessed margin between the amount of insurance benefits provided over the period and the amount of benefits to be provided over the expected residual coverage period of these contracts.

General model adapted for contracts with direct participation (Variable Fee Approach)

IFRS 17 also provides for an adaptation of the general model for contracts with direct participation features. Under this adapted model, known as the "Variable Fee Approach", the measurement of the insurance liability must reflect the obligation to pay to policyholders a substantial share of the return from the underlying assets, less expenses on contracts (changes in the value of the underlying assets accruing to policyholders are offset in the contractual service margin).

Eligibility for this measurement model is analysed on the issue date of the contracts and may be subsequently reassessed only in case of changes in said contracts.

The applied interest rate curve for the update of estimated future cash flows is determined under a bottom-up approach: this approach consists in add a illiquidity premium related to insurance contracts to a safe rate curve (EIOPA curve).

The main adaptations to the General Model concern:

- the portion of the fair value variation of the underlying investments attributable to the insurer. At each reporting date, this portion of the variation during the period is incorporated into the contractual service margin to be recognised in profit or loss and spread over the expected residual coverage period of the contracts;
- the interest on the contractual service margin, the variations in which are implicitly included in the periodic revision of the contractual service margin.

Simplified approach (Premium Allocation Approach) – Option

The standard also makes it possible, subject to conditions, to apply a simplified approach known as the "premium allocation approach" to contracts with a term of 12 months or less or if the application of the simplified approach produces a similar outcome to the general model.

The premiums receivable over the contractual insurance period are recognised in profit on a straight-line basis over this contractual period (or according to the expected pattern of release of risk if this differs significantly from a straight-line pattern).

As in the General Model, claims are provisioned through profit or loss upon their occurrence in an amount equal to the estimated value of the cash flows required to settle valid claims (it is, however, not necessary to discount the amount of compensation if their payment is expected within a year from the date of the claim in order to reflect the time value of money).

Savings and Retirement

The group believes that a significant portion of the individual and group life insurance savings and retirement savings contracts issued by its insurance subsidiaries meet the definition of contracts with direct participation. These contracts, which represent the predominant insurance activity of the group, will be measured using the Variable Fee Approach (VFA) adapted General Model. The other contracts in these categories will be measured using the General Model or according to IFRS 9 if they meet the definition of an investment contract.

For Saving and Retirement activities, the quantity of service (or coverage units) used to the CSM depreciation will be based on the sum of mathematical provisions attached to each contract.

Protection activity

The group intends to mainly apply the General Model to measure its provident insurance contracts (borrower insurance, funeral, long-term care, etc.) and the simplified approach for its property and casualty insurance contracts (personal accident, means of payment, comprehensive home, etc.).

For the Protection – borrower activity, the insured value (for example, the outstanding capital of a loan in a borrower contract) will be used to measure the quantity of service (or coverage units) provided or to provide, in order to allocate the CSM in profit or loss of the period.

For the Protection – individual cover activity, the quantity of service (or coverage units) used to the CSM depreciation will be based on the number of contracts.

Presentation in the income statement

In the consolidated income statement, the income and expenses relating to insurance contracts issued and reinsurance contracts will be presented under Net Banking Income, with a distinction between, on the one hand:

- income from insurance and reinsurance contracts issued;
- expenses for services relating to insurance and reinsurance contracts issued; and
- income and expenses relating to reinsurance contracts held;

And, on the other hand:

- financial income and expenses of insurance and reinsurance contracts issued; and
- financial income and expenses of reinsurance contracts held.

Expenses for services relating to insurance and reinsurance contracts issued and expenses relating to reinsurance contracts held will then include the share of operating expenses directly attributable to fulfilment of the contracts, which will thus be deducted from Net Banking Income.

Many insurance contracts include an investment component in the form of a deposit paid by the policyholder and which the insurer is contractually required to repay even if the insured event does not occur. Although they may take the contractual form of insurance premiums and benefits, the deposit collection and repayment flows do not constitute either income or expenses relating to these contracts.

Financial income and expenses of insurance and reinsurance contracts mainly include the variations in value of the groups of contracts relating to the impacts of the time value of money and of the financial risks not taken into account in the estimated flows.

Effect of discontinuing IFRS 4 shadow accounting

For contracts with participation features, IFRS 4 provided for “shadow” accounting of the unrealised capital gains and losses of IAS 39 assets backing commitments. This mechanism entailed recognising a provision for deferred profit-sharing representing the share of these capital gains or losses that implicitly accrued to policyholders through contractual clauses or the distribution policy; this provision was added to the mathematical provision in the individual financial statements when the assets backing commitments had unrealised capital gains. A provision for deferred profit-sharing assets was recognised when the assets backing commitments had unrealised capital losses.

With IFRS 17, these future repayments under the contracts (positive or negative) will now be modelled in the IFRS 17 provision, which discounts the future benefits at the current rate.

Therefore, shadow accounting of unrealised capital gains goes away with IFRS 17. The corresponding provisions for deferred profit-sharing in the IFRS consolidated financial statements at 31 December 2021 are restated as consolidated reserves at the transition date of 1 January 2022.

Application of IFRS 17

The first-time application of IFRS 17 at 1 January 2023 will be retrospective and the comparative data for the 2022 financial year will be restated.

Differences in the measurement of insurance assets and liabilities resulting from the retrospective application of IFRS 17 as at 1 January 2022 will be presented directly under equity.

The retrospective measurement of these assets and liabilities, particularly of the various insurance contract portfolios, may be subject to alternative approaches when the historical information required for a fully retrospective application is not available. The standard then allows for the use of:

- either an adjusted retrospective approach that should provide, based on reasonable information available without undue cost or effort, measurements that are as close as possible to those that would result from the retrospective application of the standard; or
- an approach based on the fair value of the insurance contract portfolios as at 1 January 2022.

The group plans to apply a modified retrospective approach for savings life insurance contracts and retirement savings contracts, which represent the vast majority of its contracts.

Application of IFRS 9 by the group's insurance entities

Implementation of IFRS 9

The first-time application of IFRS 9 by Suravenir and Suravenir Assurances as at 1 January 2023 will be retrospective. In accordance with the IFRS 17 transition arrangements, and in order to provide more relevant information, the group plans to restate the comparative data for the 2022 financial year relating to the relevant financial instruments of its insurance entities (including financial instruments derecognised in 2022).

The group will apply the overlay approach to recognise disposals of assets during the 2022 financial year, as if they had been recognised in accordance with IFRS 9.

Differences in the measurement of the financial assets and liabilities concerned, the impairment of credit risk and gains and losses recognised directly in equity resulting from the retrospective application of IFRS 9 as at 1 January 2022 will be presented directly under equity.

Interaction in the implementation of IFRS 17 and IFRS 9

The group has chosen the OCI option under IFRS 17 for the remeasurement at the current rate of its insurance liabilities based on the general model and the simplified model, consistent with the choice of the fair value through OCI management model for SPPI bond assets backing these portfolios. Thus, changes in the market rate will impact assets and liabilities in a consistent way through OCI.

Implementation of IFRS 17

Crédit Mutuel Arkéa's insurance entities completed their operational implementation of the provisions of IFRS 17 in 2020 and 2021, along the following lines:

- mapping of insurance contracts based on the granularity required by the standard (grouping of contracts with similar risk that are managed together, with a comparable level of profitability, and issued less than one year apart);
- definition of the methodology for the actuarial calculations of provisions for insurance contracts and implementation of this methodology in the IT systems;
- updating of the accounting system and principles based on the provisions of IFRS 17 and IFRS 9, as well as the process for production of the IFRS financial statements for the relevant scope.

During the year 2022, preparatory work continued with validation of the tools and processes, finalisation of the accounting treatments and calculation models, and the production of opening data as at 1 January 2022 and comparative information for this financial year.

The group plans to restate the internal margins on insurance contracts. The work that began in 2021 in this area entails:

- restatement of the projected fees invoiced by intra-group partners and replacing them with projections of fees actually incurred by these partners;
- the various IFRS 17 metrics (CSM, BE, Income) calculated at the consolidated level will therefore include all the intra-group margins underlying the various partners and a reallocation will be necessary to obtain each entity's contribution to IFRS income.

The standards adopted by the European Union are available on the European Commission's website:

https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting_en

Accounting principles and valuation methods

The group has applied IFRS 9 "Financial Instruments" and the amendment to IFRS 9 "Prepayment clause providing for negative compensation" adopted by the European Union on 22 November 2016 and 22 March 2018 respectively for its banking activity.

The insurance business continues to apply IAS 39 following the adoption of the temporary exemption from applying IFRS 9, as provided for by the amendment to IFRS 4.

To take advantage of this deferral, the following conditions must be met:

- no transfer of financial instruments between the insurance segment and the conglomerate's other segments (with the exception of financial instruments at fair value through profit or loss for both segments involved in the transfer);
- indication of the insurance entities deferring application of IFRS 9;
- the provision of additional information in notes presenting the insurance activities separately from the banking activities.

In compliance with the conditions listed above, the group entities that are deferring application of IFRS 9 are Suravenir and Suravenir Assurances.

The accounting principles and valuation rules applied to assets and liabilities arising from the issuance of insurance policies are established in accordance with IFRS 4.

Excepting the cases described above, the other assets held and liabilities issued by insurance companies follow the rules common to all of the group's assets and liabilities.

Accounting principles for the banking business

IFRS 9 sets out different classification rules for equity instruments (shares or other variable-income securities) and for debt instruments (bonds, loans or other fixed-income securities).

To determine the accounting category of debt instruments (debt securities, loans and receivables), the following two criteria must be analyzed:

- the business model that summarizes the way in which the entity manages its financial assets in order to generate cash flows: "Collection of cash flows", "Collection of cash flows and sale" or "Other";
- characteristics of cash flows that will be "SPPI – Solely payments of principal and interest" if they are cash flows from a basic loan and, more specifically, if "the contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding".

Business models

The business model represents the way in which instruments are managed in order to generate cash flows and revenue. It is based on observable facts and not simply on management's intention. It is not assessed at the entity level, or on an instrument-by-instrument basis, but rather at a higher level of aggregation which reflects the way in which groups of financial assets are managed collectively. It is determined at inception and may be reassessed in the case of a change in model.

To determine the model, all the available information must be observed, including:

- the way in which the business's performance is reported to decision-makers;
- the way in which managers are compensated;
- the frequency, schedule and volumes of sales in previous periods;
- the reasons for the sales;
- future sales forecasts;
- the way in which risk is assessed.

Under the hold-to-collect model, certain examples of authorized sales are explicitly indicated in the standard:

- in relation to an increase in credit risk;
- close to maturity.

These "authorized" sales are not included in the analysis of the significant and frequent nature of the sales carried out on a portfolio. Moreover, sales related to changes in the regulatory or fiscal framework will be documented on a case-by-case basis to demonstrate the "infrequent" nature of such sales.

For other sales, thresholds have been defined based on the maturity of the securities portfolio (the group does not sell its loans).

The group has mainly developed a model based on the collection of contractual cash flows from financial assets, which applies in particular to the customer financing activities.

It also manages financial assets according to a model based on the collection of contractual cash flows from financial assets and on the sale of these assets. Within the group, the contractual cash flow collection and sale model applies primarily to the cash management and liquidity portfolio management activities.

Cash flow characteristics

The contractual cash flows, which represent only repayments of principal and payments of interest on the principal balance, are compatible with a so-called basic agreement.

In a basic agreement, interest mainly represents consideration for the time value of money (including in case of negative interest) and credit risk. Interest may also include liquidity risk, administrative fees to manage the asset and a profit margin.

All the contractual clauses must be analyzed, including those that could change the repayment schedule or the amount of the contractual cash flows. The option under the agreement, on the part of the borrower or the lender, to repay the financial instrument early is compatible with the SPPI (Solely Payments of Principal and Interest) nature of the contractual cash flows

insofar as the amount repaid essentially represents the principal balance and related receivables and, where applicable, a reasonable compensatory payment.

An analysis of the contractual cash flows may also require comparing them with those of a benchmark instrument when the time value of money component included in the interest can be changed as a result of the instrument's contractual clauses. This is the case, for example, if the interest rate of the financial instrument is revised periodically, but there is no correlation between the frequency of the revisions and the term for which the interest rate is defined (monthly revision of a one-year rate, for example), or if the interest rate of the financial instrument is revised periodically based on an average interest rate.

If the difference between the undiscounted contractual cash flows of the financial asset and those of the benchmark instrument is or may become significant, the financial asset cannot be considered basic.

Depending on the case, the analysis is either qualitative or quantitative. The materiality or immateriality of the difference is assessed for each fiscal year, and cumulatively over the life of the instrument. The quantitative analysis takes into account a set of reasonably possible scenarios.

For financial assets whose remuneration is indexed to the ESG criteria assigned by the group, an analysis is carried out to verify that the changes in expected cash flows reflect a change in credit risk that does not introduce any leverage.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss consist mainly of debt securities (fixed- or variable-income) and loans to credit institutions and customers:

- held for trading ("Resale" business model); or
- related to the application of the option made available under IFRS 9 to designate a financial instrument at fair value through profit or loss if doing so eliminates or significantly reduces an accounting treatment inconsistency; or
- whose cash flows do not correspond to those of a basic loan ("non-SPPI" cash flows); UCI (undertaking for collective investment) and mutual fund instruments will be recognized as such.

By default, shares will also be recognized at fair value through profit or loss.

Financial assets at fair value through profit or loss are initially recognized at fair value excluding acquisition costs and including accrued dividends.

The accrued or earned income from fixed-income securities is recognized in the income statement under the heading "interest and similar income" according to the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash flows to the net carrying amount of the financial asset or liability. Dividends from variable-income securities are recognized in the income statement under the heading "Net gain (loss) on financial instruments at fair value through profit and loss."

Changes in fair value during the period, at the reporting date, as well as capital gains or losses on assets in this category are also recognized in "Net gain (loss) on financial instruments at fair value through profit or loss".

No impairment is recognized on the assets at fair value through profit or loss, since the counterparty risk is included in the market value (fair value).

Derivative financial instruments used for trading and hedging purposes – assets and liabilities

In accordance with the option offered by IFRS 9 pending the finalization and adoption of the standard's macro hedging component, the Crédit Mutuel Arkéa group has decided not to adopt the Hedging component of IFRS 9 and continues to apply all the provisions of IAS 39 with regard to hedging.

However, the additional disclosures on hedging required by amended IFRS 7 are presented as of 1 January 2018.

Unless they qualify for hedge accounting, derivative financial instruments are by default classified as trading instruments.

The group deals mainly in simple derivative instruments (swaps, vanilla options), particularly interest-rate instruments and classified in level 2 of the fair value hierarchy.

Derivatives are covered by master netting agreements, which make it possible to net winning and losing positions in case of counterparty default. The group negotiates ISDA-type (International Swaps and Derivatives Association) master agreements for each derivative transaction.

However, these derivatives are not netted on the balance sheet, in accordance with IAS 32.

Through these collateralization agreements, the group receives or disburses only cash as guarantees.

IFRS 13 allows for the recognition of own credit risk when valuing derivative financial liabilities (debt value adjustment – DVA) and the measurement of counterparty risk in the fair value of derivative financial assets (credit value adjustment – CVA).

The group calculates the CVA and DVA on derivative instruments for each counterparty to which it is exposed.

The CVA is calculated on the basis of the group's expected positive exposure to the counterparty, estimated using the so-called Monte Carlo method, multiplied by the counterparty's probability of default (PD) and by the loss given default (LGD) rate. DVA is calculated on the basis of the group's expected negative exposure to the counterparty, estimated using the so-called Monte Carlo method, multiplied by the group's probability of default (PD) and by the loss given default (LGD) rate.

The calculation methodology uses market data, particularly on the credit default swap (CDS) curves to estimate the PD.

The Funding Valuation Adjustment (FVA) represents the cost of

financing positions on derivative instruments that do not involve the transfer of collateral. The FVA calculation involves multiplying the group's expected exposure to the counterparty by the estimated market financing cost.

An amount of €8.92 million was recognized on the balance sheet for valuation adjustments as at 31 December 2022.

To classify a financial instrument as a hedging derivative, the group prepares formalized documentation of the hedging transaction at inception: hedging strategy, designation of the hedged instrument (or the portion of the instrument), nature of the hedged risk, designation of the hedging instrument, procedures for measuring the effectiveness of the hedging relationship.

According to this documentation, the group assesses the effectiveness of the hedging relationship at inception and at least every six months. A hedging relationship is deemed to be effective if:

- the ratio between the change in value of the hedging derivatives and the change in value of the hedged instruments for the risk hedged lies between 80% and 125%; and
- the changes in value of the hedging derivatives expected over the residual term of said derivatives offset those expected from the hedged instruments for the risk hedged.

The group designates a derivative financial instrument as a hedging instrument in a fair value hedge or in a cash flow hedge based on the nature of the risk hedged.

Risks hedged

Micro-hedging is the hedging of part of the risks incurred by an entity on the assets and liabilities it holds. It applies specifically to one or more assets and liabilities with regard to which the entity hedges the risk of a negative change in a given type of risk, using derivatives.

Macro-hedging aims to protect all the group's assets and liabilities against unfavourable trends, particularly in interest rates.

The group hedges only interest rate risk for accounting purposes, through micro-hedges or more globally through macro-hedges.

Overall interest rate risk management is described in the management report, together with the other risks that may give rise to economic hedging through natural matching of assets/liabilities or the recognition of derivatives transactions.

Micro-hedges are implemented in particular via asset swaps and are generally aimed at synthetically converting a fixed-rate instrument into a variable-rate instrument.

Fair value hedging

The goal of fair value hedging is to reduce the risk of a change in the fair value of a financial transaction. Derivatives are used notably to hedge the interest rate risk on fixed-rate assets and liabilities.

With respect to fair value hedging transactions, the change in fair value of the derivative is recorded on the income statement under the heading "Net gain (loss) on financial instruments at fair value through profit or loss" in symmetry with the revaluation of the hedged risk. The only impact on the income statement is the potential ineffectiveness of the hedge. This may result from:

- the "counterparty risk" component included in the value of the derivatives;
- differences in the price curves of the hedged item and of the hedge. For instance, swaps are valued using the Overnight Indexed Swap curve if they are collateralized and using the BOR curve if they are not. The hedged items are valued using the BOR curve.

The goal of the derivative financial instruments used as macro-hedging transactions is to hedge comprehensively all or part of the structural rate risk resulting primarily from retail banking operations. For the accounting treatment of such transactions, the group applies the provisions contained in IAS 39 as adopted by the European Union (the IAS 39 "carve-out").

The accounting treatment of derivative financial instruments designated from an accounting standpoint as fair value macro-hedging is the same as the accounting treatment for derivatives used in fair value micro-hedging. The change in the fair value of portfolios hedged against interest rate risk is recorded in a separate line of the balance sheet entitled "Remeasurement adjustment on interest-rate risk hedged portfolios" with an offsetting entry recorded in the income statement. In accordance with IAS 39, the remeasurement is recognized in assets for the hedging of financial assets and in liabilities for the hedging of financial liabilities.

The effectiveness of hedges is checked prospectively by verifying that at inception derivatives reduce the interest rate risk of the hedged portfolio. Hedges must be de-designated when the underlyings to which they are linked become insufficient with effect from the most recent date on which the hedge was found to be effective.

The cash flow hedging and the hedging of net investments in foreign operations are not used by the group.

Financial assets at fair value through equity

Financial assets at fair value through equity consist of securities (fixed- or variable-rate):

- held in order to collect the cash flows inherent in the instrument and to generate gains and losses through sales; and
- whose cash flows correspond to those of a basic loan ("SPPI" cash flows).

Debt instruments at fair value through equity are initially recognized at fair value, i.e. their purchase price, including acquisition costs – if material – and accrued dividends. At the end of the reporting period, such securities are measured at their fair value, with any changes in value recognized in equity under "Unrealized gains (losses) recognized directly in equity".

These unrealized gains or losses recognized in equity are recognized through profit or loss only in case of a sale or impairment for credit risk.

The accrued or earned income from fixed-income securities is recognized in the income statement under the heading "interest and similar income" according to the effective interest rate method.

This category also includes shares resulting from the application of the irrevocable option made available under IFRS 9 at the time of initial recognition. This irrevocable choice is made on a deal-by-deal basis, i.e. each time a security is added to the portfolio.

Impairment is not recorded for these assets.

The unrealized gains or losses on these instruments recognized in equity are never recognized through profit or loss for equity instruments, even in the case of a sale.

Dividends from variable-income securities are recognized in the income statement under the heading "Net gain (loss) on financial assets at fair value through equity".

Financial assets at amortized cost

Financial assets at amortized cost meet the following criteria:

- they are held in order to collect the cash flows inherent in the instrument; and
- the cash flows correspond to those of a basic loan ("SPPI" cash flows).

Most of the loans and receivables owed to Crédit Mutuel Arkéa group by financial institutions and customers that are not intended for sale when extended are recognized under "Loans and receivables at amortized cost".

Debt securities (fixed- or variable-rate) that meet the aforementioned criteria are also recognized at amortized cost.

Initially, they are recognized at market value which is usually the net amount initially paid out including the transaction costs directly attributable to the transaction and fees analyzed as an adjustment to the effective yield of the loan. Financial assets are valued at amortized cost on the closing date. Interest, transaction costs and fees included in the initial value of the loans are amortized over the life of the loan using the effective interest rate method. In this manner they contribute to the formation of income over the life of the loan.

With regard to loans, the fees received in connection with financing commitments that have a low probability of being drawn or which are used haphazardly over time and in terms of amount are spread on a straight-line basis over the term of the commitment.

The restructuring of a loan due to financial difficulties encountered by the borrower is defined as a change in the terms and conditions of the initial transaction that the group only consents for economic or legal reasons linked to the borrower's financial difficulties.

For restructuring that does not result in de-recognition of the financial asset, the value of the restructured asset is adjusted to bring the net carrying amount to the present value of the new expected future cash flows discounted using the original effective interest rate of the asset in question. The change in the value of the asset is recognized in the income statement under the heading "Cost of credit risk" and may be reversed through profit or loss when the provision for calculated expected loss decreases.

The restructuring of a loan as a result of the debtor's financial difficulties results in the loan agreement's novation. Based on the definition of this concept by the European Banking Authority (EBA), the group identified loan restructuring (forbearance) on those loans held.

Changes in financial assets that are not made due to financial difficulties of the borrower (i.e. commercial renegotiations) are generally analyzed as the prepayment of the old loan, which is derecognized, followed by the introduction of a new loan at market terms.

Customer finance leases

Lease transactions are considered finance leases when all of the risks and rewards incidental to the ownership of the leased property are transferred to the lessee. Otherwise leasing transactions are classified as operating leases.

Finance leases are recognized on the balance sheet at the amount corresponding to the value of the minimum payments due from the lessee discounted at the implied interest rate of the contract plus any unsecured residual value. The interest portion of the lease payments is recorded on the income statement under the heading "Interest and similar income."

Impairment of financial assets and commitments given

In accordance with IFRS 9, a provision for expected losses is recognized when the financial asset is recorded on the balance sheet.

The financial assets in question include:

- debt instruments (securities and loans and receivables) recognized at amortized cost or at fair value through equity;
- leasing receivables;
- other receivables, such as customer receivables, and receivables under IFRS 15 "Revenue from Contracts with Customers".

Financing or guarantee commitments given that are not measured at fair value through profit or loss are also subject to impairment.

Equity instruments and debt instruments recognized at fair value through profit or loss are not covered by provisions for impairment for credit risk.

Provisions for impairment are also set up for receivables with guarantees when an expected credit risk exists.

Impairment is recognized under "cost of risk" and may be reversed through profit or loss when the provision for calculated expected loss decreases.

Under the IFRS 9 provisioning model, financial assets for which a provision for impairment is recognized are classified into three groups called "buckets" based on the credit risk level:

- Bucket 1: IFRS 9 introduces the notion of "expected loss"; consequently, since credit/counterparty risk cannot be zero regardless of the asset, a provision for individual credit risk is calculated (based on one-year expected losses) and recognized when the financial asset is recorded on the balance sheet;

- Bucket 2: if, during the life of the instrument, credit risk increases significantly, the loan is reclassified into bucket 2 and a provision for lifetime expected losses is recognized;

- Bucket 3: in case of actual credit risk (counterparty default, for example), the loan is classified into bucket 3. A provision for lifetime expected losses is recognized. In this event, all receivables due from a borrower or a group of borrowers with outstanding contracts and/or debts in common in default are systematically allocated to Bucket 3 and are the subject of a single provision allocated for loan impairment.

The main criteria that result in a counterparty or group of borrowers being downgraded to default are as follows:

- knowledge of collective proceedings or personal recovery proceedings, notification of the admissibility of overindebtedness; proceedings or equivalent proceedings under foreign legislation;
- out-of-court recovery that has become impossible;
- contagion of the default under Basel rules;
- doubt as to a debtor's ability to honor all or part of its commitments;
- for loans considered to be restructured: payment arrears of more than 30 days or a new restructuring measure;
- a borrower is more than 90 days in arrears;

In terms of past-due amounts, the main changes introduced by the new definition of default are as follows:

- an incident (irregularity or past-due amount) is no longer recorded at the contract level but for a borrower or group of borrowers with outstanding contracts and/or debts in common;
- the past-due amount is the sum of all amounts affected by payment incidents due by the borrower or group of borrowers in question to all lending entities of the Crédit Mutuel Arkéa group as of the first euro cent;
- a materiality threshold is applied to the counting of the number of days past due. The threshold is crossed when both of its components are exceeded:
 - an absolute component with a threshold (principal + interest) of €100 for retail customers and €500 for non-retail customers,
 - a relative component with a threshold of 1% applied to the past-due amounts/total amount of balance sheet commitments for the borrower or group of borrowers.

It is important to note that the new default regulation introduces the concept of a probation period, which is defined as a minimum period of continued default classification once the regulatory default criteria have been cleared. This probation period is a minimum of three months.

Significant increase in credit risk

The group uses the models developed for prudential purposes and has therefore applied a similar breakdown of its outstanding loans to assess any significant increase in credit risk:

- low default portfolios (LDP), for which the rating model is based on an expert assessment: large accounts, banks, local governments, sovereigns, specialized financing;
- high default portfolios (HDP), for which historical data is used to develop a statistical rating model: mass corporate, retail.

A significant increase in credit risk, which entails transferring a loan out of bucket 1 into bucket 2, is assessed by:

- taking into account all reasonable and justifiable information; and
- comparing the risk of default on the financial instrument at the reporting date with the risk of default at the initial recognition date.

This entails measuring risk at the borrower level. All the group's counterparties are rated by the rating system. This system is based on:

- statistical algorithms or "mass ratings" based on one or more models, using a selection of representative and predictive risk variables (HDP); or
- manual rating grids developed by experts (LDP).

Change in risk since initial recognition is measured on a contract-by-contract basis. Unlike bucket 3, transferring a customer's contract into bucket 2 does not entail transferring all the customer's outstanding loans or those of related parties (absence of contagion).

The expected credit loss approach under IFRS 9 is symmetrical, i.e. if expected credit losses at maturity were recognised in a previous period and if it appears that there is no longer a significant increase in credit risk for the financial instrument for the current reporting period since its initial recognition, the provision is recalculated on the basis of an expected credit loss over 12 months.

It should be noted that the group applies the principle of symmetry set out in the standard. This means that the criteria for transfer into and out of bucket 2 are the same.

Quantitative criteria

The quantitative thresholds for transfer to bucket 2 for the LDP and HDP portfolios, respectively, are presented below.

HDP BOUNDARY CURVE

For the HDPs, a continuous and growing boundary curve shows the relationship between the probability of default at origination and the probability of default at the reporting date.

This boundary curve notably involves four coordinate points (PD origination/PD threshold for transfer to B2): (0%/1%), (1%/3%), (3%/7%), (10%/14%). Thus, a contract with a 1% probability of default when granted will be transferred to bucket 2 if the probability of default at the reporting date is higher than 3%.

The group does not use the operational simplification offered by the standard, which allows outstandings with a low risk at the reporting date to be maintained in bucket 1.

Crédit Mutuel Arkéa uses the correlations between 12-month default and default at maturity to justify that the significant increase in risk is measured based on the 12-month probability of default. This correlation study was conducted during the FTA of IFRS 9 and is renewed every year.

LDP MATRIX

For the LDPs, the boundary is based on an allocation matrix that shows the relationship between the internal ratings at origination and at the reporting date.

Rating on origination	Rating threshold for transfer to bucket 2
from A+ to B-	D+
C+	D-
from C- to D-	E+

Therefore, a contract with a rating on origination of B+ will be transferred to bucket 2 if the rating on the reporting date is less than or equal to D+.

Qualitative criteria

The group combines this quantitative data with the following qualitative criteria:

- in all cases, the existence of an incident lasting more than 30 days enables the group to assess the significant change in credit risk by making a transfer to bucket 2;
- restructured outstandings are automatically downgraded to bucket 2 and can only be returned to bucket 1 if a probation period of 24 months has been observed;
- in the case of the securities portfolio, "sensitive" outstandings rated speculative grade (rating of D+ or lower) are automatically downgraded to bucket 2, while financial instruments with a low credit risk classified as investment grade (rating of between A+ and C-) remain in bucket 1.

Methods based exclusively on qualitative criteria are used for entities or small portfolios that are classified for prudential purposes under the standardized approach and do not have a rating system.

Buckets 1 and 2 – calculation of expected credit losses.

In terms of calculation, the provisioning model takes into account:

- probability of the debtor's default;
- loss given the debtor's default;
- The Crédit Mutuel Arkéa group's exposure (i.e. loans outstanding with this counterparty on the balance sheet and in commitments given).

Provisions must also take into account past, present and forward-looking information.

Expected credit losses are measured by multiplying the outstanding amount of the loan by its probability of default (PD) and by the loss given default (LGD). The off-balance sheet exposure is converted to an on-balance sheet equivalent based on the probability of a drawdown. The one-year probability of default is used for bucket 1 and the probability of default at termination for bucket 2.

These parameters are taken from the models developed for prudential purposes and adapted to IFRS 9 requirements. They are used for both assignment to the buckets and the calculation of expected losses.

Guarantees are taken into account in the estimate of recoverable future cash flows when they are an integral part of the contractual terms of the loans to which the guarantees relate and are not recognized separately. In accordance with IFRS 9, the inclusion of guarantees and collateral does not affect the assessment of significant deterioration in credit risk, which is based on changes in the credit risk associated with the debtor without taking guarantees into account.

Probability of default

This is based:

- for high default portfolios (HDP) on which default rates are statistically significant, on the models approved under the IRB-A approach;
- for low default portfolios (LDP) on which default rates are not statistically significant, on an external probability of default scale.

Loss given default

This is based:

- for high default portfolios (HDP), on the flows of collections observed over a long period of time, discounted at the interest rates of the contracts;
- for low default portfolios (LDP), on the regulatory levels.

Conversion factors

These are used to convert off-balance sheet exposure to an on-balance sheet equivalent and are mainly based on the prudential models.

Forward-looking aspect

The prospective aspect is taken into account in the Probability of Default (PD) parameter via the notion of "forward-looking". Forward-looking impacts both:

- the value of PDs at the various maturities;
- and the bucket allocation of outstanding loans: in effect, the application of forward-looking parameters has an impact on the analysis of significant deterioration and consequently on the allocation by bucket.

To calculate expected credit losses, the standard requires that reasonable and justifiable information, including forward-looking information, be taken into account. The development of the forward-looking aspect requires anticipating changes in the economy and applying these anticipated changes to the risk parameters. This forward-looking aspect is determined at the group level and applies to all the parameters.

For high default portfolios (HDP) and low default portfolios (LDP), the forward-looking aspect included in the probability of default takes into account three scenarios (optimistic, neutral and pessimistic), which will be weighted based on the

group's view of changes in the economic cycle over five years. The group mainly relies on macroeconomic data available from well-known national or international statistics agencies. The forward-looking approach is adjusted to include elements that were not captured by the scenarios because:

- they are recent, meaning they occurred a few weeks before the reporting date;
- they cannot be included in a scenario: for example, regulatory changes that will certainly have a significant effect on the risk parameters and whose impact can be measured by making certain assumptions.

Bucket 3: recognition

Impairment reflects the difference between amortized cost and the present value of discounted estimated future cash flows. Discounting is carried out at the initial effective interest rate of the loan for fixed-rate loans and at the last effective interest rate set according to the contractual terms and conditions for variable-rate loans. In the income statement, changes in impairment are recorded under "cost of risk" except for reversals related to the effects of the reversal of discounting, which are recorded under "Interest and similar income."

Originated credit-impaired financial assets

These are contracts with incurred credit losses on the date of initial recognition or acquisition. These financial assets are subject to specific recognition under the provisions of IFRS 9.

At the reporting date, these contracts are identified in an "originated credit-impaired assets" category and provisioned based on the same method used for exposures in bucket 2, i.e. an expected loss over the residual maturity of the contract.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit and loss are divided into those held for trading and those assigned to this category under the option afforded by IFRS 9. This allows financial instruments to be designated at fair value through profit or loss on initial recognition in the following cases:

- hybrid instruments containing one or more embedded derivatives;
- groups of assets or liabilities measured and managed at fair value;
- substantial elimination or reduction of an accounting treatment inconsistency.

The Crédit Mutuel Arkéa group uses this option to record at fair value through profit or loss issues of liabilities originated and structured on behalf of clients whose risks and any hedging thereof are managed as part of the same whole.

Initially, financial liabilities at fair value through profit or loss are recognized at their fair value excluding acquisition costs and including accrued dividends. At the reporting date, they are measured at fair value and changes in fair value are recognized:

- under "Gains or losses recognized directly in non-recyclable equity", for the portion corresponding to own credit risk;

- in profit or loss for the period under "Net gain (loss) on financial instruments at fair value through profit or loss", for the remaining portion.

Embedded derivatives

An embedded derivative is a component of a hybrid instrument that, when separated from its host contract, satisfies the definition of a derivative. It is designed to affect certain cash flows, much like a standalone derivative.

This derivative is split off from the host contract and accounted for separately as a derivative instrument at fair value through profit or loss when the following three conditions are met:

- the hybrid instrument that hosts the embedded derivative is not measured at fair value through profit or loss;
- the economic characteristics of the derivative and its related risks are not considered to be closely linked to those of the host contract;
- the separate measurement of the embedded derivative to be separated is sufficiently reliable to provide an accurate assessment.

Realized and unrealized gains and losses are recognized on the income statement under "Net gain (loss) on financial instruments at fair value through profit or loss".

Amounts owed to credit institutions and customers

At inception, amounts owed to credit institutions and customers are recognized at fair value. This is normally the net amount received initially, less transaction costs that can be directly attributed to the transaction when they are significant. On the closing date, such amounts are valued at their amortized cost according to the effective interest rate method.

By their nature, regulated savings products earn interest at the market rate. Housing savings plans and housing savings accounts are subject to a provision when necessary.

Related receivables or interest due on amounts due to credit institutions and customers are recorded in the income statement under "Interest and similar expense."

Debt securities

Debt securities are broken down by type of security (certificates of deposit, interbank market securities and negotiable debt instruments, bonds and similar, non-preferred senior debt).

They are initially recognized at fair value i.e. at their issue price less any transaction costs that can be directly attributed to the transaction when they are significant. On the closing date, such amounts are valued at their amortized cost according to the effective interest rate method. Related receivables or interest due on debt securities is recorded in the income statement under "Interest and similar expense."

Subordinated debt

Subordinated debt includes fixed or indefinite term debt that may or may not be represented by a certificate and that differs from receivables or bonds because in the event of the liquidation of the debtor, repayment will only occur after all secured creditors have been paid. This debt is valued according to the amortized cost method. Related receivables or interest owed on subordinated debt is recorded in the income statement under "Interest and similar expense."

Renegotiated debt

Renegotiation of a debt with an existing borrower can, depending on the circumstances, be considered to be a modification of the terms of the debt or an extinction of the debt.

Under the standard, when a financial debt is modified because the duration, interest rate or contractual terms and conditions have been adjusted, an assessment must be made of the materiality of said change (10% threshold). This assessment is based on a quantitative test that may be supplemented by a more qualitative test.

The quantitative test consists of comparing the value of the future cash flows under the new terms and conditions discounted at the effective interest rate of the original loan with the discounted value of the residual cash flows of the initial liability.

The quantitative test is supplemented by a qualitative test when the result is less than 10%. In particular, this qualitative test enables a significant change in the debt's risk profile to be taken into consideration (change of currency of the debt, type of interest rate or very substantial extension of the duration of the loan) which the quantitative test does not take into account, and to analyze, if appropriate, the change as an extinction of the debt.

A renegotiated debt that does not result in derecognition must be maintained at its original effective interest rate and the impact related to renegotiation (gain or loss) recognized immediately through profit or loss.

Accounting principles for the insurance activity

The insurance activity may defer application of IFRS 9 until 2022, as provided for by the amendment to IFRS 4 as adopted by the European Union.

The financial assets and liabilities of the insurance companies are subject to the provisions of IAS 39, as described below. They are presented under "Investments of insurance activities" and "Liabilities related to contracts of insurance activities", respectively, on the balance sheet.

Income and expenses related to the insurance activities are presented under "Net income from insurance activities" in the income statement, within which:

- Income and expenses recognized in respect of insurance contracts issued are presented under "Other income/expense related to insurance activities";
- Income and expenses relating to the insurance entities' proprietary activities are recognized under the appropriate line items.

When they are significant, the disclosures required under IFRS 7 are produced separately for the insurance entities.

In accordance with the adoption regulation of 3 November 2017, the group has taken the necessary measures to ensure that there are no transfers of financial instruments that could lead to derecognition, between the insurance segment and the group's other segments, other than those measured at fair value through profit or loss in both segments.

The accounting policies applied to assets and liabilities arising from the issuance of insurance policies are established in accordance with IFRS 4. This standard also applies to reinsurance contracts subscribed and financial contracts that include a discretionary profit-sharing provision.

Excepting the cases described above, the other assets held and liabilities issued by insurance companies follow the rules common to all of the group's assets and liabilities.

The same assumptions were used in both fiscal years to value assets under insurance contracts and insurance liabilities.

Financial assets at fair value through profit or loss

Financial assets and liabilities at fair value through profit or loss are divided into those held for trading and those assigned to this category under the option afforded by IAS 39. This allows financial instruments to be designated at fair value through profit or loss on initial recognition in the following cases:

- hybrid instruments containing one or more embedded derivatives;
- groups of assets measured and managed at fair value;
- substantial elimination or reduction of an accounting treatment inconsistency.

The group uses this option to record the following financial instruments at fair value through profit or loss:

- investments serving as cover for unit-linked life insurance contracts in order to eliminate the inconsistency in accounting treatment with the related insurance liabilities;
- shares of mutual funds whose management company is part of the group;
- certain structured or restructured products (CDOs, convertible bonds).

Financial assets representing the technical provisions on unit-linked contracts are presented in "Financial assets at fair value through profit or loss" (insurance activities).

The accounting treatment described in the banking section also applies to derivatives.

Financial assets at fair value through profit or loss are initially recognized at fair value excluding acquisition costs and including accrued dividends.

The accrued or earned income from fixed-income securities is recognized in the income statement under the heading "Interest and similar income" (insurance activities). Dividends from variable-income securities are recognized in the income statement under the heading "Net gain (loss) on financial instruments at fair value through profit and loss" (Insurance activity).

Changes in fair value during the period, at the reporting date, as well as capital gains or losses on assets in this category are also recognized in "Net gain (loss) on financial instruments at fair value through profit or loss" (insurance activity).

No impairment is recognized on the assets at fair value through profit or loss as the counterparty risk is included in the market value.

Embedded derivatives

An embedded derivative is a component of a hybrid instrument that, when separated from its host contract, satisfies the definition of a derivative. It is designed to affect certain cash flows, much like a standalone derivative.

This derivative is split off from the host contract and accounted for separately as a derivative instrument at fair value through profit or loss when the following three conditions are met:

- the hybrid instrument that hosts the embedded derivative is not measured at fair value through profit or loss;
- the economic characteristics of the derivative and its related risks are not considered to be closely linked to those of the host contract;
- the separate measurement of the embedded derivative to be separated is sufficiently reliable to provide an accurate assessment.

Realized and unrealized gains and losses are recognized on the income statement under "Net gain (loss) on financial instruments at fair value through profit or loss" (insurance activity).

Derivative financial hedging instruments – assets and liabilities

The treatment described in the accounting principles for banking activities also applies to derivative financial hedging instruments.

Available-for-sale financial assets

IAS 39 defines available-for-sale financial assets (AFS) as a residual category containing both fixed- and variable-income securities that are neither financial assets at fair value through profit or loss, financial assets held to maturity nor loans.

Available-for-sale securities are recognized initially at their fair value i.e. the purchase price, including acquisition costs – if they are material – and accrued dividends. At the end of the reporting period, such securities are measured at their fair value, with any changes in value recognized in equity under "Unrealized gains (losses) recognized directly in equity".

Such unrealized gains or losses recognized in equity are only recognized in the income statement if the securities are sold or if there is permanent impairment.

The accrued or earned income from fixed-income securities is recognized in the income statement under the heading "Interest and similar income" (insurance activity) using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash flows to the net carrying amount of the financial asset or liability. Dividends from variable-income securities are recognized in the income statement under the heading "Net gain (loss) on financial instruments available-for-sale."

Impairment of securities

Impairment is recorded when objective indicators of impairment for the securities exist. Such indicators are evidenced by a long-term, material decline in the value of shares or by the appearance of a material decline in credit risk due to default risk on debt securities.

In the case of equity securities, the group employs a quantitative criterion to identify material and long-term declines: impairment is recognized when a security has lost at least 50% of its value compared with its initial cost or over a period of more than 24 consecutive months. Analysis is performed line by line. Securities that do not meet the aforementioned criteria are nevertheless assessed for impairment if management believes that the amount invested cannot reasonably be expected to be collected in the near future. The loss is recognized in the income statement under "Net gain (loss) on financial instruments available-for-sale". Any subsequent decline in value results in an increase in impairment charged against income. An increase in value does not lead to the provision being reversed through profit.

In the case of on debt securities, impairment is recorded in "Cost of risk," (insurance activity) and may be reversed through profit when the market value of the security has increased due to some objective event that has taken place since the most recent impairment.

Held-to-maturity financial assets

Held-to-maturity financial assets are primarily fixed-income or determinable income securities with a fixed maturity that the insurance entities intend and are able to hold to maturity.

Initially, they are recognized at their acquisition price including acquisition costs – when material – and accrued dividends. At the end of the reporting period, they are valued according to the amortized cost method at the effective interest rate and may be the subject of impairment when necessary.

Loans and receivables due from credit institutions and loans and receivables related to the insurance activities

"Loans and receivables" are financial assets with fixed or determinable payments that are not quoted on an active market. All loans and receivables due from credit institutions and those related to the insurance activities which are not intended for sale from their origination are recognized in the "Loans and receivables" (insurance activity) category.

The treatment of these financial assets (excluding impairment) is identical to the treatment applied to loans and receivables due from credit institutions and from customers at amortized cost under IFRS 9.

Impairment of loans and receivables

Individually impaired receivables

Recorded in the cost of risk, impairment losses are recognized on all types of receivables, even those with guarantees, once there is an established credit risk corresponding to one of the following situations:

- there are one or more delinquent payments for three months;
- the position of a counterparty presents characteristics such that even in the absence of delinquent payments, we can conclude that there is a known risk;

- the counterparty is involved in litigation, including proceedings for overindebtedness, court-ordered reorganization/receivership, court-ordered settlement, court-ordered liquidation, personal bankruptcy and liquidation of property, including a summons to appear before an international court.

Impairment reflects the difference between amortized cost and the present value of discounted estimated future cash flows. Discounting is carried out at the initial effective interest rate of the loan for fixed-rate loans and at the last effective interest rate set according to the contractual terms and conditions for variable-rate loans. In the income statement, impairment loss movements are recorded under the heading "cost of risk" (insurance activities).

Financial liabilities

With regard to financial liabilities, the rules for the accounting treatment of financial liabilities at fair value through profit or loss, liabilities with credit institutions and customers, debt securities and subordinated debt are the same under IAS 39 and IFRS 9 (excluding recognition of renegotiated debts).

Insurance liabilities, representing commitments to policyholders and beneficiaries, are reported on the line "Insurance companies' technical reserves". They are valued, recognized and consolidated in accordance with French GAAP.

Technical provisions on life insurance contracts consist primarily of mathematical provisions representing the difference between the present value of the commitments undertaken respectively by the insurer and the policyholders. The risks covered include primarily death, disability and the inability to work (for borrower's insurance).

Life insurance provisions are estimated conservatively on the basis of contractually-defined technical rates.

Technical provisions on unit-linked contracts are valued at the reporting date, based on the value of the assets used to support these contracts.

Technical provisions on non-life insurance contracts include unearned premiums (portion of premiums issued pertaining to later years), provisions for increasing risks (difference between the present value of the commitments undertaken respectively by the insurer and the policyholder) and claims payable.

Technical provisions are calculated gross of reinsurance, and the reinsurers' share is stated in assets.

Insurance contracts and financial contracts with a discretionary profit-sharing provision are subject to "shadow accounting." The provision for deferred profit-sharing represents the share of capital gains and losses on assets attributable to the policyholders. This provision is presented on either the liability or the asset side of the balance sheet. On the asset side, it appears as a separate item.

At the reporting date, an adequacy test is performed on the liabilities associated with these contracts (net of other items involving related assets or liabilities, such as deferred acquisition costs and the portfolio securities acquired). A verification is performed to ensure that the liability recorded is adequate to cover the future cash flows projected at that date. Any shortfall in the technical provisions is shown through a loss for the period (and potentially reversed at a subsequent date).

Common accounting principles for banking and insurance activities

Shareholders' equity

Difference between liabilities and equity

A debt instrument or financial liability is defined as a contractual obligation to deliver cash or another financial asset or to exchange financial instruments under potentially unfavourable conditions.

An equity instrument is defined as a contract containing a residual interest in an enterprise after subtracting all its debts (net assets).

Shares

Pursuant to these definitions, the shares issued by the Crédit Mutuel savings banks are considered shareholders' equity within the meaning of IAS 32 and IFRIC 2 and are treated as such in the group's consolidated financial statements.

Measurement of the fair value of financial instruments

Fair value is defined by IFRS 13 as "the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date". Initially, fair value is usually the transaction price.

Financial assets and liabilities measured at fair value are assessed and recognized at fair value as of their first-time consolidation as well as at subsequent measurement dates. These assets and liabilities include:

- financial assets and liabilities at fair value through profit or loss;
- financial assets at fair value through equity;
- available-for-sale financial assets;
- derivatives.

Other financial assets and liabilities are initially recognized at fair value. They are subsequently recognized at their amortized cost and are subjected to valuations whose methods are disclosed in the notes to the financial statements. These other financial assets and liabilities include:

- loans and receivables with credit institutions and with customers at amortized cost under IAS 39 and IFRS 9 (including loans and receivables related to the insurance activities);
- debt securities at amortized cost;
- held-to-maturity securities;
- liabilities to credit institutions and customers;
- debt securities;
- subordinated debt.

Assets and liabilities are also classified in three hierarchical levels corresponding to the level of judgment used in valuation techniques to determine fair value.

Level 1: Assets and liabilities whose fair value is calculated using prices quoted (unadjusted) to which the entity has access on the measurement date on active markets for identical assets or liabilities.

An active market is one which, for the asset or liability being measured, has transactions occurring with sufficient frequency and volume so as to provide price information on a continuous basis.

This category includes notably equities, bonds and shares of mutual funds listed on an active market.

Level 2: Assets and liabilities whose fair value is calculated based on adjusted prices or using data other than quoted prices that are observable either directly or indirectly.

In the absence of any such quotation, fair value is determined using "observable" market data. These valuation models are based on techniques widely used by market operators, such as the discounting of future cash flows or the Black & Scholes model.

This category includes notably the following financial instruments:

- equities and bonds listed on a market that is considered inactive or that are unlisted;
- over-the-counter derivative instruments such as swaps and options;
- venture capital funds, innovation funds and real estate investment vehicles;
- structured products.

The fair value of loans and receivables, liabilities to credit institutions and debt securities (including subordinated debt) are also included in this level.

Loans and receivables and liabilities to credit institutions are measured using two methods:

- the fair value of fixed-rate items, such as fixed-rate loans and deposits, is measured by discounting the expected future cash flows;
- the fair value of variable-rate items, such as adjustable-rate loans with a maturity of more than one year, is measured using the Black & Scholes model.

The fair value of traditional fixed-rate loans, borrowings, debt securities and subordinated debt is obtained by discounting future cash flows and using dedicated yield curve spreads.

The fair value of variable-rate loans, borrowings, debt securities and subordinated debt is obtained by discounting future cash flows with the calculation of a forward rate and the use of dedicated yield curve spreads.

The group's counterparty default risk is factored into the yield curve used to value debt securities and subordinated debt.

For current receivables and liabilities (less than one year), fair value is considered equivalent to their nominal value.

Level 3: Assets and liabilities whose fair value is calculated using information on assets or liabilities not based on observable market data.

Valuation methods using unobservable market data are used only in the following cases:

- loans and receivables, and liabilities to customers;
- equity securities not listed on an active market;
- certain specialized financings;
- securities held by private equity companies.

Thus, for example, equity investments not listed on an official market are measured internally:

in most cases, these holdings are measured on the basis of their revalued net assets or their carrying amount, on an entity-by-entity basis.

Similarly, the valuation methods used by private equity companies generally include:

- the transaction price for recent acquisitions;
- the historical multiples method for mature companies;
- adjusted net asset value for portfolio companies (holding companies) and investment firms (funds).

The valuation provided by the models is adjusted to reflect liquidity risk. Using the valuations produced on the basis of a median market price, prices are adjusted to reflect the net position of each financial instrument at the bid or ask price (on selling or buying positions, respectively).

The day-one profit, i.e. the difference between the transaction price and the valuation of the instrument using valuation techniques, is considered null: transactions carried out by the group for its own account are recognized at their fair value. For transactions carried out on behalf of customers, the part of the margin not yet recognized is recorded in income when the parameters are observable.

Use of judgments and estimates in the preparation of financial statements

Preparation of the group's financial statements requires making assumptions and estimates whose future realization involves certain risks and uncertainties.

Future achievements/experiences could be affected by several factors, notably:

- national and international market activities;
- changes in interest and exchange rates;
- economic and political situation in some business lines or countries;
- climate and environmental changes;
- changes in regulation or legislation.

Accounting estimates requiring the use of assumptions are used primarily for measuring the following:

- fair value of financial instruments not quoted on an active market and measured at fair value;
- impairment of financial assets and guarantee and financing commitments subject to impairment;
- impairment tests of intangible assets;
- deferred tax assets;
- provisions.

The conditions for using any judgments or estimates are specified in the accounting policies described below.

Property, plant and equipment, intangible assets and investment real estate

Non-current assets owned by the group

Pursuant to IAS 16, IAS 38 and IAS 40, property, plant and equipment or investment property is recognized as an asset if:

- it is likely that the future economic benefits from this asset will accrue to the company; and
- the cost of said asset can be measured reliably.

Pursuant to IAS 40, the group's property is classified as "investment property" (banking scope or insurance scope) when it is held primarily to generate rental income or capital appreciation. Property held primarily to be occupied by the group for administrative or sales uses is classified as "property, plant and equipment."

Property, plant and equipment and investment property are recorded on the balance sheet at cost plus expenses that can be directly attributable to the purchase of the property (e.g. transfer duties, fees, commissions, legal fees).

After the initial recognition, property, plant and equipment and investment property are valued at cost minus accumulated depreciation and any impairment losses.

The fair value of investment properties, disclosed in the notes, is subject to an expert valuation.

The method used to account for internally developed software is as follows:

- all software-related expenses that do not satisfy the conditions for capitalization (notably preliminary research and functional analysis expenses) are recognized as expenses in accordance with IAS 38;
- all software expenses incurred after the start of the production process (detailed analysis, development, validation, documentation) are capitalized if they meet the criteria of a self-created asset established by IAS 38.

In cases where the software is used in connection with a commercial contract, the amortization period may exceed five years; it is defined on the basis of the contract term.

If one or more components of property, plant and equipment or investment property have a different use or earn economic rewards at a different pace than that of the property, plant and equipment or investment property as a whole, said components are depreciated according to their own useful life. The group applied this accounting method for its operating and investment properties. The following components and depreciation periods have been adopted by the group:

Component	Depreciation periods
Land	Not depreciable
Building shell	Corporate buildings and investment properties: 50 years Branches: 25 years
Roof and siding	25 years
Technical work packages	20 years
Fixtures	3 to 10 years

The other tangible and intangible assets are depreciated and amortized according to their own useful lives:

Component	Depreciation periods
Movable goods	10 years
Electronic equipment	3 to 5 years
Created or acquired software	2 to 5 years
Portfolio of acquired customer contracts	6 to 13 years

Amortization is calculated using the straight-line method. For property, plant and equipment and intangible assets, amortization is recorded on the income statement under "Depreciation, amortization and impairment of property, plant and equipment and intangible assets". For investment property, it is recorded under "Expense from other activities."

Indefinite-life assets are not depreciated but are tested for impairment at least once a year.

Capital gains or losses on the disposal of operating property, plant and equipment are recorded in the income statement under "Gains or losses on other assets". Capital gains or losses on the disposal of investment property are recorded under "Income or expense from other activities."

Fixed assets leased by the group

For all leases, the lessee must recognize in its balance sheet an asset representing the right to use the leased asset and a liability representing the obligation to pay the lease payments; in the income statement, the depreciation expense is shown separately from the interest expense on the liability. This treatment, currently applied to finance leases in lessee financial statements, is thus extended to include operating leases.

Scope

IFRS 16 applies to all lease contracts except:

- contracts for the prospecting or exploitation of non-renewable natural resources, or for biological assets;

- service concession agreements;
- intellectual property licenses;
- the rights held by the lessee under license agreements on cinematographic films;
- video recordings, plays, manuscripts, patents and copyrights.

Exemption measures

Lessees may choose not to apply the new lease treatment to contracts with a term of less than one year (including renewal options) or to contracts for goods with a low unit value. This latter simplification is aimed in particular at small equipment such as computers, telephones and small office furniture. The IASB mentioned an indicative threshold of USD 5,000 in the basis for conclusions of the standard (threshold to be assessed with regard to the new unit value of the leased asset).

The group has decided to apply this exemption threshold of USD 5,000 and has also considered the possibility of excluding certain contracts the effect of which would be immaterial to its financial statements. The majority of vehicle lease agreements are entered into with the group's consolidated entities. Vehicle leases entered into with external lessors are marginal and have been excluded due to their low materiality.

Real estate leases were reclassified under IFRS 16. The scope of the IT, automotive and other leases is not material.

Accounting treatment of leases by lessees

On the date the leased property is made available, the lessee recognizes a rental debt under liabilities. The initial amount of the liability is equal to the present value of the lease payments payable over the lease term.

This rental debt is then measured at amortized cost using the effective interest rate method: each lease payment is thus recognized partly as interest expense in the income statement and partly as a gradual reduction of the rental debt under liabilities in the balance sheet.

The amount of the rental debt may be subsequently adjusted in the event of a change to the lease agreement, a re-estimate of the lease term, and to take account of contractual changes in rents relating to the application of indices or rates.

Lease term

The lease term to be used to calculate the rentals to be discounted corresponds to the non-cancellable lease term adjusted to take into account:

- options to extend the contract that the lessee is reasonably certain to exercise;
- early termination options that the lessee is reasonably certain not to exercise.

The assessment of whether any extension options and early termination options are reasonably certain must take into account all facts and circumstances that may create an economic incentive to exercise those options or not, notably:

- the conditions for exercising these options (including an assessment of the level of rents in the event of an extension or of the amount of any penalties in the event of early termination);
- major improvements made to the leased premises (specific fittings, such as a safe-deposit room for example);
- the costs associated with the termination of the contract (negotiating costs, moving costs, cost of searching for a new asset suited to the lessee, etc.);
- the importance of the leased property to the lessee in view of its specific nature, its location or the availability of replacement assets (in particular for agencies located in strategic sites from a commercial point of view, for example in view of their accessibility, the expected influx or the prestige of the location);
- a history of similar contract renewals as well as the strategy concerning the future use of the assets (depending on the prospects for the redeployment or redevelopment of a commercial network of agencies, for example).

If the lessee and the lessor each have the right to terminate the lease without the other party's prior agreement and without a non-negligible penalty, the lease is no longer enforceable and therefore no longer generates any rental debt.

In March 2019, noting a variety of practices, ESMA referred to IFRIC on the matter of determining the term of certain leases, and on the depreciation period for fixtures and fittings inseparable from the leased property. Following this referral, IFRIC called attention to the facts:

- that the enforceable period of a lease must be assessed from an overall economic point of view and not solely from a legal point of view;
- that there is a presumption of alignment of the depreciation period for the fixtures that are inseparable from the leased property and the duration of the corresponding lease.

Crédit Mutuel Arkéa has analyzed the impacts of the December 2019 IFRS IC decision on the assumptions used upon first-time application for 3/6/9 commercial leases and for leases with automatic renewal. The repercussions of this decision are not material at the group level.

Rent discount rate

The implied rates on contracts are generally not known or readily determinable, particularly for real estate leases. The group therefore decided to use its refinancing rate to discount rents and thus calculate the amount of rental debt.

Rent amount

The payments to be taken into account for the valuation of the rental debt include fixed and variable rents based on an index (e.g. consumer price index or construction cost index) or a reference interest rate (Euribor, etc.), as well as, if applicable, the sums that the lessee expects to pay to the lessor under residual value guarantees, purchase options or early termination penalties.

However, variable rents that are indexed based on the use of the leased property are excluded from the assessment of rental debt (indexation to actual revenues or the mileage covered, for example). This variable portion of rental payments is recognized in profit or loss over time in accordance with changes in the contractual indexation.

In France, rents are recorded on the basis of their amount excluding value added tax. Furthermore, in the case of real estate leases, real estate taxes rebilled by lessors and the local residence tax are excluded from rental debts insofar as their amounts, as determined by the competent public authorities, may vary.

Recognizing a right of use by lessees

On the date the leased property is made available, the lessee must recognize as an asset a right to use the leased property in an amount equal to the initial value of the rental debt plus, if applicable, initial direct costs, advance payments and rehabilitation costs.

This asset is then amortized on a straight-line basis over the lease term used to value the rental debt.

The asset value may be subsequently adjusted in the event of a change in the lease agreement, a re-estimate of the lease term, and to take into account contractual variations in rents linked to the application of indices or rates.

The rights of use are shown in the lessee's balance sheet in the fixed asset lines where assets of the same kind held in full ownership are recorded. Where the lease agreements provide for the initial payment of a lease right to the former tenant of the premises, the amount of such right is treated as a separate component of the right of use and is presented in the same heading as the latter.

In the income statement, depreciation charges on rights of use are presented together with depreciation charges on fully-owned fixed assets.

Income tax

A deferred tax is recognized based on the net amount of taxable and deductible temporary differences.

Non-current assets held for sale

A non-current asset (or group of assets) satisfies the criteria for assets held for sale if it is available for sale and if the sale is highly likely to occur within 12 months.

The related assets and liabilities are shown separately in the statement of financial position, on the lines "Non-current assets held for sale" and "Liabilities associated with non-current assets held for sale". Items in this category are recorded at the lower of their carrying amount and fair value less costs to sell and are no longer amortized.

When non-current assets held for sale or associated liabilities become impaired, an impairment loss is recognized in the income statement.

Discontinued operations include operations which are held for sale or have been shut down, and subsidiaries acquired exclusively with a view to resale. They are shown separately in the income statement, on the line "After-tax income (loss) from discontinued operations."

Provisions

Provisions are established for the group's commitments when it is likely that an outflow of resources will be needed for their settlement and when their amount or due date is uncertain but

may be estimated reliably. In particular, such provisions cover employee-related commitments, home savings product risks and disputes.

Provisions for pension obligations

Pension plans include defined contribution plans and defined benefit plans. Defined contribution plans do not give rise to an obligation for the group and consequently do not require a provision. The amount of employer's contributions payable during the period is recognized as an expense and recognized under "Personnel expenses." Defined benefit plans are those for which the group has agreed to provide a benefit amount or level. This commitment constitutes a medium- or long-term risk. Obligations related to plans that are not defined contribution plans are fully provisioned under "Provisions." End-of-service benefits, supplementary retirement plans, time savings accounts and length-of-service benefits are recorded in this item.

The group's pension obligation is calculated using the projected unit credit method based on demographic and financial assumptions. In particular, the calculations performed incorporate a discount rate that is differentiated by entity and by plan so that the rates used are adapted to the population of each structure and reflect the reality of the commitment as closely as possible. These rates are determined by reference to the iBoxx Corporate AA rates based on private bonds, using the iBoxx with the maturity closest to the duration of the commitments of the entity and the plan in question.

At 31 December 2022, discount rates are the following:

	UES Arkade	Other subsidiaries
Retirement benefits	3.40%	Between 3.12% and 3.89%
Retirement pension supplements	3.58%	3.51%
Length-of-service awards	3.64%	Between 3.56% and 3.63%
Time savings accounts	3.78%	3.59%

The calculations also include an employee turnover rate of between 0.19% and 4.82% and a salary increase rate of between 3.18% and 4.68%⁽¹⁾. Commitments are calculated using the TH00-02 and TF00-02 life expectancy tables for the obligation accrual phase and the TGH05 and TGF05 life expectancy tables for the pay-out phase.

Actuarial gains and losses represent the differences arising from changes in assumptions or differences between earlier assumptions and actual results.

For the category of other long-term benefits, differences are recognized immediately through profit or loss.

As for post-employment benefits, actuarial differences are recognized under "Gains and losses recognized directly in equity".

Provisions for home savings accounts and plans

Home savings accounts (comptes d'épargne logement – CEL) and home savings plans (plans d'épargne logement – PEL) are government-regulated savings products intended for individuals. They combine an initial deposit phase in the form of an interest-earning savings account with a lending phase where the deposits are used to provide property loans. The latter phase is statutorily subject to the previous existence of the savings phase and is therefore inseparable from it.

(1) UES Arkade and Arkéa-SCD rates, representing 94% of the obligation.

The purpose of the home savings provision is to cover the risks related to:

- the commitment to extend home loans to account holders and subscribers of home savings plans at a regulated interest rate that may be lower than the prevailing market rate;
- the obligation to pay interest for an indeterminate period of time on the savings in home savings plans at a rate set when the contract is signed (this rate can be higher than future market rates).

This provision is computed by generation of home savings plans (plans at the same rate at opening are considered a generation) and for all the home savings accounts (which are a single generation). The commitments between different generations are not offset. The commitments are computed based on a model that factors in:

- historical data on subscriber behavior;
- the yield curve and a stochastic modeling of changes thereto.

Provision allocations and reversals are recognized in the income statement under "Interest and similar income" and "Interest and similar expense" (banking activity).

Consolidation principles and methods

Consolidation scope and method

Consolidating entity

The consolidating entity of the Crédit Mutuel Arkéa group is Crédit Mutuel Arkéa as defined in the collective license issued by the French Prudential Supervisory and Resolution Authority. This credit institution consists of:

- the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations;
- the Crédit Mutuel savings banks that are members of said federations;
- Crédit Mutuel Arkéa.

Entities included in the consolidation scope are those over which the group exercises exclusive or joint control or significant influence and whose financial statements have a material impact on the group's consolidated financial statements, in particular with respect to total assets and net income contribution.

Investments held by private equity companies and over which joint control or significant influence is exercised are excluded from the consolidation scope. These investments are recognized at fair value through profit or loss.

Controlled entities

Control exists when the group (i) has power over an entity, (ii) is exposed or has a claim on variable returns through its ties to the entity, and (iii) has the ability to exercise its power over the entity in such a way as to influence the amount of the return it obtains.

The consolidation of a subsidiary in the group's consolidated financial statements begins on the date when the group obtains control and ceases on the date the group relinquishes control over this entity.

Companies under exclusive control are fully consolidated. Full consolidation consists in substituting the value of the shares with the assets and liabilities of each subsidiary. The share of non-controlling interests in shareholders' equity and net income is recorded separately in the consolidated balance sheet and consolidated income statement, respectively.

Investments in associates and joint ventures

An associate is an entity in which the group exercises significant influence. Such influence is characterized by the ability to participate in the entity's financial and operating decisions without necessarily controlling or jointly controlling these policies.

Significant influence is presumed if the group holds, directly or indirectly, 20% or more of the voting rights in an entity. If more than 20% of the voting rights are held, the absence of significant influence may be shown through the absence of representation in the governance bodies or the lack of participation in the process for setting policies.

A joint venture is a partnership in which the parties who exercise joint control over the entity have rights to the entity's net assets.

Joint control involves the contractually agreed-upon sharing of control exercised over an entity, which exists only in the event that decisions regarding the relevant activities require unanimous consent of the parties sharing control.

The earnings, assets and liabilities of associates or joint ventures are recognized in the group's consolidated financial statements using the equity method.

Under this method, an investment in an associate or joint venture is initially recognized at its acquisition cost and subsequently adjusted to reflect the group's share of the earnings and other comprehensive income of the associate or joint venture.

An investment is recognized under the equity method starting on the date the entity becomes an associate or joint venture. At the time of acquisition of an associate or joint venture, the difference between the cost of the investment and the group's share of the fair value of the entity's identifiable net assets and liabilities is recognized as goodwill. If the net fair value of the entity's identifiable assets and liabilities exceeds the cost of the investment, the difference is shown through profit.

Gains or losses obtained through the dilution or the sale of investments in associates are accounted for in the profit and loss account, within the "Gains (losses) on disposal – dilution in investments in associates".

Investment in joint ventures

A joint venture is a partnership in which the parties exercising control over the entity have direct rights over the assets and obligations with respect to the liabilities involving this entity.

Main changes in the scope of consolidation

The group sold the following entities in 2022:

- Keytrade Luxembourg on 29 April 2022;
- Leetchi and Mangopay on 12 July 2022;
- Budget Insight on 26 July 2022. For this transaction, Crédit Mutuel Arkéa became a shareholder of the Bellatrix holding company, which holds the Budget Insight shares. Bellatrix is consolidated using the equity method.

The companies included in the Crédit Mutuel Arkéa group's consolidation scope are presented in note 47.

Consolidation rules

Closing date

The closing date for all consolidated companies is December 31.

Inter-company transactions

Reciprocal receivables, payables and commitments and significant reciprocal expenses and income are completely eliminated among fully consolidated companies.

Accounting for acquisitions and goodwill

The group applies IFRS 3 (revised) for business combinations. The acquisition cost is the sum of the fair values, at the business combination date, of the assets contributed, liabilities incurred or assumed and equity instruments issued.

IFRS 3 (revised) allows the recognition of total or partial goodwill, as selected for each business combination. In the first case, non-controlling interests are measured at fair value (the so-called total goodwill method); in the second, they are based on their proportional share of the values assigned to the assets and liabilities of the acquired company (partial goodwill).

If goodwill is positive, it is recorded on the balance sheet under "Goodwill"; if negative, it is recorded immediately in the income statement through "Goodwill variations".

Goodwill is subject to an impairment test at least once a year and whenever evidence of impairment exists.

Each goodwill item is allocated to a cash generating unit or group of cash generating units that stands to benefit from the acquisition. Any goodwill impairment is determined based on the recoverable amount of the cash generating unit to which it was allocated. Cash generating units are defined based on the group's organizational and management methods and take into account the independent nature of these units.

With respect to goodwill, if the recoverable amount of the related cash-generating unit (CGU) is less than its carrying amount, an irreversible provision for goodwill impairment loss is recognized. Impairment is equal to the difference between the carrying amount and the recoverable amount. The recoverable amount is calculated by applying the most appropriate valuation method at the level of the CGU.

Under this approach, the measurement work is mainly based on the discounted dividend model (DDM) and the discounted cash flow (DCF) method, in accordance with the principles of IAS 36. The DDM method is selected for cash generating units (CGU) that are subject to prudential capital requirements (credit institutions and insurance companies) and the DCF method is used for all other CGUs.

The cash flows used are determined on the basis of the business plan of each CGU over a specific horizon of between four and five years, with some exceptions.

These business plans are drawn up based on a common macroeconomic scenario for all fully-consolidated entities. This scenario is notably based on the following assumptions:

- In 2023, French GDP, particularly hard hit by inflation and fears of a gas shortage in winter, is expected to reach recession levels at -0.2%. A partial economic recovery is expected beginning in 2024 (more vigorous in the second half), with annual French GDP growth of +1%. This recovery is expected to continue in 2025-2027 with +1.2% annual growth;
- The 10-year constant maturity rate is expected to be around 2.2% in 2023, and then increase slightly in 2024-2026, reaching 2.7% in 2026. No significant change is expected in 2027. For short-term rates, the 3-month Euribor is expected to be around 1.9% in 2023 and then decrease to 1.7% in 2024, particularly with the slowdown in inflation. Over the rest of the period in question, it should remain stable at 1.7%. Interest on Livret A savings accounts should reach a high of 3% in 2023. This rate is expected to decrease to 1.6% in 2024 before stabilising at around 1.7%-1.8% over the rest of the 2025-2027 period;
- The unemployment rate is expected to rise modestly in 2023 to 8.7% before beginning to drop in 2024; it will likely be 7.1% starting in 2026 and remain stable in 2027;
- After a sharp rise in recent months, inflation is expected to slow to +3.5% in 2023 and then hold steady at around +2% per year over the 2024-2027 period;
- In French/European stock markets (CAC 40/Eurostoxx 50), an increase of 300 index points per year is expected over the 2023-2026 period before stabilising in 2027.

The discount rates used correspond to the cost of capital determined using the Capital Asset Pricing Model (CAPM). This method is based on a risk-free interest rate, to which a risk premium is added that depends on the underlying activity of the cash generating unit. This risk premium is the product of a sector beta, the equity risk premium and possibly a specific premium reflecting, for example, the execution risk or the fact that the company was only formed recently. The risk-free rate, the sector beta and the equity risk premium are market data. For its impairment tests, the Crédit Mutuel Arkéa group uses a two-year average of each parameter. The sector beta reflects the risk of the business sector compared with the rest of the equity market. It is calculated as the average beta of a sample of comparable listed stocks. If the company is in debt, the cost of debt is also taken into account. The discount rate then becomes the weighted average cost of capital according to the ratio between equity and debt. The discount rates used at the end of 2022 ranged from 10.8% to 19.6% and growth rates to infinity were between 1% and 2.5%.

The Crédit Mutuel Arkéa group performs sensitivity tests on values-in-use annually. The tests performed at the end of 2022 entailed measuring the change in the valuation of the external parameters of the method (50 bp change in the discount rate, 50 bp change in the growth rate to infinity). In addition, a multi-scenario approach was taken to determine alternative financial trajectories for measuring assets, taking into account:

- a 200 bp deterioration or improvement in the cost/income ratio in terminal value;
- implementation of the company's business plan a year late or a year early.

All these factors take into account the various parameters that can create or destroy a company's value: financial market volatility, real growth of the French economy, profitability at the end of the forecast period and a delay in implementing the business plan (favourable or unfavourable).

These measures led to the following results:

- a 50 bp increase in the discount rate would result in a 5.1% overall reduction in the recoverable amounts;
- a 50 bp decrease in the growth rate to infinity would result in a 3.0% overall reduction in the recoverable amounts;
- a 200 bp increase in the cost/income ratio in terminal value would result in a 4.8% overall reduction in the recoverable amounts;
- a one-year delay in implementing the company's business plan would result in a 7.3% overall reduction in the recoverable amounts.

At 31 December 2022, based on the value-in-use of its Izimmo and CFCAL subsidiaries, Crédit Mutuel Arkéa recorded impairment of their goodwill in the amount of €18 million and €16 million, respectively. The partial impairment of CFCAL's goodwill is driven by impacts of the rise in interest rates on the business of the company. Izimmo, which operates on the new real estate market, is penalised, for its part, by raw material price inflation.

When the group increases its ownership interest in a company that is already controlled, the difference between the purchase price of the shares and the additional share of the consolidated shareholders' equity that these securities represent on the acquisition date is recognized in shareholders' equity.

If the group reduces its ownership interest without giving up control, the impact of the change in ownership interest is also recognized in shareholders' equity.

Leases, leases with a buy-out clause and financial leases

Lease transactions, leases with a buy-out clause and financial leases are restated in such a way as to take financial accounting into consideration.

Translation of foreign currency denominated financial statements

The balance sheets of entities whose financial statements are denominated in a foreign currency are translated using the official foreign exchange rate as of the closing date. Exchange differences on share capital, reserves and retained earnings are recorded in other comprehensive income in the "Translation reserves" account. Income statement items are translated using the average exchange rate during the fiscal year. Translation differences are recorded directly in the "Translation reserves" account.

Taxes

IFRIC interpretation 21 "Levies" sets out the conditions for recognizing a tax-related liability. An entity must recognize this liability only when the obligating event occurs in accordance with the relevant legislation. If the obligating event occurs over a period of time, the liability is recognized progressively over the same period. Lastly, if the obligating event is triggered on reaching a threshold, the liability is recognized when the minimum threshold is reached.

Deferred taxes

Deferred taxes are recognized on the temporary differences between the carrying amount of an asset or liability and its tax base. They are calculated using the liability method at the corporate tax rate known at the closing date for the period and applicable when the temporary difference is used.

Deferred tax assets are recognized only if there is a probability that the tax entity in question will recover these assets within a given time period, particularly by deducting these differences and carry-over losses from future taxable income.

Deferred taxes are recognized as income or expense, except for those related to unrealized or deferred gains or losses, for which the deferred tax is booked directly to other comprehensive income. Deferred taxes are also recorded in respect of tax losses from prior years when there is convincing evidence of the likelihood that such taxes will be collected.

Deferred taxes are not discounted.

The regional economic contribution (CET) and the companies' value-added contribution (CVAE) are treated as operating expenses and do not entail the recognition of deferred taxes in the consolidated financial statements.

Uncertainty over income tax treatments

In accordance with IFRIC 23, the group assesses the likelihood that the tax authorities will accept/not accept the position taken. It then estimates the impacts on taxable income, tax bases, losses carried forward, unused tax credits and taxation rates. In case of an uncertain tax position, the amounts to be paid are assessed on the basis of the most likely amount or the expected value based on the method that best predicts the amounts that will be paid or received.

Notes to the balance sheet

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Note 1. Cash, due from central banks Loans and receivables – credit institutions

(In € thousands)	12.31.2022	12.31.2021
Cash, due from central banks		
Due from central banks	23,310,536	15,701,374
Cash	141,893	134,299
Accrued interest	1,288	-
Total	23,453,717	15,835,673
Loans and receivables – credit institutions		
Current accounts	9,473,947	8,791,500
Loans	4,377	3,549
Other receivables	695,155	4,060,735
Guarantee deposits paid	415,450	541,326
Repurchase agreements	1,329,335	1,768,534
Individually impaired receivables (B3)	-	-
Accrued interest	133,357	45,421
Impairment on performing loans (B1/B2)	(6,667)	(3,203)
Other impairment (B3)	-	-
Total	12,044,954	15,207,862
of which deposits and demand loans with credit institutions	399,201	543,203

Note 2. Financial assets at fair value through profit or loss

(In € thousands)	12.31.2022	12.31.2021
Assets held for trading purposes	668,015	395,566
Assets classified at fair value option	198,034	12,402
Other assets classified at fair value	1,309,282	1,107,261
Total	2,175,331	1,515,229

Note 2a. Financial assets held for trading purposes

(In € thousands)	12.31.2022	12.31.2021
Securities	-	-
■ Treasury bills, notes and government bonds	-	-
■ Bonds and other fixed-income securities	-	-
Listed	-	-
Unlisted	-	-
Including UCI	-	-
■ Stocks and other variable-income securities	-	-
Listed	-	-
Unlisted	-	-
Derivatives held for trading purposes	668,015	395,566
Loans and receivables	-	-
of which repurchase agreements	-	-
Total	668,015	395,566

Trading derivatives are held for the purpose of hedging customer transactions.

Note 2b. Assets classified at fair value option

(In € thousands)	12.31.2022	12.31.2021
Securities	186,374	-
■ Treasury bills, notes and government bonds	-	-
■ Bonds and other fixed-income securities	186,374	-
Listed	-	-
Unlisted	186,374	-
Accrued interest	-	-
Including UCI	-	-
Loans and receivables	11,660	12,402
of which guarantee deposits paid	-	-
of which repurchase agreements	-	-
Total	198,034	12,402

The maximum non-recoverable amount of loans classified at fair value option was €11,614 thousands. This amount was not hedged through the use of credit derivatives.

Note 2c. Other financial assets at fair value through profit or loss

(In € thousands)	12.31.2022	12.31.2021
Securities	1,221,358	1,106,069
■ Treasury bills, notes and government bonds	-	-
■ Bonds and other fixed-income securities	486,953	471,822
Listed	8,097	15,919
Unlisted	466,788	442,493
Accrued interest	12,068	13,410
Including UCI	309,774	251,665
■ Stocks and other variable-income securities	734,405	634,247
Listed	-	2,897
Unlisted	734,405	631,350
Loans and receivables	172	1,192
of which repurchase agreements	-	-
Guarantee deposits paid	-	-
Separate assets for employee benefit plans	87,752	-
Total	1,309,282	1,107,261

Note 3. Information relating to hedging

Derivatives used for hedging purposes

(In € thousands)	12.31.2022			
	Fair value hedging		Cash flow hedging	
	Book value	Nominal value	Book value	Nominal value
Interest-rate risks:				
Hedging derivatives	-	-	-	-
Hedging derivatives – assets	5,365,023	48,565,717	-	-
Hedging derivatives – liabilities	4,525,378	39,705,780	-	-
Change in the fair value of the hedging instrument	854,203		-	
Currency risk				
Hedging derivatives	-	-	-	-
Hedging derivatives – assets	-	-	-	-
Hedging derivatives – liabilities	-	-	-	-
Change in the fair value of the hedging instrument	-	-	-	-

(In € thousands)	12.31.2021			
	Fair value hedging		Cash flow hedging	
	Book value	Nominal value	Book value	Nominal value
Interest-rate risks:				
Hedging derivatives	-	-	-	-
Hedging derivatives – assets	941,733	43,488,929	-	-
Hedging derivatives – liabilities	956,291	26,748,241	-	-
Change in the fair value of the hedging instrument	(430,245)		-	
Currency risk				
Hedging derivatives	-	-	-	-
Hedging derivatives – assets	-	-	-	-
Hedging derivatives – liabilities	-	-	-	-
Change in the fair value of the hedging instrument	-	-	-	-

Note 4. Financial assets at fair value through equity

(In € thousands)	12.31.2022	12.31.2021
Treasury bills, notes and government bonds	2,204,402	2,680,011
Bonds and other fixed-income securities	4,434,245	6,196,390
■ Listed	3,810,302	5,558,222
■ Unlisted	606,198	610,456
Accrued interest	17,745	27,712
Subtotal gross value of debt instruments	6,638,647	8,876,401
Of which impaired debt instruments (B3)	-	-
Impairment on performing loans (B1/B2)	(3,436)	(7,233)
Other impairment (B3)	-	-
Subtotal net value of debt instruments	6,635,211	8,869,168
Loans and receivables	-	-
■ Loans and receivables due from credit institutions	-	-
■ Loans and receivables due from customers	-	-
Accrued interest	-	-
Subtotal gross value of Loans	-	-
Impairment on performing loans (B1/B2)	-	-
Other impairment (B3)	-	-
Subtotal net value of Loans	-	-
Stocks and other variable-income securities	108,928	108,438
■ Listed	82,181	87,187
■ Unlisted	26,747	21,251
Accrued interest	-	-
Equity securities held for long-term investment	578,580	460,680
■ Long-term investments	489,203	381,316
■ Other long-term investments	89,312	79,271
■ Shares in associates	65	93
■ Translation adjustments	-	-
■ Loaned securities	-	-
Accrued interest	-	-
Subtotal equity instruments	687,508	569,118
Total	7,322,719	9,438,286
Of which unrealized capital gains/losses recognized in equity	72,017	123,818
Of which securities sold under repurchase agreements	-	-
Of which listed long-term investments	125,542	120,365

Equity instruments at fair value through equity mainly include investments in associates and the group's other long-term investments.

Disposals of instruments classified at fair value through equity resulted in the reclassification to reserves of a cumulative gain at the time of the sale of €127,000 (gross of tax).

Note 5. Securities at amortized cost

(In € thousands)	12.31.2022	12.31.2021
Treasury bills, notes and government bonds	356,861	394,184
Bonds and other fixed-income securities	213,144	239,007
■ Listed	186,755	214,970
■ Unlisted	25,279	22,758
Accrued interest	1,110	1,279
Gross total	570,005	633,191
of which impaired assets (B3)	-	314
Impairment on performing loans (B1/B2)	(516)	(587)
Other impairment (B3)	-	(314)
Net total	569,489	632,290

Note 6. Loans and receivables due from customers

(In € thousands)	12.31.2022	12.31.2021
Performing receivables (B1/B2)	78,455,600	70,803,203
■ Commercial receivables	97,868	101,203
■ Other loans to customers	78,192,044	70,577,347
Housing loans	43,092,557	38,854,246
Other loans and various receivables, including repurchase agreements	35,015,000	31,653,853
Guarantee deposits paid	84,487	69,248
■ Accrued interest	165,688	124,653
Individually impaired receivables (B3)	1,411,770	1,382,822
Gross receivables	79,867,370	72,186,025
Impairment on performing loans (B1/B2)	(455,339)	(377,525)
Other impairment (B3)	(670,123)	(693,143)
Subtotal I	78,741,908	71,115,357
Finance leases (net investment)	2,422,682	2,119,937
■ Movable goods	1,350,663	1,199,209
■ Real property	1,072,019	920,728
Individually impaired receivables (B3)	70,021	68,285
Gross receivables	2,492,703	2,188,222
Impairment on performing loans (B1/B2)	(30,116)	(26,669)
Other impairment (B3)	(26,399)	(25,956)
Subtotal II	2,436,188	2,135,597
Total	81,178,096	73,250,954
Of which equity loans with no voting rights	10,597	8,307
Of which subordinated loans	19	-

Note 6a. Information on delinquent payments

(In € thousands)	Payment arrears			Guarantees relating to payment arrears
	≤ 30 days	> 30 days ≤ 90 days	> 90 days	
Equity instruments	-	-	-	-
Debt instruments	-	-	-	-
Central governments	-	-	-	-
Credit institutions	-	-	-	-
Other financial companies	-	-	-	-
Non-financial companies	-	-	-	-
Retail customers	-	-	-	-
Loans and advances	302,317	107,047	2,511	238,852
Central governments	167	-	-	97
Credit institutions	-	-	-	-
Other financial companies	204	245	96	316
Non-financial companies	73,698	23,944	2,415	58,024
Retail customers	228,248	82,858	-	180,415
Other financial assets	-	-	-	-
Total	302,317	107,047	2,511	238,852
Unallocated guarantees				-

This table includes outstandings considered performing but on which one or more delinquent payments have been observed.

The reported amount consists of the total value of the commitment on which a delinquent payment has been observed, not merely the delinquent payment amount.

The age of the delinquent payment is calculated from the date on which the first delinquent payment was observed on the outstanding amount in question.

Note 6b. Restructured outstandings by type

Restructured outstandings by type as of 12/31/2022	Renegotiation of contract	Total or partial refinancing of outstanding	Total
Performing outstandings	126,733	105,038	231,771
Non-performing outstandings – gross amounts	377,732	122,020	499,752
Restructured non-performing outstandings – impairment loss	(128,210)	(34,325)	(162,535)
Net non-performing outstandings	249,522	87,695	337,217

Note 7. Placement of insurance activities and reinsurers' shares in technical provisions

(In € thousands)	12.31.2022	12.31.2021
Financial assets at fair value through profit or loss	31,763,606	31,692,391
Available-for-sale financial assets	23,600,391	25,732,611
Loans and receivables – credit institutions	10,183	523
Loans and receivables linked to insurance activities	495,262	484,931
Held-to-maturity financial assets	-	-
Investment property	294,668	335,116
Share of reinsurers in technical provisions and other insurance assets	567,350	530,188
Total	56,731,460	58,775,760

Note 7a. Financial assets at fair value through profit or loss

(In € thousands)	12.31.2022	12.31.2021
Financial assets held for trading purposes	6,085	73
Derivatives held for trading purposes	6,085	73
Subtotal I	6,085	73
Assets classified at fair value option	31,757,521	31,692,318
Securities	31,757,521	31,692,318
■ Bonds and other fixed-income securities	7,536,350	7,910,058
Listed	5,971,615	6,325,751
Unlisted	1,514,347	1,526,783
Accrued interest	50,388	57,524
■ Stocks and other variable-income securities	24,221,171	23,782,260
Listed	14,832,581	16,113,842
Unlisted	9,372,196	7,649,260
Accrued interest	16,394	19,158
Subtotal II	31,757,521	31,692,318
Total	31,763,606	31,692,391

At 31 December 2022, the fair value of financial assets at fair value through profit or loss whose cash flows resembled those of a basic loan totaled €227 million. The change in the fair value of these assets during the period was -€1.9 million.

Note 7b. Available-for-sale financial assets

(In € thousands)	12.31.2022	12.31.2021
Treasury bills, notes and government bonds	6,746,445	7,546,571
Bonds and other fixed-income securities	15,294,023	16,006,434
■ Listed	11,229,914	13,216,536
■ Unlisted	3,925,273	2,652,459
Accrued interest	138,836	137,439
Subtotal gross value of debt instruments	22,040,468	23,553,005
Impairment	(3,062)	(2,444)
Subtotal net value of debt instruments	22,037,406	23,550,561
Shares and other variable-income securities	891,377	1,459,029
■ Listed	281,136	881,407
■ Unlisted	606,610	573,237
Accrued interest	3,631	4,385
Equity securities held for long-term investment	679,186	729,586
■ Long-term investments	431,821	419,961
■ Other long-term investments	247,365	309,625
■ Shares in associates	-	-
Subtotal gross value of equity instruments	1,570,563	2,188,615
Impairment	(7,578)	(6,565)
Subtotal net value of equity instruments	1,562,985	2,182,050
Total	23,600,391	25,732,611
of which unrealized capital gains/losses recognized in equity	(312,065)	208,155
of which listed long-term investments	67,163	64,393

At 31 December 2022, the fair value of available-for-sale financial assets whose cash flows resembled those of a basic loan totaled €19,571 million. The change in the fair value of these assets during the period was -€511 million.

Note 7c. Securities at amortized cost

(In € thousands)	12.31.2022	12.31.2021
Treasury bills, notes and government bonds	-	-
Bonds and other fixed-income securities	-	-
■ Listed	-	-
■ Unlisted	-	-
Accrued interest	-	-
Gross total	-	-
of which impaired assets	-	-
Impairment	-	-
Net total	-	-

Note 7d. Loans and receivables – credit institutions

(In € thousands)	12.31.2022	12.31.2021
Loans and receivables – credit institutions		
Other regular accounts	2,347	260
Loans	7,575	-
Guarantee deposits paid	-	-
Repurchase agreements	-	-
Accrued interest	261	263
Total	10,183	523
of which deposits and demand loans with credit institutions	9,922	260

At 31 December 2022, loans and receivables due from credit institutions whose cash flows resembled those of a basic loan totaled €10.1 million.

Note 7e. Loans and receivables linked to insurance activities

(In € thousands)	12.31.2022	12.31.2021
Performing receivables	495,262	484,931
Loans to customers	492,813	482,685
■ Housing loans	-	-
■ Other loans and various receivables, including repurchase agreements	492,813	482,685
Accrued interest	2,449	2,246
Individually impaired receivables	-	-
Gross receivables	495,262	484,931
Impairment	-	-
Total	495,262	484,931

At 31 December 2022, loans and receivables linked to insurance activities and whose cash flows resembled those of a basic loan totaled €495 million.

Note 7f. Investment property

(In € thousands)	12.31.2021	Increase	Decrease	Other	12.31.2022
Historical cost	577,697	9,464	(62,393)	-	524,768
Amortization and impairment	(242,581)	(19,206)	31,687	-	(230,100)
Net amount	335,116	(9,742)	(30,706)	-	294,668

The fair value of investment real estate recognized at cost amounted to €731 million at 31 December 2022 compared with €790 million at 31 December 2021.

Note 7g. Share of reinsurers in technical provisions and other insurance assets

(In € thousands)	12.31.2022	12.31.2021
Technical provisions – Reinsurers' share	180,820	209,400
Other insurance assets	386,530	320,788
Total	567,350	530,188

Note 8. Current taxes

(In € thousands)	12.31.2022	12.31.2021
Assets (through profit or loss)	175,125	127,398
Liabilities (through profit or loss)	101,465	94,463

Note 9. Deferred taxes

(In € thousands)	12.31.2022	12.31.2021
Assets (through profit or loss)	17,225	43,528
Assets (through equity)	183,538	87,278
Liabilities (through profit or loss)	24,279	30,016
Liabilities (through equity)	59,849	113,153

Deferred taxes by major category

(In € thousands)	12.31.2022	12.31.2021
Loss carryforwards	3,552	7,960
Temporary differences on:		
Deferred capital gains or losses on available-for-sale securities	82,865	(52,955)
Deferred capital gains or losses on securities at fair value through equity	9,391	(19,330)
Change in credit risk of liabilities at fair value through profit or loss by option	(3,644)	4,491
Unrealized gains or losses on cash flow hedges	0	0
Unrealized gains or losses on actuarial differences	35,080	41,919
Provisions for non-deductible contingencies and charges	99,154	83,026
Unrealized reserves of finance leases	(34,717)	(33,726)
Other temporary differences	(75,046)	(43,748)
Total net deferred taxes	116,635	(12,363)

Note 10. Accruals, prepayments and sundry assets

(In € thousands)	12.31.2022	12.31.2021
Accruals – assets		
Receivables collection	412,789	155,007
Foreign currency adjustment accounts	51,959	8,553
Accrued income	131,144	160,908
Miscellaneous accrual accounts	182,852	139,275
Subtotal	778,744	463,743
Other assets*		
Settlement accounts for securities transactions	99,709	41,289
Various debtors	309,388	487,363
Inventories and similar	1,504	1,666
Other miscellaneous applications of funds	1,646	1,737
Subtotal gross value of other assets	412,247	532,055
Impairment on performing loans (B1/B2)	-	-
Other impairment (B3)	(2,866)	(2,826)
Subtotal net value of other assets	409,381	529,229
Total	1,188,125	992,972

* Includes "other assets" not specific to insurance within the insurance scope; the "other assets" specific to the insurance activity within the insurance scope are included in note 7g.

Note 10a. Deferred profit-sharing

(In € thousands)	12.31.2022	12.31.2021
Deferred profit-sharing	1,518,572	-
Total	1,518,572	-

Note 11. Investments in associates

(In € thousands)	12.31.2022			12.31.2021		
	Associates invest-ments	Share of earnings	Dividends received	Associates invest-ments	Share of earnings	Dividends received
Caisse Centrale du Crédit Mutuel	183,200	3,397	-	137,066	1,959	695
BELLATRIX	25,061	(437)	-	-	-	-
NEW PORT	-	-	-	30,748	1,469	-
Autres	9,877	(2,325)	-	8,531	(2)	1,224
Gross total	218,139	635	-	176,345	3,425	1,919

Supplementary information on main investments in associates (IFRS) at 31 December 2022

(In € thousands)	Total assets	NBI	Gross operating income	Net income	OCI	Share-holders' equity
Caisse Centrale du Crédit Mutuel	9,552,088	33,663	18,894	16,286	9,931	916,016
BELLATRIX	59,289	-	(1,033)	(1,033)	-	59,289

Note 12. Investment real estate – banking activity

(In € thousands)	12.31.2021	Increase	Decrease	Other	12.31.2022
Historical cost	188,479	21,344	(19,222)	-	190,601
Amortization and impairment	(62,582)	(5,348)	7,538	-	(60,392)
Net amount	125,897	15,996	(11,684)	-	130,209

The fair value of investment real estate recognized at cost amounted to €175 million at 31 December 2022 compared with €176 million at 31 December 2021.

Note 13. Property, plant and equipment

(In € thousands)	12.31.2021	Increase	Decrease	Other	12.31.2022
Historical cost					
Land	21,935	32	(228)	-	21,739
Plant	587,854	13,658	(6,869)	2,826	597,469
Rights of use – Property	124,479	656	(898)	1,730	125,967
Other property, plant and equipment	281,615	54,676	(32,532)	(4,430)	299,329
Total	1,015,883	69,022	(40,527)	126	1,044,504
Amortization and impairment					
Land	-	-	-	-	-
Plant	(425,751)	(20,409)	6,861	10,734	(428,565)
Rights of use – Property	(40,603)	(13,358)	238	4,942	(48,781)
Other property, plant and equipment	(220,788)	(20,945)	12,582	782	(228,369)
Total	(687,142)	(54,712)	19,681	16,458	(705,715)
Net amount	328,741	14,310	(20,846)	16,584	338,789

Note 14. Intangible assets

(In € thousands)	12.31.2021	Increase	Decrease	Other	12.31.2022
Historical cost					
Self-produced assets	687,731	61,169	(3,864)	31,746	776,782
Acquired assets	880,972	142,088	(68,251)	(82,009)	872,800
Software	442,193	7,664	(10)	5,221	455,068
Other	438,779	134,424	(68,241)	(87,230)	417,732
Total	1,568,703	203,257	(72,115)	(50,263)	1,649,582
Amortization and impairment					
Self-produced assets	(523,616)	(67,343)	2,158	6,070	(582,731)
Acquired assets	(512,635)	(31,521)	142	17,446	(526,568)
Software	(389,526)	(20,480)	142	643	(409,221)
Other	(123,109)	(11,041)	-	16,803	(117,347)
Total	(1,036,251)	(98,864)	2,300	23,516	(1,109,299)
Net amount	532,452	104,393	(69,815)	(26,747)	540,283

Note 15. Goodwill

(In € thousands)	12.31.2021	Increase	Decrease	Other	12.31.2022
Gross goodwill	577,507	0	0	(48,212)	529,295
Impairment	(10,974)	(33,711)	0	0	(44,685)
Net goodwill	566,533	(33,711)	-	(48,212)	484,610

Allocation by Division

Division	Entities	12.31.2022	12.31.2021
Retail customers	Arkéa Direct Bank	259,757	259,757
Retail customers	Budget Insight	-	22,530
B2B and Specialized Services	CFCAL Banque	22,469	38,216
B2B and Specialized Services	Monext	100,250	100,250
B2B and Specialized Services	ProCapital	63,000	63,000
B2B and Specialized Services – Fintech	Leetchi SA Mangopay	-	25,682
Products	Arkéa Real Estate/AREIM	16,516	16,516
Products	Izimmo	-	17,964
Products	Schelcher Prince Gestion	11,649	11,649
Products	Suravenir Assurances	10,969	10,969
Net goodwill		484,610	566,533

Note 16. Central banks – Due to credit institutions

(In € thousands)	12.31.2022	12.31.2021
Due from central banks	-	-
Liabilities to credit institutions	14,021,591	14,596,802
Current accounts	335,102	436,247
Loans	1,468,894	1,548,818
Guarantee deposits received	872,217	124,182
Other liabilities	36,760	36,259
Repurchase agreements	11,472,895	12,575,982
Accrued interest	(164,277)	(124,686)
Total	14,021,591	14,596,802
of which deposits and demand loans with credit institutions	371,386	472,196

Note 17. Financial liabilities at fair value through profit or loss

(In € thousands)	12.31.2022	12.31.2021
Financial liabilities held for trading purposes	827,494	412,122
Short selling of securities	-	-
■ Treasury bills, notes and government bonds	-	-
■ Bonds and other fixed-income securities	-	-
■ Stocks and other variable-income securities	-	-
Payables on securities sold under repurchase agreements	-	-
Derivatives	827,494	412,122
Other financial liabilities held for trading purposes	-	-
Fair value option financial liabilities through profit or loss	1,222,453	932,902
Liabilities to credit institutions	755	287
Liabilities to customers	165,532	26,596
Debt securities	1,056,166	906,019
Subordinated debt	-	-
Total	2,049,947	1,345,024

The settlement value of financial liabilities at fair value through profit or loss was €2,225 million at 31 December 2022 versus €1,350 million at 31 December 2021.

Note 17a. Fair value option financial liabilities through profit or loss

	12.31.2022			12.31.2021		
	Carrying amount	Amount due at maturity	Difference	Carrying amount	Amount due at maturity	Difference
Liabilities to credit institutions	755	765	(10)	287	288	(1)
Liabilities to customers	165,532	203,592	(38,060)	26,596	28,923	(2,327)
Debt securities	1,056,166	1,192,709	(136,543)	906,019	908,600	(2,581)
Subordinated debt	-	-	-	-	-	-
Total	1,222,453	1,397,066	(174,613)	932,902	937,811	(4,909)

Note 17b. Financial assets and liabilities subject to netting, an enforceable master netting agreement or a similar agreement

12.31.2022							
(In € thousands)	Gross amount of financial assets/ liabilities recognized	Gross amount of financial assets/ liabilities recognized and netted on the balance sheet	Net amount of financial assets/ liabilities shown on the balance sheet	Related amounts not netted on the balance sheet			
				Impact of master netting agreements	Financial instruments received/ given as guarantees	Cash collateral	Net amount
Assets							
Derivatives	6,039,123	-	6,039,123	(4,831,173)	-	(970,515)	237,435
Reverse repurchase agreements of securities, securities borrowing or similar agreements	2,355,747	(943,527)	1,412,220	-	(1,333,009)	-	79,211
Other financial instruments	-	-	-	-	-	-	-
Total assets	8,394,870	(943,527)	7,451,343	(4,831,173)	(1,333,009)	(970,515)	316,646
Liabilities							
Derivatives	5,366,224	-	5,366,224	(4,831,173)	-	(82,612)	452,439
Repurchase agreements of securities, securities lending or similar agreements	13,867,050	(943,527)	12,923,523	-	(12,801,080)	(117,232)	5,211
Other financial instruments	-	-	-	-	-	-	-
Total liabilities	19,233,274	(943,527)	18,289,747	(4,831,173)	(12,801,080)	(199,844)	457,650

12.31.2021							
(In € thousands)	Gross amount of financial assets/ liabilities re cognized	Gross amount of financial assets/ liabilities recognized and netted on the balance sheet	Net amount of financial assets/ liabilities shown on the balance sheet	Related amounts not netted on the balance sheet			
				Impact of master netting agreements	Financial instruments received/ given as guarantees	Cash collateral	Net amount
Assets							
Derivatives	1,337,372	-	1,337,372	(937,637)	-	(125,849)	273,886
Reverse repurchase agreements of securities, securities borrowing or similar agreements	2,184,449	(308,700)	1,875,749	-	(1,768,102) ⁽¹⁾	-	107,647 ⁽¹⁾
Other financial instruments	-	-	-	-	-	-	-
Total assets	3,521,821	(308,700)	3,213,121	(937,637)	-	(125,849)	381,533
Liabilities							
Derivatives	1,454,493	-	1,454,493	(937,637)	-	(428,358)	88,498
Repurchase agreements of securities, securities lending or similar agreements	13,255,140	(308,700)	12,946,440	-	(12,937,781)	(3,010)	5,649
Other financial instruments	-	-	-	-	-	-	-
Total liabilities	14,709,633	(308,700)	14,400,933	(937,637)	(12,937,781)	(431,368)	94,147

(1) After correction

Note 18. Debt securities

(In € thousands)	12.31.2022	12.31.2021
Certificates of deposit	12,317	13,871
Interbank market securities and negotiable debt securities	4,920,498	3,449,196
Bond issues	11,985,624	10,125,194
Non-preferred senior debt	2,814,756	2,773,760
Accrued interest	110,337	76,819
Total	19,843,532	16,438,840

Note 19. Liabilities to customers

(In € thousands)	12.31.2022	12.31.2021
Savings accounts governed by special regulations	35,922,885	32,370,577
Sight accounts	30,259,619	26,684,328
Term accounts	5,663,266	5,686,249
Accrued interest on savings accounts	355,640	190,097
Subtotal	36,278,525	32,560,674
Current accounts	35,490,574	34,808,310
Term accounts and term loans	9,042,101	7,156,162
Repurchase agreements	-	-
Accrued interest	78,690	31,800
Guarantee deposits received	174,274	14,168
Subtotal	44,785,639	42,010,440
Total	81,064,164	74,571,114

Note 20. Accruals, deferred income and sundry liabilities

(In € thousands)	12.31.2022	12.31.2021
Accruals – liabilities		
Blocked accounts for collection operations	551,992	373,249
Foreign currency adjustment accounts	52,318	7,989
Accrued expenses	239,515	217,178
Deferred income	268,689	243,758
Miscellaneous accrual accounts	152,078	1,038,564
Subtotal	1,264,592	1,880,738
Other liabilities*		
Lease liabilities – Property	68,580	75,411
Settlement accounts for securities transactions	281,484	348,222
Outstanding payments on securities	2,957	4,680
Miscellaneous creditors	520,236	557,745
Subtotal	873,257	986,058
Total	2,137,849	2,866,796

* Includes "other liabilities" not specific to insurance within the insurance scope; the "other liabilities" specific to the insurance activity within the insurance scope are included in note 21d.

Note 20a. Breakdown of lease liabilities according to maturity

(In € thousands)	12.31.2022					Total
	less than 1 year	1 year to 3 years	3 years to 6 years	6 years to 9 years	more than 9 years	
Property	14,580	24,456	21,334	7,632	578	68,580
Information technology	-	-	-	-	-	-
Other	-	-	-	-	-	-
Lease liabilities	14,580	24,456	21,334	7,632	578	68,580

Within the group, lease liabilities relate only to property contracts.

Note 21. Liabilities – insurance activity

(In € thousands)	12.31.2022	12.31.2021
Financial liabilities at fair value through profit or loss	13,352	86,080
Liabilities to credit institutions	1,625,000	511,310
Debt securities	-	-
Insurance companies' technical reserves	51,852,566	53,560,640
Other insurance liabilities	2,618,216	2,089,708
Subordinated debt	407	407
Total	56,109,541	56,248,145

Note 21a. Financial liabilities at fair value through profit or loss

(In € thousands)	12.31.2022	12.31.2021
Financial liabilities held for trading purposes	13,352	86,080
Derivatives	13,352	86,080
Other financial liabilities held for trading purposes	-	-
Fair value option financial liabilities through profit or loss	-	-
Liabilities to credit institutions	-	-
Debt securities	-	-
Subordinated debt	-	-
Total	13,352	86,080

Note 21b. Liabilities to credit institutions

(In € thousands)	12.31.2022	12.31.2021
Liabilities to credit institutions		
Current accounts	-	11,270
Loans	-	-
Guarantee deposits received from credit institutions	-	-
Other liabilities	-	-
Repurchase agreements	1,625,000	500,040
Accrued interest	-	-
Total	1,625,000	511,310
of which deposits and demand loans with credit institutions	-	11,270

Note 21c. Insurance companies' technical reserves

(In € thousands)	12.31.2022	12.31.2021
Life insurance, excluding unit-linked contracts	31,651,856	34,072,662
<i>of which profit-sharing</i>	<i>1,322,767</i>	<i>3,027,863</i>
Non-life insurance	662,837	590,500
Unit-linked contracts	19,351,865	18,721,271
Other	186,008	176,207
Total	51,852,566	53,560,640
Active deferred profit-sharing	(1,518,572)	-
Reinsurers' share	(180,820)	(209,400)
Net technical provisions	50,153,174	53,351,240

Note 21d. Other insurance liabilities

(In € thousands)	12.31.2022	12.31.2021
Security deposits and guarantees received	38,260	31,910
Insurance and reinsurance liabilities	89,763	87,296
Other	2,490,193	1,970,502
Total	2,618,216	2,089,708

The amount of "other" is mostly related to the UCI of the insurance activity consolidated through the shortcut method.

Note 22. Provisions

(In € thousands)	12.31.2021	Allocations	Write-backs (used)	Write-backs (unused)	Other	12.31.2022
Provisions for pension obligations	180,524	7,997	(16,243)	(10,156)	(66)	162,056
Provisions for home savings accounts and plans	53,472	-	-	(21,106)	-	32,366
Provisions for expected losses on credit risk of off-balance sheet commitments within the banking scope	59,883	29,813	-	(44,866)	19	44,849
Provisions for execution of guarantee commitments	5,709	2,425	-	(6,405)	-	1,729
Provisions for taxes	82	2,586	-	(38)	-	2,630
Provisions for lawsuits	10,759	5,198	(412)	(1,253)	5	14,297
Provisions for contingencies	2,292	875	(2,274)	(87)	-	806
Other	34,751	13,894	(811)	(7,778)	406	40,462
Total	347,472	62,788	(19,740)	(91,689)	364	299,195

Note 22a. Pension obligations and similar benefits

Defined benefit pension obligations and other long-term benefits

(In € thousands)	12.31.2021	Allocations	Write-backs	Other	12.31.2022
Retirement benefits	24,322	4,033	(5,023)	(66)	23,266
Retirement pension supplements	843	-	(502)	-	341
Length-of-service awards	51,200	3,964	(9,148)	-	46,016
Time savings accounts	104,159	-	(11,726)	-	92,433
Total	180,524	7,997	(26,399)	(66)	162,056

Note 22b. Provisions for regulated savings product risks

Home savings accounts and plans during the savings phase: deposits and provisions

(In € thousands)	12.31.2022		12.31.2021	
	Deposits	Provisions	Deposits	Provisions
Home savings plans	5,572,265	31,898	5,570,469	53,425
Under 4 years old	377,808	89	305,598	4
Between 4 and 10 years old	3,582,572	12,306	3,570,697	24,968
Over 10 years old	1,611,885	19,503	1,694,174	28,453
Home savings accounts	865,516	452	788,486	-
Total	6,437,781	32,350	6,358,955	53,425

Loans granted under home savings accounts and plans: deposits and provisions

(In € thousands)	12.31.2022		12.31.2021	
	Deposits	Provisions	Deposits	Provisions
Home savings plans	585	-	1,004	1
Home savings accounts	4,779	16	8,061	46
Total	5,364	16	9,065	47

Note 22c. Provisions for expected losses on credit risk of off-balance sheet commitments within the banking scope

(In € thousands)	12.31.2021	Allocations	Write-backs	Other	12.31.2022
Commitments given					
12-month expected losses	16,138	15,989	(11,134)	13	21,006
Lifetime expected losses for non-impaired assets	6,382	5,189	(5,067)	6	6,510
Lifetime expected losses for impaired assets (instruments impaired or not at acquisition/creation)	37,363	8,635	(28,665)	-	17,333
Total	59,883	29,813	(44,866)	19	44,849

Note 23. Subordinated debt

(In € thousands)	12.31.2022	12.31.2021
Subordinated debt	2,036,862	2,325,424
Equity loans with no voting rights	2,693	2,693
Undated subordinated debt	91,460	96,173
Other liabilities	-	-
Accrued interest	50,999	49,072
Total	2,182,014	2,473,362

Main subordinated debt at 31 December 2022

Issuer	Issue date	Amount	Currency	Interest rate	Due date
Crédit Mutuel Arkéa	07.05.2004	92,514	Euro	10-year CMS +0.10	Undated
Crédit Mutuel Arkéa	06.01.2016	500,000	Euro	3.25%	06.01.2026
Crédit Mutuel Arkéa	02.09.2017	500,000	Euro	3.50%	02.09.2029
Crédit Mutuel Arkéa	10.25.2017	500,000	Euro	1.88%	10.25.2029
Crédit Mutuel Arkéa	03.11.2019	750,000	Euro	3.38%	03.11.2031
Total		2,342,514			

Note 24. Share capital and additional paid-in capital – Consolidated reserves

(In € thousands)	12.31.2022	12.31.2021
Share capital	2,719,695	2,543,391
Additional paid-in capital	5,438	5,438
Consolidated reserves	5,679,636	5,152,785
Legal reserve	548,593	531,852
Reserves provided for in the by-laws and contractual reserves	2,454,220	2,363,493
Regulated reserves	-	-
Translation adjustments	-	-
Other reserves	2,617,997	2,197,356
Retained earnings	58,826	60,084
Total	8,404,769	7,701,614

The group's share capital consists of shares held by the credit institution's customer shareholders.

Note 25. Gains and losses recognized directly in equity

(In € thousands)	12.31.2022	12.31.2021
Available-for-sale assets	(229,200)	155,200
Non-recyclable equity instruments at fair value through equity by option	121,225	77,317
Recyclable debt instruments at fair value through equity	(38,024)	32,286
Change in fair value attributable to credit risk presented in other items of comprehensive income for the liabilities	10,465	(12,894)
Cash flow hedge derivatives	2	2
Real property	-	-
Other	(100,737)	(120,364)
Total	(236,269)	131,547

Note 26.a Breakdown of financial liabilities according to maturity – banking activity

(In € thousands)	Residual maturity					Total
	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Indefinite	
Liabilities at fair value through profit or loss	3,281	38,987	214,173	1,793,507	-	2,049,947
Derivatives used for hedging purposes	-	-	-	-	4,525,378	4,525,378
Liabilities to credit institutions	1,962,198	8,204,360	2,258,449	1,596,570	-	14,021,577
Liabilities to customers	63,294,125	3,406,637	9,527,269	4,874,194	-	81,102,225
Debt securities	2,301,676	3,734,196	5,885,322	7,922,339	-	19,843,532
Subordinated debt	-	-	466,705	1,622,801	92,508	2,182,014

Note 26.b Breakdown of financial liabilities according to maturity – insurance activity

(In € thousands)	Residual maturity					Total
	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Indefinite	
Derivatives used for hedging purposes	-	-	-	-	13,352	13,352
Liabilities to credit institutions	375,000	1,250,000	-	-	-	1,625,000
Subordinated debt	-	407	-	-	-	407

Note 27a. Fair value ranking – banking activity

(In € thousands)	12.31.2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
FVOCI	5,572,706	1,270,240	479,773	7,322,719
Treasury bills and similar securities – FVOCI ^{(1) (2)}	1,738,987	464,537	-	2,203,524
Bonds and other fixed-income securities – FVOCI ⁽³⁾	3,625,996	805,691	-	4,431,687
Stocks and other variable-income securities – FVOCI	82,181	12	26,735	108,928
Equity investments and other long-term investments – FVOCI	125,542	-	452,973	578,515
Shares in associates – FVOCI	-	-	65	65
Loans and receivables due from credit institutions – FVOCI	-	-	-	-
Loans and receivables due from customers – FVOCI	-	-	-	-
Trading/FVO/Other FVTPL	8,097	1,117,355	1,049,879	2,175,331
Treasury bills and similar securities – Trading	-	-	-	-
Treasury bills and similar securities – Fair value option	-	-	-	-
Treasury bills and similar securities – Other FVTPL	-	-	-	-
Bonds and other fixed-income securities – Trading	-	-	-	-
Bonds and other fixed-income securities – Fair value option	-	186,374	-	186,374
Bonds and other fixed-income securities – Other FVTPL ⁽⁴⁾	8,097	251,134	227,722	486,953
Stocks and other variable-income securities – Trading	-	-	-	-
Stocks and other variable-income securities – Other FVTPL	-	-	734,405	734,405
Loans and receivables due from credit institutions – Fair value option	-	755	-	755
Loans and receivables due from credit institutions – Other FVTPL	-	-	-	-
Loans and receivables due from customers – Fair value option	-	10,905	-	10,905
Loans and receivables due from customers – Other FVTPL	-	172	-	172
Derivatives and other financial assets – Trading	-	668,015	-	668,015
Other assets classified at FVTPL ⁽⁵⁾	-	-	87,752	87,752
Derivatives used for hedging purposes	-	5,365,023	-	5,365,023
Total	5,580,803	7,752,618	1,529,652	14,863,073
Financial liabilities				
Trading/FVO	-	2,049,947	-	2,049,947
Amounts due to credit institutions – Fair value option	-	755	-	755
Amounts due to customers – Fair value option	-	165,532	-	165,532
Debt securities – Fair value option	-	1,056,166	-	1,056,166
Derivatives and other financial liabilities – Trading	-	827,494	-	827,494
Derivatives used for hedging purposes	-	4,525,378	-	4,525,378
Total	-	6,575,325	-	6,575,325

- (1) Transfers from level 2 to level 1 were made in the amount of €37 million. They consisted mainly of bonds whose characteristics correspond to level 1 criteria.
- (2) Transfers from level 1 to level 2 were made in the amount of €453 million. They consisted mainly of bonds whose characteristics correspond to level 2 criteria.
- (3) Transfers from level 1 to level 2 were made in the amount of €75 million. They consisted mainly of bonds whose characteristics correspond to level 2 criteria.
- (4) Transfers from level 3 to level 2 were made in the amount of €8 million. They consisted mainly of equities whose characteristics correspond to level 2 criteria.
- (5) Recognition of separate assets for employee benefit plans.

(In € thousands)	12.31.2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
FVOCI	8,198,341	878,391	361,554	9,438,286
Treasury bills and similar securities – FVOCI ^{(1) (2)}	2,576,757	101,213	-	2,677,970
Bonds and other fixed-income securities – FVOCI ⁽³⁾	5,414,032	777,166	-	6,191,198
Stocks and other variable-income securities – FVOCI	87,187	12	21,239	108,438
Equity investments and other long-term investments – FVOCI	120,365	-	340,222	460,587
Shares in associates – FVOCI	-	-	93	93
Loans and receivables due from credit institutions – FVOCI	-	-	-	-
Loans and receivables due from customers – FVOCI	-	-	-	-
Trading/FVO/Other FVTPL	18,856	586,617	909,756	1,515,229
Treasury bills and similar securities – Trading	-	-	-	-
Treasury bills and similar securities – Fair value option	-	-	-	-
Treasury bills and similar securities – Other FVTPL	-	-	-	-
Bonds and other fixed-income securities – Trading	-	-	-	-
Bonds and other fixed-income securities – Fair value option	-	-	-	-
Bonds and other fixed-income securities – Other FVTPL	15,959	177,457	278,406	471,822
Stocks and other variable-income securities – Trading	-	-	-	-
Stocks and other variable-income securities – Other FVTPL	2,897	-	631,350	634,247
Loans and receivables due from credit institutions – Fair value option	-	287	-	287
Loans and receivables due from credit institutions – Other FVTPL	-	-	-	-
Loans and receivables due from customers – Fair value option	-	12,115	-	12,115
Loans and receivables due from customers – Other FVTPL	-	1,192	-	1,192
Derivatives and other financial assets – Trading	-	395,566	-	395,566
Derivatives used for hedging purposes	-	941,733	-	941,733
Total	8,217,197	2,406,741	1,271,310	11,895,248
Financial liabilities				
Trading/FVO	-	1,345,024	-	1,345,024
Amounts due to credit institutions – Fair value option	-	287	-	287
Amounts due to customers – Fair value option	-	26,596	-	26,596
Debt securities – Fair value option	-	906,019	-	906,019
Derivatives and other financial liabilities – Trading	-	412,122	-	412,122
Derivatives used for hedging purposes	-	956,291	-	956,291
Total	-	2,301,315	-	2,301,315

(1) Transfers from level 2 to level 1 were made in the amount of €40 million. They consisted mainly of bonds whose characteristics correspond to level 1 criteria.

(2) Transfers from level 1 to level 2 were made in the amount of €38 million. They consisted mainly of bonds whose characteristics correspond to level 2 criteria.

(3) Transfers from level 2 to level 1 were made in the amount of €62 million. They consisted mainly of bonds whose characteristics correspond to level 1 criteria.

Note 27b. Fair value ranking – insurance activity

(In € thousands)	12.31.2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
Available-for-sale assets	17,600,422	2,949,174	3,050,795	23,600,391
Treasury bills and similar securities – AFS ⁽¹⁾	6,555,698	190,747	-	6,746,445
Bonds and other fixed-income securities – AFS ⁽²⁾⁽³⁾	10,793,374	2,163,267	2,334,320	15,290,961
Stocks and other variable-income securities – AFS	184,187	595,160	104,452	883,799
Equity investments and other long-term investments – AFS	67,163	-	612,023	679,186
Shares in associates – AFS	-	-	-	-
Trading/FVO	14,935,055	9,574,792	7,253,759	31,763,606
Treasury bills and similar securities – Fair value option	-	-	-	-
Bonds and other fixed-income securities – Trading	-	-	-	-
Bonds and other fixed-income securities – Fair value option ⁽⁴⁾⁽⁵⁾	102,475	5,909,231	1,524,644	7,536,350
Stocks and other variable-income securities – Fair value option	14,832,580	3,659,476	5,729,115	24,221,171
Loans and receivables due from credit institutions – Fair value option	-	-	-	-
Derivatives and other financial assets – Trading	-	6,085	-	6,085
Derivatives used for hedging purposes	-	-	-	-
Total	32,535,477	12,523,966	10,304,554	55,363,997
Financial liabilities				
Trading/FVO	-	13,352	-	13,352
Amounts due to credit institutions – Fair value option	-	-	-	-
Debt securities – Fair value option	-	-	-	-
Derivatives and other financial liabilities – Trading	-	13,352	-	13,352
Derivatives used for hedging purposes	-	-	-	-
Total	-	13,352	-	13,352

- (1) Transfers from level 1 to level 2 were made in the amount of €183 million. They consisted mainly of bonds whose characteristics correspond to level 2 criteria.
- (2) Transfers from level 1 to level 2 were made in the amount of €113 million. They consisted mainly of bonds whose characteristics correspond to level 2 criteria.
- (3) Transfers from level 2 to level 1 were made in the amount of €31 million. They consisted mainly of bonds whose characteristics correspond to level 1 criteria.
- (4) Transfers from level 2 to level 1 were made in the amount of €17 million. They consisted mainly of bonds whose characteristics correspond to level 1 criteria.
- (5) Transfers from level 1 to level 2 were made in the amount of €3 million. They consisted mainly of equities whose characteristics correspond to level 2 criteria.

(In € thousands)	12.31.2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
Available-for-sale assets	21,063,090	1,749,180	2,920,341	25,732,611
Treasury bills and similar securities – AFS ⁽¹⁾	7,530,454	16,117	-	7,546,571
Bonds and other fixed-income securities – AFS ⁽²⁾⁽³⁾⁽⁴⁾	12,654,090	1,169,644	2,180,256	16,003,990
Stocks and other variable-income securities – AFS	814,153	563,419	74,892	1,452,464
Equity investments and other long-term investments – AFS	64,393	-	665,193	729,586
Shares in associates – AFS	-	-	-	-
Trading/FVO	16,154,365	10,015,049	5,522,977	31,692,391
Treasury bills and similar securities – Fair value option	-	-	-	-
Bonds and other fixed-income securities – Trading	-	-	-	-
Bonds and other fixed-income securities – Fair value option ⁽⁵⁾	40,524	6,333,547	1,535,987	7,910,058
Stocks and other variable-income securities – Fair value option	16,113,841	3,681,429	3,986,990	23,782,260
Loans and receivables due from credit institutions – Fair value option	-	-	-	-
Derivatives and other financial assets – Trading	-	73	-	73
Derivatives used for hedging purposes	-	-	-	-
Total	37,217,455	11,764,229	8,443,318	57,425,002
Financial liabilities				
Trading/FVO	-	86,080	-	86,080
Amounts due to credit institutions – Fair value option	-	-	-	-
Debt securities – Fair value option	-	-	-	-
Derivatives and other financial liabilities – Trading	-	86,080	-	86,080
Derivatives used for hedging purposes	-	-	-	-
Total	-	86,080	-	86,080

- (1) Transfers from level 2 to level 1 were made in the amount of €52 million. They consisted mainly of bonds whose characteristics correspond to level 1 criteria.
- (2) Transfers from level 2 to level 1 were made in the amount of €228 million. They consisted mainly of bonds whose characteristics correspond to level 1 criteria.
- (3) Transfers from level 1 to level 2 were made in the amount of €13 million. They consisted mainly of bonds whose characteristics correspond to level 2 criteria.
- (4) Transfers from level 1 to level 3 were made in the amount of €3 million. They consisted mainly of bonds whose characteristics correspond to level 3 criteria.
- (5) Transfers from level 1 to level 2 were made in the amount of €2 million. They consisted mainly of bonds whose characteristics correspond to level 2 criteria.

Note 27c. Fair value ranking – details of level 3 – banking activity

(In € thousands)	Opening balance	Purchases	Issues	Sales
Financial assets				
FVOCI	361,550	36,241	26,240	(11,668)
Treasury bills and similar securities – FVOCI	-	-	-	-
Bonds and other fixed-income securities – FVOCI	-	-	-	-
Stocks and other variable-income securities – FVOCI	21,239	-	11,681	(8,012)
Equity investments and other long-term investments – FVOCI	340,221	36,179	14,559	(3,656)
Shares in associates – FVOCI	90	62	-	-
Loans and receivables due from credit institutions – FVOCI	-	-	-	-
Loans and receivables due from customers – FVOCI	-	-	-	-
Trading/FVO/Other	909,756	121,736	-	(122,814)
Treasury bills and similar securities – Trading	-	-	-	-
Treasury bills and similar securities – Fair value option	-	-	-	-
Treasury bills and similar securities – Other FVTPL	-	-	-	-
Bonds and other fixed-income securities – Trading	-	-	-	-
Bonds and other fixed-income securities – Fair value option	-	-	-	-
Bonds and other fixed-income securities – Other FVTPL	278,406	48,693	-	-
Stocks and other variable-income securities – Trading	-	-	-	-
Stocks and other variable-income securities – Other FVTPL	631,350	73,043	-	(122,814)
Loans and receivables due from credit institutions – Fair value option	-	-	-	-
Loans and receivables due from credit institutions – Other FVTPL	-	-	-	-
Loans and receivables due from customers – Fair value option	-	-	-	-
Loans and receivables due from customers – Other FVTPL	-	-	-	-
Derivatives and other financial assets – Trading	-	-	-	-
Other assets classified at FVTPL ⁽¹⁾	-	-	-	-
Derivatives used for hedging purposes	-	-	-	-
Total	1,271,306	157,977	26,240	(134,482)
Financial liabilities				
Trading/FVO	-	-	-	-
Amounts due to credit institutions – Fair value option	-	-	-	-
Amounts due to customers – Fair value option	-	-	-	-
Debt securities – Fair value option	-	-	-	-
Derivatives and other financial liabilities – Trading	-	-	-	-
Derivatives used for hedging purposes	-	-	-	-
Total	-	-	-	-

(1) Recognition of separate assets for employee benefit plans

Repayments	Transfers	Gains and losses through profit or loss	Gains and losses in equity	Other changes	Closing balance	Transfers L1, L2 => L3	Transfers L3 => L1, L2
(292)	-	-	64,052	3,646	479,769	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	943	884	26,735	-	-
(202)	-	-	63,109	2,762	452,972	-	-
(90)	-	-	-	-	62	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(72,897)	(8,180)	134,526	-	87,752	1,049,879	-	(8,180)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(72,897)	(8,180)	(1,667)	-	(16,633)	227,722	-	(8,180)
-	-	-	-	-	-	-	-
-	-	136,193	-	16,633	734,405	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	87,752	87,752	-	-
-	-	-	-	-	-	-	-
(73,189)	(8,180)	134,526	64,052	91,398	1,529,648	-	(8,180)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

At 31 December 2022, based on the principal unobservable parameters, the group measured the sensitivity of the fair value of level 3 securities for a scope that mainly included the equity and private equity portfolio.

This sensitivity aims to illustrate the uncertainty inherent in the use of judgment required to estimate the principal unobservable parameters at the measurement date. It does not in any way represent a measurement of market risks for level 3 instruments. The estimate is based on the valuation adjustment policy. For the equity and private equity portfolio, the estimate is based on a +/-1% shock on the AVA parameters of unlisted securities reviewed annually.

Note 27d. Fair value ranking – details of level 3 – insurance activity

(In € thousands)	Opening balance	Purchases	Issues	Disposals
Financial assets				
Available-for-sale assets	2,920,341	587,788	-	(40,230)
Treasury bills and similar securities – AFS	-	-	-	-
Bonds and other fixed-income securities – AFS	2,180,256	560,720	-	(230)
Stocks and other variable-income securities – AFS	74,892	25,000	-	-
Equity investments and other long-term investments – AFS	665,193	2,068	-	(40,000)
Shares in associates – AFS	-	-	-	-
Trading/FVO	5,522,977	1,876,925	-	(3,571)
Treasury bills and similar securities – Trading	-	-	-	-
Treasury bills and similar securities – Fair value option	-	-	-	-
Bonds and other fixed-income securities – Trading	-	-	-	-
Bonds and other fixed-income securities – Fair value option	1,535,987	234,901	-	-
Stocks and other variable-income securities – Trading	-	-	-	-
Stocks and other variable-income securities – Fair value option	3,986,990	1,642,024	-	(3,571)
Derivatives and other financial assets – Trading	-	-	-	-
Derivatives used for hedging purposes	-	-	-	-
Total	8,443,318	2,464,713	-	(43,801)
Financial liabilities				
Trading/FVO	-	-	-	-
Amounts due to credit institutions – Fair value option	-	-	-	-
Debt securities – Fair value option	-	-	-	-
Derivatives and other financial liabilities – Trading	-	-	-	-
Derivatives used for hedging purposes	-	-	-	-
Total	-	-	-	-

Repayments	Transfers	Gains and losses through profit or loss	Gains and losses in equity	Other changes	Closing balance	Transfers L1, L2 => L3	Transfers L3 => L1, L2
(334,786)	-	-	(82,318)	-	3,050,795	-	-
-	-	-	-	-	-	-	-
(334,786)	-	-	(71,640)	-	2,334,320	-	-
-	-	-	4,560	-	104,452	-	-
-	-	-	(15,238)	-	612,023	-	-
-	-	-	-	-	-	-	-
(260,641)	-	118,068	-	-	7,253,758	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(220,969)	-	(25,275)	-	-	1,524,644	-	-
-	-	-	-	-	-	-	-
(39,672)	-	143,343	-	-	5,729,114	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(595,427)	-	118,068	(82,318)	-	10,304,553	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Note 28a. Fair value ranking of financial assets and liabilities recognized at amortized cost – banking activity

12.31.2022						
(In € thousands)	Market value	Carrying amount	Unrealized capital gains and losses	Level 1	Level 2	Level 3
Assets	85,890,732	93,792,539	(7,901,807)	240,481	12,318,627	73,331,624
Financial assets at amortized cost						
Loans and receivables due from credit institutions	12,035,491	12,044,954	(9,463)	-	12,035,491	-
Loans and receivables due from customers	73,313,496	81,178,096	(7,864,600)	-	-	73,313,496
Securities	541,745	569,489	(27,744)	240,481	283,136	18,128
Liabilities	114,833,552	117,111,301	(2,277,749)	-	33,815,380	81,018,172
Liabilities to credit institutions	13,910,900	14,021,591	(110,691)	-	13,910,900	-
Liabilities to customers	81,018,172	81,064,164	(45,992)	-	-	81,018,172
Debt securities	17,879,488	19,843,532	(1,964,044)	-	17,879,488	-
Subordinated debt	2,024,992	2,182,014	(157,022)	-	2,024,992	-

12.31.2021						
(In € thousands)	Market value	Carrying amount	Unrealized capital gains and losses	Level 1	Level 2	Level 3
Assets	91,161,673	89,091,106	2,070,567	588,722	15,285,456	75,287,495
Financial assets at amortized cost	-					
Loans and receivables due from credit institutions	15,211,538	15,207,862	3,676	-	15,211,538	-
Loans and receivables due from customers	75,272,130	73,250,954	2,021,176	-	-	75,272,130
Securities	678,005	632,290	45,715	588,722	73,918	15,365
Liabilities	108,874,355	108,080,118	794,237	-	34,301,275	74,573,080
Liabilities to credit institutions	14,654,553	14,596,802	57,751	-	14,654,553	-
Liabilities to customers	74,573,080	74,571,114	1,966	-	-	74,573,080
Debt securities	16,876,318	16,438,840	437,478	-	16,876,318	-
Subordinated debt	2,770,404	2,473,362	297,042	-	2,770,404	-

Note 28b. Fair value ranking of financial assets and liabilities recognized at amortized cost – insurance activity

12.31.2022						
(In € thousands)	Market value	Carrying amount	Unrealized capital gains and losses	Level 1	Level 2	Level 3
Assets	505,445	505,445	-	-	10,183	495,262
Loans and receivables due from credit institutions	10,183	10,183	-	-	10,183	-
Other loans and receivables linked to insurance activities	495,262	495,262	-	-	-	495,262
Held-to-maturity financial assets	-	-	-	-	-	-
Liabilities	1,625,407	1,625,407	-	-	1,625,407	-
Liabilities to credit institutions	1,625,000	1,625,000	-	-	1,625,000	-
Debt securities	-	-	-	-	-	-
Subordinated debt	407	407	-	-	407	-

12.31.2021						
(In € thousands)	Market value	Carrying amount	Unrealized capital gains and losses	Level 1	Level 2	Level 3
Assets	485,454	485,454	-	-	523	484,931
Loans and receivables due from credit institutions	523	523	-	-	523	-
Other loans and receivables linked to insurance activities	484,931	484,931	-	-	-	484,931
Held-to-maturity financial assets	-	-	-	-	-	-
Liabilities	511,717	511,717	-	-	511,717	-
Liabilities to credit institutions	511,310	511,310	-	-	511,310	-
Debt securities	-	-	-	-	-	-
Subordinated debt	407	407	-	-	407	-

Notes to the income statement

Note 29. Interest and similar income/expense

(In € thousands)	12.31.2022		12.31.2021	
	Income	Expense	Income	Expense
Credit institutions and central banks	295,007	(88,287)	154,768	(108,395)
Customers	1,463,320	(624,003)	1,314,464	(423,882)
of which leasing	223,975	(156,831)	202,758	(144,068)
of which rental debts		(308)		(198)
Securities at amortized cost	2,870	-	3,050	-
Financial assets at fair value through profit or loss	27,974	(565)	17,217	(376)
Derivatives used for hedging purposes	348,880	(361,472)	330,875	(325,149)
Financial assets at fair value through equity	21,009	-	8,393	-
Debt securities	-	(245,436)	-	(245,863)
Total	2,159,060	(1,319,763)	1,828,767	(1,103,665)

Negative interest on financial assets is shown under interest and similar expense; negative interest on financial liabilities is shown under interest and similar income.

Note 30. Fee and commission income/expense

(In € thousands)	12.31.2022		12.31.2021	
	Income	Expense	Income	Expense
Credit institutions	5,007	(24,949)	6,243	(30,346)
Customers	198,132	(60)	121,890	(271)
Derivatives	2,637	(487)	18,526	(681)
Foreign exchange	9,695	(35)	7,866	(685)
Financing and guarantee commitments	3,249	(3,755)	315	(2,992)
Securities and services	536,141	(167,601)	542,860	(142,534)
Total	754,861	(196,887)	697,700	(177,509)

Note 31. Net gain (loss) on financial instruments at fair value through profit or loss

(In € thousands)	12.31.2022	12.31.2021
Instruments held for trading	(82,467)	45,134
Fair value option instruments	106,068	(24,316)
Change in fair value attributable to credit risk presented in net income for the liabilities	-	-
Other instruments at fair value through profit or loss	188,438	247,309
Including UCI	47,468	61,557
Hedging ineffectiveness	6,416	(1,002)
cash flow hedges	-	1
fair value hedges	6,416	(1,003)
change in fair value of hedged items	1,736,836	408,105
change in fair value of hedges	(1,730,420)	(409,108)
Foreign exchange gains (losses)	(128)	(3,828)
Total of changes in fair value	218,327	263,297

Note 32. Net gain (loss) on financial instruments at fair value through equity

(In € thousands)	12.31.2022		
	Dividends	Realized gains/losses	Total
Treasury bills, notes and government bonds		1,083	1,083
Bonds and other fixed-income securities		(25,493)	(25,493)
Loans – Credit institutions		-	-
Customer loans		-	-
Stocks and other variable-income securities	5,189		5,189
Equity securities held for long-term investment	12,284		12,284
Total	17,473	(24,410)	(6,937)

(In € thousands)	12.31.2021		
	Dividends	Realized gains/losses	Total
Treasury bills, notes and government bonds		2,121	2,121
Bonds and other fixed-income securities		2,777	2,777
Loans – Credit institutions		-	-
Customer loans		-	-
Stocks and other variable-income securities	4,230		4,230
Equity securities held for long-term investment	10,962		10,962
Total	15,192	4,898	20,090

Note 33. Net gain (loss) on financial instruments at amortized cost

	Profit or loss recognized on the derecognition of assets as at 31 December 2022	Profit or loss recognized on the derecognition of assets as at 31 December 2021
Financial assets		
Treasury bills, notes and government bonds	-	-
Bonds and other fixed-income securities	-	-
Loans – Credit institutions	-	-
Customer loans	3,673	4,373
Financial liabilities		
Liabilities to credit institutions	-	-
Liabilities to customers	-	-
Debt securities	-	-
Subordinated debt	-	-
Total	3,673	4,373

Note 34. Net income from insurance activities

(In € thousands)	12.31.2022	12.31.2021
Interest and similar income/expense	46,676	40,341
Fee and commission income/expense	(128,196)	(115,070)
Net gain (loss) on financial instruments at fair value through profit or loss	(936)	957
Net gain (loss) on available-for-sale financial instruments	9,332	2,803
Net gain (loss) on financial assets/liabilities at amortized cost	-	-
Other income/expense from insurance activities	763,210	782,988
Total	690,086	712,019

Note 34a. Interest and similar income/expense

(In € thousands)	12.31.2022		12.31.2021	
	Income	Expense	Income	Expense
Credit institutions and central banks	1,646	(674)	1,931	(738)
Customers	5	-	1	-
Held-to-maturity financial assets	-	-	-	-
Financial assets/liabilities at fair value through profit or loss	-	-	-	-
Available-for-sale financial assets	45,699	-	39,147	-
Debt securities	-	-	-	-
Subordinated debt	-	-	-	-
Total	47,350	(674)	41,079	(738)

Note 34b. Fee and commission income/expense

(In € thousands)	12.31.2022		12.31.2021	
	Income	Expense	Income	Expense
Credit institutions	-	(25)	-	(21)
Customers	-	-	-	-
Derivatives	-	-	-	-
Foreign exchange	-	-	-	-
Financing and guarantee commitments	-	-	-	-
Securities and services	108,700	(236,871)	100,161	(215,210)
Total	108,700	(236,896)	100,161	(215,231)

Note 34c. Net gain (loss) on financial instruments at fair value through profit or loss

(In € thousands)	12.31.2022	12.31.2021
Instruments held for trading	2,153	206
Fair value option instruments	(2,633)	1,176
Other instruments at fair value through profit or loss	-	-
Foreign exchange gains (losses)	(456)	(425)
Total of changes in fair value	(936)	957

Note 34d. Net gain (loss) on available-for-sale financial instruments

(In € thousands)	12.31.2022			12.31.2021		
	Dividends	Realized gains/losses	Total	Dividends	Realized gains/losses	Total
Treasury bills, notes, government bonds, bonds and other fixed-income securities	0	4,809	4,809	0	(86)	(86)
Stocks and other variable-income securities	1,710	0	1,710	1,504	0	1,504
Equity securities held for long-term investment	2,813	0	2,813	1,385	0	1,385
Other	0	0	0	0	0	0
Total	4,523	4,809	9,332	2,889	(86)	2,803

Note 34e. Other income/expense from insurance activities

(In € thousands)	12.31.2022		12.31.2021	
	Income	Expense	Income	Expense
Insurance business	6,225,680	(5,471,440)	8,234,062	(7,443,879)
Investment property	16,877	(15,031)	-	(16,340)
Other income and expense	10,781	(3,657)	11,927	(2,782)
Total	6,253,338	(5,490,128)	8,245,989	(7,463,001)

Note 34f. Gross margin on insurance activities

(In € thousands)	12.31.2022	12.31.2021
Premiums earned	5,150,265	5,410,525
Cost of claims and benefits	(255,748)	(231,598)
Change in provisions	(38,360)	3,692
Other technical and non-technical income and expenses	(4,101,430)	(5,339,388)
Net investment income	(487)	946,952
Total	754,240	790,183

Note 35. Income/expense from other activities

(In € thousands)	12.31.2022		12.31.2021	
	Income	Expense	Income	Expense
Investment property	11,725	(5,377)	4,917	(8,132)
Other income and expense	329,820	(68,853)	349,668	(61,150)
Total	341,545	(74,230)	354,585	(69,282)

Note 36. Gains (losses) on disposal – dilution in investments in associates

(In € thousands)	12.31.2022	12.31.2021
Gains or losses on disposal/dilution on joint ventures	0	0
Gains or losses on disposal/dilution on associates	(287)	275
Total	(287)	275

Note 37. Operating expense

(In € thousands)	12.31.2022	12.31.2021
Personnel expenses	(970,029)	(940,475)
Other expense	(688,034)	(609,967)
Total	(1,658,063)	(1,550,442)

Note 37a. Personnel expenses

(In € thousands)	12.31.2022	12.31.2021
Salaries and wages	(544,715)	(533,553)
Payroll taxes	(260,834)	(248,914)
Mandatory and optional employee profit-sharing	(88,456)	(86,157)
Taxes, levies and similar payments on compensation	(76,024)	(71,851)
Total	(970,029)	(940,475)

Note 37b. Average number of employees

	12.31.2022	12.31.2021
Employees	4,421	4,437
Management and supervisors	6,371	6,279
Total	10,792	10,716

Note 37c. Post-employment benefits

Defined contribution plans are those for which the group's commitment is limited to the payment of a contribution but do not include any commitment by the group with respect to the level of benefits provided.

The main defined contribution post-employment benefit plans include mandatory social security and the Agirc and Arrco retirement plans, as well as the supplementary retirement savings plan established by some entities for which they only have an obligation to contribute.

In 2022, expenses related to these plans totaled €97,898,000 compared with €92,137,000 in 2021.

Defined benefit plans and other long-term benefits

These defined benefit plans expose the group to certain risks such as interest rate risk and market risk.

These benefits are based on the final salary for end-of-service awards for the retirement benefits and on average wage of the last 10 years for the supplementary plan. When the annuity for the additional voluntary pension contribution is liquidated, the risk is transferred to Suravenir in the form of an insurance contract.

Change in actuarial liability

(In € thousands)	Post-employment benefits		Other long-term benefits ⁽¹⁾	12.31.2022	12.31.2021
	Supplementary plan	Retirement benefits			
Gross actuarial liability at the beginning of the period	79,186	24,166	155,358	258,710	267,907
Cost of services rendered during the period	3,886	3,947	3,544	11,377	13,208
Net interest	533	75	1,278	1,886	1,194
Modification/reduction/liquidation of the plan	-	-	-	-	-
Acquisition, disposal (change in consolidated scope)	-	(66)	-	(66)	-
Benefits paid	(10,015)	(3,586)	(6,570)	(20,171)	(15,704)
Actuarial gains/losses	(21,014)	(1,310)	(15,162)	(37,486)	(7,895)
of which actuarial gains/losses due to changes in demographic assumptions	1,068	2,375	189	3,632	1,007
of which gains/losses related to changes in financial assumptions	(27,346)	(4,094)	(34,466)	(65,905)	(9,935)
of which actuarial gains/losses due to differences between estimates and actual experiences	5,264	409	19,115	24,787	1,032
Gross actuarial liability at the end of the period	52,576	23,226	138,449	214,250	258,710

(1) Other long-term benefits relate to long-service awards and time savings accounts.

Expense recognized on the income statement

(In € thousands)	Post-employment benefits		Other long-term benefits	12.31.2022	12.31.2021
	Supplementary plan	Retirement benefits			
Cost of services rendered during the period	(3,168)	(4,014)	(3,544)	(10,726)	(12,091)
Net interest	142	(116)	(1,103)	(1,076)	(722)
Impact of any reduction or liquidation of the plan	261	106		367	1,135
Actuarial gains/losses	-	-	15,277	15,277	(4,828)
of which actuarial gains/losses due to changes in demographic assumptions recognized on the income statement	-	-	(189)	(189)	(1,054)
of which gains/losses due to changes in financial assumptions recognized on the income statement	-	-	34,581	34,581	6,442
of which actuarial gains/losses due to differences between estimates and actual experiences	-	-	(19,115)	(19,115)	(10,217)
Expense recognized on the income statement	(2,764)	(4,023)	10,629	3,842	(16,507)

Change in fair value of plan assets and reimbursement rights

(In € thousands)	Post-employment benefits		Other long-term benefits	12.31.2022	12.31.2021
	Supplementary plan	Retirement benefits			
Fair value of assets at the beginning of the period	102,515	57,941	22,401	182,858	188,042
Net interest	676	(41)	175	810	472
Employer contributions	-	-	-	-	-
Acquisition, disposal (change in consolidated scope)	-	-	-	-	-
Benefits paid	(10,015)	(3,003)		(13,018)	(7,648)
Actuarial gains/losses	2,361	2,063	115	4,540	1,991
of which actuarial gains/losses due to changes in demographic assumptions	-	-	-	-	-
of which actuarial gains/losses on plan assets due to changes in financial assumptions	2,361	2,063	115	4,540	1,991
of which actuarial gains/losses due to differences between estimates and actual experiences	-	-	-	-	-
Fair value of assets at the end of the period	95,537	56,961	22,691	175,189	182,858

Net position

(In € thousands)	Supplemen- tary plan	Retirement benefits	Other long-term benefits	12.31.2022	12.31.2021
Actuarial liability at the end of the period	52,576	23,226	138,449	214,251	258,710
Fair value of assets/reimbursement rights	(95,537)	(56,961)	(22,691)	(175,189)	(182,858)
Net position	(42,961)	(33,735)	115,758	39,062	75,852

Items recognized immediately in comprehensive income

(In € thousands)	12.31.2022	Total 12.31.2021
Actuarial differences generated on post-employment benefit plans	26,465	13,591
Adjustments to the asset ceiling	-	-
Total items recognized immediately during the year	26,465	13,591
Aggregate actuarial differences at the end of the year	(135,817)	(162,282)

Information regarding plan assets

The amounts included in the fair value of the plan assets concerning the financial instruments issued by the group and the properties occupied by the group are not material.

At 31 December 2022, the weighted average term of defined benefit obligations was 7.2 years (8.9 years in 2021).

Plan assets are held by Suravenir and by a non-group insurance company for the portion relating to the supplementary plan.

Composition of hedging assets

(In € thousands)	12.31.2022			
	Debt securities	Equity instru- ments	Real property	Other
Fair value of plan assets				
Assets listed on an active market	111,602	4,489	237	-
Assets not listed on an active market	13,112	5,782	17,275	-
Total	124,714	10,271	17,512	-

(In € thousands)	12.31.2021			
	Debt securities	Equity instru- ments	Real property	Other
Fair value of plan assets				
Assets listed on an active market	91,424	7,255	586	-
Assets not listed on an active market	49,155	907	11,131	-
Total	140,579	8,162	11,716	-

Sensitivity of obligations to changes in the main actuarial assumptions

(As a % of the item measured)	12.31.2022			
	Supplemen- tary plan	Retirement benefits	Length-of- service awards	Time savings account
+0.5% change in discount rate				
Impact on present value of obligations as of December 31	(4%)	(3%)	(5%)	(4%)
+0.5% change in net salary				
Impact on present value of obligations as of December 31	1%	3%	5%	5%

The sensitivities shown are weighted averages of observed changes relative to the present value of the obligations.

Note 37d. Share-based payments

IFRS 2 "Share-based Payment" requires the measurement of share-based payment transactions in the company's income statement and balance sheet.

This standard applies to transactions with employees and more specifically to:

- Equity-settled share-based payment transactions;
- Cash-settled share-based payment transactions.

For equity-settled transactions, an expense is charged against equity. This expense is spread over the vesting period.

The group mainly has cash-settled transactions. For these transactions, the fair value of the liability, measured initially on the grant date, must be re-measured on each closing date until the settlement date of the liability. Fair value changes are recognized as expenses or income on the income statement until the liability is settled.

(In € thousands)	Plan 1	Plan 2	Plan 3
Type of plan	Cash settled	Cash settled	Equity settled
Award date	07.2017	11.2019	01.2021
Exercise period	Q2 2022	2022/2024	2026
Valuation method	Customer conquest	Multiple of revenue	FV
Impact 2022 income	1,223	5,066	(77)
Liabilities on the balance sheet	-	-	-

Note 37e. Other expenses

(In € thousands)	12.31.2022	12.31.2021
Taxes other than on income	(107,420)	(79,775)
Rentals	(72,784)	(65,414)
■ short term rentals of assets or low/substantial values	(69,254)	(61,842)
■ other rentals	(3,530)	(3,572)
External services	(507,677)	(459,301)
Other miscellaneous expenses	(153)	(5,477)
Total	(688,034)	(609,967)

(In € thousands)	12.31.2022			12.31.2021		
	PWC	Deloitte	Total	Mazars	Deloitte	Total
Auditing, certification, examination of individual and consolidated accounts	1,811	2,090	3,901	907	1,742	2,649
Crédit Mutuel Arkéa	678	638	1,316	589	752	1,341
Consolidated subsidiaries	1,133	1,452	2,585	318	990	1,308
Services other than account certification	432	481	913	213	231	444
Crédit Mutuel Arkéa	344	385	729	155	139	294
Consolidated subsidiaries	88	96	184	58	92	150
Total	2,243	2,571	4,814	1,120	1,973	3,093

The total amount of audit fees paid to the Statutory Auditors not belonging to the network of one of those certifying the Crédit Mutuel Arkéa's consolidated and individual financial statements, mentioned in the table above, amounted to €1,171,000 in respect of 2022 versus €1,653,000 at 2021.

Note 38. Depreciation, amortization and impairment of property, plant and equipment and intangible assets

(In € thousands)	12.31.2022	12.31.2021
Amortization	(153,389)	(150,516)
Property, plant and equipment	(55,487)	(55,040)
■ of which rights of use – Property	(14,639)	(15,561)
Intangible assets	(97,902)	(95,476)
Impairment	(2,566)	(1,089)
Property, plant and equipment	(16)	(329)
■ of which rights of use – Property	76	-
Intangible assets	(2,550)	(760)
Total	(155,955)	(151,605)

Note 39. Cost of risk

Note 39a. Cost of risk – banking activity

(In € thousands)	Allocations	Write-backs	Irrecoverable debts		Collection of receivables written off	12.31.2022
			Provisioned bad debt	Unprovisioned bad debt		
12-month expected losses	(143,478)	85,412				(58,066)
Loans and receivables due from credit institutions	(4,703)	1,239				(3,464)
Loans and receivables due from customers	(121,461)	67,699				(53,762)
■ of which finance leases	(7,163)	2,238				(4,925)
Financial assets at amortized cost – Fixed income securities	(6)	36				30
Financial assets at FVOCI – Fixed income securities	(1,559)	5,300				3,741
Financial assets at FVOCI – Loans	-	-				-
Off-balance sheet	(15,749)	11,138				(4,611)
Other assets	-	-				-
Lifetime expected loss	(168,295)	140,537				(27,758)
Loans and receivables due from credit institutions	-	-				-
Loans and receivables due from customers	(163,254)	135,366				(27,888)
■ of which finance leases	(4,240)	5,330				1,090
Financial assets at amortized cost – Fixed income securities	-	41				41
Financial assets at FVOCI – Fixed income securities	-	62				62
Financial assets at FVOCI – Loans	-	-				-
Off-balance sheet	(5,041)	5,068				27
Other assets	-	-				-
Impaired assets	(240,638)	278,058	(96,433)	(11,385)	20,295	(50,103)
Loans and receivables due from credit institutions	-	-	-	-	-	-
Loans and receivables due from customers	(233,400)	241,721	(96,021)	(11,360)	20,295	(78,765)
■ of which finance leases	(17,311)	12,756	(4,986)	-	3,015	(6,526)
Financial assets at amortized cost – Fixed income securities	-	355	(314)	-	-	41
Financial assets at FVOCI – Fixed income securities	-	-	-	-	-	-
Financial assets at FVOCI – Loans	-	-	-	-	-	-
Off-balance sheet	(5,382)	33,189	-	-	-	27,807
Other assets	(1,856)	2,793	(98)	(25)	-	814
Total	(552,411)	504,007	(96,433)	(11,385)	20,295	(135,927)

(In € thousands)	Allocations	Irrecoverable debts		Collection of receivables written off	12.31.2021	
		Write-backs	Provisioned bad debt			Unprovisioned bad debt
12-month expected losses	(101,428)	70,726			(30,702)	
Loans and receivables due from credit institutions	(1,573)	837			(736)	
Loans and receivables due from customers	(83,988)	55,443			(28,545)	
■ of which finance leases	(3,503)	1,839			(1,664)	
Financial assets at amortized cost – Fixed income securities	(45)	-			(45)	
Financial assets at FVOCI – Fixed income securities	(4,648)	5,328			680	
Financial assets at FVOCI – Loans	-	-			-	
Off-balance sheet	(11,174)	9,118			(2,056)	
Other assets	-	-			-	
Lifetime expected loss	(144,524)	118,194			(26,330)	
Loans and receivables due from credit institutions	-	-			-	
Loans and receivables due from customers	(139,118)	112,395			(26,723)	
■ of which finance leases	(3,075)	3,362			287	
Financial assets at amortized cost – Fixed income securities	-	207			207	
Financial assets at FVOCI – Fixed income securities	(62)	719			657	
Financial assets at FVOCI – Loans	-	-			-	
Off-balance sheet	(5,344)	4,873			(471)	
Other assets	-	-			-	
Impaired assets	(205,929)	252,796	(98,520)	(10,653)	3,431	(58,875)
Loans and receivables due from credit institutions	-	-	-	-	-	-
Loans and receivables due from customers	(182,244)	236,356	(93,126)	(10,653)	3,431	(46,236)
■ of which finance leases	(10,925)	11,711	(3,158)	-	6	(2,366)
Financial assets at amortized cost – Fixed income securities	-	5,025	(5,354)	-	-	(329)
Financial assets at FVOCI – Fixed income securities	-	-	-	-	-	-
Financial assets at FVOCI – Loans	-	-	-	-	-	-
Off-balance sheet	(22,831)	9,576	-	-	-	(13,255)
Other assets	(854)	1,839	(40)	-	-	945
Total	(451,881)	441,716	(98,520)	(10,653)	3,431	(115,907)

Note 39b. Cost of risk – insurance activity

(In € thousands)	Allocations	Irrecoverable debts		Collection of recei- vables written off	12.31.2022
		Write- backs	Provisioned bad debt	Unprovi- sioned bad debt	
Credit institutions	0	0	0	0	0
Insurance business	0	0	0	0	0
Available-for-sale assets	0	0	0	0	0
Held-to-maturity assets	0	0	0	0	0
Other	(386)	307	0	0	(79)
Total	(386)	307	0	0	(79)

(In € thousands)	Allocations	Irrecoverable debts		Collection of recei- vables written off	12.31.2021
		Write- backs	Provisioned bad debt	Unprovi- sioned bad debt	
Credit institutions	0	0	0	0	0
Insurance business	0	0	0	0	0
Available-for-sale assets	0	0	0	0	0
Held-to-maturity assets	0	0	0	0	0
Other	0	118	0	0	118
Total	0	118	0	0	118

Note 39c. Banking activities – Information regarding changes in outstanding loans subject to provisions for expected losses for credit risk

(In € thousands)	12.31.2021	Acquisition/ production	Sale/ repayment	Transfers between buckets	Other	12.31.2022
Financial assets at amortized costs – loans and receivables due from credit institutions	15,211,065	4,230,289	(7,380,670)	-	(9,063)	12,051,621
12-month expected losses	15,211,065	4,230,289	(7,380,670)	-	(9,063)	12,051,621
Lifetime expected losses – non-impaired assets	-	-	-	-	-	-
Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	-	-	-	-	-	-
Lifetime expected losses – assets impaired as from acquisition/creation	-	-	-	-	-	-
Financial assets at amortized costs – loans and receivables due from customers	74,374,247	23,167,450	(15,181,624)	-	-	82,360,073
12-month expected losses	68,605,416	22,036,070	(13,320,627)	(1,153,645)	-	76,167,214
Lifetime expected losses – non-impaired assets	4,317,724	939,091	(1,440,731)	894,984	-	4,711,068
Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	1,229,925	124,202	(324,547)	258,661	-	1,288,241
Lifetime expected losses – assets impaired as from acquisition/creation	221,182	68,087	(95,719)	-	-	193,550
Financial assets at amortized cost – Securities	633,191	37,353	(100,539)	-	-	570,005
12-month expected losses	626,580	37,353	(93,928)	-	-	570,005
Lifetime expected losses – non-impaired assets	6,297	-	(6,297)	-	-	-
Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	314	-	(314)	-	-	-
Lifetime expected losses – assets impaired as from acquisition/creation	-	-	-	-	-	-
Financial assets at FVOCI – Fixed income securities	8,876,401	3,453,181	(5,690,935)	-	-	6,638,647
12-month expected losses	8,836,353	3,453,181	(5,650,887)	-	-	6,638,647
Lifetime expected losses – non-impaired assets	40,048	-	(40,048)	-	-	-
Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	-	-	-	-	-	-
Lifetime expected losses – assets impaired as from acquisition/creation	-	-	-	-	-	-
Financial assets at FVOCI – Loans	-	-	-	-	-	-
12-month expected losses	-	-	-	-	-	-
Lifetime expected losses – non-impaired assets	-	-	-	-	-	-
Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	-	-	-	-	-	-
Lifetime expected losses – assets impaired as from acquisition/creation	-	-	-	-	-	-
Total	99,094,904	30,888,273	(28,353,768)	-	(9,063)	101,620,346

At 31 December 2022, vulnerable outstanding loans are recorded in bucket 2.

Note 39d. Banking activities – Information regarding changes in provisions for expected losses for credit risk

(In € thousands)	12.31.2021	Allocations	Reversals	Transfers	Change of method	Other	12.31.2022
Financial assets at amortized costs – loans and receivables due from credit institutions	(3,203)	(4,702)	1,238	-	-	-	(6,667)
12-month expected losses	(3,203)	(4,702)	1,238	-	-	-	(6,667)
Lifetime expected losses – non-impaired assets	-	-	-	-	-	-	-
Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	-	-	-	-	-	-	-
Lifetime expected losses – assets impaired as from acquisition/creation	-	-	-	-	-	-	-
Financial assets at amortized costs – loans and receivables due from customers	(1,123,293)	(551,368)	492,684	-	-	-	(1,181,977)
12-month expected losses	(172,186)	(121,216)	116,679	(48,980)	-	-	(225,703)
Lifetime expected losses – non-impaired assets	(232,008)	(163,110)	109,997	25,369	-	-	(259,752)
Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	(620,696)	(257,999)	231,512	23,611	-	-	(623,572)
Lifetime expected losses – assets impaired as from acquisition/creation	(98,403)	(9,043)	34,496	-	-	-	(72,950)
Financial assets at amortized cost – Securities	(901)	4	381	-	-	-	(516)
12-month expected losses	(546)	4	26	-	-	-	(516)
Lifetime expected losses – non-impaired assets	(41)	-	41	-	-	-	-
Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	(314)	-	314	-	-	-	-
Lifetime expected losses – assets impaired as from acquisition/creation	-	-	-	-	-	-	-
Financial assets at FVOCI – Fixed income securities	(7,233)	(1,563)	5,360	-	-	-	(3,436)
12-month expected losses	(7,171)	(1,563)	5,298	-	-	-	(3,436)
Lifetime expected losses – non-impaired assets	(62)	-	62	-	-	-	-
Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	-	-	-	-	-	-	-
Lifetime expected losses – assets impaired as from acquisition/creation	-	-	-	-	-	-	-
Financial assets at FVOCI – Loans	-	-	-	-	-	-	-
12-month expected losses	-	-	-	-	-	-	-
Lifetime expected losses – non-impaired assets	-	-	-	-	-	-	-
Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	-	-	-	-	-	-	-
Lifetime expected losses – assets impaired as from acquisition/creation	-	-	-	-	-	-	-
Commitments given	(59,883)	(28,057)	43,091	-	-	-	(44,849)
12-month expected losses	(16,138)	(15,990)	11,122	-	-	-	(21,006)
Lifetime expected losses – non-impaired assets	(6,382)	(5,228)	5,100	-	-	-	(6,510)
Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	(37,363)	(6,839)	26,869	-	-	-	(17,333)
Other assets	-	-	-	-	-	-	-
12-month expected losses	-	-	-	-	-	-	-
Lifetime expected losses – non-impaired assets	-	-	-	-	-	-	-
Lifetime expected losses for impaired assets (whether impaired or not at acquisition/creation)	-	-	-	-	-	-	-
Total	(1,194,513)	(585,686)	542,754	-	-	-	(1,237,445)

Note 39e. Banking activities – gross carrying amount of loans and receivables due from customers by credit risk category

At 31 December 2022

Risk categories: PD at 1 year	Subject to 12-month expected losses	Subject to lifetime expected losses	Subject to lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	Subject to expected losses for assets impaired at the closing date and when acquired/created
< 0.1	1,044,070	34,050	-	-
[0.1;0.25]	37,163,121	55,582	-	-
[0.26;0.99]	16,725,868	98,742	-	-
[1;2.99]	9,569,017	815,733	-	-
[3;9.99]	11,157,096	1,766,326	-	-
>=10	508,042	1,940,635	1,288,241	193,550
Total	76,167,214	4,711,068	1,288,241	193,550

At 31 December 2021

Risk categories: PD at 1 year	Subject to 12-month expected losses	Subject to lifetime expected losses	Subject to lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	Subject to expected losses for assets impaired at the closing date and when acquired/created
< 0.1	22,276,559	9,618	0	0
[0.1;0.25]	15,693,171	159,382	0	0
[0.26;0.99]	11,422,616	371,593	0	0
[1;2.99]	8,838,293	941,525	0	0
[3;9.99]	9,838,964	1,205,396	0	0
>=10	535,813	1,630,210	1,229,925	221,182
Total	68,605,416	4,317,724	1,229,925	221,182

Note 39f. Banking activities – Breakdown of gross receivables and impairments by counterparty sector

Outstanding amounts subject to provision	31.12.2022				31.12.2021			
	B1	B2	B3	Total	B1	B2	B3	Total
Central banks	44,755	0	0	44,755	47,533	0	0	47,533
General governments	10,337,950	19,596	0	10,357,546	9,191,223	40,719	5,602	9,237,544
Credit institutions	16,536,121	0	0	16,536,121	21,128,247	0	0	21,128,247
Other financial corporations	1,221,809	126,631	10,554	1,358,994	1,419,726	100,640	16,657	1,537,023
Non-financial corporations	23,943,849	2,240,075	882,557	27,066,481	21,488,654	2,592,005	806,674	24,887,333
<i>of which: Small and Medium-sized Enterprises</i>	<i>10,476,055</i>	<i>1,323,110</i>	<i>551,869</i>	<i>12,351,034</i>	<i>9,025,581</i>	<i>1,250,564</i>	<i>532,368</i>	<i>10,808,513</i>
Households	43,343,001	2,324,768	588,680	46,256,449	40,004,029	1,630,707	622,488	42,257,224
Total	95,427,485	4,711,070	1,481,791	101,620,346	93,279,412	4,364,071	1,451,421	99,094,904

Provisions	31.12.2022				31.12.2021			
	B1	B2	B3	Total	B1	B2	B3	Total
Central banks	(3)	0	0	(3)	0	0	0	0
General governments	(7,793)	(668)	0	(8,461)	(7,522)	(1,099)	(2)	(8,623)
Credit institutions	(7,965)	0	0	(7,965)	(5,292)	0	0	(5,292)
Other financial corporations	(9,678)	(7,065)	(5,693)	(22,436)	(5,800)	(4,088)	(11,568)	(21,456)
Non-financial corporations	(122,887)	(155,877)	(429,899)	(708,663)	(83,113)	(140,842)	(423,891)	(647,846)
<i>of which: Small and Medium-sized Enterprises</i>	<i>(59,008)</i>	<i>(88,463)</i>	<i>(313,526)</i>	<i>(460,997)</i>	<i>(38,607)</i>	<i>(75,589)</i>	<i>(325,489)</i>	<i>(439,685)</i>
Households	(87,996)	(96,142)	(260,930)	(445,068)	(81,379)	(86,082)	(283,952)	(451,413)
Total	(236,322)	(259,752)	(696,522)	(1,192,596)	(183,106)	(232,111)	(719,413)	(1,134,630)

Note 40. Gains (losses) on other assets

(In € thousands)

	12.31.2022	12.31.2021
Property, plant and equipment and intangible assets	2,212	1,448
Capital losses on disposals	(896)	(1,477)
Capital gains on disposals	3,108	2,925
Expenses related to business combinations	(4,313)	(1,099)
More or less transfer values on consolidated securities	89,214	-
Total	87,113	349

Note 41. Income tax

Breakdown of tax expense

(In € thousands)	12.31.2022	12.31.2021
Current tax expense	(105,424)	(153,678)
Net deferred tax expense or revenue	(16,629)	10,631
Net income tax expense	(122,053)	(143,047)
Income before taxes, badwill and income contribution from associates	706,537	713,163
Effective tax rate	17.27%	20.06%

Analysis of effective tax rate

	12.31.2022	12.31.2021
Statutory tax rate	25.83%	28.41%
Permanent differences	0.60%	1.13%
Income taxed at a reduced rate or exempt	(7.72%)	(9.25%)
Impact of fiscal losses	(1.24%)	0.48%
Tax credits	(0.08%)	(0.16%)
Special	0.30%	0.50%
Other	(0.42%)	(1.05%)
Effective tax rate	17.27%	20.06%

Regulation n° 2019-759, published on 24 July 2019, as well as the 2020 finance act, provide modifications in the gradual reduction of the corporate tax rate initially planned by the 2018 finance act. The tax rate for the fiscal year 2022 is therefore 25.83%.

Taxes must be measured based on the rates in effect at the closing date.

In case of a change in rates, deferred taxes must be adjusted, based on the symmetry principle, through profit or loss, unless they relate to items recognized outside profit or loss (other comprehensive income (OCI) or directly in equity).

The impact of this change in the tax rate has been taken into account in the calculation of deferred taxes for Crédit Mutuel Arkéa.

Notes on gains and losses recognized directly in equity

Note 42a. Information on the recycling to profit or loss of gains or losses recognized directly in equity

(In € thousands)	Changes in 2022	Changes in 2021
Revaluation of debt instruments at fair value through equity	(69,730)	(16,227)
■ Reclassification to profit or loss	21,101	(7,303)
■ Other changes	(90,831)	(8,924)
Revaluation of available-for-sale financial assets	(384,400)	(56,713)
■ Reclassification to profit or loss	(19,699)	(17,982)
■ Other changes	(364,701)	(38,731)
Revaluation of hedging derivatives	-	964
■ Reclassification to profit or loss	-	-
■ Other changes	-	964
Share of recyclable gains and losses of equity-accounted entities recognized directly in equity	(582)	426
Items to be recycled to profit or loss	(454,712)	(71,550)
Actuarial gains and losses on defined benefit plans	19,612	12,613
Revaluation of credit risk specific to financial liabilities recognized at fair value through profit or loss by option	23,359	6,017
Revaluation of equity instruments at fair value through equity (sold and not sold during the year)	35,392	(16,087)
Share of non-recyclable gains and losses of equity-accounted entities recognized directly in equity	(2,743)	3,007
Items not to be recycled to profit or loss	75,620	5,550
Total	(379,092)	(66,000)

Note 42b. Tax on each component of gains or losses recognized directly in equity

(In € thousands)	12.31.2022			12.31.2021		
	Gross	Tax	Net	Gross	Tax	Net
Revaluation of recyclable debt instruments at fair value through equity	(93,880)	24,150	(69,730)	(23,783)	7,557	(16,226)
Revaluation of available-for-sale financial assets	(520,220)	135,820	(384,400)	(74,885)	18,172	(56,713)
Revaluation of hedging derivatives	-	-	-	1,347	(383)	964
Share of gains and losses of equity-accounted entities recognized directly in equity	(786)	204	(582)	577	(151)	426
Items to be recycled to profit or loss	(614,886)	160,174	(454,712)	(96,744)	25,195	(71,549)
Actuarial gains and losses on defined benefit plans	26,445	(6,833)	19,612	17,003	(4,390)	12,613
Revaluation of credit risk specific to financial liabilities recognized at fair value through profit or loss by option	31,494	(8,135)	23,359	9,031	(3,014)	6,017
Revaluation of equity instruments at fair value through equity	30,454	4,938	35,392	(11,584)	(4,504)	(16,088)
Share of gains and losses of equity-accounted entities recognized directly in equity	(2,830)	87	(2,743)	3,104	(97)	3,007
Items not to be recycled to profit or loss	85,563	(9,943)	75,620	17,554	(12,005)	5,549
Total changes in gains and losses recognized directly in equity	(529,323)	150,231	(379,092)	(79,190)	13,190	(66,000)

Other notes

Note 43a. Commitments given and received – banking activity

(In € thousands)	12.31.2022	12.31.2021
Commitments given	17,117,267	16,273,202
Financing commitments	11,827,818	11,416,181
to credit and similar institutions	17,600	13,350
to customers	11,810,218	11,402,831
Guarantee commitments	5,099,128	4,619,999
to credit and similar institutions	630	513
to customers	5,098,498	4,619,486
Securities commitments	190,321	237,022
repurchase agreements	-	-
other commitments given	190,321	237,022
Commitments received	63,382,278	62,191,646
Financing commitments	12,555,697	15,406,259
from credit and similar institutions	12,256,187	15,399,196
from customers	299,510	7,063
Guarantee commitments	50,432,783	46,310,707
from credit and similar institutions	259,668	260,998
from customers	50,173,115	46,049,709
Securities commitments	393,798	474,680
Reverse repurchase agreements	-	-
Other commitments received	393,798	474,680

Financing commitments given include the €16,600,000 cash advance made to Caisse de Refinancement de l'Habitat to fund it.

(In € thousands)	12.31.2022	12.31.2021
Receivables pledged as collateral	15,438,850	18,144,095
Banque de France	13,751,627	16,399,791
European Investment Bank	608,293	630,308
Caisse de Refinancement de l'Habitat	451,637	363,554
Caisse des Dépôts et Consignations	625,293	748,443
Other	2,000	2,000
Loaned securities	-	-
Deposits on market transactions	416,749	543,723
Securities sold under repurchase agreements	11,472,895	12,575,982

For its refinancing activity, the group entered into repurchase agreements of debt and/or equity securities. This results in the transfer of ownership of securities which the recipient may in turn lend. The coupons or dividends benefit the borrower. These transactions are subject to margin calls.

Note 43b. Commitments given and received – insurance activity

(In € thousands)	12.31.2022	12.31.2021
Commitments given	963	282
Commitments received	1,521,935	1,388,232

Note 44. Segment information

(In € thousands)	Banking		Insurance and asset management		Group	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Internal income ⁽¹⁾	281,045	275,464	(281,045)	(275,464)	-	-
External income ⁽²⁾	1,707,706	1,666,216	862,029	864,159	2,569,735	2,530,375
Net banking income	1,988,751	1,941,680	580,984	588,695	2,569,735	2,530,375
Gains (losses) on disposal – dilution	(287)	275	-	-	(287)	275
Net banking income including gains (losses) on disposal – dilution	1,988,464	1,941,955	580,984	588,695	2,569,448	2,530,650
General operating expenses and depreciation and amortization	(1,560,276)	(1,478,950)	(253,742)	(223,097)	(1,814,018)	(1,702,047)
Gross operating income	428,188	463,005	327,242	365,598	755,430	828,603
Cost of risk	(130,258)	(111,148)	(5,748)	(4,641)	(136,006)	(115,789)
Operating income	297,930	351,857	321,494	360,957	619,424	712,814
Share of income of companies carried under equity method	3,418	3,427	(2,783)	(2)	635	3,425
Other	53,402	390	-	(41)	53,402	349
Recurring income before tax	354,750	355,674	318,711	360,914	673,461	716,588
Income tax	(43,938)	(45,603)	(78,115)	(97,444)	(122,053)	(143,047)
Net income	310,812	310,071	240,596	263,470	551,408	573,541
O/w non-controlling interests	85	101	611	(283)	696	(182)
Net income, group share	310,728	309,971	239,985	263,753	550,712	573,723

(1) Segment income from transactions with other segments.

(2) Segment income from sales to external customers.

(In € thousands)	12.31.2022	12.31.2021	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Segment Assets and Liabilities	127,936,312	118,256,292	61,197,096	61,025,150	189,133,408	178,718,478

Segment reporting is based on two business lines:

- Retail banking includes primarily the branch networks of Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest, the subsidiaries that finance businesses and the Real Estate Division of the group;

- The other business line comprises subsidiaries specialized in asset management and insurance.

Segment reporting by geographic region is not relevant for the group as nearly all of its business is carried out in France.

Note 45. Information on related parties

Crédit Mutuel Arkéa group related parties include the consolidated companies and associates. Transactions between the group and related parties are conducted on arm's length terms at the time the transactions are completed.

The list of companies consolidated by Crédit Mutuel Arkéa group is presented in note 47. Intercompany transactions and outstanding balances between fully consolidated companies are completely eliminated during the consolidation process. As a result, only the portion of the data that is not eliminated in the consolidation process and that relates to reciprocal transactions is presented in the following table, provided such data involve companies over which the group exercises a significant influence (associates).

	12.31.2022	12.31.2021
(In € thousands)	Companies under the equity method ⁽¹⁾	Companies under the equity method ⁽¹⁾
Assets		
Loans and receivables – credit institutions, at amortized cost	1,436,156	4,747,670
Loans and receivables – customers, at amortized cost	-	-
Assets at fair value through profit or loss	-	-
Financial assets at fair value through equity	-	-
Securities at amortized cost	-	-
Derivatives used for hedging purposes	-	-
Other assets	-	-
Liabilities		
Liabilities to credit institutions	-	-
Derivatives used for hedging purposes	-	-
Liabilities at fair value through profit or loss	-	-
Liabilities to customers	-	-
Debt securities	-	-
Subordinated debt	-	-
Other liabilities	-	-

(1) Mainly CCCM

	12.31.2022	12.31.2021
(In € thousands)	Companies under the equity method ⁽¹⁾	Companies under the equity method ⁽¹⁾
Interest and similar income	-	-
Interest and similar expense	(1,116)	(5,109)
Fee and commission income	-	-
Fee and commission expense	-	-
Net gain (loss) on financial instruments at fair value through profit or loss	-	-
Net gain (loss) on financial instruments at fair value through equity	-	1,919
Net gain (loss) on available-for-sale financial instruments	-	-
Net gain (loss) on derecognition of financial instruments at amortized cost	-	-
Net income from insurance activities	-	-
Income from other activities	-	-
Expense from other activities	-	-
Net banking income	(1,116)	(3,190)

(1) Mainly CM

	12.31.2022	12.31.2021
(In € thousands)	Companies under the equity method	Companies under the equity method
Financing commitments		
Financing commitments given	-	-
Financing commitments received	-	-
Guarantee commitments		
Guarantees given	-	-
Guarantees received	-	-
Securities commitments		
Other securities to be received	-	-
Other securities to be delivered	-	-

Relations with the main corporate officers of Crédit Mutuel Arkéa group

The Board of Directors of Crédit Mutuel Arkéa currently consists, at 31 December 2022, of 21 members appointed for three-year terms:

- 16 directors representing customer shareholders, elected by the Shareholders' Ordinary Meeting;
- 2 independent directors;
- 2 directors representing employees, appointed by the Central Employee Works Council;
- 1 non-voting member.

A representative of the Central Works Council also participates, with a deliberative voice, in the meetings of the Board of Directors.

The total compensation paid to members of Crédit Mutuel Arkéa's Board of Directors in 2022 was €1,227,000 (compared with €1,141,000 in 2021).

The total compensation paid to the group's key corporate officers in 2022 was €2,519,000 (compared with €2,099,000 in 2021).

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

The employment contracts of the Chief Executive Officer and the Associate Chief Executive Officer of Crédit Mutuel Arkéa have been suspended since 13 February 2020 and for the duration of their respective terms of office, after which they are automatically reinstated.

The Associate Chief Executive Officers hold an employment contract.

In the event that their term of office or employment contract is terminated, the Chairman of the Board of Directors, the Chief Executive Officer and the Associate Chief Executive Officers may be entitled to receive severance pay.

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

The Chief Executive Officer and the Associate Chief Executive Officers benefit from a defined contribution pension plan. In accordance with the regulations, the existing pension obligations for the benefit of the Chief Executive Officer and the Associate Chief Executive Officers in the form of a defined benefit supplementary retirement plan (known as "Article 39") were crystallized as of 31 December 2019.

At the time of their retirement, the Chief Executive Officer and the Associate Chief Executive Officers receive a retirement benefit equal to seven twelfths of their annual compensation if they have at least five years of seniority. They also receive an end-of-service leave benefit equivalent to 23 days per year of service as a senior executive of Crédit Mutuel Arkéa.

The provisions recorded by the group in 2022 pursuant to IAS 19 for post-employment benefits, other long-term benefits and termination benefits totaled €483,000 (compared with €428,000 in 2021).

Note 46. Investments in unconsolidated structured entities

(In € thousands)	Securitization vehicles	Asset management (mutual funds/ real estate investment funds)	Other structured entities
12.31.2022			
Total assets	547,128	13,049,774	-
Carrying amount of financial assets*	133,297	3,759,963	-
Carrying amount of financial liabilities*			-
Maximum exposure to risk of loss	133,297	3,759,963	-

* Carrying amount of assets and liabilities that Crédit Mutuel Arkéa group recognizes with respect to the structured entities

Investments in unconsolidated entities are investments held through unit-linked life insurance policies over which Crédit Mutuel Arkéa does not exercise control. They consist mainly of mutual fund investments.

(In € thousands)	Securitization vehicles	Asset management (mutual funds/ real estate investment funds)	Other structured entities
12.31.2021			
Total assets	377,237	10,425,469	-
Carrying amount of financial assets*	99,830	3,207,386	-
Carrying amount of financial liabilities*	-	-	-
Maximum exposure to risk of loss	99,830	3,207,386	-

* Carrying amount of assets and liabilities that Crédit Mutuel Arkéa group recognizes with respect to the structured entities

Note 47. Scope of consolidation

Last name	Country	Sector/Activity	% control		% equity interest	
			12.31.2022	12.31.2021	12.31.2022	12.31.2021
Crédit Mutuel Arkéa + Fédérations et Caisses du Crédit Mutuel de Bretagne et du Sud-Ouest	France	Banking/Mutual banking	Consolidating entity			
Fully consolidated companies						
Arkéa	France	Banking/Services	85.8	85.8	85.8	85.8
Arkéa Banking Services	France	Banking/Banking services	100.0	100.0	100.0	100.0
Arkéa Banque Entreprises et Institutionnels	France	Banking/Corporate banking	100.0	100.0	100.0	100.0
Arkéa Bourse Retail	France	Banking/Holding	100.0	100.0	100.0	100.0
Arkéa Capital	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
Arkéa Capital Investissement	France	Banking/Private equity	100.0	100.0	100.0	100.0
Arkéa Capital Managers Holding SLP	France	Banking/Private equity	100.0	100.0	100.0	100.0
Arkéa Capital Partenaire	France	Banking/Private equity	100.0	100.0	100.0	100.0
Arkéa Credit Bail	France	Banking/Finance leasing	100.0	100.0	100.0	100.0
Arkéa Direct Bank	France	Banking/Financial and stock market intermediation	100.0	100.0	100.0	100.0
Arkéa Foncière	France	Banking/Real estate	100.0	100.0	100.0	100.0
Arkéa Home Loans SFH	France	Banking/Refinancing entity	100.0	100.0	100.0	100.0
Arkéa Public Sector SCF	France	Banking/Refinancing entity	100.0	100.0	100.0	100.0
Arkéa Real Estate	France	Insurance and asset management/Asset management	70.0	71.4	70.0	71.4
Arkéa Reim	France	Insurance and asset management/Asset management	70.0	71.4	70.0	71.4
Arkéa Scd	France	Banking/Services	99.9	100.0	99.9	100.0
Budget Insight ⁽²⁾	France	Banking/Banking services	/	100.0	/	100.0
Caisse de Bretagne de Crédit Mutuel Agricole	France	Banking/Mutual banking	94.8	94.8	94.8	94.8
Credit Foncier et Communal d'Alsace et de Lorraine Bank (succursale)	Belgium	Banking/Asset holding company	100.0	100.0	100.0	100.0
Credit Foncier et Communal d'Alsace et de Lorraine Banque	France	Banking/Specialized networks banking	100.0	100.0	100.0	100.0
Fct Collectivités	France	Banking/Securitization fund	57.8	57.8	57.8	57.8
Federal Equipements	France	Banking/Services	100.0	100.0	100.0	100.0
Federal Finance	France	Insurance and asset management/Private banking and asset management	100.0	100.0	100.0	100.0
Federal Finance Gestion	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
Federal Service	France	Banking/Services	99.4	99.7	99.4	99.7
Financo	France	Banking/Specialized networks banking	100.0	100.0	100.0	100.0
Gicm	France	Banking/Services	100.0	100.0	99.4	99.7
Izimmo	France	Banking/Real estate	100.0	100.0	100.0	100.0
Keytrade Bank (Succursale)	Belgium	Banking/Financial and stock market intermediation	100.0	100.0	100.0	100.0
Keytrade Bank Luxembourg SA ⁽²⁾	Luxembourg	Banking/Financial and stock market intermediation	/	100.0	/	100.0
Leetchi SA ⁽²⁾	France	Banking/Services	/	100.0	/	100.0
Mangopay SA ⁽²⁾	Luxembourg/ France	Banking/Services	/	100.0	/	100.0
Monext	France	Banking/Services	100.0	100.0	100.0	100.0
Nextalk	France	Banking/Services	100.0	100.0	100.0	100.0
Nouvelle Vague	France	Banking/Services	100.0	100.0	100.0	100.0

Last name	Country	Sector/Activity	% control		% equity interest	
			12.31.2022	12.31.2021	12.31.2022	12.31.2021
Novelia	France	Insurance and asset management/Insurance brokerage	100.0	100.0	100.0	100.0
ProCapital	France/ Belgium	Banking/Financial and stock market intermediation	100.0	100.0	100.0	100.0
Pumpkin	France	Banking/Services	100.0	100.0	100.0	100.0
Schelcher Prince Gestion	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
Société Civile Immobilière Interfédérale	France	Banking/Real estate	100.0	100.0	100.0	100.0
Smspg ⁽⁴⁾	France	Insurance and asset management/Holding	/	100.0	/	100.0
Strateo (succursale)	Swiss	Banking/Financial and stock market intermediation	100.0	100.0	100.0	100.0
Suravenir	France	Insurance and asset management/Life insurance	100.0	100.0	100.0	100.0
Suravenir Assurances	France	Insurance and asset management/ Non-life insurance	100.0	100.0	100.0	100.0
Companies consolidated using the equity method						
BELLATRIX SAS ⁽¹⁾	France	Banking/Holding	42.3	/	42.3	/
Caisse centrale du Crédit Mutuel	France	Banking/Mutual banking	20.2	20.2	20.2	20.2
La Compagnie Française des Successions	France	Insurance and asset management/Asset management	32.6	32.6	32.6	32.6
New port ⁽²⁾	France	Banking/Holding	/	29.9	/	29.9
Vivienne Investissement ⁽²⁾	France	Insurance and asset management/Asset management	/	34.0	/	34.0
Yomoni	France	Insurance and asset management/Asset management	34.2	34.2	34.2	34.2
Companies consolidated using the shortcut method						
AIS Mandarine active	France	Insurance and asset management/Asset management	80.6	80.6	80.6	80.6
AIS Mandarine entrepreneurs	France	Insurance and asset management/Asset management	83.3	83.2	83.3	83.2
AIS Mandarine Global Transition ⁽¹⁾	France	Insurance and asset management/Asset management	98.7	/	98.7	/
AIS Mandarine Multi-Assets	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
AIS Protect	France	Insurance and asset management/Asset management	84.3	85.5	84.3	85.5
Arkéa Capital 1	France	Banking/Asset management	100.0	100.0	100.0	100.0
Arkéa Capital 2 ⁽⁵⁾	France	Banking/Asset management	/	38.5	/	38.5
Autofocus Croissance décembre 2019	France	Insurance and asset management/Asset management	95.0	95.1	95.0	95.1
Autofocus Croissance juillet 2019 ⁽³⁾	France	Insurance and asset management/Asset management	/	99.2	/	99.2
Autofocus ESG décembre 2020	France	Insurance and asset management/Asset management	87.9	88.0	87.9	88.0
Autofocus ESG février 2021 ⁽¹⁾	France	Insurance and asset management/Asset management	98.4	/	98.4	/
Autofocus ESG juillet 2020 ⁽³⁾	France	Insurance and asset management/Asset management	/	99.0	/	99.0
Autofocus ESG juillet 2021 ⁽¹⁾	France	Insurance and asset management/Asset management	98.3	/	98.3	/
Autofocus Low Carbon ⁽¹⁾	France	Insurance and asset management/Asset management	99.0	/	99.0	/
Autofocus Low Carbon décembre 2021 ⁽¹⁾	France	Insurance and asset management/Asset management	95.2	/	95.2	/
Autofocus rendement avril 2020	France	Insurance and asset management/Asset management	99.7	99.7	99.7	99.7
Autofocus rendement février 2020	France	Insurance and asset management/Asset management	98.0	98.2	98.0	98.2
Autofocus rendement mars 2019 ⁽³⁾	France	Insurance and asset management/Asset management	/	99.1	/	99.1
Brehat ⁽⁷⁾	France	Insurance and asset management/Asset management	/	20.7	/	20.7
Breizh Armor Capital	France	Insurance and asset management/Asset management	50.0	50.0	50.0	50.0
Chabrieres Rendement ESG ⁽¹⁾	France	Insurance and asset management/Asset management	33.6	/	33.6	/
Diapazen Climat septembre 2016	France	Insurance and asset management/Asset management	97.3	97.6	97.3	97.6
FCPR Breizh MA BRO	France	Insurance and asset management/Asset management	67.1	77.2	67.1	77.2
FCPR Eiffel Infrastructures Vertes ⁽¹⁾	France	Insurance and asset management/Asset management	80.1	/	80.1	/

Last name	Country	Sector/Activity	% control		% equity interest	
			12.31.2022	12.31.2021	12.31.2022	12.31.2021
FCT Ardian Suravenir Private Debt	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
FCT Merius Suravenir	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
FCT Obligation Baux AC 2019 ⁽³⁾	France	Insurance and asset management/Asset management	/	100.0	/	100.0
FCT Pytheas 01/2023 ⁽¹⁾	France	Insurance and asset management/Asset management	99.5	/	99.5	/
FCT Pytheas 56 ⁽³⁾	France	Insurance and asset management/Asset management	/	88.6	/	88.6
FCT Pytheas Baux REG 2018	France	Insurance and asset management/Asset management	96.8	100.0	96.8	100.0
FCT Residential Dutch Mortgage Fund Largo D	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
FCT SCOR Suravenir Euro Loans	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
FCT SP Eurocreances	France	Insurance and asset management/Asset management	43.4	43.4	43.4	43.4
FCT SPG Dette Privée	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
FCT Suravenir Conso Fund	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
FCT Suravenir Private Debt I	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
FCT Suravenir Private Debt II	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
FCT Tikehau SPD III	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
Federal Ambition Climat	France	Insurance and asset management/Asset management	99.2	99.3	99.2	99.3
Federal Capital Investissement	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
Federal Conviction Grande Asie ⁽⁶⁾	France	Insurance and asset management/Asset management	/	99.8	/	99.8
Federal Global Green Bonds	France	Insurance and asset management/Asset management	49.3	46.3	49.3	46.3
Federal Indiciel APAL (EX Federal Apal)	France	Insurance and asset management/Asset management	74.5	72.1	74.5	72.1
Federal Indiciel Japon	France	Insurance and asset management/Asset management	77.3	77.7	77.3	77.7
Federal Indiciel US	France	Insurance and asset management/Asset management	62.7	60.7	62.7	60.7
Federal Multi Actions Europe	France	Insurance and asset management/Asset management	74.4	75.1	74.4	75.1
Federal Multi L/S	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
Federal Multi or et matières premières	France	Insurance and asset management/Asset management	90.7	90.0	90.7	90.0
Federal Multi Patrimoine	France	Insurance and asset management/Asset management	99.3	99.4	99.3	99.4
Federal Optimal Gestion Privée ESG	France	Insurance and asset management/Asset management	88.7	88.6	88.7	88.6
Federal Support Court Terme ESG	France	Insurance and asset management/Asset management	36.9	39.9	36.9	39.9
Federal Transition Emploi ⁽¹⁾	France	Insurance and asset management/Asset management	52.4	/	52.4	/
Federal Transition Équilibre (Ex Federal Opportunité Équilibre ESG)	France	Insurance and asset management/Asset management	80.2	83.0	80.2	83.0
Federal Transition Moderne (Ex Federal Opportunité Modéré ESG)	France	Insurance and asset management/Asset management	50.2	56.4	50.2	56.4
Companies consolidated using the shortcut method						
Federal Transition Oxygene (Ex Federal Oxygene)	France	Insurance and asset management/Asset management	95.3	94.7	95.3	94.7
Federal Transition Territoires (Ex Federal Impact Territoires)	France	Insurance and asset management/Asset management	39.3	45.0	39.3	45.0
Federal Transition Tonique (Ex Federal Opportunité Tonique ESG)	France	Insurance and asset management/Asset management	99.1	99.1	99.1	99.1
Flexpertise	France	Insurance and asset management/Asset management	74.3	74.6	74.3	74.6
Fps Suravenir Actions Internationales Protect	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
Fps Suravenir Actions Low Vol	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
Fps Suravenir Actions Mid Caps	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
Fps Suravenir Actions Protect	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
Fps Suravenir Overlay Low Vol Actions	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
Fps Ubs Archmore Infrastructure Debt Platform li	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
Mandarine Equity Income	France	Insurance and asset management/Asset management	93.0	97.4	93.0	97.4
Opci Club France Retail	France	Insurance and asset management/Asset management	46.3	46.3	46.3	46.3
Opci Preim Defense 2	France	Insurance and asset management/Asset management	39.2	37.5	39.2	37.5
Opci Preim Euros	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0

Last name	Country	Sector/Activity	% control		% equity interest	
			12.31.2022	12.31.2021	12.31.2022	12.31.2021
Opci Preim Euros 2	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
Opci Premium	France	Insurance and asset management/Asset management	82.2	67.1	82.2	67.1
Opci Tikehau RET Pro	France	Insurance and asset management/Asset management	39.3	39.3	39.3	39.3
Ouessant	France	Insurance and asset management/Asset management	60.1	44.3	60.1	44.3
Primo Elite (Flex)	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
SCI Progres Pierre	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
SCI Suravenir Pierre	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
SC Meilleurimmo ⁽¹⁾	France	Insurance and asset management/Asset management	64.5	/	64.5	/
SC Novaxia R	France	Insurance and asset management/Asset management	53.9	58.2	53.9	58.2
SC Novaxia Vista ⁽¹⁾	France	Insurance and asset management/Asset management	41.7	/	41.7	/
SC Pythagore	France	Insurance and asset management/Asset management	34.9	46.4	34.9	46.4
Schelcher Convertibles ESG (Ex SP Convertibles)	France	Insurance and asset management/Asset management	20.6	22.5	20.6	22.5
Schelcher Convetibles Mid Cap ESG (Ex SP Convertibles Mid Cap ESG)	France	Insurance and asset management/Asset management	33.1	32.9	33.1	32.9
Schelcher Global High Yield (Ex SP Haut Rendement)	France	Insurance and asset management/Asset management	32.5	40.2	32.5	40.2
Schelcher IVO Global Yield 2024	France	Insurance and asset management/Asset management	46.8	47.4	46.8	47.4
Schelcher Multi Asset (Ex SP Croissance)	France	Insurance and asset management/Asset management	86.6	92.2	86.6	92.2
Schelcher Optimal Income ESG (Ex SP Opportunités Européennes)	France	Insurance and asset management/Asset management	21.2	30.6	21.2	30.6
SCI Cloverhome	France	Insurance and asset management/Asset management	50.0	50.0	50.0	50.0
SCI Le Vinci Holding	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
SCI Pr2 Preim Ret 2	France	Insurance and asset management/Asset management	38.0	38.0	38.0	38.0
SCI Silver Avenir	France	Insurance and asset management/Asset management	90.4	90.4	90.4	90.4
SCI Territoires Avenir ⁽¹⁾	France	Insurance and asset management/Asset management	100.0	/	100.0	/
SCI Usufruitimmo	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
SCI Usufruitimmo 2028 ⁽¹⁾	France	Insurance and asset management/Asset management	100.0	/	100.0	/
SCPI Log In ⁽¹⁾	France	Insurance and asset management/Asset management	55.2	/	55.2	/
SCPI Remake Live ⁽¹⁾	France	Insurance and asset management/Asset management	78.3	/	78.3	/
Suravenir Initiative Actions	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
Synergie Finance Investissements	France	Banking/Asset management	100.0	100.0	100.0	100.0
We Positive Invest	France	Banking/Asset management	100.0	100.0	100.0	100.0

(1) Companies first-time consolidated in 2022

(2) Property

(3) Liquidation

(4) Merger of assets and liabilities

(5) Deconsolidation

(6) Merger

(7) Exit from the scope of the management company

The simplified method of accounting (called shortcut method) is based on using the fair value option for all assets held under the mutual fund to be consolidated.

The shortcut method entails:

- recognizing the fund shares in assets at fair value on the basis of 100%.
- establishing a corresponding liability (financial liability) for the amount of the share not held by the group (non-controlling interests).

ANC Regulation No.2016-09 (ANC, the French Accounting standard setter) requires companies that prepare their consolidated financial statements in accordance with international standards to publish additional information relating to companies not included in their scope of consolidation as well as significant equity interests. This information is available on the group website, within the regulatory information section.

Note 48. Post-balance sheet events

In March 2023, confidence in the financial markets was weakened by the bankruptcy of several US banks (including Silicon Valley Bank SVB), the takeover of Crédit Suisse by UBS and the volatility of bank share prices.

The group's exposures to SVB and Crédit Suisse are not significant; in particular, the Group does not hold any direct exposure in the form of Additional Tier 1 (AT1) instruments.

To deal with these events, the Group constantly monitors the quality of its credit commitments, the valuation of its portfolios, the management of interest rate risk and its liquidity.

It has maintained its provisioning policy. It takes into account the macroeconomic context, which could lead to a deterioration in the quality of the loan portfolio and increase the level of coverage of expected credit losses, already significantly increased during the health crisis. The persistence of tensions on the financial markets could lead to a lower valuation of its portfolios of financial instruments (bonds, equities and derivatives).

6.2 Aggregate financial statements for the year ended 31 December 2022

The aggregate financial statements are prepared in accordance with French accounting standards.

These aggregate financial statements correspond to the banking institution named Crédit Mutuel Arkéa, which has the bank code 15589 and which includes Crédit Mutuel Arkéa and the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest networks of local banks.

6.2.1 Balance sheet

6.2.1.1 Balance sheet structure

At 31 December 2022, the total balance sheet assets of the aggregate financial statements increased by €8.1 billion to €118.2 billion, an increase of 7.3%.

On the asset side, the cash and central banks item was up by €8.0 billion, due in particular to the reinvestment of the issues carried out in 2022 and the cash replenishments of the subsidiaries. Bonds and other fixed income securities decreased by €1.3 billion. Receivables from credit institutions were down by €0.9 billion.

Transactions with customers increased by €2.1 billion, thanks in particular to the sustained production of home loans.

On the liabilities side, amounts due to banks increased by €2.8 billion under the effect of the increase in outstandings replenished by the subsidiaries following good commercial performances in terms of savings collections. Debt securities increased by €3.8 billion in line with the increase in outstanding refinancing.

Other liabilities increased by nearly €1 billion in line with the increase in the valuation of interest rate risk hedging transactions (due to interest rate increases).

Outstanding customer transactions were stable overall.

6.2.1.2 Equity

Equity amounts to €6.8 billion. It is made up of shareholders' equity (capital, reserves, etc.) and the Fund for General Banking Risks.

The share capital increased by €176 million to €2.7 billion. Almost all of this capital is made up of shares subscribed to by the local banks by the members. Reserves increased by €107 million to €3.1 billion.

The Fund for General Banking Risks amounted to €877 million. In addition to the amounts allocated to cover general risks, it includes the federal fund set up by the local bank networks, which is involved in the financial solidarity mechanisms.

Draft minutes of the Board of Directors meeting of 27 February 2023

Balance sheet

(In € thousands)

Assets	Notes	12.31.2022	12.31.2021
Cash, central banks	1	23,361,604	15,366,957
Treasury bills and similar securities	2	2,620,706	2,833,605
Due from credit institutions	3	31,567,501	32,477,873
Transactions with customers	4	43,863,343	41,727,237
Bonds and other fixed-income securities	5	8,896,805	10,245,849
Shares and other variable-income securities		241,666	198,917
Equity holdings and other securities held on a long-term basis	6	443,052	342,556
Shares in associates	6	5,384,047	5,337,077
Intangible assets	7	11,737	12,677
Property, plant and equipment	7	209,490	207,666
Other assets	8	725,314	823,532
Accruals	9	895,375	583,064
Total		118,220,640	110,157,010

(In € thousands)

Liabilities	Notes	12.31.2022	12.31.2021
Liabilities to credit institutions	10	55,374,223	52,583,575
Transactions with customers	11	35,624,492	35,663,621
Debt securities	12	15,240,832	11,444,772
Other liabilities	13	1,325,914	398,723
Accruals	14	1,289,820	964,499
Provisions	15	81,429	76,038
Subordinated debt	16	2,447,011	2,450,684
Fund for general banking risks (FRBG)		876,526	911,383
Shareholders' equity excluding FRBG	17	5,960,393	5,663,715
Subscribed capital		2,719,695	2,543,391
Additional paid-in capital		6,175	6,175
Reserves		3,060,936	2,953,468
Regulated provisions and investment subsidies		4,558	4,545
Retained earnings		12,153	13,411
Net income for the year		156,876	142,725
Total		118,220,640	110,157,010

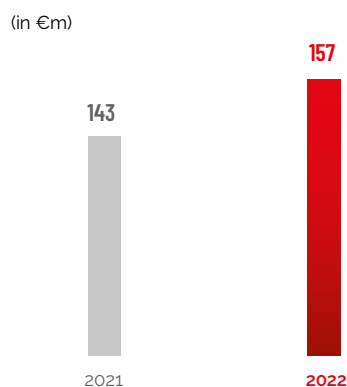
(In € thousands)

Off-balance sheet items	Notes	12.31.2022	12.31.2021
Commitments given	21	6,985,703	6,829,814
Financing commitments		4,330,044	4,311,889
Guarantee commitments		2,625,077	2,508,346
Securities commitments		30,582	9,579
Commitments received	21	13,973,652	16,897,467
Financing commitments		12,241,646	15,396,546
Guarantee commitments		1,547,689	1,323,933
Securities commitments		184,317	176,988
Financial futures	22	123,455,179	101,757,614

6.2.2 Income statement

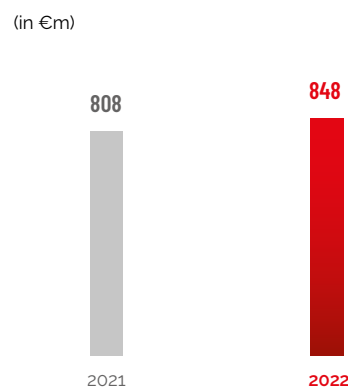
6.2.2.1 Net income

Net income in the aggregate financial statements reached €157 million, up €14 million compared to 2021.



6.2.2.3 Operating expenses

Operating expenses increased by €39 million to €848 million in 2022. This change is mainly due to the increase in taxes.



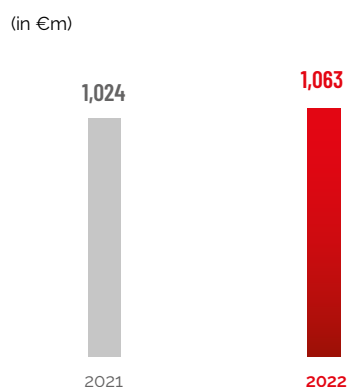
6.2.2.2 Net banking income

The net banking income in the aggregate financial statements amounted to €1,063 million, an increase of €39 million.

The financial margin was up by €26 million to €601 million, positively impacted by the increase in market rates and interest on TLTRO transactions.

Net fees increased by €4 million to €452 billion.

Other operating income and expenses were up by €10 million to €9 million due to the favourable impact of the increase in market rates on the home savings provision.

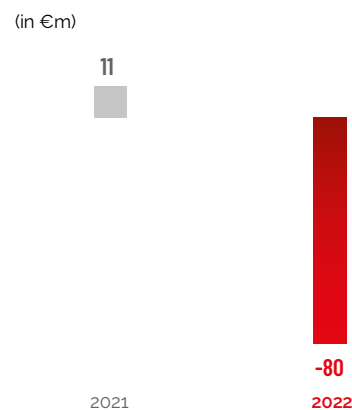


6.2.2.4 Cost of risk

The cost of risk amounted to €26 million, up by €24 million compared to 2021 due in particular to a 2021 base effect (reversal of a provision in 2021 on a significant issue).

6.2.2.5 Gains (losses) on non-current assets

Net losses on non-current assets changed from €91 million to reach €80 million in 2022, mainly due to the impairment of equity investments in 2022 as part of Crédit Mutuel Arkéa's strategic review of its portfolio of equity investments.



6.2.2.6 Non-recurring income/(loss)

Non-recurring losses amounted to €35 million and included a recognition adjustment on financial instruments.

Income statement

(In € thousands)	Notes	12.31.2022	12.31.2021
Interest and similar income	23	1,901,615	1,514,768
Interest and similar expense	23	(1,564,218)	(1,311,522)
Income on variable-income securities	24	358,086	315,316
Commissions income	25	529,536	515,968
Commissions expense	25	(77,040)	(67,170)
Net gains/(losses) on trading account securities	26	(9,160)	2,650
Net gains/(losses) on investment portfolio and similar securities	26	(85,604)	53,901
Other operating income from banking activities		23,646	14,115
Other operating expense from banking activities		(14,314)	(14,354)
Net banking income		1,062,547	1,023,672
General operating expenses	27	(835,726)	(795,729)
Depreciation, amortization and impairment of property, plant and equipment and intangible assets		(12,024)	(12,524)
Gross operating income		214,797	215,419
Cost of risk	28	(25,724)	(2,211)
Operating income		189,073	213,208
Gains/(losses) on non-current assets	29	(79,775)	10,743
Recurring income before tax		109,298	223,951
Non-recurring income/(loss)	30	(34,866)	653
Income tax	31	47,587	32,860
Allocation to/reversals from FRBG and regulated provisions		34,857	(114,739)
Net income		156,876	142,725

6.2.2.7 Supplier and customer deadlines

In application of the provisions of Article L.441-14 of the French Commercial Code, the breakdown of the balance of outstanding trade payables by due date at the closing date was as follows:

	Article D.441 I, 1': Invoices received not paid at the closing date of the financial year whose term has expired						Article D.441 I, 2': Invoices issued not paid at the closing date of the financial year whose term has expired					
	0 day (for information)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)	0 day (for information)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) Late payment tranches												
Number of invoices concerned						273						
Total amount of invoices concerned excl. VAT		579 985,20	31 590,11	25 913,78	96 414,46	733 903,55						
Percentage of the total amount of purchases including VAT for the financial year		0.43 %	0.02 %	0.02 %	0.07 %	0.55 %						
Percentage of turnover including VAT for the financial year												
(B) Invoices excluded from (A) relating to disputed or unrecorded payables and receivables												
Number of excluded invoices												
Total amount of invoices excluded												
(D) Reference payment periods (contractual or legal period – Article L.441-6 or Article L.443-1 of the French Commercial Code)												
Payment periods used for the late payment calculation	☒	Contractual deadlines:					£	Contractual deadlines:				
	£	Legal deadlines:					£	Legal deadlines:				

For receivables and payables relating to Crédit Mutuel Arkéa's customers, reference should be made to Note 19 on the breakdown of certain assets and liabilities, which provides information on their residual term.

6.2.2.8 Five-year financial summary and other key data of the Company

	2018	2019	2020	2021	2022
SHARE CAPITAL AT FINANCIAL YEAR-END					
(in € thousands)					
Share capital	2,260,952	2,347,978	2,372,990	2,543,391	2,719,695
Number of ordinary shares outstanding	2,259,941,584	2,346,975,060	2,372,737,903	2,543,139,003	2,719,443,175
Number of preferred shares outstanding (without voting rights)					
Maximum number of shares to be created:					
■ through exercise of convertible bonds					
■ through exercise of subscription rights					
OPERATIONS AND RESULTS FOR THE FINANCIAL YEAR					
(in € thousands)					
Turnover excl. VAT	2,164,192	2,232,950	2,209,282	2,360,168	2,849,458
Pre-tax income, before employee profit sharing, and additions to depreciation, amortisation and provisions	222,378	105,405	103,742	203,726	240,823
Income tax	34,811	(72,531)	(47,604)	(32,860)	(47,658)
Employee profit sharing due for the year	5,885	4,920	6,740	8,480	8,344
Income after tax, employee profit sharing, and allocations to depreciation, amortisation and provisions	117,494	93,622	125,604	142,725	156,876
Distributed earnings	39,505	38,723	36,512	36,501	60,249
EARNINGS PER SHARE (in €)					
Earnings after tax and employee profit-sharing but before allocations to depreciation, amortisation and provisions	0.08	0.04	0.04	0.09	0.10
Income after tax, employee profit sharing, and allocations to depreciation, amortisation and provisions	0.05	0.04	0.05	0.06	0.06
Dividend per share	0.02	0.02	0.02	0.01	0.02
EMPLOYEES					
Average number of employees during the year	6,128	6,456	6,331	6,478	6,707
Total payroll for the year	263,818	281,825	260,531	266,188	355,702
Employee benefits (social security, charities)	136,612	134,713	127,057	136,141	140,440

Notes

Aggregated Financial Statement 12.31.2022

Legal and financial framework and highlights of the year

Legal and financial framework

Pursuant to Regulation R.511-3 of the French Monetary and Financial Code, Crédit Mutuel Arkéa's publishable aggregate financial statements encompass:

- Fédération du Crédit Mutuel de Bretagne and the member Crédit Mutuel savings banks;
- Fédération du Crédit Mutuel du Sud-Ouest and the member Crédit Mutuel savings banks;
- Crédit Mutuel Arkéa.

These aggregate financial statements pertain to the banking institution called Crédit Mutuel Arkéa whose bank code is 15589.

In this document, the term "Crédit Mutuel Arkéa" corresponds to the scope of the aggregate financial statements defined above.

Highlights of the year

Buoyed by strong sales activity, net profit reached €157 million for the year ended 31 December 2022.

Net banking income was €1,063 million, reflecting controlled and diversified growth despite the effects of the interest rate environment in 2022.

At €848 million, operating expenses were up slightly due to measures taken to improve employees' purchasing power, further investments as part of the implementation of the Transitions 2024 medium-term plan, and an increase in contributions to the Single Resolution Fund.

Gross operating income remained stable at €215 million.

At €26 million, the cost of risk was up relative to 31 December 2021.

The sales of Leetchi, Mangopay and Budget Insight were finalised in July 2022, generating a capital gain of €31 million (see Note 29 "Gains (losses) on non-current assets").

Crédit Mutuel Arkéa also noted the value in use of its subsidiaries Izimmo, impacted by the change in the

real estate cycle, and of Nouvelle Vague, which will stop operations in 2023. Impairment of €104 million was therefore recorded (see Note 29 "Gains (losses) on non-current assets").

Net profit came to €157 million and included a non-recurring item of -€35 million linked to correction of an error in the procedures for recognising financial instruments (see Note 30 "Non-recurring items").

Accounting principles and valuation methods

Presentation of the financial statements

The financial statements are presented in accordance with Regulation 2014-07 of the French Accounting Standards Authority (ANC) on the financial statements of companies in the banking sector.

The financial statements are presented as an aggregation of the individual financial statements of all the entities that make up the consolidated financial statements.

This aggregation is restated for the elimination of intra-group transactions among these companies, on the balance sheet, income statement and off-balance sheet.

General principles and valuation methods

General principles

With the exception of note 4, the valuation and presentation methods used this year for the annual financial statements have not changed from the previous year.

General accounting conventions have been applied based on the principle of conservatism in accordance with the following basic assumptions:

- going concern;
- consistency of accounting methods from one year to the next;
- time-period concept.

and in accordance with the general rules regarding the preparation and presentation of annual financial statements.

The company financial statements are prepared in accordance with generally accepted accounting principles and the regulations applicable to credit institutions in France, as set out in ANC Regulation 2014-07 of 26 November 2014 which consolidates in a single regulation, on the basis of established law, all accounting standards applicable to credit institutions.

The basic method used to measure the accounting items is the historical cost method.

The main methods used are as follows:

Valuation options and methods

Receivables

Amounts due from credit institutions and customers are governed by ANC Regulation 2014-07 on the accounting treatment of credit risk at companies subject to the supervision of the French Banking and Financial Regulations Committee (CRBF). Accrued interest on receivables is recognized in the accrued interest account through profit or loss.

In accordance with ANC Regulation 2014-07, on Crédit Mutuel Arkéa's aggregate financial statements, commissions from credit granting and renegotiation are spread over the actual loan term in proportion to the principal balance. Commission income is presented as net interest income under net banking income on the income statement and included in outstanding loans on the balance sheet.

The amount of the receivable on the savings fund is not included in Loans and receivables due from credit institutions on the asset side: in accordance with Article 1121-3, it is presented as a deduction from the deposits collected by the institution for Livret A and LDDS passbook accounts and from the LEP account shown under Client transactions on the liabilities side.

In accordance with the rules stipulated in Articles L.211-36 et seq. of the French Monetary and Financial Code, repurchase transactions between institutions that are both creditors and debtors of the same counterparty are offset. The amount of repurchase offsets affects amounts due from credit institutions and amounts due to credit institutions.

A breakdown of this impact is provided in the Notes relating to amounts due from credit institutions and amounts due to credit institutions.

Classification

Loans are broken down into performing loans and non-performing loans.

Non-performing loans include loans for which a risk of full or partial non-recovery is probable and which meet one of the following two conditions:

- overdue by more than six months for real estate loans or by more than three months for other types of loans;
- counterparty whose financial situation has worsened or who is involved in litigation.

The classification of a loan as non-performing results, by contagion, in the same classification for all the loans of a given counterparty.

Loans for which acceleration of payment has been demanded are classified as irrecoverable non-performing loans.

The notion of "doubtful loans" covers non-performing loans and irrecoverable non-performing loans. The recognition of interest is suspended on the date of classification as irrecoverable non-performing loan.

Non-performing outstandings are classified as performing outstandings when the borrower has remained performing over the last 24 months and has no outstanding payments of more than 30 days on all its contracts at the end of the 24 months.

A restructured receivable is a receivable that has been granted for any type of exposure to a customer who is encountering or is about to encounter difficulties in honouring its financial commitments.

Redemption premiums are amortized on a straight-line basis over the term of the loans.

Portfolio credit risk quality

The customer loan portfolio credit risk quality is determined by an internal rating of customers that measures their ability to repay over the next 12 months. Updated daily to take account of potential risk events, it is expressed on a scale of 11 ratings, from the highest rating of A+ (lowest risk) to the lowest rating of F (highest risk). The internal ratings E- and F cover non-performing and disputed receivables, while the nine other ratings cover performing receivables.

Impairment

Non-performing loans are impaired, on a case-by-case basis, in order to cover the probable loss. This impairment is deducted from the receivables corresponding to the asset. The interest on non-performing loans recognized in income is fully impaired.

On the income statement, impairment provisions and reversals, losses on bad debt and recoveries of written-off loans are recognized under "Cost of risk", with the exception of impairment provisions and reversals related to interest on non-performing loans which are presented under net banking income.

In accordance with the Customer Credit Risk Management Policy, provisions are calculated statistically and then supplemented by provisions assessed by a specialist.

In accordance with ANC Regulation 2014-07, this impairment is recognized at present value in order to cover all projected losses on non-performing loans or irrecoverable non-performing loans. Projected losses are equal to the difference between the initial contractual flows still due and the discounted projected flows.

Discounting is carried out at the initial effective interest rate of the loan for fixed-rate loans and at the last effective interest rate set according to the contractual terms and conditions for variable-rate loans.

In practice, projected flows are discounted only if the impact of discounting is material compared to their amounts estimated conservatively. As a result, only impairment on disputed receivables is discounted. In the income statement, provisions related to discounting are recognized under cost of risk and reversals related to the effects of accretion are recorded under net banking income. Provisions set up to cover individualized off-balance sheet risks are listed under liabilities.

The projected loss is calculated by applying statistical provisioning rate tables, which take into account the age of the receivable in default and the value of the guarantee.

In accordance with the Customer Credit Risk Management System, write-offs are generally carried out after all recovery options have been exhausted and, at the decision of the body that has been vested with the necessary powers, the receivable deemed definitively lost is cleared via an "irrecoverable receivables" account.

Guarantees

Guarantees are valued at the best frequency, depending on the type of guarantees included in the portfolio.

Securities portfolio

Securities portfolio transactions are recognized in accordance with the provisions of ANC Regulation 2014-07.

Trading securities

Trading securities are securities that are originally:

- either acquired or sold with the intention of reselling or repurchasing them in the near term;

■ or held by an institution as a result of its activity as a market maker, and this classification as trading securities is subject to the securities being actually traded in a significant transaction volume based on market opportunities and subject to the following conditions: the securities must be traded on an active market and the accessible market prices must represent actual and regularly occurring market transactions on an arm's length basis.

Trading securities are recognized on the balance sheet as of their acquisition date and at their acquisition price excluding expenses and, where applicable, including accrued interest. At each closing, these securities are valued at the most recent market price. Net differences resulting from price changes are recorded on the income statement.

Available-for-sale securities

Securities that are not recorded as trading securities, as investment securities or as the securities referred to in section 5 of title 3 of book II of ANC Regulation 2014-07 are considered available-for-sale securities.

Available-for-sale securities are recognized on the balance sheet as of their acquisition date and at their acquisition price excluding expenses and, where applicable, including accrued interest. At each closing, these securities are valued at the most recent market price.

The positive difference between the acquisition price and the redemption price of fixed-income securities is amortized over the residual maturity of the securities using the actuarial method, with the exception of securitizations and structured bonds, for which the straight-line method is used.

At each closing, impairment is recorded, on a security-by-security basis, for the unrealized capital losses resulting from the difference between the carrying amount and the market price of securities not subject to a hedging strategy. Unrealized capital gains are not recorded.

Investment securities

Fixed-income securities with a fixed maturity that were acquired or reclassified from the "available-for-sale securities" category or the "trading securities" category with the clear intention of holding them to maturity are considered investment securities.

The institution must have the necessary financing capacity to hold them to maturity while not being subject to any legal or other requirement that could compromise its intention of holding them to maturity.

Investment securities are recognized as of their acquisition date and at their acquisition price excluding expenses. Accrued interest recorded at the time of acquisition of the securities, where applicable, is recognized in similar accounts.

The rule for amortizing the difference between the acquisition price and the redemption price is the same rule used for available-for-sale securities. No provision is recorded for the unrealized capital losses resulting from the difference between the carrying amount and the market price.

Only the risk of default of the issuer of the securities can result in the recognition of impairment. This impairment is recorded in the income statement under "cost of risk". Unrealized capital gains are not recorded.

Equity investments and shares in associates

Equity investments and shares in associates include shares and similar securities. The long-term ownership of which is deemed to be beneficial to the company's development and which allow holders to control the issuing company or exercise significant influence over. This influence is deemed to exist when the percentage of control is greater than or equal to 10%.

Equity investments and shares in associates are recognized as of their acquisition date and at their acquisition price excluding expenses. They are then measured based on their value-in-use and appear on the balance sheet at the lower of their acquisition price and this value-in-use.

The value in use for each security is estimated using valuation methods based either on market approaches (multiples, sector benchmarks, etc.), income approaches (discounting of future cash flows, DCF – discounted cash flows, DDM – dividend discount model, etc.) or cost approaches (adjusted net assets), thereby enabling an assessment of profit expectations. For securities listed on an active market, the value in use is considered equal to the average market price observed over the last month.

A provision for impairment is recorded for unrealized capital losses resulting from the difference between the carrying amount and the value-in-use, on a security-by-security basis, without offsetting with unrealized capital gains. Unrealized capital gains are not recorded.

Securities sold under repurchase agreements

Securities sold under repurchase agreements are recorded as assets on the balance sheet and treated according to the rules applicable to the portfolio to which they belong. The assignee's debt is recorded as a liability.

Other long-term investments

"Other long-term investments" are shares or similar securities that are held with the intention of supporting the development of long-term business relations by creating special ties with the issuing company but without influencing its management given the low number of voting rights associated with these securities. Other long-term investments are recognized as of their acquisition date and at their acquisition price excluding expenses. They are then measured based on their value-in-use and appear on the balance sheet at the lower of their acquisition price and this value-in-use.

A provision for impairment is recorded for unrealized capital losses resulting from the difference between the carrying amount and the value-in-use, on a security-by-security basis, without offsetting with unrealized capital gains. Unrealized capital gains are not recorded.

Scope of judgments and estimations

The fair values of equity securities in the portfolio are determined mainly by applying the recommendations of the IPEV Board (International Private Equity and Venture Capital Valuation):

- fair value is to be established on the basis of information that was known and knowable at the measurement date;
- government measures (including cash measures) are to be taken into account where they are assured;
- when carrying out the assessment, consideration must be given to the weighting afforded to recent transactions;

- fair value is the price that would be received in an orderly transaction between market participants in the current environment.

Financial futures transactions

These transactions are recognized in accordance with the provisions of ANC Regulation 2014-07.

Commitments on financial futures transactions are recorded on a line of the off-balance sheet at their nominal value. This amount is merely an indication of the volume of outstanding transactions at closing and does not reflect the market risk related to these instruments. The fair value of the financial instruments is determined by reference to a market value or by applying generally accepted valuation models.

Interest rate instruments

Organized markets

Futures contracts are valued at each closing at their market value. For hedging transactions, realized gains and losses are recognized in the income statement symmetrically with the recording of income and expenses related to the hedged item. For isolated positions, gains and losses related to the revaluation are recognized directly in the income statement.

Over-the-counter markets

Interest rate swaps and forward rate agreements (FRA) result in the calculation of interest on a prorata basis over their reference term. The income and expenses related to the same contract are recorded at their net amount.

For option contracts (cap, floor, collar), premiums and accrued interest are recognized through profit or loss on a prorata basis.

For speculative swaps, a provision is recorded in case of an unrealized capital loss.

For hedging swaps, a provision is recorded for the hedged security resulting in a capital loss (which is not fully offset by the unrealized capital gain on the swap).

Exchange rate instruments

The valuation difference on foreign exchange swaps is recognized through profit or loss on each reporting date.

For currency options, unrealized capital gains or losses are recognized through profit or loss. At maturity, if an option is exercised, this results in a currency purchase or sale.

Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are shown at their historical cost less accumulated depreciation and amortization. Straight-line amortization and depreciation is used.

In accordance with ANC Regulation 2014-03 on the rules regarding asset amortization, depreciation and impairment, the main components of buildings are kept separate in accounting and depreciated over their respective useful lives. The following components and depreciation periods have been used:

Component	Depreciation period
Land	not depreciable
Building shell	Corporate buildings and investment properties: 50 years Branches: 25 years
Roof and siding	25 years
Technical work packages	20 years
Fixtures	3 to 10 years
Movable goods	10 years
Electronic equipment	3 to 5 years
Created or acquired software	2 to 5 years
Portfolio of acquired customer contracts	6 to 13 years

Pursuant to Regulation 2014-03 of the French Accounting Standards Authority on asset definition, recognition and valuation, the acquisition costs of property, plant and equipment and intangible assets are included in the initial value of these assets recorded on the balance sheet.

Software intended for internal use is recognized in fixed assets if it is highly probable that the project will be a technical success and the entity expresses its desire to produce the software (General Chart of Accounts Art. 611-3).

Software created by the entity intended for commercial use and software intended for the entity's own purposes is recognized in fixed assets at production cost. Production cost includes only costs related to the detailed design of the application (organic analysis), programming, testing and test cases and drafting of technical documentation for internal or external use (General Chart of Accounts Art. 611-4).

When indications of impairment exist, an impairment test is carried out to compare the carrying amount of the asset and its current value. In case of an impairment loss, impairment is recorded on the income statement under "Depreciation, amortization and impairment of property, plant and equipment and intangible assets". In particular, the loss resulting from a merger or similar transaction is impaired when the current value of an underlying asset to which a share of the loss was allocated falls below the carrying amount of such asset, increased by the share of the allocated loss.

Pursuant to ANC Regulation 2015-06 transposing the 2013 European directive, the technical loss is recorded on the balance sheet by asset category based on its allocation to the unrealized capital gains on the underlying assets contributed (General Chart of Accounts Art. 745-5 and 745-6).

Goodwill

The residual technical loss after allocation to the various underlying assets is recorded at its net amount in goodwill.

Goodwill consists of the components of a business that are not identifiable and were not valued separately on the balance sheet. It contributes to maintaining and developing the business's potential: goodwill that is deemed to have an indefinite life is not amortized but is tested annually for impairment in accordance with ANC Regulation 2015-06 of 23 November 2015. In the event that this results in a lower amount than shown on the asset side of the balance sheet, impairment is recorded.

Provisions

Provisions are set up to cover clearly identified and measurable risks or expenses. Provisions not related to banking transactions are recorded in accordance with ANC Regulation 2014-03 and are subject to the existence of an obligation vis-à-vis third parties without future consideration.

Provisions for home savings accounts and plans

ANC Regulation 2014-07 is applied for the recognition of home savings accounts and plans. The purpose of the home savings provision is to cover the risks related to:

- the commitment to extend home loans to account holders and subscribers of home savings plans at a regulated interest rate that may be lower than the prevailing market rate;
- the obligation to pay interest for an indeterminate period of time on the savings in home savings plans at a rate set when the contract is signed (this rate can be higher than future market rates).

This provision is computed by generation of home savings plans (plans at the same rate at opening are considered a generation) and for all home savings accounts (which are a single generation), without offsetting between the commitments related to different generations. The commitments are computed based on a model that factors in:

- historical data on subscriber behavior;
- the yield curve and a stochastic modeling of changes thereto.

Provisions for pension obligations

For its aggregate financial statements, Crédit Mutuel Arkéa applies ANC Recommendation 2013-02 of 7 November 2013, amended on 5 November 2021, on the rules for recognition and valuation of pension obligations and similar benefits.

Pension plans include defined contribution plans and defined benefit plans. Defined contribution plans do not entail a commitment on the part of the company regarding the level of benefits provided. The contributions paid represent an expense for the year which is recognized under "Personnel expenses". Defined benefit plans are those for which the company has agreed to provide a benefit amount or level. This commitment constitutes a medium or long-term risk. Pension commitments outside the scope of defined contribution plans are fully provisioned in the balance sheet under "Provisions". Retirement bonuses and long service awards are also recorded under this item.

Fund for general banking risks

Established by Regulation 90-02 of the French Banking and Financial Regulations Committee, this fund is set up at the discretion of management to cover risks that may or may not materialize and are part of the banking activity.

Additions and deductions are recorded on the income statement under "Additions to, deductions from funds for general banking risks".

Translation of financial statements in foreign currencies

In accordance with the provisions of ANC Regulation 2014-07, assets, liabilities and spot exchange off-balance sheet commitments denominated in foreign currencies are measured at the year-end market price, with the exception of items denominated in foreign currencies participating in the European single currency scheme, for which the official conversion rate has been used. The same rule applies to forward exchange commitments. Income and expenses in foreign currencies are recorded at the exchange rate in effect on the last day of the month of their receipt or payment, and expenses and income accrued but not yet paid on the balance sheet date are converted at the exchange rate on that date.

Information regarding balance sheet, off-balance sheet and income statement items

Note 1. Cash, due from central banks

(In € thousands)	12.31.2022	12.31.2021
Cash	141,883	134,295
Due from central banks	23,219,721	15,232,662
Total	23,361,604	15,366,957

Note 2. Treasury bills and similar securities

(In € thousands)	12.31.2022			12.31.2021		
	Available-for-sale	Investment	Total	Available-for-sale	Investment	Total
Securities held (gross value)	2,244,720	391,772	2,636,492	2,457,314	374,939	2,832,253
Related receivables	3,010	1,208	4,218	2,263	1,200	3,463
Gross total	2,247,730	392,980	2,640,710	2,459,577	376,139	2,835,716
Impairment	(20,004)		(20,004)	(2,111)		(2,111)
Net total	2,227,726	392,980	2,620,706	2,457,466	376,139	2,833,605
Unrealized capital gains and losses*	(129,827)	(17,911)	(147,738)	43,054	23,815	66,869
Difference between acquisition price and redemption price	25,736	1,617	27,353	31,306	15,216	46,522

* These amounts do not take into account unrealized gains or losses on financial instruments used to hedge securities.

In 2022, no transfers were made between the different categories of securities and no investment securities were sold before maturity.

Note 3. Due from credit institutions

(In € thousands)	12.31.2022			31.12.2021		
	Sight accounts	Term accounts	Total	Sight accounts	Term accounts	Total
Current accounts	241,017		241,017	231,227		231,227
Loans, securities received under repurchase agreements*		31,140,608	31,140,608		32,168,982	32,168,982
Related receivables	366	185,510	185,876	10,705	66,959	77,664
Total	241,383	31,326,118	31,567,501	241,932	32,235,941	32,477,873

* At 31 December 2022, the amount of offset repurchase agreements was €943,527 thousand compared with €308,700 thousand at 31 December 2021.

The centralized savings presented in receivables due from credit institutions correspond to the amount to be paid to the Caisse des Dépôts et Consignation in respect of the final call of the month, i.e. €2,212 thousand at 12.31.2022.

Subordinated assets

(In € thousands)	12.31.2022	12.31.2021
Due from credit institutions	442,148	439,843

Note 4. Transactions with customers – Assets

(In € thousands)	12.31.2022				12.31.2021			
	Gross outs standings	Of which Non- performing Loans ⁽¹⁾	Impairment ⁽²⁾	Total	Gross outs standings	Of which Non- performing Loans	Impairment	Total
Commercial loans	3,773	335	(204)	3,569	2,868	251	(137)	2,731
Outstandings	3,773	335	(204)	3,569	2,868	251	(137)	2,731
Accrued interest	-	-	-	-	-	-	-	-
Loans and credits	43,672,942	597,158	(324,618)	43,348,324	41,588,768	595,328	(348,245)	41,240,523
Outstandings	43,515,318	491,371	(218,831)	43,296,487	41,431,072	485,555	(238,472)	41,192,600
Accrued interest	157,624	105,787	(105,787)	51,837	157,696	109,773	(109,773)	47,922
Current accounts	543,846	49,881	(32,396)	511,450	519,690	54,062	(35,707)	483,983
Outstandings	536,642	49,881	(32,396)	504,246	513,055	54,062	(35,707)	477,348
Accrued interest	7,204	-	-	7,204	6,635	-	-	6,635
Total	44,220,561	647,374	(357,218)	43,863,343	42,111,326	649,641	(384,089)	41,727,237

(1) Of which impairment on irrecoverable non-performing loans: €290,630 thousand at 12.31.2022 and €303,509 thousand at 12.31.2021.

(2) Of which irrecoverable non-performing loans: €427,392 thousand at 12.31.2022 and €427,895 thousand at 12.31.2021.

Banque de France-eligible receivables on behalf of the Crédit Mutuel Arkéa totaled €3,802,069 thousand at 12.31.2022.

Impairment and provisions for credit risk recorded for transactions with customers

(In € thousands)	12.31.2021	Allocations	Reversals	Other chg.	12.31.2022
Impairment deducted from assets	384,089	73,758	(100,629)	-	357,218
of which irrecoverable non-performing loans	303,509	44,177	(64,006)	6,950	290,630
of which non-performing loans	80,580	29,581	(36,623)	(6,950)	66,588
Provisions recorded under liabilities	10,721	5,207	(3,839)	-	12,089
in respect of signature commitments	7,061	3,596	(2,526)	-	8,131
in respect of customer receivables	3,660	1,611	(1,313)	-	3,958
Total	394,810	78,965	(104,468)	-	369,307

Non-performing receivables and accrued interest by counterparty

(In € thousands)	12.31.2022			12.31.2021		
	Gross outstan dings	Impaired assets (S3)	Impairment	Gross outstan dings	Impaired assets (S3)	Impairment
Central banks	-	-	-	-	-	-
Public administrations	958,303	-	-	791,147	-	-
Credit institutions	-	-	-	-	-	-
Other financial entities	825,337	2,733	(1,349)	2,101,303	2,480	(1,535)
Non-financial entities	9,367,942	416,674	(231,526)	8,816,832	405,793	(242,965)
Households	33,068,979	227,967	(124,343)	30,402,044	241,368	(139,589)
Total	44,220,561	647,374	(357,218)	42,111,326	649,641	(384,089)

Change in impairment provisions

(In € thousands)	12.31.2021	Allocations	Reversals available	Reversals used	Other	12.31.2022
Impairment	384,089	73,759	(62,730)	(37,900)	-	357,218
Total	384,089	73,759	(62,730)	(37,900)	-	357,218

Note 5. Bonds and other fixed-income securities

(In € thousands)	12.31.2022				12.31.2021			
	Trading	Available -for-sale	Invest.	Total	Trading	Available -for-sale	Invest.	Total
Securities held (gross value)	-	8,717,886	193,300	8,911,186	-	10,018,098	193,743	10,211,841
Related receivables	-	27,797	83	27,880	-	37,907	83	37,990
Gross total	-	8,745,683	193,383	8,939,066	-	10,056,005	193,826	10,249,831
Impairment	-	(42,261)	-	(42,261)	-	(3,982)	-	(3,982)
Net total	-	8,703,422	193,383	8,896,805	-	10,052,023	193,826	10,245,849
Unrealized capital gains and losses*	-	(212,359)	(28,728)	(241,087)	-	22,683	(1,813)	20,870
Difference between acquisition price and redemption price	-	(37,886)	(1,432)	(39,318)	-	70,601	989	71,590

* These amounts do not take into account the unrealized results relating to the financial instruments used to hedge the securities.

In 2022, no transfers were made between the different categories of securities.

Bonds and other fixed-income securities by type of listing

(In € thousands)	12.31.2022
Bonds and other listed fixed-income securities	5,347,824
Bonds and other unlisted fixed-income securities	3,548,981
Total	8,896,805

Bonds and other fixed-income securities by issuer

(In € thousands)	12.31.2022
Bonds and other fixed-income securities issued by public bodies	-
Bonds and other fixed-income securities issued by other issuers	8,896,805
Total	8,896,805

Note 6. Equity holdings, other long-term investments and shares in associates

(In € thousands)	12.31.2021	Increase	Decrease	Others	12.31.2022
Equity holdings					
Gross value	264,214	109,790	(14,808)		359,196
Impairment	(10,938)	(599)	623		(10,914)
Net value	253,276	109,191	(14,185)		348,282
Other long-term investments					
Gross value	89,939	9,033	(3,565)		95,407
Impairment	(659)	(132)	154		(637)
Net value	89,280	8,901	(3,411)		94,770
Associates					
Gross value	5,059,338	248,038	(95,144)		5,212,232
Allocated loss	312,390				312,390
Impairment	(34,651)	(105,924)			(140,575)
Net value	5,337,077	142,114	(95,144)		5,384,047

Equity holdings and shares in associates held at credit institutions amounted to €2,020,983 thousand.

As a result of the application of Regulation 2015-06, the loss was allocated to the securities related to associates. It was neither impaired nor amortized at 12.31.2022.

List of subsidiaries and equity holdings:

(In € thousands)			
Company name and address	Share of capital held	Shareholders' equity	Last year profit/loss
Detailed information on each security whose gross value exceeds 1% of capital			
1. Subsidiaries (companies more than 50% held)			
Arkéa Banking Services ⁽¹⁾			
Place de la Pyramide - Tour Ariane La défense - 92800 Puteaux	100.00%	58,233	16,419
Arkéa Banque Entreprises et Institutionnels ⁽¹⁾			
1, rue Louis Lichou - 29480 Le Relecq-Kerhuon/Brest	100.00%	1,547,108	128,042
Arkéa Bourse Retail ⁽¹⁾			
1, rue Louis Lichou - 29480 Le Relecq-Kerhuon/Brest	99.99%	415,351	21,913
Arkéa Capital Investissement ⁽¹⁾			
1, rue Louis Lichou - 29480 Le Relecq-Kerhuon/Brest	99.99%	345,002	57,336
Arkéa Capital Managers Holding SLP ⁽¹⁾			
1 rue Louis Lichou 29480 Le Relecq-Kerhuon	100.00%	90,928	(3,225)
Arkéa Capital Partenaire SLP ⁽¹⁾			
1, rue Louis Lichou - 29480 Le Relecq Kerhuon/Brest	100.00%	192,570	(632)
Arkéa Crédit Bail ⁽¹⁾			
3, Avenue d'Alphasis - 35760 Saint Gregoire	100.00%	31,077	7,340
Arkéa Foncière ⁽¹⁾			
1, rue Louis Lichou - 29480 Le Relecq Kerhuon/Brest	98.08%	125,985	7,902
Arkéa Home Loans SFH ⁽¹⁾			
232, rue Général Paulet - 29802 Brest CEDEX	100.00%	75,469	994
Arkéa Public Sector SCF ⁽¹⁾			
1, rue Louis Lichou - 29480 Le Relecq-Kerhuon/Brest	100.00%	101,189	633
Credit Foncier et Communal d'Alsace et de Lorraine Banque ⁽¹⁾			
1, rue Dôme BP 102 - 67000 Strasbourg	100.00%	324,204	25,239
Federal Equipements ⁽¹⁾			
1, rue Louis Lichou - 29480 Le Relecq Kerhuon/Brest	100.00%	132,917	34
Financo ⁽¹⁾			
335, rue Antoine de Saint - Exupéry - 29490 Guipavas	100.00%	151,726	10,773
Izimmo ⁽¹⁾			
3, rue Edouard Belin 29200 Brest	100.00%	11,079	238
Monext ⁽¹⁾			
Tour Ariane 5, Place de la Pyramide 92088 Paris La Défense - CEDEX	100.00%	93,336	17,493
Nouvelle Vague ⁽¹⁾			
1, rue Louis Lichou - 29480 Le Relecq Kerhuon/Brest	100.00%	2,243	(26,565)
Pumpkin ⁽¹⁾			
26 Rue des ponts de Comines 59800 Lille	100.00%	(27,936)	(17,654)
Société Civile Immobilière Interfédérale ⁽¹⁾⁽²⁾			
1, rue Louis Lichou - 29480 Le Relecq Kerhuon/Brest	100.00%	183,968	4,235
Suravenir ⁽¹⁾			
232, rue Général Paulet - 29802 Brest CEDEX	100.00%	2,274,045	202,405
Suravenir Assurances ⁽¹⁾			
2, rue Vasco de Gama - 44800 ST Herblain	100.00%	171,153	4,691
2. Equity Holdings and Associates (10% TO 50% HELD)			
Caisse Centrale du Crédit Mutuel ⁽¹⁾			
46, rue du bastion - 75017 Paris	20.15%	847,293	30,560
Younited ⁽³⁾			
21 rue de Châteaudun - 75009 Paris	17.02%	159,769	(26,273)

(1) Company information not formally adopted or audited at 31 December 2022.

(2) The securities of SCI Interfédérale are classified as property, plant and equipment.

(3) Data at 12/31/2021.

Transactions with associates and equity holdings:

(In € thousands)	Equity holdings and associates		Subsidiaries	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Detailed information on each security whose gross value exceeds 1% of capital				
Assets				
Capital held	116,679	73,066	3,597,040	3,422,804
Other uses				
Receivables	1,436,156	4,747,670	25,430,252	25,095,442
Bonds and other fixed-income securities			3,991,747	4,002,868
Total uses	1,552,835	4,820,736	33,019,038	32,521,114
Liabilities				
Debt			30,753,335	29,785,070
Debt securities				11,283
Total sources			30,753,335	29,796,353
Commitments given				
Financing commitments			450,393	621,072
Guarantee commitments			605,198	610,383
Total commitments given			1,055,591	1,231,456
Commitments received				
Financing commitments				
Guarantee commitments			718,716	585,791
Total commitments received			718,716	585,791

At 12.31.2022, there were no significant transactions not carried out on an arm's length basis between related parties.

Investments in subsidiaries and other long-term investments by type of listing

(In € thousands)	12.31.2022
Investments in subsidiaries and other listed long-term investments	107,246
Investments in subsidiaries and other unlisted long-term investments	5,719,853
Total	5,827,099

Note 7. Property, plant and equipment and intangible assets

(In € thousands)	12.31.2021	Increase	Decrease	Other changes	12.31.2022
Intangible assets					
Gross amount	37,349	188	(218)	-	37,319
Depreciation	(24,672)	(910)	-	-	(25,582)
Net amount	12,677	(722)	(218)	-	11,737
Property, plant and equipment					
Gross amount	491,381	26,220	(18,729)	-	498,872
Depreciation	(283,434)	(11,362)	5,446	-	(289,350)
Impairment	(281)	281	(32)	-	(32)
Net amount	207,666	15,139	(13,315)	-	209,490

The company owns land valued at €1,816 thousand.

Pursuant to ANC Regulation 2015-06 transposing the 2013 European directive, the technical loss is recorded on the balance sheet by asset category based on its allocation to the unrealized capital gains on the underlying assets contributed (General Chart of Accounts Art. 745-5 and 745-6).

Note 8. Other assets

(In € thousands)	12.31.2022	12.31.2021
Government	127,968	92,741
Home savings premium	22,088	22,904
Deferred tax assets	38,464	38,693
Securities transactions	-	-
Premiums paid on conditional instruments purchased	6,341	13,630
Guarantee deposits paid	449,899	572,104
Other misc. debtors	80,554	83,460
Total	725,314	823,532

Note 9. Accruals – Assets

(In € thousands)	12.31.2022	12.31.2021
Uncleared transactions	380,344	131,101
Adjustment accounts	12,945	13,924
Share premiums negotiable debt securities and bond issues	82,392	46,864
Pre-paid expenses	36,021	54,149
Accrued income	368,355	321,696
Miscellaneous accrual accounts	15,320	15,330
Misc.	-	-
Total	895,377	583,064

Note 10. Liabilities to credit institutions

(In € thousands)	12.31.2022			12.31.2021		
	Sight accounts	Term accounts	Total	Sight accounts	Term accounts	Total
Current accounts	10,672,995	0	10,672,995	13,599,067	0	13,599,067
Loans and securities sold under repurchase agreements	0	43,666,674	43,666,674	0	37,398,898	37,398,898
Securities sold under repurchase agreements*	0	1,072,895	1,072,895	0	1,579,443	1,579,443
Related payables	38,716	(77,057)	(38,341)	3,238	2,929	6,167
Total	10,711,711	44,662,512	55,374,223	13,602,305	38,981,270	52,583,575

* At 31 December 2022, the amount of offset repurchase agreements was €943,527 thousand compared with €308,700 thousand at 31 December 2021.

Note 11. Transactions with customers – Liabilities

(In € thousands)	12.31.2022			12.31.2021		
	Sight accounts	Term accounts	Total	Sight accounts	Term accounts	Total
Savings accounts governed by special regulations	18,520,845	5,660,098	24,180,943	16,642,893	5,683,317	22,326,210
Accrued interest on savings accounts	196,356	111,723	308,079	64,707	106,235	170,942
Current accounts	15,150,532	0	15,150,532	15,244,412	0	15,244,412
Term accounts and loans	415,000	2,542,976	2,957,976	857,000	3,391,156	4,248,156
Securities sold under repurchase agreements	0	0	0	0	0	0
CDC centralization*	(6,994,236)	0	(6,994,236)	(6,335,454)	0	(6,335,454)
Accrued interest	8,810	12,388	21,198	5,363	3,992	9,355
Total	27,297,307	8,327,185	35,624,492	26,478,921	9,184,700	35,663,621

* Following the amendment of ANC Regulation 2014-07, the amount centralized at the Caisse des Dépôts et Consignation was disclosed as a deduction from customer savings deposits.

Note 12. Debt securities

(In € thousands)	12.31.2022			31.12.2021		
	Principal	Accrued interest	Total	Principal	Accrued interest	Total
Certificates of deposit	12,317	68	12,385	13,871	178	14,049
Interbank market securities and negotiable debt securities	5,073,784	16,952	5,090,736	3,538,036	4,173	3,542,209
Bond issues	10,076,256	61,455	10,137,711	7,838,943	49,571	7,888,514
Total	15,162,357	78,475	15,240,832	11,390,850	53,922	11,444,772

Bond issues

Issue date	Amount (In € thousands)	Type	Term in years	Interest rate
08.12.2011	22,000	International bonds	18	E3M +1.55%
31.10.2011	40,000	International bonds	20	E3M
26.01.2015	500,000	International bonds	8	1.000%
31.05.2017	500,000	International bonds	7	1.250%
03.08.2018	19,000	International bonds	12	1.850%
09.06.2018	5,000	International bonds	20	2.850%
21.09.2018	5,000	International bonds	20	2.060%
10.02.2018	5,000	International bonds	23	3.000%
10.05.2018	500,000	International bonds	5	0.880%
28.12.2018	12,000	International bonds	15	1.860%
17.01.2019	500,000	International bonds	6	1.380%
25.03.2019	10,000	International bonds	20	2.640%
27.03.2019	10,000	International bonds	15	1.910%
15.04.2019	500,000	International bonds	7	1.630%
23.05.2019	500,000	International bonds	10	1.130%
20.09.2019	41,425	International bonds	10	Indexed rate
24.09.2019	10,000	International bonds	20	1.170%
10.03.2019	500,000	International bonds	9	0.380%
14.10.2019	25,000	International bonds	17	0.730%
22.01.2020	12,342	International bonds	10	Indexed rate
03.11.2020	2,182	International bonds	10	Indexed rate
03.11.2020	19,910	International bonds	10	3.500%
18.03.2020	10,000	International bonds	5	0.250%
05.07.2020	750,000	International bonds	7	0.875%
05.11.2020	13,651	International bonds	10	Indexed rate
14.05.2020	10,000	International bonds	15	1.560%
06.08.2020	75,000	International bonds	3	0.400%
06.11.2020	750,000	International bonds	9	0.000%
07.08.2020	20,000	International bonds	5	0.220%
15.09.2020	20,491	International bonds	10	Indexed rate
15.09.2020	148,984	International bonds	10	4.000%
28.10.2020	500,000	International bonds	5	Indexed rate
11.09.2020	7,852	International bonds	10	Indexed rate
01.11.2021	13,977	International bonds	10	Indexed rate
01.11.2021	34,211	International bonds	10	Indexed rate
03.11.2021	500,000	International bonds	12	0.880%
05.03.2021	38,728	International bonds	8	Indexed rate

Issue date	Amount (In € thousands)	Type	Term in years	Interest rate
05.03.2021	20,587	International bonds	10	Indexed rate
14.09.2021	32,407	International bonds	10	Indexed rate
14.09.2021	39,043	International bonds	10	Indexed rate
14.09.2021	149,262	International bonds	10	Indexed rate
25.10.2021	500,000	International bonds	10	0.880%
11.08.2021	10,868	International bonds	10	Indexed rate
11.08.2021	32,987	International bonds	10	Indexed rate
01.10.2022	37,071	International bonds	10	Indexed rate
01.10.2022	11,221	International bonds	10	Indexed rate
18.01.2022	500,000	International bonds	8	0.750%
03.07.2022	8,126	International bonds	4	Indexed rate
03.07.2022	6,955	International bonds	12	Indexed rate
14.03.2022	36,417	International bonds	10	Indexed rate
14.03.2022	5,459	International bonds	10	Indexed rate
05.03.2022	108,557	International bonds	10	Indexed rate
05.03.2022	27,838	International bonds	10	Indexed rate
05.03.2022	17,719	International bonds	10	Indexed rate
24.05.2022	6,264	International bonds	10	Indexed rate
23.06.2022	50,000	International bonds	12	CMS 20Y +0.620%
28.07.2022	90,000	International bonds	7	0.750%
08.03.2022	100,000	International bonds	7	0.750%
09.12.2022	39,574	International bonds	10	Indexed rate
09.12.2022	29,950	International bonds	10	Indexed rate
19.09.2022	1,000,000	International bonds	5	3.375%
23.09.2022	10,000	International bonds	7	E3M+1.780%
21.11.2022	14,098	International bonds	10	Indexed rate
12.01.2022	500,000	International bonds	10	4.250%
12.12.2022	60,000	International bonds	2	1.375%
19.12.2022	100	International bonds	10	Indexed rate
10,076,256				

Note 13. Other liabilities

(In € thousands)	12.31.2022	12.31.2021
Premiums received on conditional instruments sold	6,341	8,043
Guarantee deposits received on financial instruments	1,045,315	153,406
Government	96,378	70,812
Deferred tax liabilities	-	-
Compensation due to personnel	80,670	80,407
Payroll taxes	47,822	45,801
Outstanding payments on securities	60,454	62,177
Misc.	(11,066)	(21,923)
Total	1,325,914	398,723

Note 14. Accruals – Liabilities

(In € thousands)	12.31.2022	12.31.2021
Blocked accounts for collection operations	466,391	362,731
Deferred income	461,687	320,074
Accrued expenses	312,897	243,259
Adjustment accounts	15,850	4,470
Miscellaneous accrual accounts	32,996	33,965
Total	1,289,820	964,499

Note 15. Provisions

(In € thousands)	12.31.2021	Allocations	Reversals (used)	Reversals (unused)	Other changes	12.31.2022
Provisions for signature commitment risks	7,062	3,595	-	(2,526)	-	8,131
Provisions for pension obligations	-	-	-	-	-	-
Provisions for personnel expenses	746	133	(57)	(275)	-	547
Provisions for lawsuits	2,200	128	(33)	-	-	2,295
Provisions for home savings accounts and plans	53,432	-	-	(21,094)	-	32,338
Other provisions	12,598	20,675	-	(7,734)	12,579	38,118
Total	76,038	24,531	(90)	(31,629)	12,579	81,429
Net change		5,391				

The provision for pension obligations is calculated using the projected unit credit method and takes into account demographic, employee turnover rate, salary increase, discount rate and inflation assumptions. In particular, the calculations include a discount rate of between 3.58% and 3.78%. This rate is determined by reference to the iBoxx corporate AA 10+ euro zone index for private bonds. The calculations also include an employee turnover rate of between 0.19% and 4.82% and a gross salary increase rate, excluding inflation, of between 3.18% and 3.45%. Commitments are calculated using the TH00-02 and TF00-02 life expectancy tables for the obligation accrual phase and the TGH05 and TGF05 life expectancy tables for the pay-out phase.

Other provisions totalled €38,120, including a provision of €29,382 related to the ongoing analysis of the procedures for recognising financial instrument contracts.

Breakdown of the net change in provisions:

(In € thousands)	12.31.2022	12.31.2021
Net banking income	8,634	(5,520)
General operating expenses	(4,294)	(384)
Cost of risk	1,070	1,537
Corporate income tax	(19)	(970)
Special	-	-
Total	5,391	(5,337)

Provisions for risks related to commitments on home savings accounts and plans:

Home savings accounts and plans during the savings phase: deposits and provisions

(In € thousands)	12.31.2022		12.31.2021	
	Deposits	Provisions	Deposits	Provisions
Home savings plans	5,569,098	(31,870)	5,567,537	(53,385)
Under 4 years old	322,166	(89)	252,964	(4)
Between 4 and 10 years old	3,618,764	(12,302)	3,604,405	(24,959)
Over 10 years old	1,628,168	(19,479)	1,710,168	(28,422)
Home savings accounts	(5,451)	(468)	788,183	(47)
Total	5,563,647	(32,338)	6,355,720	(53,432)

Loans granted under home savings accounts and plans: deposits and provisions

(In € thousands)	12.31.2022		12.31.2021	
	Deposits	Provisions	Deposits	Provisions
Home savings plans	595	-	1,016	(1)
Home savings accounts	4,856	(468)	8,157	(46)
Total	5,451	(468)	9,173	(47)

Note 16. Subordinated debt

Subordinated debt representing at least 10% of total subordinated debt	Amount (In € thousands)	Currency	Interest rate	Due date	Conditions of subordination	Possibility of early repayment
Subordinated notes	500,000	eur	3.25%	06.01.2026	Tier 2 Capital	No
Subordinated notes	500,000	eur	3.5%	02.09.2029	Tier 2	Yes
Subordinated notes	500,000	eur	1.875%	25.10.2029	Tier 2	Yes
Subordinated notes	25,000	eur	3.81%	28.01.2031	Tier 2	Yes
Subordinated notes	750,000	eur	3.375%	03.11.2031	Tier 2	Yes
Subordinated notes	30,000	eur	3.4%	14.03.2031	Tier 2	Yes
Deeply subordinated notes	92,514	eur	CMS 10 +0.10	07.05.2057	Tier 1 Capital	Yes
Related payables	49,497				-	-
Total	2,447,011					

Note 17. Shareholders' equity excluding FRBG

(In € thousands)	Start of year	Allocation prior year profit	Change during the year	End of year
Capital	2,543,391	-	176,304	2,719,695
Additional paid-in capital	6,175	-	-	6,175
Total reserves	2,953,468	107,468	-	3,060,936
Legal reserve	531,852	16,741	-	548,593
Optional and statutory reserves	2,363,493	90,727	-	2,454,220
Long-term capital gains reserves	-	-	-	-
Other reserves	58,123	-	-	58,123
Regulated provisions	4,545	13	-	4,558
Revaluation surplus	-	-	-	-
Retained earnings	13,411	(1,258)	-	12,153
Deferred losses	-	-	-	-
Profit/loss for the year	142,725	(142,725)	156,876	156,876
Interest paid on shares	-	36,502	-	-
Total	5,663,715	-	333,180	5,960,393

The capital consists of A shares for €27,287 thousand, B shares for €26,496 thousand, new B shares for €2,660,537 thousand and C shares for €5,375 thousand.

Note 18. Transactions with network banks

(In € thousands)	12.31.2022	12.31.2021
Due from network banks	1,464,881	4,756,947
Sight accounts	59,640	34,372
Term accounts	1,405,241	4,722,575
Due to network banks	56,637	55,127
Sight accounts	56,637	55,127
Term accounts	-	-

Note 19. Breakdown of certain assets/liabilities according to their residual maturity

(In € thousands)	T<3 months	3M<T<1 year	1 year <T<5 years	T>5 years	Accrued interest payable and receivable	Total
Assets						
Amounts due from credit institutions	2,947,920	5,887,961	12,053,071	10,492,673	185,876	31,567,501
Sight accounts	241,017	0	0	0	366	241,383
Term accounts	2,706,903	5,887,961	12,053,071	10,492,673	185,510	31,326,118
Amounts due from customers	1,916,601	3,052,337	13,222,557	25,612,807	59,041	43,863,343
Commercial receivables	3,569	0	0	0	0	3,569
other customer loans	1,408,786	3,052,337	13,222,557	25,612,807	51,837	43,348,324
overdrafts	504,246	0	0	0	7,204	511,450
Bonds and other fixed-income securities	1,290,506	987,238	4,694,558	1,896,623	27,880	8,896,805
Liabilities						
Liabilities to credit institutions	12,238,681	11,054,018	18,329,824	13,790,041	(38,341)	55,374,223
Sight accounts	10,672,995	0	0	0	38,716	10,711,711
Term accounts	1,565,686	11,054,018	18,329,824	13,790,041	(77,057)	44,662,512
Transactions with customers	29,834,295	1,849,195	2,534,269	1,077,456	329,277	35,624,492
savings accounts governed by special regulations	14,077,121	601,626	2,152,771	355,189	308,079	17,494,786
Sight accounts	11,526,609	0	0	0	196,356	11,722,965
Term accounts	2,550,512	601,626	2,152,771	355,189	111,723	5,771,821
other liabilities	15,757,174	1,247,569	381,498	722,267	21,198	18,129,706
Sight accounts	15,565,532	0	0	0	8,810	15,574,342
Term accounts	191,642	1,247,569	381,498	722,267	12,388	2,555,364
Debt securities	2,297,143	3,237,688	4,168,116	5,459,410	78,475	15,240,832
certificates of deposit	5,593	0	6,724	0	68	12,385
interbank market securities and negotiable debt securities	1,791,550	2,662,688	313,266	306,280	16,952	5,090,736
bond issues	500,000	575,000	3,848,126	5,153,130	61,455	10,137,711

Note 20. Assets and liabilities in foreign currencies

Assets and liabilities in foreign currencies at 31 December 2022 totaled €444,355 thousand and €261,765 thousand, respectively.

Note 21. Banking activity commitments

(In € thousands)	12.31.2022	12.31.2021
Commitments given	6,985,703	6,829,814
Financing commitments	4,330,044	4,311,889
to credit institutions	217,209	353,350
to customers	4,112,835	3,958,539
Guarantee commitments	2,625,077	2,508,346
to credit institutions	69,711	32,859
to customers	2,555,366	2,475,487
Securities commitments	30,582	9,579
other commitments given	30,582	9,579
Commitments received	13,973,652	16,897,467
Financing commitments	12,241,646	15,396,546
received from credit institutions	12,241,646	15,396,546
Guarantee commitments	1,547,689	1,323,933
received from credit institutions	1,547,689	1,323,933
Securities commitments	184,317	176,988
other commitments received	184,317	176,988

The financing commitments given include the €16.60 million cash advance made to the Caisse de Refinancement de l'Habitat to ensure its operation.

Commitments received include the guarantee received from European Investment Bank in the amount of €429.99 million for the government-backed loans distributed by Crédit Mutuel Arkéa.

Breakdown of assets provided as security for liabilities:

(In € thousands)	12.31.2022
Banque de France	13,741,672
Caisse des Dépôts et Consignations	625,293
European Investment Bank	608,293
Arkéa Home Loans SFH	11,641,769
Caisse de Refinancement de l'Habitat	451,637
Arkéa Public Sector SCF	128,520
Caisse Centrale du Crédit Mutuel	2,000
Total	27,199,184

Note 22. Financial futures transactions**Nominal value of the contracts****By type**

(In € thousands)	12.31.2022			12.31.2021		
	Hedging transactions	Other transactions	Total	Hedging transactions	Other transactions	Total
Firm transactions						
Transactions on organized markets	-	-	-	-	-	-
interest rate contracts	-	-	-	-	-	-
foreign exchange contracts	-	-	-	-	-	-
other transactions	85,435,634	-	85,435,634	63,972,509	-	63,972,509
Over-the-counter transactions	-	-	-	-	-	-
forward rate agreements	-	-	-	-	-	-
interest rate swaps	22,983,581	-	22,983,581	24,067,289	-	24,067,289
financial swaps	-	-	-	-	-	-
other transactions	-	-	-	-	-	-
Conditional transactions						
Interest rate floors/caps	-	-	-	-	-	-
purchased	7,966,145	-	7,966,145	7,069,575	-	7,069,575
sold	5,986,104	-	5,986,104	5,030,915	-	5,030,915
Interest rate, currency and other options	-	-	-	-	-	-
purchased	541,857	-	541,857	808,663	-	808,663
sold	541,858	-	541,858	808,663	-	808,663
Total	123,455,179	-	123,455,179	101,757,614	-	101,757,614

By residual maturity

(In € thousands)	12.31.2022			
	less than 1 year	1 to 5 years	more than 5 years	Total
Interest rate instruments	-	-	-	-
Over-the-counter market	-	-	-	-
Interest rate swaps	21,758,973	32,367,742	54,292,500	108,419,215
Interest rate floors/caps	2,745,745	6,967,560	4,238,944	13,952,249
Other options	913,442	170,273	-	1,083,715
Total	25,418,160	39,505,575	58,531,444	123,455,179

Fair value

(In € thousands)	12.31.2022	12.31.2021
Interest rate instruments	575,125	(99,036)
Other options	-	-

Note 23. Interest, similar income and expense

(In € thousands)	12.31.2022		12.31.2021	
	Income	Expense	Income	Expense
Transactions with credit institutions*	1,114,903	(1,046,717)	855,943	(986,483)
Transactions with customers	659,230	(402,196)	636,243	(229,848)
Bonds and other fixed-income securities	117,124	(115,285)	6,288	(95,163)
Other transactions	10,358	(20)	16,294	(28)
Total	1,901,615	(1,564,218)	1,514,768	(1,311,522)

* Of which expenses on transactions related to subordinated debt: €106,772 thousand at 12.31.2022 and €99,352 thousand at 12.31.2021.

Note 24. Income on variable-income securities

(In € thousands)	12.31.2022	12.31.2021
Stocks and other variable-income securities	5,189	4,194
Equity holdings and other long-term investments	-	-
Shares in associates	352,897	311,122
Total	358,086	315,316

Note 25. Fee and commission income/expense

(In € thousands)	12.31.2022		12.31.2023	
	Income	Expense	Income	Expense
Transactions with credit institutions	5,718	(307)	4,274	(627)
Transactions with customers	43,184	(2)	42,922	(164)
Securities transactions	755	(1,741)	580	(1,402)
Foreign exchange transactions	342	-	263	-
Off-balance sheet transactions	4,215	(13,491)	19,776	(16,635)
Provision of financial services	475,322	(61,499)	448,153	(48,342)
Total	529,536	(77,040)	515,968	(67,170)

Note 26. Gains/(losses) on portfolio transactions**Trading books**

(In € thousands)	12.31.2022	12.31.2021
Trading securities transactions	0	-
Foreign exchange transactions	(8,993)	2,971
Financial futures transactions	(167)	(321)
Interest rate	(167)	(321)
Misc.	-	-
Total	(9,160)	2,650

Investment portfolios and similar securities

(In € thousands)	12.31.2022	12.31.2021
Available-for-sale securities transactions	-	-
Capital gains on disposals	18,219	59,155
Capital losses on disposals	(31,453)	(6,202)
Provisions for impairment	(76,849)	(9,136)
Reversals of impairment	4,479	10,084
Total	(85,604)	53,901

Note 27. General operating expenses

(In € thousands)	12.31.2022	12.31.2021
Personnel expenses	(542,947)	(520,069)
Salaries and wages	(314,353)	(282,996)
Payroll taxes	(124,030)	(132,055)
of which pension expenses	(21,555)	(27,813)
Mandatory and optional employee profit-sharing	(55,997)	(59,375)
Related taxes other than on income	(48,567)	(45,643)
Other administrative expenses	(292,779)	(275,660)
Taxes other than on income	(49,579)	(33,530)
External services	(481,704)	(451,734)
Re-invoiced expenses	238,504	209,604
Total	(835,726)	(795,729)

Breakdown of paid staff

	12.31.2022	12.31.2021
(In € thousands)	Paid staff	Paid staff
Employees	2,777	2,744
Management and supervisors	3,930	3,576
Total	6,707	6,320

The total compensation paid to members of the Board of Directors was €1,227 thousand in 2022 (compared with €1,141 thousand for the year ended 31 December 2021).

Total gross remuneration paid to the group's main corporate officers for the year ended 31 December 2022 was €2,507 thousand ⁽¹⁾ (compared with €2,099 thousand for the year ended 31 December 2021).

(1) The Chief Executive Officer, the Associate Chief Executive Officer and the Deputy Chief Executive Officers.

Note 28. Cost of risk

(In € thousands)		12.31.2022	12.31.2021
Loans	Allocations	(60,685)	(54,085)
	Reversals used	24,963	15,147
	Reversals that became available	58,217	69,565
	Recovery of written-off loans	1,283	1,356
	Covered irrecoverable loans	(25,392)	(15,265)
	Uncovered irrecoverable loans	(7,248)	(7,549)
Off-balance sheet risk	Allocations	(1,393)	59
	Reversals used	-	-
	Reversals that became available	731	(641)
Securities	Allocations	(16,500)	(11,700)
	Reversals	300	902
Provisions for other risks and charges	Allocations	-	-
	Reversals	-	-
SOLDE		(25,724)	(2,211)

Note 29. Gains/(losses) on non-current assets

(In € thousands)	Provisions for impairment ⁽¹⁾	Capital losses on disposals	Reversals of impairment	Capital gains on disposals ⁽²⁾	12.31.2022
Property, plant and equipment and intangible assets	-	(137)	-	1,573	1,436
Equity holdings and other long-term investments	(106,056)	(6,628)	155	31,318	(81,211)
Shares in associates	-	-	-	-	-
Investment securities	-	-	-	-	-
Total	(106,056)	(6,765)	155	32,891	(79,775)

(1) Of which impairment related to Nouvelle Vague shares for €81,555 and impairment related to Izimmo shares for €22,407.

(2) Of which capital gain related to Leetchi and Mangopay shares for €18,315 and capital gain related to Budget Insight shares for €13,003.

Note 30. Non-recurring income/(loss)

(In € thousands)	12.31.2022	12.31.2021
Equalization paid	-	-
Miscellaneous exceptional expenses	(35,076)	-
Miscellaneous exceptional income	210	653
Total	(34,866)	653

The non-recurring loss includes adjustments to the procedures for recognising income and expenses related to financial instruments, for a gross amount of -€34 million.

Data for 2020 and 2021, restated for these events, is presented below:

Impact of error correction in 2020

	12.31.2020	12.31.2020
(In € thousands)		after corrections
Net banking income	887,340	888,840
Gross operating income	174,826	176,351
Operating income	162,440	163,965
Recurring income before tax	114,071	115,596
Income tax	47,604	51,843
Net income	125,604	131,368

Impact of error correction in 2021

	12.31.2021	12.31.2021
(In € thousands)		after corrections
Net banking income	1,023,672	1,002,681
Gross operating income	215,419	194,621
Operating income	213,208	190,429
Recurring income before tax	223,951	201,172
Income tax	32,860	38,778
Net income	142,725	125,864

Note 31. Income tax

	12.31.2022	12.31.2021
(In € thousands)		
Current tax expense excluding contribution of consolidated subsidiaries	(70,140)	(110,048)
Contribution of consolidated subsidiaries	117,956	142,285
Carry-back claim	-	31
Net deferred tax expense and misc.	(229)	592
Total	47,587	32,860
Pre-tax income, non-recurring income and FRBG	109,298	223,951
Effective tax rate	43.54%	14.67%

Tax expenses are borne by the consolidated companies as if there were no tax consolidation.

The effective tax rate at 12 December 2022 was as follows:

(In € thousands)	12.31.2022	12.31.2021
Statutory tax rate (including contributions)	25.83%	28.41%
Permanent differences	(79.15)%	(19.36)%
Temporary differences	(0.69)%	0.67%
Taxation at reduced rates	(2.14)%	(5.26)%
Impact of tax loss	(13.52)%	(2.09)%
Other	26.13%	(17.04)%
Effective tax rate	(43.54)%	(14.67)%

Note 32. Establishment in States that have not entered into an administrative agreement with France allowing access to banking information in order to combat fraud and tax evasion

Crédit Mutuel Arkéa does not operate in non-cooperative States or territories as defined by Article 238-0 A of the French General Tax Code.

Note 33. Consolidated financial statements

Crédit Mutuel Arkéa, together with the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations and the member Crédit Mutuel savings banks, is the parent company for the preparation of Crédit Mutuel Arkéa's consolidated financial statements.

The consolidated financial statements are available at:

http://www.cm-arkea.com/banque/assurance/credit/mutuel/ecb_5034/fr/rapports-annuels

Note 34. Management Report

In application of ANC Regulation 2014-07, the management report is available to the public at the following address:

Crédit Mutuel Arkéa

1 rue Louis Lichou

29480 Le Relecq-Kerhuon/Brest

Note 35. Events after the balance sheet date

Nil.



ADDITIONAL INFORMATION

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General information

Information about the company

Legal and commercial name: Crédit Mutuel Arkéa

Place and registration number:

Siren: 775 577 018 Brest Trade and Companies Register number / APE Code: 641 Z

Date of incorporation and lifetime:

The company was incorporated on 24 September 1960 for a 99 year term ending on 23 September 2059.

Head office: 1 rue Louis Lichou, 29480 Le Relecq-Kerhuon

Telephone: +33 (0)2 98 00 22 22

Fax: +33 (0)2 98 28 46 32

Legal form:

The company is a société anonyme. It is also a union of cooperatives.

It is governed by:

- the law of 10 September 1947 on the statute for cooperative societies;
- Articles L.231-1 to L.231-8 of the French Commercial Code on variable capital;
- the provisions of the French Commercial Code on commercial companies;
- the provisions of the French Monetary and Financial Code relating to the activity and supervision of credit institutions;
- Articles L.512-55 to L.512-59 of the French Monetary and Financial Code and all other texts relating to Crédit Mutuel;
- the provisions of its Articles of Association and internal regulations.

- At the General Meeting of 10 May 2022, the representatives of the local banks voted to adopt Crédit Mutuel Arkéa's status as a company with a mission evidenced by the insertion of a Raison d'être or Purpose (Article 7 of the Articles of Association) and social and environmental objectives (Article 8 of the Articles of Association).

Memorandum and Articles of Association:

The latest version of Crédit Mutuel Arkéa's Articles of Association was approved at the General Meeting of 10 May 2022. The corporate purpose of the company is described in Article 6 of the Articles of Association.

Nature of control over the company

The basic structure of the group is the local bank. This covers a limited geographical area and its capital is held by the members in the form of shares. In accordance with the provisions applicable to Crédit Mutuel, and in particular the provisions of Articles L.512-55 et seq. of the French Monetary and Financial Code, Crédit Mutuel Arkéa's capital is held by the local banks of the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations. There are no agreement that could lead to a change in control of the company. Changes in Crédit Mutuel Arkéa's capital are also governed by the provisions of Article 11 of the Articles of Association and are applied in accordance with the provisions applicable to cooperatives.

Legal and arbitration proceedings

At the date of filing of this Universal Registration Document, neither the company nor any other member of Crédit Mutuel Arkéa is or has been involved in any governmental, legal or arbitration proceedings (including any proceedings of which the company is aware, which are pending or of which it is threatened) that could have or have had in the last twelve months a significant effect on the financial position or profitability of the company and/or Crédit Mutuel Arkéa.

Information relating to the locations and activities included in the scope of consolidation at 31 December 2022

The main information relating to locations at 31 December 2022, aggregated at the level of countries and regions, is as follows:

Financial assets		31.12.2022				
Zone	Country	NBI ⁽¹⁾	Employees (full-time equivalent)	Profit or loss before tax ^(*)	Income tax ^(*)	Subsidies ^(*)
France	France	2,466,449	10,520	647,732	(118,378)	0
Other EU countries	Belgium	103,012	271	25,870	(3,675)	0
Other European countries	Switzerland	(13)	1	(141)	0	0
General total		2,569,448	10,792	673,461	(122,053)	0

(*) The share of net income of equity-consolidated entities is recorded directly in pre-tax income.

(1) Their contribution to consolidated NBI, income taxes and subsidies are therefore nil.

Major agreements

There have been no material contracts (other than contracts entered into in the normal course of the company's business) that could confer on any member of Crédit Mutuel Arkéa a right or obligation that would have a material impact on the company's ability to meet the obligations imposed on it by the financial securities issued to their holders.

Significant change in the company's financial position

No significant change in the company's financial position has occurred since the end of the last financial year, and in particular since the financial statements for the 2022 financial year were approved by the company's Board of Directors on 27 February 2023.

Audit of the annual historical financial information and sources of the financial information contained in this document

For the 2022 financial year:

See the Statutory Auditors' report for the 2022 financial year.

For the 2021 financial year:

See the Statutory Auditors' report for the 2021 financial year.

For the 2020 financial year:

See the Statutory Auditors' report for the 2020 financial year.

This Universal Registration Document does not contain any other information audited by the Statutory Auditors, and the financial information in this document is all taken from the audited financial statements of the company.

This Universal Registration Document does not contain any third party information, statements by experts or declarations of interest.

Profit forecasts or estimates

This Universal Registration Document does not contain any forecast or estimate of profit.

Date of last audited financial information

The date of the last audited financial information is 31 December 2022. It was approved by the Board of Directors on 27 February 2023 and will be submitted to the General Shareholders' Meeting for approval.

No quarterly or semi-annual financial information has been published since the date of the last audited financial statements.

Publicly available documents

During the period of validity of the Universal Registration Document, a copy of the following documents may, if necessary, be consulted:

- the Articles of Association of the company;
- all reports, letters and other documents, historical financial information, valuations and statements prepared by an expert at the request of the company included in this Universal Registration Document;
- this Universal Registration Document;
- the Universal Registration Document number D.22-0296 of 14 April 2022 and the amendment of the Universal Registration Document published on 30 August 2022 under number D.22-0296-A01;
- the Universal Registration Document number D.21-0324 of 19 April 2021 and the amendment of the Universal Registration Document published on 27 August 2021 under number D.21-0324-A01;

These documents may be consulted at the company's head office during normal business hours and days. A copy of this Universal Registration Document will be sent free of charge to any person who so requests. These documents may also be consulted on the company's website (www.cm-arkea.com). This Universal Registration Document, as well as those of the two previous financial years and their amendments are available on the website of the French Financial Markets Authority (AMF) (www.amf-france.org).

Legal Entity Identification

CRÉDIT MUTUEL ARKÉA

1, RUE LOUIS LICHOU

29480 LE RELECQ-KERHUON FRANCE

96950041VJ1QP0B69503

Documents integrated by reference

In accordance with Article 19 of European Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017, readers are referred to the previous Universal Registration Documents for certain information, including financial information concerning the assets, financial position and results of the company:

1. relating to the 2021 financial year: pages 92 to 215 of the Universal Registration Document number D.22-0296 of 14 April 2022;
2. relating to the 2020 financial year: pages 73 to 192 of the Universal Registration Document number D.21-0324 of 19 April 2021.

Other information included in the previous Universal Registration Document other than that set out above has, where applicable, been replaced and/or updated by information included in this Universal Registration Document.

Declaration of the person responsible

Person responsible for the information contained in this document

Hélène Bernicot, Chief Executive Officer of Crédit Mutuel Arkéa.

Statement by the person responsible for this document

I certify, after having taken all reasonable care to ensure that such is the case, that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the company and of all the companies included in the consolidation, and that the management report, a cross-reference table of which is provided on page 427 presents a true and fair view of the development of the business, results and financial position of the company and of all the companies included in the consolidation and describes the main risks and uncertainties facing them.

At Le Relecq-Kerhuon, on 12 April 2023

Hélène Bernicot, Chief Executive Officer of Crédit Mutuel Arkéa

Statutory Auditors

The company's consolidated financial statements for the 2022 financial year have been audited by:

Statutory Auditors:

PricewaterhouseCoopers Audit

63, rue de Villiers

92208 Neuilly-sur-Seine Cedex

France

Represented by **Mr Pierre CLAVIE**

Start of first term: 2021

Expiry of current term of office: 31 December 2026 (at the end of the financial statements)

The appointment of PricewaterhouseCoopers Audit, represented by Mr Pierre CLAVIE, from the 2021 financial year was decided on, at the end of a call for tenders process, on 11 May 2021 for a six-financial year term.

and

Deloitte & Associés

6, place de la Pyramide

92908 Paris La Défense Cedex

France

Represented by **Mrs Anne-Elisabeth PANNIER and Mr Jean-Marc MICKELER**

Start of first term: 2007

Expiry of current term of office: 31 December 2026 (at the end of the financial statements)

The renewal of the mandate of Deloitte & Associés, represented by Anne-Elisabeth PANNIER and Jean-Marc MICKELER as from the 2021 financial year was decided on 11 May 2021 for a period of six financial years.



7 ADDITIONAL INFORMATION



STATUTORY AUDITORS' REPORTS

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8.1 Reports on the consolidated financial statements

Financial year ended 31 December 2022

To the General Meeting,

Opinion

In compliance with the assignment entrusted to us by your General Meeting, we have audited the consolidated financial statements of Crédit Mutuel Arkéa for the financial year ended 31 December 2022, as attached to this report.

In our opinion, the consolidated financial statements give a true and fair view of the results of operations for the year and of the financial position and assets and liabilities of the group of persons and entities included in the consolidation, in accordance with International Financial Reporting Standards as adopted by the European Union.

The above opinion is consistent with the contents of our report to the Financial Statements Committee.

Basis of opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The responsibilities incumbent upon us under these standards are indicated in the section "Statutory Auditors' responsibilities in relation to the audit of the consolidated financial statements" of this report.

Independence

We conducted our audit in accordance with the independence rules set out in the French Commercial Code and in the Code of Ethics of the audit profession for the period from 1 January 2022 to the date of the issue of our report, and we did not provide any services prohibited by Article 5, paragraph 1 of Regulation (EU) 537/2014.

In addition, the services other than the certification of the financial statements that we provided during the financial year to your company and the entities it controls and which are not mentioned in the management report or the notes to the consolidated financial statements are the following:

- For PricewaterhouseCoopers Audit:
 - The issuing of letters of comfort in the context of bond issue programmes,
 - Carrying out CSR missions,
 - SRF certifications;
- For Deloitte & Associés:
 - The issuing of letters of comfort in the context of bond issue programmes,
 - Carrying out CSR missions,
 - SRF certifications.

Emphasis of matter

Without calling into question the opinion expressed above, we draw your attention to the note "Accounting principles and valuation methods" - Section "Trading and hedging derivatives - assets and liabilities" to the consolidated financial statements, which presents the consequences on the financial statements for the 2022 financial year of the changes in the methods used to recognise revaluation differences on interest rate-hedged portfolios.

Justification of assessments - Key audit matters

In accordance with the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key points of the audit relating to the risks of material misstatement which, in our professional judgement, were the most important for the audit of the consolidated financial statements for the financial year, as well as the responses we have provided to these risks.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on any individual item of the consolidated financial statements.

Measurement of impairment losses on customer loan portfolios - Note 6 and 39a to the consolidated financial statements

Risk identified

Customer loan portfolios carry a credit risk that exposes Crédit Mutuel Arkéa to a potential loss if its customers or counterparties are unable to meet their financial commitments.

According to the provisions of the "Impairment" section of IFRS 9, Crédit Mutuel Arkéa recognises impairments and provisions intended to cover expected credit risk (outstandings classified in "buckets" 1 and 2) or proven credit risk ("bucket 3").

The rules for the impairment of expected losses are presented in the note "Accounting principles and valuation methods" to the consolidated financial statements. Impairment for expected losses is determined mainly on the basis of statistical models using judgement during the various calculation phases (creation of homogeneous portfolios, determination of risk factors, measurement of significant deterioration in credit risk, forward-looking information, etc.), particularly in a macroeconomic context that remains uncertain. In addition, Crédit Mutuel Arkéa uses judgement and makes accounting estimates to assess the level of individual impairment of doubtful loans.

In a context of uncertainty marked by the invasion of Ukraine, the increase in commodity inflation and a deteriorated business climate, the system for estimating expected credit losses was adapted over the financial year, as specified in the note "Current events - Calculation of expected credit losses" according to the accounting standards applied as described in the notes to the consolidated financial statements.

We considered that the assessment of credit risk and the evaluation of impairments was a key audit issue as it involves management's judgement and estimates, particularly in the current environment.

At 31 December 2022, the total amount of outstanding customer loans exposed to credit risk amounted to €82.4 billion for a total amount of impairments of €1.2 billion and a cost of banking risk of €135.9 million for the year 2022 compared with €115.9 million in 2021 as specified in Notes 6 "Loans and advances to customers" and 39a "Cost of risk - banking activity" in the notes to the consolidated financial statements of the Crédit Mutuel Arkéa group at 31 December 2022.

Our audit approach

We took note of the governance and internal control system put in place by Crédit Mutuel Arkéa and its adaptation to the context described above, and tested the key manual and computerised controls relating to the identification of credit risk and the assessment of expected losses to study the compliance of the principles and methodologies applied by Crédit Mutuel Arkéa with IFRS 9 "Financial Instruments".

Our work focused in particular on the following areas:

■ Classification of outstandings by "bucket":

- we assessed the relevance of the monitoring indicators put in place by Crédit Mutuel Arkéa to measure the significant deterioration in credit risk and the resulting classification of outstandings by bucket;
- we assessed, using a data analysis tool, the consistency of the transition of outstandings between buckets 1 and 2 with regard to the criteria of significant deterioration in credit risk;
- we verified the existence of an internal control system enabling the ratings of the various outstanding loans to be updated at an appropriate frequency.

- Assessment of expected losses (buckets 1, 2 and 3):
 - with the help of our credit risk specialists integrated into the audit team, we assessed the appropriateness of the risk models and parameters used for the assessment of expected losses, the documentation for the sectoral provisions recognised and the relevance of the macro-economic scenarios used by Crédit Mutuel Arkéa and their weighting,
 - we carried out, on a sample, a counter-calculation of the expected credit losses at the output of the calculator based on the risk parameters used by Crédit Mutuel Arkéa;
 - we assessed, using a data analysis tool, the valuation of provisions for expected losses on a sample of portfolios classified in buckets 1 and 2;
 - we tested, on the basis of a sample of the Corporate and Institutional Banking Division's loan applications classified in bucket 3, the criteria applied for the classification of doubtful outstandings as well as the assumptions used to estimate individual impairments.

We also reviewed the disclosures in the notes relating to credit risk and in particular the disclosures required by IFRS 9 and IFRS 7 in respect of credit risk.

Impairment of goodwill - Note 15

Risk identified

During external growth operations, the Crédit Mutuel Arkéa group generally recognises goodwill on the assets side of its consolidated balance sheet. This goodwill is then allocated to the various cash generating units (CGUs). At 31 December 2022, goodwill amounted to €485 million. In the context of economic stress driven by high inflation and a tightening of financing, impacting the results and financial forecasts of the Crédit Mutuel Arkéa group subsidiaries, the latter must ensure the presence or absence of additional impairment indicators on this goodwill.

Goodwill is tested for impairment whenever there is an indication that it may be impaired and at least annually. These tests are based on the comparison between the net carrying amount and the recoverable amount of the homogeneous groups of business lines, broken down into CGUs. The methods for determining the recoverable amount are based on the expected future profitability method, which is based on an estimate of future cash flows based on the business plans of each CGU, prepared over an explicit time horizon. These business plans are based on macroeconomic parameters, which take into account the context of uncertainty and economic pressure.

We considered the impairment of goodwill to be a key issue in our audit because of the judgement exercised by management in establishing the future earnings assumptions of the acquired companies and assessing the recoverable amount of the homogeneous sets of business lines, particularly in the context of economic pressure.

Our audit approach

We analysed the group's process for identifying potential impairment of goodwill and the process for preparing impairment tests arising from the identification of impairment indicators or from the annual review process.

We brought in our valuation experts to:

- Carry out a technical analysis of the construction of valuation models based on the expected future profitability method;
- Review the assumptions used to determine the financial parameters influencing the discount rate, by re-performing with internal data;
- Carry out a critical review of a selection of provisional business plans drawn up by the management of the entities concerned and approved by the corporate governance bodies and assess the relevance of the budget process by comparing achievements with previous budgets. Particular attention was paid to the consequences of the economic environment for the updating of these forward-looking plans;
- Review the sensitivity analyses conducted on both financial parameters and business plans;
- Carry out a counter-valuation on a selection of entities.

Finally, we have validated the information communicated by the group with regard to goodwill in Note 15 "Goodwill" to the consolidated financial statements.

Valuation of private equity securities - Note 27c

Risk identified

The Crédit Mutuel Arkéa group holds equity securities and unlisted debt recognised at fair value through profit or loss on the assets side of its consolidated balance sheet, mainly through private equity subsidiaries.

In accordance with the provisions of IFRS 9 "Financial Instruments", these instruments are recognised at fair value when they are first recorded on the balance sheet and at subsequent reporting dates until their disposal. Changes in fair value are recognised in the income statement under "Net gains or losses on financial instruments at fair value through profit or loss".

To estimate the fair value of these securities that are not listed on an active market, the Crédit Mutuel Arkéa group applies valuation methods based on internal models using unobservable data, as indicated in the section "Measurement of the fair value of financial instruments" of the note "Accounting principles and valuation methods" supplemented by Note 27c "Fair value hierarchy - Detail of level 3 of the Banking scope" in the notes to the consolidated financial statements.

We considered that the valuation of these unlisted securities recognised at fair value through profit or loss and classified in level 3 was a key audit matter, due to the use of judgement and estimates to determine the fair value for unlisted private equity financial instruments, the significant contribution to Crédit Mutuel Arkéa group's results and the complexity of its modelling, particularly in the context of economic uncertainty caused by inflationary and energy pressures and the equity market volatility since the start of the Russian invasion of Ukraine.

At 31 December 2022, the total amount of unlisted securities recorded as assets on the balance sheet at fair value through profit or loss and classified in level 3 amounted to €228 million for bonds and other fixed-income securities and €734 million for shares and other variable-income securities, and recorded a gain in income of €134.5 million in 2022 compared to €178 million in 2021, as specified in Note 27c "Fair value hierarchy - Detail of level 3 of the banking scope" of the notes to the consolidated financial statements of Crédit Mutuel Arkéa group at 31 December 2022.

Our audit approach

We examined the processes put in place by the Crédit Mutuel Arkéa group relating to the valuation of unlisted securities recognised under fair value through profit or loss in level 3.

Based on a sample of unlisted securities held by the private equity entities of the Crédit Mutuel Arkéa group, for the 2022 financial year, our work also consisted of:

- analysing the valuation methods used by the Crédit Mutuel Arkéa group, and, where applicable, changes in their application in the economic context described above,
- verifying that the parameters and unobservable data used in the valuation models were in line with the underlying financial data of the companies in which the Crédit Mutuel Arkéa group has invested and arithmetically reperforming the calculations derived from the models,
- where applicable, checking that the valuation used by the Crédit Mutuel Arkéa group is comparable to the price observed for recent transactions,
- analysing the work carried out by local auditors of private equity subsidiaries on the valuation of securities in response to our audit instructions.

We also examined the information published in the note "Measurement of the fair value of financial instruments" in the "Accounting principles and valuation methods" and Note 27c "Fair value hierarchy - Detail of level 3 of the banking scope" in the notes to the consolidated financial statements relating to the measurement of fair value and information on level 3 in the fair value hierarchy.

Specific verifications

In accordance with professional standards applicable in France, we have also carried out the specific verifications required by law of the information relating to the group given in the management report of the Board of Directors.

We have no comment to make on their fairness and consistency with the consolidated financial statements.

We certify that the consolidated statement of non-financial performance provided for in Article L.225-102-1 of the French Commercial Code is included in the group's management report, it being specified that, in accordance with the provisions of Article L.823-10 of this Code, the information contained in this statement has not been verified by us as being true and fair or consistent with the consolidated financial statements, and must be the subject of a report by an independent third party.

Other verifications or information required by law and regulations

Format of the consolidated accounts to be included in the annual financial report

In accordance with the professional practice standard on the due diligence of Statutory Auditors in relation to the aggregate annual and consolidated financial statements presented in accordance with the single European electronic information format, we have also verified compliance with this format defined by the European Delegated Regulation 2019/815 of 17 December 2018 in the presentation of the consolidated financial statements intended for inclusion in the annual financial report referred to in I of Article L.451-1-2 of the French Monetary and Financial Code, which are drawn up under the responsibility of the Chief Executive Officer.

As these are consolidated financial statements, our work includes verifying that the mark-up of these financial statements complies with the format defined by the aforementioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements for inclusion in the annual financial report complies, in all material respects, with the Single European Electronic Reporting Format.

Due to the technical limitations inherent in the macro-tagging of consolidated financial statements using the single European electronic reporting format, the content of certain tags in the notes to the financial statements may not be reproduced in the same way as in the consolidated financial statements attached to this report.

Also, it is not our responsibility to verify that the consolidated financial statements that will be effectively included by your company in the annual financial report filed with the AMF correspond to those on which we have performed our work.

Appointment of Statutory Auditors

We were appointed as Statutory Auditors of Crédit Mutuel Arkéa by your General Meetings on 11 May 2021 for PricewaterhouseCoopers Audit and on 11 May 2007 for Deloitte & Associés.

At 31 December 2022, PricewaterhouseCoopers Audit was in the 2nd year of uninterrupted assignment and Deloitte & Associés in the 16th year.

Responsibilities of management and those charged with governance in relation to the consolidated financial statements

It is the responsibility of management to prepare consolidated financial statements that give a true and fair view in accordance with the IFRS as adopted by the European Union, and to implement such internal control as management determines is necessary to ensure that the consolidated financial statements are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, it is the responsibility of management to make an assessment of the company's ability to continue as a going concern, to disclose in those financial statements, where appropriate, the necessary information relating to the going concern basis of accounting and to apply the going concern basis of accounting unless the company is to be wound up or cease trading.

The Financial Statements Committee is responsible for monitoring the financial reporting process and for monitoring the effectiveness of the internal control and risk management systems, and where appropriate the internal audit, in relation to the procedures for the preparation and processing of accounting and financial information.

The consolidated financial statements have been approved by the Board of Directors.

Statutory Auditors' responsibilities in relation to the audit of the consolidated accounts

Audit objective and approach

Our responsibility is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements taken as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but does not guarantee that an audit performed in accordance with professional standards will result in the systematic detection of material misstatements. Misstatements may be due to fraud or error and are considered material when they could reasonably be expected to influence the economic decisions that users of the accounts make on the basis of the accounts, either individually or in aggregate.

As specified by Article L.823-10-1 of the French Commercial Code, our assignment of certifying the accounts does not consist of guaranteeing the viability or the quality of the management of your company.

In the context of an audit conducted in accordance with professional standards applicable in France, the auditor exercises professional judgement throughout the audit.

In addition:

- the auditor identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures to address those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, because fraud may involve collusion, falsification, intentional omissions, misrepresentation or circumvention of internal control;
- the auditor obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- they assess the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as the related disclosures in the consolidated financial statements;
- they assess the appropriateness of management's application of the going concern accounting policy and, based on the information obtained, whether there is any material uncertainty related to events or circumstances that may affect the company's ability to continue as a going concern. This assessment is based on information gathered up to the date of the report, bearing in mind that subsequent events or circumstances could call into question the company's ability to continue as a going concern. If the auditor concludes that there is a material uncertainty, he draws the attention of the readers of his report to the information provided in the consolidated financial statements concerning this uncertainty or, if this information is not provided or is not relevant, he issues a qualified opinion or a refusal to certify;
- he evaluates the overall presentation of the consolidated accounts and assesses whether the consolidated financial statements are a fair reflection of the underlying transactions and events;
- with regard to the financial information of the persons or entities included in the scope of consolidation, it gathers elements that it considers sufficient and appropriate to express an opinion on the consolidated accounts. The auditor is responsible to management for directing, supervising and performing the audit of the consolidated financial statements and for expressing an opinion on those financial statements.

Report to the Financial Statements Committee

We provide the Financial Statements Committee with a report that presents, in particular, the scope of the audit work and the work programme implemented, as well as the conclusions resulting from our work. We also report to the Financial Statements Committee on any material weaknesses in the internal control procedures relating to the preparation and processing of accounting and financial information.

The matters disclosed in the report to the Financial Statements Committee include the risks of material misstatement that we considered to be of most significance to our audit of the consolidated financial statements for the year and which, accordingly, constitute the key audit matters that we are required to describe in this report.

We also provide the Financial Statements Committee with the statement provided for in Article 6 of Regulation (EU) 537-2014 confirming our independence, within the meaning of the rules applicable in France as set out in Articles L.822-10 to L.822-14 of the French Commercial Code and in the Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Financial Statements Committee the risks to our independence and the safeguards applied.

Neuilly-sur-Seine and Paris-La Défense, 12 April 2023

The Statutory Auditors

PricewaterhouseCoopers Audit

Pierre CLAVIÉ

Deloitte & Associés

Anne-Elisabeth PANNIER Jean-Marc MICKELER

8.2 Report on the aggregate annual financial statements

Financial year ended 31 December 2022

To the General Meeting,

Opinion

In compliance with the assignment entrusted to us by the General Meeting, we have audited the accompanying aggregate annual financial statements of Crédit Mutuel Arkéa for the financial year ended 31 December 2022, as attached to this report .

In our opinion, the aggregate annual financial statements give a true and fair view, in accordance with French accounting rules and principles, of the results of operations for the year ended 31 December 2021 and of the financial position and assets of the company at that date.

The above opinion is consistent with the contents of our report to the Financial Statements Committee.

Basis of opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The responsibilities incumbent upon us under these standards are indicated in the section "Statutory Auditors' responsibilities in relation to the audit of the aggregate annual financial statements" of this report.

Independence

We conducted our audit in accordance with the independence rules set out in the French Commercial Code and in the Code of Ethics of the audit profession for the period from 1 January 2022 to the date of issue of our report, and we did not provide any services prohibited by Article 5, paragraph 1 of Regulation (EU) 537/2014.

In addition, the services other than the certification of the financial statements that we provided during the financial year to your company and the entities it controls and which are not mentioned in the management report or notes to the aggregate annual financial statements are the following:

- For PricewaterhouseCoopers Audit:
 - The issuing of letters of comfort in the context of bond issue programmes,
 - Carrying out CSR missions,
 - SRF certifications;
- For Deloitte & Associés:
 - The issuing of letters of comfort in the context of bond issue programmes,
 - Carrying out CSR missions,
 - SRF certifications.

Emphasis of matter

Without calling into question the opinion expressed above, we draw your attention to the correction of error relating to the methods of recognition of income and expenses related to financial instruments, as described in Note 30 to the aggregate annual financial statements.

Justification of assessments - Key audit matters

In accordance with the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key points of the audit relating to the risks of material misstatement which, in our professional judgement, were the most important for the audit of the aggregate annual financial statements for the financial year, as well as the responses we have given to these risks.

These assessments were made in the context of our audit of the aggregate financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on the elements of these aggregate annual financial statements taken in isolation.

"Equity investments and shares in associates" - Note 6 and "Accounting principles and valuation methods" of the notes to the aggregate annual financial statements

Risks identified

"Equity investments" and "Other long-term investments" and "Shares in associates" are recognised in the balance sheet at a net value of €5,384 million (including €141 million of impairment).

As indicated in the note "Equity investments and shares in associates" to the aggregate annual financial statements, they are recognised at the lower of the purchase price excluding acquisition costs and the value in use.

In the context of economic stress driven by high inflation and a tightening of financing, impacting the results and financial forecasts of the Crédit Mutuel Arkéa group subsidiaries, impacting the results and financial projections of the Crédit Mutuel Arkéa group, the entity must ensure the presence or absence of impairment indicators on these securities, in particular their taken into account in the forecasts made in the business plans and in the variables used to discount the resulting flows.

The comparison of the net carrying amount of the securities with their recoverable value is an essential element in assessing the need for any impairment.

This value in use is subject to an annual valuation using several valuation techniques and macro-economic assumptions, including:

- use of revalued net asset method;
- use of actuarially based capital valuation;
- the use of the expected future profitability method, which uses forecast data, a discount rate and a perpetual growth rate.

This is an estimate that requires management to exercise judgement in selecting the relevant inputs.

Given the sensitivity of the models used to changes in the data and assumptions on which the estimates are based, we considered the valuation of securities to be a key audit issue.

Our audit approach

We analysed the process put in place by Crédit Mutuel Arkéa to identify the potential need for impairment of equity interests and to assess these impairments, where applicable, as well as the controls implemented relating to this process.

Our main work was carried out by mobilising our valuation experts and consisted of:

- an analysis of the rationale for the valuation methods used by management to determine the values in use of equity investments and shares in associates;
- a technical analysis of the construction of a selection of valuation models as well as a review of the assumptions used to determine the financial parameters used;
- a critical review of a selection of provisional business plans drawn up by the management of the entities concerned, and approved by the Board of Directors and assessed the relevance of the budget process by comparing achievements with previous budgets. Particular attention was paid to the impacts of the context of economic stress caused by high inflation and a tightening of financing, which have been updated in these forward-looking plans;
- a review of sensitivity analyses conducted on both financial parameters and business plans;
- carrying out a counter-valuation on a selection of entities.

Lastly, we validated the information provided by Crédit Mutuel Arkéa on equity investments, shown in Note 6 to the global annual financial statements.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by law and regulations.

Information given in the management report and in the other documents on the financial situation and the aggregate annual financial statements sent to the shareholders

We have no comments as to the fair presentation and the conformity with the aggregate annual financial statements of the information given in the Board of Directors' Management Report and in the other documents on the financial position and the aggregate annual financial statements addressed to the shareholders with the exception of the point below.

The fair presentation and the consistency with the aggregate annual financial statements of the information relating to payment terms mentioned in Article D.441-6 of the French Commercial Code call for the following observation:

As indicated in the management report, this information does not include banking transactions and related transactions, as your company considers that they are not included in the scope of the information to be produced.

Corporate governance report

We attest to the existence, in the report of the Board of Directors on corporate governance, of the information required by Article L.225-37-4 of the French Commercial Code.

Other verifications or information required by law and regulations

Format of the aggregate annual financial statements to be included in the annual financial report

In accordance with the professional practice standard on the due diligence of Statutory Auditors in relation to the aggregate annual and consolidated financial statements presented in accordance with the single European electronic information format, we have also verified compliance with this format defined by the European Delegated Regulation 2019/815 of 17 December 2018 in the presentation of the aggregate annual financial statements intended for inclusion in the annual financial report referred to in I of Article L.451-1-2 of the French Monetary and Financial Code, which are drawn up under the responsibility of the Chief Executive Officer.

Based on our work, we conclude that the presentation of the aggregate annual financial statements to be included in the annual financial report complies, in all material respects, with the single European electronic reporting format.

It is not our responsibility to verify that the aggregate annual financial statements that will be effectively included by your company in the annual financial report filed with the AMF correspond to those on which we have performed our work.

Appointment of Statutory Auditors

We were appointed as Statutory Auditors to Crédit Mutuel Arkéa by your General Meetings on 11 May 2021 for PricewaterhouseCoopers Audit and on 11 May 2007 for Deloitte & Associés.

At 31 December 2022 PricewaterhouseCoopers Audit was in the 2nd year of its uninterrupted assignment and Deloitte & Associés in its 16th year.

Responsibilities of management and those charged with governance in relation to the aggregate annual financial statements

It is the responsibility of management to prepare aggregate annual financial statements that give a true and fair view in accordance with French accounting rules and principles and to implement such internal control as it determines is necessary to ensure that the aggregate annual financial statements are free from material misstatement, whether due to fraud or error.

In preparing the aggregate annual financial statements, it is the responsibility of management to make an assessment of the company's ability to continue as a going concern, to disclose in those accounts, where appropriate, the necessary information relating to the going concern and to apply the going concern accounting policy, unless the company is to be wound up or cease trading.

The Financial Statements Committee is responsible for monitoring the financial reporting process and for monitoring the effectiveness of the internal control and risk management systems, and where appropriate the internal audit, in relation to the procedures for the preparation and processing of accounting and financial information.

The aggregate annual financial statements have been approved by the Board of Directors.

Statutory Auditors' responsibilities in relation to the audit of aggregate annual financial statements

Audit objective and approach

Our responsibility is to express an opinion on the aggregate annual financial statements. Our objective is to obtain reasonable assurance about whether the aggregate annual financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but does not guarantee that an audit performed in accordance with professional standards will result in the systematic detection of material misstatements. Misstatements may be due to fraud or error and are considered material when they could reasonably be expected to influence the economic decisions that users of the accounts make on the basis of the accounts, either individually or in aggregate.

As specified by Article L.823-10-1 of the French Commercial Code, our assignment of certifying the accounts does not consist of guaranteeing the viability or the quality of the management of your company.

In the context of an audit conducted in accordance with professional standards applicable in France, the auditor exercises professional judgement throughout the audit. In addition:

- the auditor identifies and assesses the risks of material misstatement of the aggregate annual financial statements, whether due to fraud or error, designs and performs audit procedures to address those risks, and obtains audit evidence that the auditor believes to be sufficient and appropriate to provide a basis for the audit opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, because fraud may involve collusion, falsification, intentional omissions, misrepresentation or circumvention of internal control;
- the auditor obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- they assess the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as the related disclosures in the aggregate annual financial statements;
- they assess the appropriateness of management's application of the going concern accounting policy and, based on the information obtained, whether there is any material uncertainty related to events or circumstances that may affect the company's ability to continue as a going concern. This assessment is based on information gathered up to the date of the report, bearing in mind that subsequent events or circumstances could call into question the company's ability to continue as a going concern. If the auditor concludes that there is a material uncertainty, he draws the attention of the readers of his report to the information provided in the aggregate annual financial statements concerning this uncertainty or, if this information is not provided or is not relevant, he issues a qualified opinion or a refusal to certify;
- they assess the overall presentation of the aggregate annual financial statements and whether the aggregate annual financial statements reflect the underlying transactions and events in a fair presentation.

Report to the Financial Statements Committee

We provide the Financial Statements Committee with a report that presents, in particular, the scope of the audit work and the work programme implemented, as well as the conclusions resulting from our work. We also report to the Financial Statements Committee on any material weaknesses in the internal control procedures relating to the preparation and processing of accounting and financial information.

The matters disclosed in the report to the Financial Statements Committee include the risks of material misstatement that we considered to be most significant to our audit of the aggregate annual financial statements for the year and which, accordingly, are the key audit matters that we are required to describe in this report.

We also provide the Financial Statements Committee with the statement provided for in Article 6 of Regulation (EU) 537-2014 confirming our independence, within the meaning of the rules applicable in France as set out in Articles L.822-10 to L.822-14 of the French Commercial Code and in the Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Financial Statements Committee the risks to our independence and the safeguards applied.

Neuilly-sur-Seine and Paris-La Défense, 12 April 2023

The Statutory Auditors

PricewaterhouseCoopers Audit

Pierre CLAVIÉ

Deloitte & Associés

Anne-Elisabeth PANNIER Jean-Marc MICKELER

8.3 Statutory Auditors' special report on regulated agreements

General Meeting held to approve the financial statements for the financial year ended 31 December 2022

To the General Meeting,

In our capacity as Statutory Auditors of your company, we hereby present our report on regulated agreements.

It is our responsibility to inform you, on the basis of the information provided to us, of the characteristics and essential terms and conditions of the agreements of which we have been informed or which we may have discovered in the course of our work, without having to express an opinion on their usefulness or appropriateness, or to ascertain whether any other agreements exist. It is your responsibility, under the terms of Article R.225-31 of the French Commercial Code, to evaluate the benefits resulting from these agreements prior to their approval.

In addition, it is our responsibility, where applicable, to provide you with the information provided for in Article R.225-31 of the French Commercial Code relating to the execution, during the past financial year, of agreements already approved by the General Meeting.

We performed those procedures which we considered necessary to comply with professional guidance issued by the French national auditing body (Compagnie nationale des commissaires aux comptes) relating to this mission. These procedures consisted in verifying that the information provided to us is consistent with the source documents from which it is derived.

Agreements subject to approval by the General Meeting

We hereby inform you that we have not been made aware of any agreement authorised and entered into during the past financial year to be submitted for the approval of the General Meeting pursuant to the provisions of Article L.225-38 of the French Commercial Code.

Agreements already approved by the General Meeting

Pursuant to Article R.225-30 of the French Commercial Code, we have been informed that the following agreements, already approved by the General Meeting in previous years, continued to be executed during the past financial year.

Employment contract of the Chief Executive Officer

On 3 April 2020, the Board of Directors approved the provisions of the amendment to the employment contract of Ms Hélène Bernicot, Chief Executive Officer of Crédit Mutuel Arkéa. The amendment to the suspension of the employment contract mentions the following provisions:

- the date of suspension of the employment contract;
- the conditions for reinstatement at the end of the term of office;
- the inclusion of the term of office in the calculation of seniority and related rights;
- subscription to a private unemployment insurance scheme during the period of suspension of the employment contract;
- the terms of compensation in the event of termination of the employment contract by the employer, for any reason whatsoever, with the exception of dismissal for gross misconduct or gross negligence, as well as in the event of termination by agreement of the employment contract, payment of an indemnity equal to two years' compensation (calculated on the basis of the average gross monthly salary including benefits in kind), whether in respect of the employment contract or the corporate office, received during the twelve months preceding the date of termination, plus the monthly average of all variable compensation received during the three years preceding the date of termination, in addition to the sums due by application of the law and the applicable contractual provisions.

Employment contract of the Deputy Chief Executive Officer

On 3 April 2020, the Board of Directors approved the provisions of the amendment to the employment contract of Ms Anne Le Goff, Deputy Chief Executive Officer of Crédit Mutuel Arkéa. The amendment to the suspension of the employment contract mentions the following provisions:

- the date of suspension of the employment contract;
- the conditions for reinstatement at the end of the term of office;
- the inclusion of the term of office in the calculation of seniority and related rights;
- subscription to a private unemployment insurance scheme during the period of suspension of the employment contract;

- the terms of compensation in the event of termination of the employment contract by the employer, for any reason whatsoever, with the exception of dismissal for gross misconduct or gross negligence, as well as in the event of termination by agreement of the employment contract, payment of an indemnity equal to two years' compensation (calculated on the basis of the average gross monthly salary including benefits in kind), whether in respect of the employment contract or the corporate office, received during the twelve months preceding the date of termination, plus the monthly average of all variable compensation received during the three years preceding the date of termination, in addition to the sums due pursuant to the law and the applicable contractual provisions.

Agreement on the terms and conditions for the termination of the term of office of Mr Julien Carmona

On 4 June 2021, the Board of Directors approved the provisions of the agreement relating to the terms of the termination of the term of office of Mr Julien Carmona, Chairman of the Board of Directors of Crédit Mutuel Arkéa.

The agreement mentions the terms of compensation in the event of involuntary termination of the term of office of the Chairman of the Board of Directors (in particular dismissal or non-renewal), i.e. compensation in an amount equal to two years of gross compensation, calculated on the basis of the gross compensation at the time of the termination, benefits in kind included, subject to social security, CSG, CRDS contributions and withholding tax.

The agreement also specifies the terms and conditions for subscribing to a private unemployment insurance scheme.

Neuilly-sur-Seine and Paris-La Défense, 12 April 2023

The Statutory Auditors

PricewaterhouseCoopers Audit

Pierre CLAVIÉ

Deloitte & Associés

Anne-Elisabeth PANNIER Jean-Marc MICKELER

8.4 Moderate assurance report from one of the Statutory Auditors on the review of your system for assessing non-financial impacts

Financial year ended 31 December 2022

For the attention of executive management,

In our capacity as one of the Statutory Auditors of Crédit Mutuel Arkéa (hereinafter the "Company"), and following your request, we have carried out a review aimed at providing us with limited assurance on the measurement of non-financial impacts of the Company as presented in the Universal Registration Document in Section 3.4 "Measurement of non-financial impacts" (hereinafter the "Information") for the financial year ended 31 December 2022. The Information has been prepared in accordance with the Company's procedures presented in the document "Overall performance – Measurement of non-financial impacts – Methodological guidelines" (hereinafter the "Guidelines") available on the Company's website.

Conclusion

Based on the procedures we have implemented, as described in the "Nature and scope of the work" section, and the information we have collected, we have not identified any significant anomaly that would call into question the fact that the Information has been prepared in accordance with the Guidelines.

Comments

Without calling into question the conclusion expressed above, we draw your attention to the following: as indicated in Section 3.4.2 "Changes in scope", the scope of the Information covers 75% of financing.

Furthermore, the valuation of the Information does not include investment activities.

Preparation of Information

The absence of a generally accepted and commonly used reference framework or established practices used to evaluate and measure the Information allows the use of different yet acceptable measurement techniques that may affect comparability between entities and over time.

Therefore, the Information should be read and understood with reference to the Guidelines and is available on the Company's website.

Limitations inherent in the preparation of the Information

As stipulated in the Guidelines, the Information may be subject to inherent uncertainty in terms of scientific or economic knowledge and the quality of the external data used.

Certain data are sensitive to the methodological choices, assumptions or estimates used to prepare them, as indicated in the Guidelines, in particular:

- the selection of indicators, considered by the Finance and Global Performance Department as the most material for the Company's activities;
- social-economic monetisation indices;

- the impact calculation, which allocates 100% of the externalities to the Company up to:
 - its share in the financed projects (for the federations and Financo scope, energy saving works, auto-motorcycles, home mortgages and Crédit Foncier et Communal d'Alsace et de Lorraine),
 - its share in the Company's liabilities (ABEI, Professionals, Farmers, Arkéa Crédit-Bail, Arkéa Banque Privé, Arkéa Direct Banque);
- the calculation of the purchasing power gain linked to the "Left to live on" indicator generated by the consolidation of loans.

Responsibility of the Company

The Company is responsible for:

- selecting or establishing appropriate criteria and procedures to prepare the Guidelines;
- preparing the Information in accordance with the Guidelines; as well as
- putting in place the internal control that it deems necessary to prepare information that is free from material misstatements, whether due to fraud or error.

Statutory Auditors' responsibility

The conclusion set out in this report relates solely to the Information.

It is our responsibility, on the basis of our work, to:

- express limited assurance that the Information has been prepared in accordance with the Guidelines and is free from material misstatement, whether due to fraud or error;
- form an independent conclusion, based on the audit evidence we have obtained; and
- share our conclusion with the Company's management.

Regulatory provisions and applicable professional doctrine

Our work described below was carried out in accordance with the professional doctrine of the French National Association of Statutory Auditors and the international standard ISAE 3000 (revised). "Assurance Engagements other than Audits and Reviews of Historical Financial Information" of the International Auditing and Assurance Standards Board (IAASB).

Independence and quality control

Our independence is defined by the provisions of Article L.822-11 of the French Commercial Code and the Code of Ethics for Statutory Auditors. In addition, we have set up a quality control system that includes documented policies and procedures to ensure compliance with applicable laws and regulations, ethical rules and the professional doctrine of the French national auditing body relating to this work.

Means and resources

To assist us in the completion of our work, we called upon our specialists in sustainable development and Corporate Social Responsibility. We conducted around ten interviews with the people responsible for preparing the Information.

Nature and scope of the work

We have planned and carried out our work in such a way as to enable us to formulate a conclusion of limited assurance with respect to the Information.

The nature, timing and extent of the procedures performed on this Information depend on our professional judgment, including the assessment of the risks of material misstatement, whether due to fraud or error.

We have:

- assessed the appropriateness of the Guidelines with regard to their relevance, completeness, reliability, neutrality and understandability;
- verified the implementation of a collection, compilation, processing and control process aimed at ensuring the completeness and consistency of the Information;
- conducted interviews with the relevant departments of the Company in order to analyse the deployment and application of the Guidelines;
- implemented analytical procedures consisting of verifying the calculations carried out and the correct consolidation of the data collected and the consistency of changes to them;
- carried out detailed tests using samples consisting of verifying the proper application of the definitions and procedures and reconciling the data with the supporting documents.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. The procedures implemented as part of a limited assurance assignment are less extensive than those required for a reasonable assurance assignment performed in accordance with the professional doctrine of the French national auditing body; a higher level of assurance would have required more extensive verification work.

Paris-La Défense, 13 April 2023

One of the Statutory Auditors

Deloitte & Associés

Anne-Elisabeth PANNIER

Partner, Audit

Julien RIVALS

Partner, Sustainable Development



CROSS-REFERENCE TABLES AND ALTERNATIVE PERFORMANCE INDICATORS

Cross-reference table of the Universal Registration Document	424	Alternative performance indicators – Article 223-1 of the AMF General Regulation	428
Cross-reference table for Crédit Mutuel Arkéa's 2022 Annual Financial Report	427		

Cross-reference table of the Universal Registration Document

This cross-reference table contains the headings provided for in Annex 1 (cross-referenced from Annex 2) of the delegated Commission Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and repealing Commission Regulation (EC) no. 809/2004, and refers to the sections and pages of this Universal Registration Document where the information relating to each of these headings is given.

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1.3	Statement or report attributed to a person acting as an expert	7	405
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2.2	Resignation, dismissal or non-renewal of Statutory Auditors	NA	
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4.2	Place and registration number and Legal Entity Identifier (LEI) of the issuer	7	402-403
4.3	Date of incorporation and lifetime of the issuer	7	403
4.4	Head office and legal form of the issuer, applicable law, country of incorporation, address and telephone number of the registered office and website	7	403
5.	BUSINESS OVERVIEW		
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5.3	Important events in the development of activities	1.8	29
5.4	Strategy and objectives	1.1 ; 1.7 ; 4	6 ; 26 ; 101
5.5	Degree of dependence of the issuer on patents or licences, industrial, commercial or financial contracts or new manufacturing processes	NA	
5.6	Elements on which any statement by the issuer regarding its competitive position is based	1.6 ; 5.1	19 ; 213
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7.	REVIEW OF FINANCIAL POSITION AND RESULTS		
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8.5 Information on the expected sources of funding that will be needed to meet the commitments referred to in points 5.7.	NA	
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14.2 Information about any service contracts binding the members of the administrative bodies to the issuer or any of its subsidiaries and providing for the granting of benefits under such contracts	2.5 ; 2.8	63 ; 76
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Cross-reference table for Crédit Mutuel Arkéa's 2022 Annual Financial Report

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Alternative performance indicators – Article 223-1 of the AMF General Regulation

Alternative performance measures	Definition	Justification for use
Other group operating income and expenses	Difference between the income and expenses of the other activities	Measures income excluding group financial margin and commissions
Other operating income and expenses for the scope of aggregate accounts	Difference between the income and expenses of the other activities derived from Crédit Mutuel Arkéa's parent company financial statements	Measures income excluding financial margin and commissions from Crédit Mutuel Arkéa parent company financial statements
Operating ratio	Ratio of operating expenses to Net Bank Insurance Income (NBII)	Measure of the group's operational efficiency
Net commissions	Difference between commissions (income) and commissions (expenses)	Measures income from commissions at group level
Cost of risk (in basis points)	Ratio of the cost of risk (in €) to customer loans outstanding at the end of the period	Measures the level of risk compared to balance sheet loan commitments
Operating expenses	Sum of general operating expenses and depreciation and amortisation charges for property, plant and equipment and intangible assets	Measures the level of group general operating expenses
Group financial margin	Sum of the following items: - net gains (losses) on financial instruments at fair value through profit and loss; - net gains (losses) on available-for-sale financial assets; - difference between "Interest and similar income" and Interest and similar expenses".	Measures income from the group's financial activity
Financial margin for the scope of aggregate accounts	Under French accounting standards: interest and similar income - interest and similar expenses + net gains or losses on trading portfolio transactions + gains or losses on investment portfolio and similar transactions	Measures income from financial activity from Crédit Mutuel Arkéa parent company financial statements
Asset returns	Ratio of the net income or loss to the balance sheet total on a consolidated basis at the end of the financial year	Measures the rate of return of total balance sheet assets
Overall coverage ratio of non-performing loans (interest + capital)	Ratio of provisions recognised in respect of credit risk on an individual basis to impaired loans outstanding on an individual basis	Measures the maximum residual rate of risk coverage for impaired loans outstanding
Rate of non-performing and disputed loans (including interest)	Ratio of impaired loans outstanding on an individual basis to customer deposits ("Customer loans and receivables" recorded as assets on the balance sheet on a consolidated basis)	Measures the quality of loans

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