Pillar 3 Report

12.31.2021

Revised version - September 2023

Crédit Mutuel
ARKEA

Sommaire

Foreword

At the request of the European Central Bank as part of its assessment of prudential reporting practices, two additions have been made to the Pillar 3 12.31.2021 report as published in its initial version of April 2022. These are presented below and are integrated into the revised version of the report below. Other elements of the report remain unchanged.

Clarification on the calculation of RWAs and capital ratios

In chapter 6 - Credit risk, section 6.1 - Exposures, the following clarification is provided on the calculation of RWAs and capital adequacy ratios:

As part of the Target Review of Internal Models exercise, the ECB adopted decisions in May 2021 imposing limitations on large accounts and bank portfolios. Their implementation, which would have had an impact of -26 basis points on the CET1 ratio, will result in a switch to the IRB-Foundation method for these portfolios in March 2022.

Publication of change in stock of non-performing loans and advances at 12.31.2021

In Chapter 6 - Credit risk, section 6.2 - Credit quality of assets, the table EU CR2 - Changes in the stock of non-performing loans and advances is published:

As at 12.31.2021 In € thousands	Gross carrying amount
Initial stock of non-performing loans and advances	1,438,520
Inflows to non-performing portfolios	461,060
Outflows from non-performing portfolios	-448,473
Outflows due to write-offs	-139,145
Outflow due to other situations	-309,328
Final stock of non-performing loans and advances	**1,451,107**

1. Risk management objectives and policies

The Crédit Mutuel Arkéa group is a banking and insurance group. It comprises Crédit Mutuel Arkéa, the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest networks as well as specialized subsidiaries that cover all banking and financial business lines. These subsidiaries, created to expand the Crédit Mutuel Arkéa group's product and service offering, reflect the Group's desire to constantly improve its service to its members and customers – individuals, local professionals and businesses – and to contribute to the development of the regions by helping local authorities and institutions to finance their infrastructure.

In response to the challenges facing the banking profession today, the Crédit Mutuel Arkéa group continues to promote a corporate culture that constantly adapts to changes in the environment in which the activities that underpin its corporate purpose operate. The initiatives undertaken in recent years aim to support technological changes, the emergence of new players, changes in customer behavior and the integration of new non-financial factors such as ESG criteria and the fight against climate change.

The level of capital accumulated over the years reflects the recurring nature of the income and earnings generated by the Group's business model. It illustrates the confidence generated and sustained as part of the development strategy combined with a diversified and moderate risk profile.

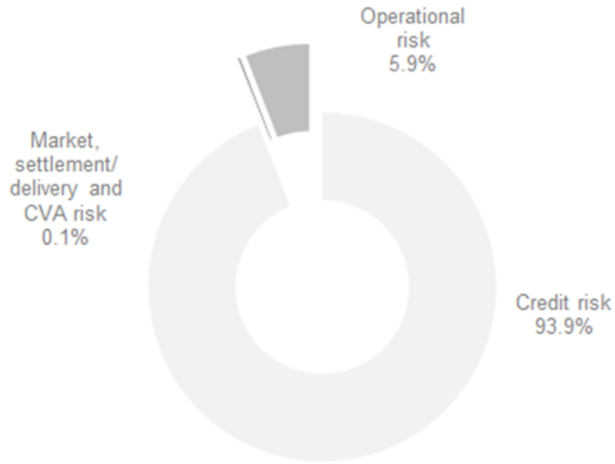
The Pillar 3 report serves as a supplement to Crédit Mutuel Arkéa's 2021 Universal Registration Document (URD).

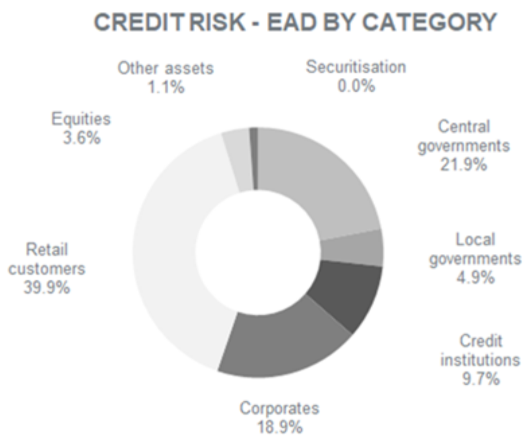
1.1. Risk profile

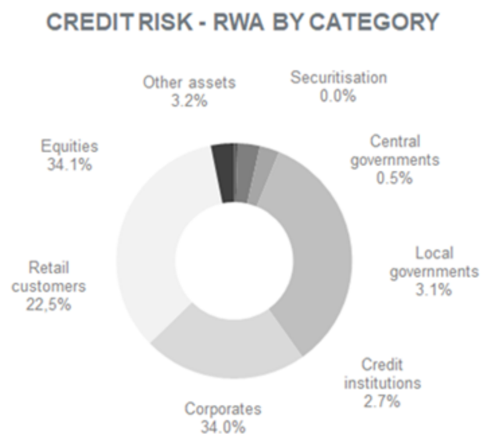
Retail banking and insurance constitute the Crédit Mutuel Arkéa group's core business, as evidenced by the share of credit risk in the Group's total capital requirements (93.9% at end-2021) with a predominance of the retail customer.

In € thousands	December 31, 2021	December 31, 2020
Total capital	9,107,886	8,643,243
Tier 1 capital	7,318,754	6,766,591
Common Equity Tier 1 (CET1) capital	7,307,529	6,744,143
Net income, group share, transferred to reserves	532,332	316,768

Leverage ratio: 7.2%
Overall solvency ratio: 21.1%
CET1 ratio: 17.0%
Financial conglomerate ratio: 187%
LCR ratio: 163%







This risk profile reflects the strategy and associated risk management implemented by the Crédit Mutuel Arkéa group.This management, which is under Crédit Mutuel Arkéa’s control, is applied by each of the Group's entities.

To sustain its results, the Crédit Mutuel Arkéa group aims to achieve:

- high levels of security in terms of solvency and liquidity, which are closely monitored and are factors that instill trust in both customers and investors contributing to the Group’s refinancing;
- sufficient resistance to multiple adverse stress scenarios (liquidity drying up, substantial distortion of the yield curve, deterioration of the market values of exposed assets, deterioration of the ability of issuers of the debt instruments held and of borrower clients to make repayments) or difficulties limited to certain business sectors or key players.

Achievement of these objectives relies mainly on:

- a solvency policy designed to maintain the Crédit Mutuel Arkéa group's financial solidity on a long-term basis, from a conglomerate perspective, and to ensure prudent management of solvency by Crédit Mutuel Arkéa's dedicated teams in order to meet Pillar 1 and Pillar 2 regulatory capital requirements on a long-term basis. Based on a prudential capital structure with a high proportion of reserves, this policy entails the definition of a safety margin enabling the Group to continue its development in the context of future regulatory changes and the levels expected by rating agencies and investors. Internal capital allocation is managed in order to match the estimated risk level and the regulatory requirements of each entity within the conglomerate. These principles therefore also apply to the Group's insurance subsidiaries.
- a liquidity risk policy that is prudent since it is designed to contribute to the continuity of the Group's activities even over long periods of unfavorable developments, and in this respect to be able to last at least twelve months without access to the market and without modification of the commercial policy within three months. Crédit Mutuel Arkéa therefore acts as a central source of refinancing and placement of surplus liquidity for all entities within the Group's banking scope. Internal liquidity allocation is managed with a view to ensure that the subsidiaries have access to liquidity at all times (exclusively with Crédit Mutuel Arkéa) enabling them to comply with regulatory and internal rules.
- an interest rate risk policy in which Crédit Mutuel Arkéa manages the overall interest rate position within the consolidated banking scope. Crédit Mutuel Arkéa operates as a central interest rate management unit for all the Group's banking activities, including a refinancing unit, in a measured and controlled manner, which enables the Group to obtain the best conditions at the time, taking into account the business activity and the current and future interest rate environment. Internal transactions are managed to ensure that there is no interest rate risk for the local banks and banking subsidiaries. The operational implementation in the form of limits reflects the prudence of the policy implemented.
- a credit risk policy which, based on an internal rating system and a prudent hedging policy, ensures good control of risk and capital utilization:
    - the loan portfolio comprises a very diversified customer base in which individuals represent the largest share alongside local professionals (artisans, small businesses, farmers, etc.), non-profit organizations, SMEs and large companies, as well as local authorities and institutions. The lending policy is based on in-depth knowledge of the borrower, its business, the purpose for which the loan is to be used and the application of a tried-and-tested internal rating system, based mainly on statistical models approved by the supervisory authority, or an approval scoring system for consumer loans approved at the point of sale. When deciding whether or not to lend, more importance is placed on the customer's intrinsic ability to repay the loan than on the value of the collateral;
    - cash investments also reflect a higher quality credit risk, with a significant preponderance of investment grade outstandings. These cash amounts are invested mainly in instruments issued by the French government or European financial counterparties, a large proportion of which are in the form of covered bonds.

- a prudent market risk policy, with no trading book activity, as evidenced by a very low capital requirement limit, since transactions carried out on behalf of customers are systematically market-based.

  Market risk exposure mainly concerns the portfolio dedicated to liquidity management, consisting of debt securities and therefore sensitive to spread and interest rate risks, it being specified that fixed-rate securities are systematically matched by the Group's central interest rate risk management unit managed by Crédit Mutuel Arkéa. Residual interest rate risk arises from adjustable rates and changes in spread. In addition, the foreign exchange risk remains negligible with a very low foreign exchange position thanks to the implementation of hedges, where appropriate.

  The derivative market activities also give rise to credit valuation adjustment (CVA – Credit Valuation Adjustment) risks and risks relating to the financing of part of these instruments (FVA – Funding Valuation Adjustment).

- an insurance business management policy capable of supporting the Group's core business, based on profitability and solvency objectives, within a controlled risk framework:
  - described in the appetite frameworks specific to each company, defined in compliance with the Group's framework and under its control, this policy ensures that the risk levels incurred by the insurance business are compatible with the guidelines and policies set by the Crédit Mutuel Arkéa group;
  - it aims to ensure the proper delivery of services in accordance with the commitments made to policyholders;
  - it also specifies the principles relating to the management and control of underwriting and provisioning risks and the technical risks specific to these activities.

- an operational risk policy, the aim of which is to ensure that the processes of all of the Group's entities are and remain as reliable, secure and efficient as possible. This policy plays a part in increasing the satisfaction of members and customers and in ensuring the sound financial health of the Crédit Mutuel Arkéa group by minimizing the cost of incidents and the equity required to cover them.

  In the area of IT risk (including cyber risks), the Group's appetite is illustrated by:
  - the choice of complete control of its information system;
  - strict data protection and security rules governed by dedicated policies;
  - a commitment of permanent service availability;
  - the priority given to technological innovation for the benefit of the Group's members and customers, entities, partners and employees.

  In addition, the operational risk policy includes the preventive consideration of risk, including that relating to litigation (or legal risk, resulting from any imprecision, deficiency or insufficiency, real or assumed, which may be attributable to the reporting company in its operations) external fraud and cyber risk, from the design or significant development of any process, including when these are outsourced. The management of the outsourcing process, the implementation of which must make it possible to effectively control the services and remain a reference partner with the Group's suppliers, relies as far as possible on companies located in the regions in which the Group operates, consistent with its purpose, making it possible to achieve the strategic objectives with a view to pooling and optimizing costs.

It is implemented by means of:
  - coordinating the operational risk management systems, which notably includes the Emergency and Business Continuity Plan;
  - a self-assessment of the impacts in ordinary and exceptional circumstances supplemented by action plans intended to reduce the effects of the recurrence of such risks or to eliminate their causes, where this is possible and can be justified on economic grounds.

- a non-compliance risk prevention and control policy, formalized by the Group Compliance Charter, aimed at protecting the Group from any risk of sanctions, financial loss or reputational damage while also protecting the interests of customers. Compliance risks are monitored in four major areas:
  - financial security, including anti-money laundering and terrorist financing measures;
  - business conduct and professional ethics;
  - protection of customers' interests;
  - fiscal transparency.

  Personal data protection is also covered by a dedicated system and a specific organization.
  In concrete terms, this policy entails:
  - drawing up a non-compliance risk map;
  - overall coordination of the implementation of the system by the Compliance and Permanent Control Department to ensure consistent practices within the Group.

- a strategic risk management policy aimed at:
  - ensuring the relevance of the strategic objectives pursued by the Group in the development of its business model, in view of the endogenous and exogenous context;
  - ensuring over time that the actions and initiatives of the Group's entities comply with the strategic goals set out by the Board of Directors in the context of medium-term planning. The risk appetite shown by the Group in this regard is low insofar as the strategic goals defined by the Group stem directly from the company's *Raison d'être* (purpose).

- a reputational risk management policy aimed at protecting the Group's reputation, by preventing the occurrence of such a risk but also by managing incidents according to a crisis management system that involves short-term and long-term communication and a return to normal status. In this respect, the Group shows a very low risk appetite, wishing to protect what constitutes one of its most valuable assets, any damage to which could impact its attractiveness, the level of customer confidence, or the ability of customers to recommend the Group.

- an environmental and climate-related risks management policy, aimed at gradually integrating these risks and the mechanisms for transmitting them to other types of risk (mainly credit risk) into existing systems, in line with the development of the regulatory framework. The implementation of this policy aims to ensure that risk-taking is consistent with the commitments made in the Group's *Raison d'être* (purpose) and climate change strategy, and to reduce the carbon footprint of the conglomerate's activities. The environmental risk management policy aims to take into account the impacts of climate risks, in particular by managing exposures by ESG rating, by sector (based on their sensitivity to physical risk and transition risk) and by geographic location.

- a model risk management policy aimed at gradually integrating monitoring of the models used by the Group and an assessment of the risk associated with its key models in order to minimize their materiality and control the associated level of capital.

1.2. Risk governance

Risk governance is based on the structure of the risk management function within the Group, the management body of Crédit Mutuel Arkéa and each of its entities.

The structure of the risk management function comprises various participants:

- the supervisory body: the Board of Directors of Crédit Mutuel Arkéa and the Risk and Internal Control Committee for the Group and the Board of Directors or Supervisory Board of each entity;
- the executive body: the Executive Committee and the Risk Monitoring Committee for the Group and the General Management/Executive Board/Management Committee as well as the Risk Monitoring Committee or its equivalent for each entity;
- the head of the risk management function: the Head of Risk Management for the Crédit Mutuel Arkéa parent company and the Group, and the manager designated for each entity;
- the correspondents for each type of risk: the persons designated for each entity.

Supervisory bodies

Each entity's supervisory body, i.e. its Board of Directors or Supervisory Board, is involved in risk management. It approves the risk appetite framework and its quantified indicators. This involves setting the warning, appetite and tolerance thresholds and risk limits and monitoring ongoing compliance with them via the regular updates it receives from the executive body.

The risk management factors set by Crédit Mutuel Arkéa's Board of Directors apply to the entire Group. The risk management thresholds, limits and/or objectives set by the supervisory bodies of the subsidiaries are therefore compatible and consistent with the factors adopted by Crédit Mutuel Arkéa's Board of Directors.

The Risk and Internal Control Committee, an offshoot of Crédit Mutuel Arkéa's Board of Directors, is responsible for assisting the Board in managing the risks associated with Crédit Mutuel Arkéa's activities, in accordance with the administrative order of November 3, 2014, as amended by the administrative order of February 25, 2021 (hereinafter referred to as the "**administrative order of November 3, 2014**". It is responsible for monitoring the effectiveness of the Group's internal control (permanent and periodic) and risk management systems. Its role involves "assessing in particular the consistency of the risk measurement, monitoring and management systems and proposing, as necessary, additional action in that regard[1]." The Risk and Internal Control Committee is presented with an overview of the Group's risk situation drawn up at the end of each quarter, supplemented by a 12-month outlook. In addition to this, there is a presentation of the annual review of the risk appetite framework and of the system of limits, risk by risk, the results of ICAAP (Internal Capital Adequacy Assessment Process) and ILAAP (Internal Liquidity Adequacy Assessment Process) processes and this document.

[1] Extract from the Risk and Internal Control Committee's Operating Charter

Executive bodies

Each entity's executive bodies are responsible for managing the risks associated with their activities. Thus, Crédit Mutuel Arkéa's Executive Committee is responsible for the Group's risk management, for which it is accountable to Crédit Mutuel Arkéa's Board of Directors.

As such, it draws up the Group's risk appetite framework, which it then puts forward to the Board of Directors for approval. It also validates the management objectives put forward to it by the Group Risk Monitoring Committee before presenting them to Crédit Mutuel Arkéa's Board of Directors for adoption. It is regularly informed of the group's risk situation by means of monthly management reports and a quarterly general review.

The effective managers of each Group entity have the same role and the same rights at their level, with the understanding that the risk management policy specific to each entity must be consistent with that of the Group. This applies particularly to the system of limits and the group procedures applied by each entity.

Under the delegation of authority by Crédit Mutuel Arkéa's Executive Committee, the Risk Monitoring Committee and dedicated ad hoc committees (the ALM and Capital Management Committee, the IT Governance Committee, the Counterparties Committee, etc.) are responsible for the overall monitoring of all risks associated with the Group's activities, including all of the following:

- the proposal of the risk appetite framework and associated management objectives and operational limits;
- approval of the management policy for each Crédit Mutuel Arkéa group risk;
- monitoring of the results of the implementation of these policies and, in particular, controlling compliance with the objectives, as well as the impacts on earnings and the regulatory ratios both in actual and forecast situations;
- reviewing of any measure necessary or useful in managing these risks.

These provisions also apply to the body that acts as the Risk Monitoring Committee for each entity. Depending on its size, each entity has a Risk Monitoring Committee or a committee covering both "permanent control" and "risk".

Under this structure, ultimate responsibility for an entity's risks, whether or not its activities are outsourced, lies with said entity and, in particular, its effective managers. The latter must report on the entity's risk situation to their supervisory body on a regular basis.

Risk management function

The head of the Group's risk management function is appointed by Crédit Mutuel Arkéa's Board of Directors on the recommendation of the Chief Executive Officer. This responsibility was entrusted to the Crédit Mutuel Arkéa group's Head of Risk Management.

Each Group entity also appoints a head of its risk management function in accordance with the same procedure: proposal by the General Management after obtaining the opinion of the Crédit Mutuel Arkéa group's Head of Risk Management, and approval by the supervisory body.

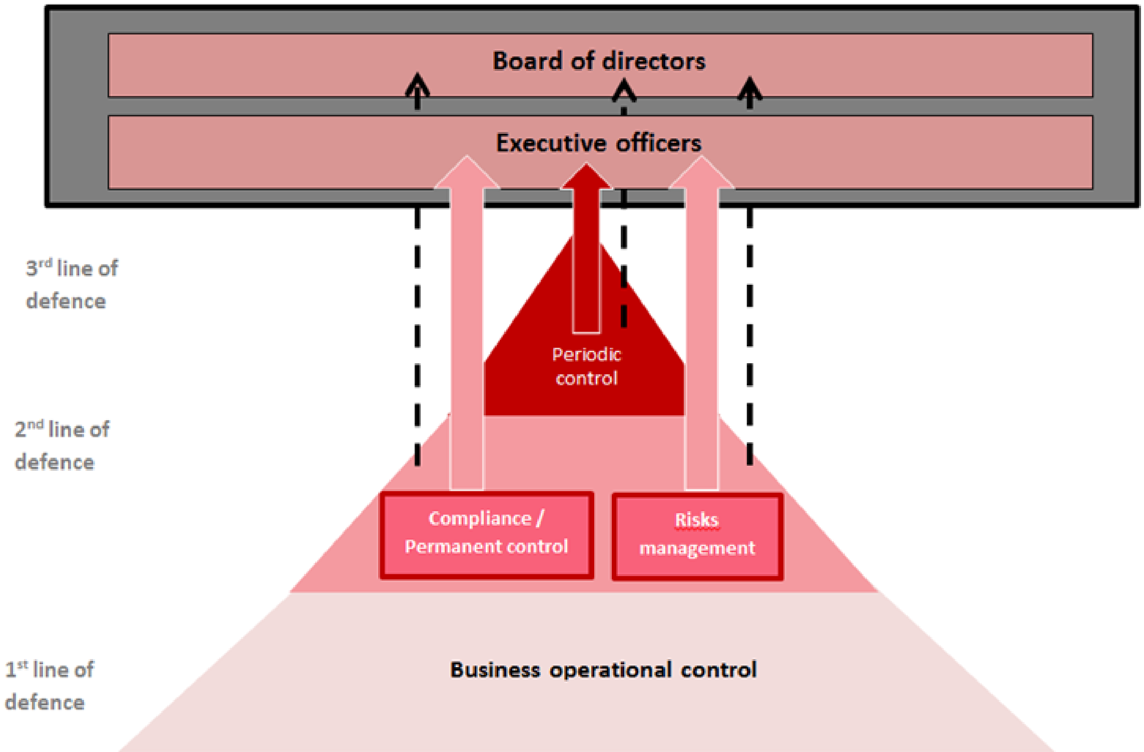
These risk management function heads are supported by a network of correspondents dedicated to monitoring each risk within each entity. For each type of risk identified within the Group, an advisor for the entire Group is appointed within the Crédit Mutuel Arkéa Risk Department. This adviser has as correspondents those persons appointed in all structures exposed to the same risk. These correspondents act as advisors to the risk management function within their entity, on the risks in which they have the relevant expertise. They are in charge of managing and controlling the risks for which they are responsible, jointly with the appointed head of the risk management function.

Internal control

Internal control, which encompasses permanent control and periodic control, is a feature of the risk governance system. To that end, the Crédit Mutuel Arkéa group has, on the one hand, a permanent control function present in each entity and coordinated by the Crédit Mutuel Arkéa group's Compliance and Permanent Control Department and, on the other hand, a single Internal Audit and Periodic Control Department, operating directly in all Group entities.

Each of these functions reports to the executive bodies, which are the Compliance and Permanent Control Committee and the Periodic Control Committee, and to the supervisory body via the Risk and Internal Control Committee or directly to Crédit Mutuel Arkéa's Board of Directors.

The Crédit Mutuel Arkéa group's risk governance system benefits from a structure in which the risk management function, the compliance control function, the permanent control and the periodic control effectively complement each other, as shown in the diagram below:



1.3. Risk appetite

The Crédit Mutuel Arkéa group, a cooperative and mutualist group, maintains a long-term development model that is modern, profitable and generally prudent. The level of capital accumulated over the years reflects the recurring nature of the income and earnings generated. It illustrates the confidence generated, which is based on a development strategy combined with a moderate risk profile, inherent in an effective appetite framework implemented over the long term.

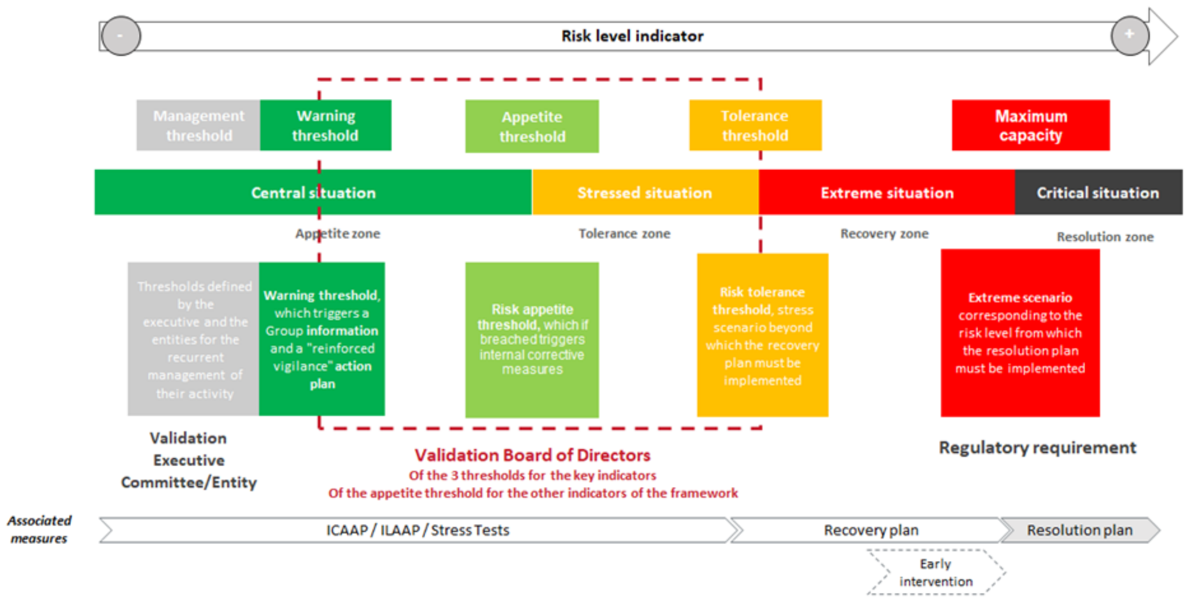
The priority given to reasonable profitability and risk reinforces the level of trust needed to maintain a lasting commercial relationship with customers. This especially characterizes the Crédit Mutuel Arkéa group's cooperative and mutualist model, in which members, who are joint owners, are also customers, and favor the quality of a long-term relationship with their bank over the return offered by the share capital they hold. The return on share capital is considered part of an overall assessment in the medium or long term, with no immediate urgency. The Group can thus manage or even anticipate changes in its environment, while continuing to effectively control its risks.

Risk appetite framework

Risk appetite is defined as the level of each type of risk that an organization can tolerate and is prepared to take, in both a normal and impaired economic and financial environment, as part of a development strategy over a forecast horizon of at least three years. The aim of the Crédit Mutuel Arkéa group's risk appetite framework is to effectively govern and oversee risk management by implementing a consistent system.

The risk appetite framework architecture may be represented according to the different possible risk levels, formalized in the form of scenarios:

- the **central situation** corresponds to a normal risk situation;
- the **stressed situation** corresponds to a situation of exceptional deterioration of one or more risks;
- the **extreme situation** corresponds to a risk situation requiring the implementation of the recovery plan;
- the **critical situation** corresponds to a situation in which resolution must be implemented by the Single Resolution Board (hereinafter the "**SRB**"), the European body for resolving failing financial institutions.



Based on this representation of possible risk situations, there are **three thresholds** that signify **four different risk areas**:

- **three thresholds corresponding to three levels of risk valuation:**
  - the **risk appetite threshold**, a level compliant with the Group's risk appetite policy, for the normal conduct of activity, and the maximum risk limit in a normal situation. This appetite threshold is supplemented beforehand by a warning threshold reflecting a level of vigilance above which Crédit Mutuel Arkéa's management body wishes to be more particularly informed;
  - the **risk tolerance threshold**, the level beyond which the recovery plan should be triggered (depending on the indicators concerned);
  - the **maximum absorbable risk capacity threshold**, a regulatory level that should trigger the resolution plan under the authority of the Single Resolution Mechanism;
- **four risk areas**, three of which are under the governance of Crédit Mutuel Arkéa:
  - the **risk appetite area**, which reflects the degree of prudence or appetite for the risk in question; operational limits are set, risk by risk, in the current situation, for which the limits may correspond to the appetite threshold or remain below that level (activity that is at an early stage or not yet mature, or risk requiring better control);

- the **tolerance area**, which covers any exceptional deterioration in risk, taking into account rapid risk mitigation measures. It dictates the appetite threshold, with the tolerance threshold itself restricted by the dimension of the recovery zone;
- the **recovery area**, zone for implementing the recovery options in the recovery plan, with an entry threshold or recovery threshold set according to the magnitude of the recovery options (to avoid exceeding the the maximum absorbable risk capacity and entering the resolution area);
- the **resolution area**, the zone where the CRU implements the resolution plan since the regulatory thresholds for conducting business have been exceeded.

Governance of the risk appetite framework

The risk appetite framework is reviewed at least once a year, as part of the Group's overall management process. The medium-term business and earnings forecast necessarily includes an assessment of future risk, under both normal and unfavorable conditions. The aim of this exercise is to ensure a development trajectory with the greatest chances of success in achieving the target risk/return ratio.

The risk appetite framework is therefore a key tool for managing the Group's business management function. Its annual review is an opportunity to:

- decide on the level of risk borne by the Group;
- measure the potential capacity for absorbing additional risk;
- project this level of risk according to assumptions concerning the development of the activities associated with the risk scenarios.

This iterative exercise is compared with the annual and medium-term plan, thereby ensuring the consistency of the commercial, financial and risk policies. Prepared jointly by the Crédit Mutuel Arkéa group's Finance and Risk Departments, notably, in collaboration with the management of the Group's entities, the risk appetite framework is presented to the Risk Monitoring Committee and then to Crédit Mutuel Arkéa's Executive Committee for approval, before being submitted to the Risk and Internal Control Committee and then to Crédit Mutuel Arkéa's Board of Directors for final adoption.

Its application is then monitored, the results of which are published in the quarterly risk management report and communicated to the Group's management body.

Stress tests

The stress tests are an integral part of the risk management system implemented by the Group. They consist of simulating severe but plausible forward-looking scenarios (economic, financial, political and regulatory) in order to measure the bank's ability to withstand such situations.

In the context of both ICAAP exercise and the recovery plan, the Group strives to develop a comprehensive stress program. Based on its overall risk mapping and the identification of its main vulnerabilities, Crédit Mutuel has built a graduated stress program with three severity levels:

- stress tests used in economic approaches for assessing capital and liquidity requirements (ICAAP and ILAAP), calibrated on the basis of severe and plausible assumptions;
- stress tests developed as part of the recovery plan. These scenarios, which are very unlikely to occur, make it possible to test the effectiveness of the recovery options;
- stress tests to assess the Group's ability to assume risks (reverse stress test). The results show the Group's distance from a situation of recovery, or even resolution, in deteriorated and extreme economic conditions.

The stress test process includes specific stress tests by risk type, such as:

- credit stress tests used to determine changes in capital and cost of risk requirements entailing sensitivity scenarios based on an identified economic position;
- interest rate stress tests to measure the sensitivity of indicators such as net banking income to scenarios involving changes in the yield curve;
- liquidity stress tests to calculate the survival horizon in a stressed environment;
- market stress tests based on historical and hypothetical market activity scenarios;
- operational stress tests to calculate a potential loss level as part of the advanced measurement approach (AMA);
- climate stress tests to materialize the impact of the climate dimension on the measurement of credit risk in terms of provisions mobilized in the short, medium and long term (2050).

The Crédit Mutuel Arkéa group contributes to regulatory stress exercises coordinated by the supervisory authority and/or the European Banking Authority (hereinafter the "**EBA**").

2. Scope of the regulatory framework

Pursuant to the provisions of EU Regulation No. 575/2013 for credit institutions and investment firms, as amended by EU Regulation No. 2019/876 of the European Parliament and of the Council of May 20, 2019 (hereinafter referred to as the "**CRR**"), the accounting and regulatory scopes consist of the same entities.

The consolidation method differs only for entities in the insurance sector and securitisation funds, which are consolidated in accordance with the regulatory framework using the equity method, regardless of the percentage of control.

Table 1 (EU LI3): Outline of the differences in the scopes of consolidation (entity by entity)

Name of the entity	Method of accounting consolidation	Method of prudential consolidation					Description of the entity
		Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	
Arkéa	Full consolidation	X					Banking / Services
Arkéa Banking Services	Full consolidation	X					Banking / Banking services
Arkéa Banque Entreprises et Institutionnels	Full consolidation	X					Banking / Corporate banking
Arkéa Bourse Retail	Full consolidation	X					Banking / Holding
Arkéa Capital	Full consolidation	X					Insurance and asset management / Asset management
Arkéa Capital Investissement	Full consolidation	X					Banking / Private equity
Arkéa Capital Managers Holding SLP	Full consolidation	X					Banking / Private equity
Arkéa Capital Partenaire	Full consolidation	X					Banking / Private equity
Arkéa Crédit Bail	Full consolidation	X					Banking / Leasing and finance leasing
Arkéa Direct Bank	Full consolidation	X					Banking / Financial and stock market intermediation
Arkéa Foncière	Full consolidation	X					Banking / Real estate
Arkéa Home Loans SFH	Full consolidation	X					Banking / Refinancing entity
Arkéa Public Sector SCF	Full consolidation	X					Banking / Refinancing entity
Arkéa Real Estate	Full consolidation	X					Banking / Real estate
Arkéa REIM	Full consolidation	X					Banking / Real estate
Arkéa SCD	Full consolidation	X					Banking / Services
Budget Insight	Full consolidation	X					Banking / Services
Caisse Centrale du Crédit Mutuel	Equity method			X			Banking / Mutual banking
Caisse de Bretagne de CMA	Full consolidation	X					Banking / Mutual banking
CFCAL Bank (succursale belge de CFCAL Banque)	Full consolidation	X					Banking / Specialised networks banking
CFCAL Banque	Full consolidation	X					Banking / Specialised networks banking
Crédit Mutuel Arkea	Full consolidation	X					Banking / Mutual banking
FCT Collectivités	Equity method			X			Banking / Securitisation fund
Federal Equipements	Full consolidation	X					Banking / Services
Federal Finance	Full consolidation	X					Insurance and asset management / Private banking and asset management
Federal Finance Gestion	Full consolidation	X					Insurance and asset management / Asset management
Federal Service	Full consolidation	X					Banking / Services
Financo	Full consolidation	X					Banking / Specialised networks banking
GICM	Full consolidation	X					Banking / Services
Izimmo	Full consolidation	X					Banking / Real estate
Keytrade Bank (succursale d'Arkéa Direct Bank)	Full consolidation	X					Banking / Financial and stock market intermediation
Keytrade Bank Luxembourg SA	Full consolidation	X					Banking / Financial and stock market intermediation
La Compagnie Française des Successions	Equity method			X			Insurance and asset management / Asset management
Leetchi SA	Full consolidation	X					Banking / Services
Mangopay SA	Full consolidation	X					Banking / Services
Monext	Full consolidation	X					Banking / Services
New Port	Equity method			X			Banking / Holding
Nextalk	Full consolidation	X					Banking / Services
Nouvelle vague	Full consolidation	X					Banking / Services
Novelia	Full consolidation	X					Insurance and asset management / Insurance brokerage
Procapital	Full consolidation	X					Banking / Financial and stock market intermediation
Pumpkin	Full consolidation	X					Banking / Services
Schelcher Prince Gestion	Full consolidation	X					Insurance and asset management / Asset management
SCI Interfédérale	Full consolidation	X					Banking / Real estate
SMSPG	Full consolidation	X					Insurance and asset management / Holding
Strateo (succursale d'Arkéa Direct Bank)	Full consolidation	X					Banking / Financial and stock market intermediation
Suravenir	Equity method			X			Insurance and asset management / Life insurance
Suravenir Assurances	Equity method			X			Insurance and asset management / Non-life insurance
Vivienne Investissement	Equity method			X			Insurance and asset management / Asset management
Yomoni	Equity method			X			Insurance and asset management / Asset management

Entities accounted for by the equity method are risk-weighted.

Table 2 (EU LI1): Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

As at 12.31.2021 In € thousands	Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Carrying values of items				
			Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
Breakdown by asset clases according to the balance sheet in the published financial statements							
Cash, due from central banks	15,835,673	15,835,673	15,835,673	-	-	-	-
Financial assets at fair value through profit or loss	1,515,229	1,518,410	1,107,923	398,747	-	-	11,740
Derivatives used for hedging purposes	941,733	941,733	-	941,733	-	-	-
Financial assets at fair value through equity	9,438,286	9,438,286	9,438,286	-	-	-	-
Securities at amortized cost	632,290	632,290	632,290	-	-	-	-
Loans and receivables - credit institutions, at amortized cost	15,207,862	15,207,820	12,298,445	2,309,375	-	-	600,000
Loans and receivables - customers, at amortized cost	73,250,954	75,069,302	73,659,710	1,409,592	-	-	-
Remeasurement adjustement on interest-rate risk hedged portfolios	621,698	621,698	-	-	-	-	621,698
Placement of insurance activities	58,775,760	-	-	-	-	-	-
Current tax assets	127,398	129,202	129,202	-	-	-	-
Deferred tax assets	130,806	115,217	107,257	-	-	-	7,960
Accruals, prepayments and sundry assets	992,972	1,030,423	961,527	-	-	-	68,896
Non-current assets held for sale	80,813	80,813	80,813	-	-	-	-
Investments in associates	176,345	2,687,463	2,683,821	-	-	-	3,642
Investment property	125,897	125,897	125,897	-	-	-	-
Property, plant and equipment	328,741	313,520	313,520	-	-	-	-
Intangible assets	532,452	527,116	150,271	-	-	-	376,845
Goodwill	566,533	566,533	-	-	-	-	566,533
Total assets	**179,281,441**	**124,841,396**	**117,524,635**	**5,059,447**	-	-	**2,257,314**
Breakdown by liability classes according to the balance sheet in the published financial statements							
Due to central banks	-	-	-	-	-	-	-
Financial liabilities at fair value through profit or loss	1,345,024	1,348,205	-	415,303	-	-	932,902
Derivatives used for hedging purposes	956,291	956,291	-	956,291	-	-	-
Due to banks	14,596,802	14,602,383	-	1,699,200	-	-	12,903,183
Liabilities to customers	74,571,114	76,652,605	-	31,075	-	-	76,621,530
Debt securities	16,438,840	16,413,976	-	-	-	-	16,413,976
Remeasurement adjustment on interest-rate risk hedged portfolios	442,028	442,028	-	-	-	-	442,028
Current tax liabilities	94,463	77,824	-	-	-	-	77,824
Deferred tax liabilities	143,169	68,612	66,150	-	-	-	2,463
Accruals, deferred income and sundry liabilities	2,866,796	2,749,031	-	-	-	-	2,749,031
Liabilities associated with non-current assets held for sale	345,128	345,128	-	-	-	-	345,128
Insurance companies' technical reserves	56,168,824	-	-	-	-	-	-
Provisions	426,793	300,396	-	-	-	-	300,396
Subordinated debt	2,473,362	2,473,362	-	-	-	-	2,473,362
Share capital and additional paid-in capital	2,548,829	2,548,829	-	-	-	-	2,548,829
Consolidated reserves	5,152,784	5,152,788	-	-	-	-	5,152,788
Gains and losses recognized directly in equity	131,547	131,547	-	-	-	-	131,547
Net income for the year	573,723	573,723	-	-	-	-	573,723
Non-controlling interest	5,924	4,666	-	-	-	-	4,666
Total liabilities	**179,281,441**	**124,841,395**	**66,150**	**3,101,869**	-	-	**121,673,377**

The differences between the "Carrying values as reported in published financial statements" and "Carrying values under scope of prudential consolidation" columns result solely from differences in method between the statutory and regulatory scopes (see Table 1).

Table 3 (EU LI2): Main sources of differences between regulatory exposure amounts and carrying values in financial statements

As at 12.31.2021 In € thousands	Total	Items subject to			
		Credit risk framework	Securitisation framework	CCR framework	Market risk framework
Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	**122,584,082**	**117,524,635**	-	**5,059,447**	-
Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	**3,168,019**	**66,150**	-	**3,101,869**	-
Total net amount under the scope of prudential consolidation	**119,416,064**	**117,458,486**	-	**1,957,578**	-
Off-balance-sheet amounts	**34,462,437**	**34,462,437**	-	-	
Differences in valuation on off-balance-sheet amounts	**-26,964,801**	**-26,964,801**	-	-	
Differences in valuations	425,936	-	-	425,936	
Differences due to different netting rules, other than those already included in row 2	2,743,397	-	-	2,731,365	12,033
Differences due to consideration of provisions	877,357	877,357	-	-	-
Differences due to the use of credit risk mitigation techniques (CRMs)	-	-	-	-	
Differences due to credit conversion factors	-	-	-	-	
Differences due to Securitisation with risk transfer	-	-	-	-	
Other differences	-29,230	-29,230	-	-	
Exposure amounts considered for regulatory purposes	**130,932,178**	**125,805,266**	-	**5,114,879**	**12,033**

Table 4 (EU PV1): Prudent valuation adjustments (PVA)

As at 12.31.2021 In € thousands Category level AVA	Risk category					Category level AVA - Valuation uncertainty		**Total category level post-diversification**		
	Equity	Interest Rates	Foreign exchange	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA		Of which: **Total core approach** in the trading book	Of which: **Total core approach** in the banking book
Market price uncertainty	19,139	812	-	9,099	-	3,847	1,900	17,398	-	17,398
Close-out cost	776	360	1	-	-	-	-	568	-	568
Concentrated positions	53,162	-	-	-	-			53,162	-	53,162
Early termination	-	-	-	-	-			-	-	-
Model risk	76	-	-	-	-	253	-	164	-	164
Operational risk	1,807	-	-	-	-			1,807	-	1,807
Future administrative costs	-	-	-	-	-			-	-	-
Total Additional Valuation Adjustments (AVAs)								**73,101**	-	**73,101**

3. Capital

3.1. Composition of the capital

Regulatory capital has been determined in accordance with Part II of the CRR, and supplemented by technical standards (delegated and EU implementing regulations of the European Commission).

Capital includes:

- Tier 1 capital, comprising Common Equity Tier 1 (hereinafter "**CET1**") capital net of deductions and Additional Tier 1 (hereinafter "**AT1**") capital net of deductions;
- Tier 2 (hereinafter "**T2**") capital net of deductions.

The Crédit Mutuel Arkéa group did not wish to opt for the transitional measures relating to IFRS 9 proposed by the regulations as part of the calculation of its prudential capital (EU Regulation 2020/873 of the European Parliament and of the Council of June 24, 2020 amending EU Regulations 575/2013 and 2019/876 as regards certain adjustments to be made in response to the COVID-19 pandemic (hereinafter "**the CRR "quick fix"**") amending Article 473 bis of the CRR).

Similarly, the Group did not wish to opt for the implementation of a temporary filter on sovereign debt securities at fair value through equity (proposed by the CRR "quick fix" amending Article 468 of the CRR).

Tier 1 Capital

Common Equity Tier 1 (CET1) capital consists of equity instruments and associated share premiums, reserves (including those relating to accumulated other comprehensive income) and retained earnings. The instruments must be perpetual and comply with the conditions defined in the CRR (Articles 26 et seq.).

Additional Tier 1 (AT1) capital consists of perpetual debt instruments with no incentive or obligation around redemption (in particular step-ups in interest rates).

Article 92(1) of the CRR sets a minimum Common Equity Tier 1 ratio of 4.5% and a minimum Tier 1 ratio of 6%.

Common Equity Tier 1 Capital is determined on the basis of the Group's reported capital, calculated on the prudential scope, after applying "prudential filters" and a certain number of regulatory adjustments (see table below providing a reconciliation of reported capital and prudential capital).

Prudential filters

Prudential filters related to unrealized gains and losses on cash flow hedges and issuer spread, additional value adjustments (AVA) due to prudent valuation requirements and fair value gains or losses from own credit risk related to derivative liabilities (debt valuation adjustments - DVA) are applied in accordance with the provisions of the CRR.

Différences relating to the use of the equity method

Differences relating to the equity accounting of associates are split between reserves and retained earnings, on the one hand, and estimated profit net of dividends, on the other, according to the capital categories in which they originate.

Other regulatory adjustments

The other adjustments to CET1 mainly involve:

- anticipating the distribution of dividends calculated in accordance with current prudential standards;
- the deduction of goodwill and other intangible assets net of deferred tax (application of the prudential restatement related to software as from the closing of December 31, 2020);
- deferred tax assets that rely on future profitability and do not arise from temporary differences net of related tax liabilities;
- the deduction of direct or indirect holdings of its own CET1 instruments.

In addition, direct and indirect holdings in CET1 instruments of financial sector entities are fully included in the capital threshold and are therefore not deducted from CET1.

Tier 2 capital

Tier 2 capital consists of subordinated debt instruments with a minimum maturity of 5 years. Incentives for early redemption are prohibited.

The amount of “eligible capital” is more limited. This concept is used to calculate thresholds for major risks and non-financial investments weighted at 1,250%. This is the sum of:

- Tier 1 capital; and
- Tier 2 capital, capped at 1/3 of Tier 1 capital.

Table 5 (CCA): Main features of regulatory own funds instruments and eligible liabilities instruments

Main features of CET1 capital instruments

As at 12.31.2021	A SHARES	NEW B SHARES	FORMER B SHARES and C SHARES
Issuer	**CREDIT MUTUEL ARKEA (Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest)**	**CREDIT MUTUEL ARKEA (Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest)**	**CREDIT MUTUEL ARKEA (Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest)**
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	96950041VJ1QP0B69503	96950041VJ1QP0B69503	96950041VJ1QP0B69503
Public or private placement	Public	Public	Public
Governing law(s) of the instrument	Law no. 47-1775 of September 10, 1947 on the constitution of cooperatives and Article L. 512-1 of the French Monetary and Financial Code	Law no. 47-1775 of September 10, 1947 on the constitution of cooperatives and Article L. 512-1 of the French Monetary and Financial Code	Law no. 47-1775 of September 10, 1947 on the constitution of cooperatives and Article L. 512-1 of the French Monetary and Financial Code
Contractual recognition of write down and conversion powers of resolution authorities	N/A	N/A	N/A
Regulatory treatment			
Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital	Common Equity Tier 1 capital
Post-transitional CRR rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital	Ineligible
Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Individual and (sub-) consolidated	Individual and (sub-) consolidated	Individual and (sub-) consolidated
Instrument type (types to be specified by each jurisdiction)	Shares - list published by the EBA (Article 26, paragraph 3 of the CRR)	Shares - list published by the EBA (Article 26, paragraph 3 of the CRR)	Shares - list published by the EBA (Article 26, paragraph 3 of the CRR)
Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	26,903 K€	2,480,716 K€	35,492 K€
Nominal amount of instrument	1 €	1 €	1 €
Issue price	1 €	1 €	1 €
Redemption price	1 €	1 €	1 €
Accounting classification	Shareholders' equity	Shareholders' equity	Shareholders' equity
Original date of issuance	Variable	Variable	Variable
Perpetual or dated	Perpetual	Perpetual	Perpetual
Original maturity date	N/A	N/A	N/A
Issuer call subject to prior supervisory approval	N/A	N/A	N/A
Optional call date, contingent call dates and redemption amount	N/A	N/A	N/A
Subsequent call dates, if applicable	N/A	N/A	N/A
Coupons / dividends			
Fixed or floating dividend/coupon	N/A	N/A	N/A
Coupon rate and any related index	N/A	N/A	N/A
Existence of a dividend stopper	No	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary	Fully discretionary
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary	Fully discretionary
Existence of step up or other incentive to redeem	No	No	No
Noncumulative or cumulative	No	No	No
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger(s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	Yes	Yes	Yes
If write-down, write-down trigger(s)	By decision of the general shareholders' meeting or, in case of resolution, by decision of the Resolution College of the French Prudential Control and Resolution Authority (*Autorité de contrôle prudentiel et de résolution - ACPR*) pursuant to its powers under Article L. 613-31-16 of the French Monetary and Financial Code	By decision of the general shareholders' meeting or, in case of resolution, by decision of the Resolution College of the French Prudential Control and Resolution Authority (*Autorité de contrôle prudentiel et de résolution - ACPR*) pursuant to its powers under Article L. 613-31-16 of the French Monetary and Financial Code	By decision of the general shareholders' meeting or, in case of resolution, by decision of the Resolution College of the French Prudential Control and Resolution Authority (*Autorité de contrôle prudentiel et de résolution - ACPR*) pursuant to its powers under Article L. 613-31-16 of the French Monetary and Financial Code
If write-down, full or partial	Full or partial write-down	Full or partial write-down	Full or partial write-down
If write-down, permanent or temporary	Permanent	Permanent	Permanent
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
Type of subordination (only for eligible liabilities)	Contractual	Contractual	Contractual
Ranking of the instrument in normal insolvency proceedings	Junior to all other debt Common Equity Tier 1 is junior to all deeply subordinated and subordinated debt	Junior to all other debt Common Equity Tier 1 is junior to all deeply subordinated and subordinated debt	Junior to all other debt Common Equity Tier 1 is junior to all deeply subordinated and subordinated debt
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Junior to all other debt Common Equity Tier 1 is junior to all deeply subordinated and subordinated debt	Junior to all other debt Common Equity Tier 1 is junior to all deeply subordinated and subordinated debt	Junior to all other debt Common Equity Tier 1 is junior to all deeply subordinated and subordinated debt
Non-compliant transitioned features	No	No	Yes
If yes, specify non-compliant features	N/A	N/A	With preference dividend
Link to the full term and conditions of the instrument (signposting)	https://www.cm-arkea.com/banque/assurance/credit/mutuel/c_35056/fr/parts-sociales	https://www.cm-arkea.com/banque/assurance/credit/mutuel/c_35056/fr/parts-sociales	https://www.cm-arkea.com/banque/assurance/credit/mutuel/c_35056/fr/parts-sociales

(1) Insert 'N/A' if the question is not applicable

Main features of AT1 capital instruments

As at 12.31.2021	Deeply subordinated notes
Issuer	CREDIT MUTUEL ARKEA
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	FR0010096826
Public or private placement	Public
Governing law(s) of the instrument	French law
Contractual recognition of write down and conversion powers of resolution authorities	N/A
Regulatory treatment	
Current treatment taking into account, where applicable, transitional CRR rules	Part of TSS FR0010096826 eligible in AT1 during the transitional period
Post-transitional CRR rules	Ineligible
Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Individual and (sub-) consolidated
Instrument type (types to be specified by each jurisdiction)	Bonds
Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	11,221 K€
Nominal amount of instrument	1,000 €
Issue price	1,000 €
Redemption price	N/A
Accounting classification	Subordinated debt
Original date of issuance	07/05/2004
Perpetual or dated	Perpetual
Original maturity date	Undated perpetual bonds
Issuer call subject to prior supervisory approval	No
Optional call date, contingent call dates and redemption amount	07/05/2014
Subsequent call dates, if applicable	At interest payment date : January, 5 or July, 5
Coupons / dividends	
Fixed or floating dividend/coupon	Fixed to floating
Coupon rate and any related index	6% half yearly from 07/05/2004 to 07/05/2005, then variable half-year rate until the redemption date of the security: CMS 10
Existence of a dividend stopper	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A
Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A
Existence of step up or other incentive to redeem	No
Noncumulative or cumulative	N/A
Convertible or non-convertible	Non-convertible
If convertible, conversion trigger(s)	N/A
If convertible, fully or partially	N/A
If convertible, conversion rate	N/A
If convertible, mandatory or optional conversion	N/A
If convertible, specify instrument type convertible into	N/A
If convertible, specify issuer of instrument it converts into	N/A
Write-down features	No
If write-down, write-down trigger(s)	N/A
If write-down, full or partial	N/A
If write-down, permanent or temporary	N/A
If temporary write-down, description of write-up mechanism	N/A
Type of subordination (only for eligible liabilities)	Contractual
Ranking of the instrument in normal insolvency proceedings	Deeply subordinated notes - participating loans/participating securities and ordinary subordinated securities are senior
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Deeply subordinated notes - participating loans/participating securities and ordinary subordinated securities are senior
Non-compliant transitioned features	Yes
If yes, specify non-compliant features	No waiver of set-off clause Automatic advance repayment if gross up
Link to the full term and conditions of the instrument (signposting)	https://www.bourse.lu/security/FR0010096826/78291

(1) Insert 'N/A' if the question is not applicable

Main features of T2 capital instruments

As at 12.31.2021	Deeply subordinated notes	Subordinated term notes	Subordinated term notes	Subordinated term notes
Issuer	CREDIT MUTUEL ARKEA	CREDIT MUTUEL ARKEA	CREDIT MUTUEL ARKEA	CREDIT MUTUEL ARKEA
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	FR0010096826	FR0013173028	FR0013236544	FR0013291556
Public or private placement	Public	Public	Public	Public
Governing law(s) of the instrument	French law	French law	French law	French law
Contractual recognition of write down and conversion powers of resolution authorities	N/A	N/A	N/A	N/A
Regulatory treatment				
Current treatment taking into account, where applicable, transitional CRR rules	Part of TSS FR0010096826 non-eligible in AT1 but eligible in T2 during the transitional	Tier 2 capital	Tier 2 capital	Tier 2 capital
Post-transitional CRR rules	Ineligible	Tier 2 capital	Tier 2 capital	Tier 2 capital
Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Individual and (sub-)	Individual and (sub-)	Individual and (sub-)	Individual and (sub-)
Instrument type (types to be specified by each jurisdiction)	Bonds	EMTN Program	EMTN Program	EMTN Program
Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	37,810 K€	441,676 K€	500,000 K€	499,100 K€
Nominal amount of instrument	1,000 €	100,000 €	100,000 €	100,000 €
Issue price	1,000 €	99,966 €	99,605 €	99,637 €
Redemption price	N/A	N/A	N/A	N/A
Accounting classification	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt
Original date of issuance	07/05/2004	06/01/2016	02/09/2017	10/25/2017
Perpetual or dated	Perpetual	Dated	Dated	Dated
Original maturity date	Undated perpetual bonds	06/01/2026	02/09/2029	10/25/2029
Issuer call subject to prior supervisory approval	No	N/A	N/A	Yes
Optional call date, contingent call dates and redemption amount	07/05/2014	N/A	N/A	10/25/2024
Subsequent call dates, if applicable	At interest payment date : January, 5 or July, 5	N/A	N/A	N/A
Coupons / dividends				
Fixed or floating dividend/coupon	Fixed to floating	Fixed	Fixed	Fixed
Coupon rate and any related index	6% half yearly from 07/05/2004 to 07/05/2005, then variable half-year rate until the redemption date of the	3.25% p.a.	3.50% p.a.	1.875% p.a.
Existence of a dividend stopper	No	No	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A	N/A	N/A	N/A
Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A	N/A	N/A	N/A
Existence of step up or other incentive to redeem	No	No	No	No
Noncumulative or cumulative	N/A	N/A	N/A	N/A
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A
Write-down features	No	No	No	No
If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A
If write-down, full or partial	N/A	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A
Type of subordination (only for eligible liabilities)	Contractual	Contractual	Contractual	Contractual
Ranking of the instrument in normal insolvency proceedings	Deeply subordinated notes - participating loans/participating securities and ordinary subordinated securities are senior	Subordinated term notes - senior non-preferred securities are senior	Subordinated term notes - senior non-preferred securities are senior	Subordinated term notes - senior non-preferred securities are senior
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Deeply subordinated notes - participating loans/participating securities and ordinary subordinated securities are senior	Subordinated term notes - senior non-preferred securities are senior	Subordinated term notes - senior non-preferred securities are senior	Subordinated term notes - senior non-preferred securities are senior
Non-compliant transitioned features	Yes	No	No	No
If yes, specify non-compliant features	No waiver of set-off clause Automatic advance repayment if gross up	N/A	N/A	N/A
Link to the full term and conditions of the instrument (signposting)	https://www.bourse.lu/security/FR0010096826/78291	https://www.cm-arkea.com/banque/assurance/credit/mutuel/ecb_5038/fr/programme-emtn	https://www.cm-arkea.com/banque/assurance/credit/mutuel/ecb_5038/fr/programme-emtn	https://www.cm-arkea.com/banque/assurance/credit/mutuel/ecb_5038/fr/programme-emtn

(1) Insert 'N/A' if the question is not applicable

As at 12.31.2021	Subordinated term notes	Subordinated term notes	Subordinated term notes
Issuer	CREDIT MUTUEL ARKEA	CREDIT MUTUEL ARKEA	CREDIT MUTUEL ARKEA
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	FR0013398369	FR0013407418	FR0013407087
Public or private placement	Public	Public	Private
Governing law(s) of the instrument	French law	French law	French law
Contractual recognition of write down and conversion powers of resolution authorities	N/A	N/A	N/A
Regulatory treatment			
Current treatment taking into account, where applicable, transitional CRR rules	Tier 2 capital	Tier 2 capital	Tier 2 capital
Post-transitional CRR rules	Tier 2 capital	Tier 2 capital	Tier 2 capital
Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Individual and (sub-)	Individual and (sub-)	Individual and (sub-)
Instrument type (types to be specified by each jurisdiction)	EMTN Program	EMTN Program	EMTN Program
Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	25,000 K€	745,812 K€	29,607 K€
Nominal amount of instrument	100,000 €	100,000 €	100,000 €
Issue price	100,000 €	99,621 €	100,000 €
Redemption price	N/A	N/A	N/A
Accounting classification	Subordinated debt	Subordinated debt	Subordinated debt
Original date of issuance	01/28/2019	03/11/2019	03/14/2019
Perpetual or dated	Dated	Dated	Dated
Original maturity date	01/28/2031	03/11/2031	03/14/2031
Issuer call subject to prior supervisory approval	N/A	N/A	N/A
Optional call date, contingent call dates and redemption amount	N/A	N/A	N/A
Subsequent call dates, if applicable	N/A	N/A	N/A
Coupons / dividends			
Fixed or floating dividend/coupon	Fixed	Fixed	Fixed
Coupon rate and any related index	3.81% p.a.	3.375% p.a.	3.40% half yearly until 03/14/2021, then 6-month Euribor +2.15% until maturity of the security
Existence of a dividend stopper	No	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A	N/A	N/A
Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A	N/A	N/A
Existence of step up or other incentive to redeem	No	No	No
Noncumulative or cumulative	N/A	N/A	N/A
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger(s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	No	No	No
If write-down, write-down trigger(s)	N/A	N/A	N/A
If write-down, full or partial	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
Type of subordination (only for eligible liabilities)	Contractual	Contractual	Contractual
Ranking of the instrument in normal insolvency proceedings	Subordinated term notes - senior non-preferred securities are senior	Subordinated term notes - senior non-preferred securities are senior	Subordinated term notes - senior non-preferred securities are senior
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated term notes - senior non-preferred securities are senior	Subordinated term notes - senior non-preferred securities are senior	Subordinated term notes - senior non-preferred securities are senior
Non-compliant transitioned features	No	No	No
If yes, specify non-compliant features	N/A	N/A	N/A
Link to the full term and conditions of the instrument (signposting)	https://www.cm-arkea.com/banque/assurance/credit/mutuel/ecb_5038/fr/programme-emtn	https://www.cm-arkea.com/banque/assurance/credit/mutuel/ecb_5038/fr/programme-emtn	https://www.cm-arkea.com/banque/assurance/credit/mutuel/ecb_5038/fr/programme-emtn

(1) Insert 'N/A' if the question is not applicable

Table 6 (EU CC1): Composition of regulatory own funds

In € thousands	Amounts as at 12.31.2021	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves		
Capital instruments and the related share premium accounts	2,509,364	(h)
of which: Shares	2,503,926	
of which: Additional paid-in capital	5,438	
Retained earnings	5,312,781	(i) (j)
Accumulated other comprehensive income (and other reserves)	-28,455	(j)
Funds for general banking risk	-	
Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	35,491	(h)
Minority interests (amount allowed in consolidated CET1)	486	(k)
Independently reviewed interim profits net of any foreseeable charge or dividend	532,332	(l)
Common Equity Tier 1 (CET1) capital before regulatory adjustments	**8,361,999**	
Common Equity Tier 1 (CET1) capital: regulatory adjustments		
Additional value adjustments (negative amount)	-73,101	
Intangible assets (net of related tax liability) (negative amount)	-902,254	(d) (e) minus (f)
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-5,497	(b)
Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-2	(j)
Negative amounts resulting from the calculation of expected loss amounts	-	
Any increase in equity that results from securitised assets (negative amount)	-	
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	8,193	(j)
Defined-benefit pension fund assets (negative amount)	-68,896	(c)
Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-11,740	(m)
Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	
of which: qualifying holdings outside the financial sector (negative amount)	-	
of which: securitisation positions (negative amount)	-	
of which: free deliveries (negative amount)	-	
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	
Amount exceeding the 17,65% threshold (negative amount)	-	
of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	
of which: deferred tax assets arising from temporary differences	-	

In € thousands	Amounts as at 12.31.2021	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Losses for the current financial year (negative amount)	-	
Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	
Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
Other regulatory adjustments	-1,173	
Total regulatory adjustments to Common Equity Tier 1 (CET1)	**-1,054,470**	
Common Equity Tier 1 (CET1) capital	**7,307,529**	
Additional Tier 1 (AT1) capital: instruments		
Capital instruments and the related share premium accounts	-	
of which: classified as equity under applicable accounting standards	-	
of which: classified as liabilities under applicable accounting standards	-	
Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1	11,221	(g)
Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-	
Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	-	
Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	5	(k)
of which: instruments issued by subsidiaries subject to phase out	-	
Additional Tier 1 (AT1) capital before regulatory adjustments	**11,225**	
Additional Tier 1 (AT1) capital: regulatory adjustments		
Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-	
Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
Other regulatory adjustments to AT1 capital	-	
Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	
Additional Tier 1 (AT1) capital	**11,225**	
Tier 1 capital (T1 = CET1 + AT1)	**7,318,754**	
Tier 2 (T2) capital: instruments		
Capital instruments and the related share premium accounts	2,241,195	(g)
Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	37,810	(g)
Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2	-	
Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2	-	

In € thousands	Amounts as at 12.31.2021	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	6	(k)
of which: instruments issued by subsidiaries subject to phase out	-	
Credit risk adjustments	110,120	
Tier 2 (T2) capital before regulatory adjustments	**2,389,132**	
Tier 2 (T2) capital: regulatory adjustments		
Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	
Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-600,000	(a)
Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	
Other regulatory adjustments to T2 capital	-	
Total regulatory adjustments to Tier 2 (T2) capital	**-600,000**	
Tier 2 (T2) capital	**1,789,132**	
Total capital (TC = T1 + T2)	**9,107,886**	
Total Risk exposure amount	**43,076,633**	
Capital ratios and requirements including buffers		
Common Equity Tier 1 capital	17.0%	
Tier 1 capital	17.0%	
Total capital	21.1%	
Institution CET1 overall capital requirements	8.6%	
of which: capital conservation buffer requirement	2.5%	
of which: countercyclical capital buffer requirement	-	
of which: systemic risk buffer requirement	-	
of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	-	
of which: additional own funds requirements to address the risks other than the risk of excessive leverage	1.55%	
Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	**12.46%**	
Amounts below the thresholds for deduction (before risk weighting)		
Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	211,721	
Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	332,864	
Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	-66,863	

In € thousands	Amounts as at 12.31.2021	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Applicable caps on the inclusion of provisions in Tier 2		
Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	
Cap on inclusion of credit risk adjustments in T2 under standardised approach	87,785	
Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	128,639	
Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	110,120	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)		
Current cap on CET1 instruments subject to phase out arrangements	61,733	
Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
Current cap on AT1 instruments subject to phase out arrangements	11,221	
Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-84,952	
Current cap on T2 instruments subject to phase out arrangements	37,810	
Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-47,142	

Table 7 (EU CC2): Reconciliation of regulatory own funds to balance sheet in the audited financial statements

In € thousands	Balance sheet as in published financial statements 12.31.2021	Under regulatory scope of consolidation 12.31.2021	Reference
Assets - Breakdown by asset clases according to the balance sheet in the published financial statements			
Cash, due from central banks	15,835,673	15,835,673	
Financial assets at fair value through profit or loss	1,515,229	1,518,410	(m)
Derivatives used for hedging purposes	941,733	941,733	
Financial assets at fair value through equity	9,438,286	9,438,286	
Securities at amortized cost	632,290	632,290	
Loans and receivables - credit institutions, at amortized cost	15,207,862	15,207,820	
Loans and receivables - customers, at amortized cost	73,250,954	75,069,302	(a)
Remeasurement adjustement on interest-rate risk hedged portfolios	621,698	621,698	
Placement of insurance activities	58,775,760	-	
Current tax assets	127,398	129,202	
Deferred tax assets	130,806	115,217	(b)
Accruals, prepayments and sundry assets	992,972	1,030,423	(c)
Non-current assets held for sale	80,813	80,813	
Investments in associates	176,345	2,687,463	
Investment property	125,897	125,897	
Property, plant and equipment	328,741	313,520	
Intangible assets	532,452	527,116	(d)
Goodwill	566,533	566,533	(e)
Total assets	**179,281,441**	**124,841,396**	
Liabilities - Breakdown by liability clases according to the balance sheet in the published financial statements			
Due to central banks	-	-	
Financial liabilities at fair value through profit or loss	1,345,024	1,348,205	
Derivatives used for hedging purposes	956,291	956,291	
Due to banks	14,596,802	14,602,383	
Liabilities to customers	74,571,114	76,652,605	
Debt securities	16,438,840	16,413,976	
Remeasurement adjustment on interest-rate risk hedged portfolios	442,028	442,028	
Current tax liabilities	94,463	77,824	
Deferred tax liabilities	143,169	68,612	(f)
Accruals, deferred income and sundry liabilities	2,866,796	2,749,032	
Liabilities associated with non-current assets held for sale	345,128	345,128	
Insurance companies' technical reserves	56,168,824	-	
Provisions	426,793	300,396	
Subordinated debt	2,473,362	2,473,362	(g)
Total liabilities	**170,868,633**	**116,429,843**	
Shareholders' Equity			
Shareholders' equity, group share	8,406,884	8,406,887	
Share capital and additional paid-in capital	2,548,829	2,548,829	(h)
Consolidated reserves	5,152,784	5,152,788	(i)
Gains and losses recognized directly in equity	131,547	131,547	(j)
Net income for the year	573,723	573,723	(l)
Non-controlling interest	5,924	4,666	(k)
Total shareholders' equity	**8,412,808**	**8,411,553**	

3.2. Capital requirements

The capital requirements shown below and in the following sections are the minimum requirements, corresponding to a level of 8% of risk-weighted assets.

Table 8 (EU OV1): Overview of risk weighted exposure amounts

	Total risk exposure amounts (TREA)		Total own funds requirements
In € thousands	12.31.2021	09.30.2021	12.31.2021
Credit risk (excluding CCR)	38,307,596	37,615,385	3,064,608
Of which the standardised approach	7,720,317	7,483,186	617,625
Of which the Foundation IRB (F-IRB) approach	-	-	-
Of which slotting approach	400,837	351,963	32,067
Of which equities under the simple riskweighted approach	12,251,695	12,401,276	980,136
Of which the Advanced IRB (A-IRB) approach	17,934,746	17,378,961	1,434,780
Counterparty credit risk - CCR	589,328	557,629	47,146
Of which the standardised approach	317,586	358,317	25,407
Of which internal model method (IMM)	-	-	-
Of which exposures to a CCP	-	3,165	-
Of which credit valuation adjustment - CVA	58,705	71,293	4,696
Of which other CCR	213,037	124,854	17,043
Settlement risk	41	-	3
Securitisation exposures in the non-trading book (after the cap)	-	-	-
Of which SEC-IRBA approach	-	-	-
Of which SEC-ERBA (including IAA)	-	-	-
Of which SEC-SA approach	-	-	-
Of which 1250% / deduction	-	-	-
Position, foreign exchange and commodities risks (Market risk)	-	-	-
Of which the standardised approach	-	-	-
Of which IMA	-	-	-
Large exposures	-	-	-
Operational risk	2,553,943	2,501,003	204,315
Of which basic indicator approach	438,207	438,207	35,057
Of which standardised approach	119,203	119,203	9,536
Of which advanced measurement approach	1,996,533	1,943,593	159,723
Amounts below the thresholds for deduction (subject to 250% risk weight)	1,625,726	1,236,768	130,058
Total	**43,076,633**	**41,910,786**	**3,446,131**

4. Prudential indicators

4.1. Key metrics

Table 9 (EU KM1): Key metrics

In € thousands	12.31.2021[1]	09.30.2021[2]	06.30.2021[2]	03.31.2021[2]	12.31.2020[1]
Available own funds (amounts)					
Common Equity Tier 1 (CET1) capital	7,307,529	6,805,431	6,816,495	6,788,076	6,744,143
Tier 1 capital	7,318,754	6,816,657	6,827,720	6,799,302	6,766,591
Total capital	9,107,886	8,627,028	8,662,157	8,640,932	8,643,243
Risk-weighted exposure amounts					
Total risk exposure amount	43,076,633	41,910,786	41,311,217	40,696,155	40,039,174
Capital ratios (as a percentage of risk-weighted exposure amount)					
Common Equity Tier 1 ratio (%) [3]	17.0%	16.2%	16.5%	16.7%	16.8%
Tier 1 ratio (%)	17.0%	16.3%	16.5%	16.7%	16.9%
Total capital ratio (%) [3]	21.1%	20.6%	21.0%	21.2%	21.6%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.75%	2.75%	2.75%	2.75%	2.75%
of which: to be made up of CET1 capital (percentage points)	1.55%	1.55%	1.55%	1.55%	1.55%
of which: to be made up of Tier 1 capital (percentage points)	2.06%	2.06%	2.06%	2.06%	2.06%
Total SREP own funds requirements (%)	10.75%	10.75%	10.75%	10.75%	10.75%
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
Capital conservation buffer (%)	2.5%	2.5%	2.5%	2.5%	2.5%
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
Institution specific countercyclical capital buffer (%)	0.0008%	0.0004%	0.0005%	0.0006%	0.0005%
Systemic risk buffer (%)	-	-	-	-	-
Global Systemically Important Institution buffer (%)	-	-	-	-	-
Other Systemically Important Institution buffer (%)	-	-	-	-	-
Combined buffer requirement (%)	2.5%	2.5%	2.5%	2.5%	2.5%
Overall capital requirements (%)	13.3%	13.3%	13.3%	13.3%	13.3%
CET1 available after meeting the total SREP own funds requirements (%)	10.9%	10.2%	10.5%	10.6%	10.8%
Leverage ratio					
Total exposure measure	102,204,102	96,586,790	100,728,726	103,490,121	100,069,115
Leverage ratio (%)	7.2%	7.1%	6.8%	6.6%	6.8%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
Additional own funds requirements to address the risk of excessive leverage (%)	0%	0%	0%	0%	0%
of which: to be made up of CET1 capital (percentage points)	0%	0%	0%	0%	0%
Total SREP leverage ratio requirements (%)	3.11%	3.11%	3.11%	0%	0%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
Leverage ratio buffer requirement (%)	0%	0%	0%	0%	0%
Overall leverage ratio requirement (%)	3.11%	3.11%	3.11%	0%	0%
Liquidity Coverage Ratio [4]					
Total high-quality liquid assets (HQLA) (Weighted value -average)	23,887,722	21,908,510	20,750,021	22,610,506	20,518,494
Cash outflows - Total weighted value	16,742,691	16,040,303	15,565,268	19,043,241	16,106,896
Cash inflows - Total weighted value	2,115,574	2,389,269	2,609,352	2,414,532	2,329,599
Total net cash outflows (adjusted value)	14,627,117	13,651,034	12,955,916	16,628,709	13,777,297
Liquidity coverage ratio (%)	163%	160%	160%	136%	149%
Net Stable Funding Ratio					
Total available stable funding	84,753,571	83,843,806	81,580,325	91,105,650	87,656,860
Total required stable funding	75,434,998	73,688,405	71,806,069	80,542,946	78,609,708
NSFR ratio (%)	112%	114%	114%	113%	112%

(1) Integrating the intermin result
(2) Not integrating the interim result
(3) At the end of June 2021, the CET1 ratio and the total capital ratio, integrating the interim result, are 17.1% and 21.6% respectively
(4) At the reporting date

The Crédit Mutuel Arkéa group has to comply with additional capital requirements, as follows:

- a conservation buffer which is mandatory for all establishments;
- a specific countercyclical capital buffer for each establishment. The countercyclical buffer, which is designed to protect banks from excessive growth in credit (in particular a deviation from the ratio of credit to gross domestic product), is imposed at the discretion of the designated authority of each jurisdiction, applicable to all exposures that establishments have in this jurisdiction. In France, the countercyclical buffer is set by the French financial stability authority (Haut Conseil de Stabilité Financière), hereinafter referred to as the "**HCSF**". Since April 2020, the countercyclical buffer rate has been set at 0% of risk-weighted assets on French exposures. The mandatory recognition of countercyclical capital buffer rates implemented in other states was capped at 2.5%. Beyond this cap, rates require the explicit recognition of the HCSF. The countercyclical buffer rate specific to the Group is the weighted average of the countercyclical buffer rates that apply in the countries that correspond to the Group's main credit exposures.

Table 10 (EU CCyB1): Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

As at 12.31.2021 In € thousands	General credit exposures		General credit exposures - Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models		
Breakdown by country:						
Norway	2,805	298,558				
Luxembourg	6,394	70,956				
Other countries	11,168,954	73,540,068				
Total	11,178,154	73,909,582				

As at 12.31.2021 In € thousands	Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
Breakdown by country:							
Norway	678			678	8,481	0.02%	1.00%
Luxembourg	3,507			3,507	43,836	0.12%	0.50%
Other countries	3,037,640			3,037,640	37,970,497	99.86%	0.00%
Total	3,041,825			3,041,825	38,022,814		

Table 11 (EU CCyB2): Amount of institution-specific countercyclical capital buffer

In € thousands	12.31.2021
Total risk exposure amount	43,076,633
Institution specific countercyclical capital buffer rate (in %)	0.0008%
Institution specific countercyclical capital buffer requirement	344

4.2. Supplementary supervision of financial conglomerates

The Crédit Mutuel Arkéa group is one of the financial conglomerates supervised by the General Secretariat of the French Prudential Control and Resolution Authority (*Secrétariat Général de l'Autorité de Contrôle Prudentiel et de Résolution*). It operates as a financial conglomerate via Suravenir and Suravenir Assurances. These subsidiaries market a wide range of life insurance, personal insurance and property and liability insurance products.

As an exception to Articles 36 and 43 of the CRR and in accordance with the provisions of Article 49 of that regulation, the supervisor has authorized the Crédit Mutuel Arkéa group not to deduct holdings in the capital instruments of insurance sector entities from its Common Equity Tier 1 Capital and to adopt the so-called "weighted equity-accounted value" method, which consists in weighting instruments held in the Group's insurance subsidiaries on the denominator of the solvency ratio.

Consequently, and pursuant to the administrative order of November 3, 2014, the Crédit Mutuel Arkéa group is also subject to an additional capital adequacy requirement according to the so-called "accounting consolidation" procedures under IFRS.

Accordingly, in this context, insurance sector entities that are fully consolidated for accounting purposes are also fully consolidated for prudential purposes (using the equity method), in order to calculate the additional requirement.

The risk supervision measures relating to the conglomerate have been approved by Crédit Mutuel Arkéa's Board of Directors, the Risk Monitoring Committee and the ALM and Capital Management Committee.

This supervision is applied in three parts, to the conglomerate's scope:

- calculation of the supplementary capital adequacy requirement; As the ratio applicable to the conglomerate is one of the key solvency indicators, it is therefore the focus of particular attention:
  - an internal limit has been set which is governed by tolerance and warning thresholds;
  - a specific procedure has been established for any breaches of the limit set by the Board of Directors, which involves the General Management and Crédit Mutuel Arkéa's Board of Directors;
- control of the concentration of risks by beneficiary;
- control of intra-group transactions together with a breakdown of those transactions in excess of a threshold.

The first part relating to the calculation of the supplementary capital adequacy requirement makes it possible to verify every six months the coverage of solvency requirements relating to the banking sector and the insurance sector (Solvency II regulation) by the conglomerate's reported consolidated capital, including regulatory adjustments and transitional provisions set out in the CRR.

The minimum financial conglomerate ratio requirement is 100% and is calculated as follows:

$$\text{Financial conglomerate ratio} = \frac{\text{The conglomerate's total capital}}{\text{Banking requirements} + \text{Insurance requirements}}$$

As of December 31, 2021, the Crédit Mutuel Arkéa group had a coverage ratio of its conglomerate's capital requirements of 187%, after the integration of profit net of estimated dividends.

The second part, relating to control of the concentration of risks by beneficiary on a consolidated basis, makes it possible to report gross risks (aggregate exposure to a single beneficiary) in excess of 10% of the conglomerate’s consolidated shareholders’ equity or €300 million. A distinction is drawn between the banking and insurance sectors for each beneficiary.

The last part, relating to control of intra-group transactions, concerns a summary and a breakdown by type of transaction between the conglomerate's banking and insurance sectors for refinancing, off-balance sheet commitments and traded products.

Table 12 (INS1): Insurance participations

As at 12.31.2021 In € thousands	Exposure value	Risk exposure amount
Own fund instruments held in insurance or re-insurance undertakings or insurance holding company not deducted from own funds	2,509,399	9,284,776

Table 13 (INS2): Financial conglomerates information on own funds and capital adequacy ratio

In € thousands	12.31.2021
Supplementary own fund requirements of the financial conglomerate (amount)	6,307,761
Capital adequacy ratio of the financial conglomerate (%)	187%

4.3. Leverage ratio

The procedures for monitoring the risk of excessive leverage have been approved by Crédit Mutuel Arkéa's Board of Directors and the ALM and Capital Management Committee. They are designed around the following:

- the leverage ratio, which is one of the key solvency indicators and is therefore the focus of particular attention;
- the setting of an internal limit, which is also governed by tolerance and warning thresholds;
- a specific procedure has been established for any breaches of the limit set by the Board of Directors, which involves the General Management and Crédit Mutuel Arkéa's Board of Directors.

The leverage ratio, as a proportion of Tier 1 capital, increased compared with 2020 (+0.4 of a point) to 7.2% at the end of 2021.

In the numerator, Tier 1 capital increased by 8% (+€0.6 billion) to €7.3 billion. This increase was due mainly to the inclusion of the net profit for the year net of estimated dividends (+€0.5 billion).

In the denominator, the amount of exposures increased by €2.1 billion (+2%) to €102 billion at December 31, 2021. This increase was mainly due to the increase in exposures on the balance sheet, particularly in the customer lending activity (+€10.5 billion) and in the repo transactions (+€1.6 billion), partly offset by the exclusion of exposures relating to the central bank (-€2.4 billion), the exclusion of intra-group transactions (-€4.7 billion) and the decrease in exposure to the liquidity portfolio (-€2.5 billion).

Under CRR, banks may exclude certain Central Bank exposures from the total leverage ratio exposure when justified by exceptional macroeconomic circumstances. When applying this exemption, institutions must meet an adjusted leverage ratio requirement of more than 3%. On June 18, 2021, the European Central Bank (hereinafter "**ECB**") declared that credit institutions under its supervision may apply this exclusion in view of the existence of exceptional circumstances since December 31, 2019; this measure is applicable until March 31, 2022. Crédit Mutuel Arkéa applies this provision and must therefore comply with a leverage ratio requirement of 3.11% during this period.

Table 14 (EU LR1 - LRSum): Summary reconciliation of accounting assets and leverage ratio exposures

As at 12.31.2021 In € thousands	Applicable amount
Total assets as per published financial statements	179,281,442
Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-54,440,044
(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
(Adjustment for temporary exemption of exposures to central banks (if applicable))	-13,457,000
(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-
Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
Adjustment for eligible cash pooling transactions	-
Adjustment for derivative financial instruments	-552,316
Adjustment for securities financing transactions (SFTs)	1,151,428
Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	5,505,728
(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-
(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-4,752,256
(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-7,636,646
Other adjustments	-2,896,235
Total exposure measure	**102,204,102**

Table 15 (EU LR2 - LRCom): Leverage ratio common disclosure

In € thousands	CRR leverage ratio exposures	
	12.31.2021	06.30.2021
On-balance sheet exposures (excluding derivatives and SFTs)		
On-balance sheet items (excluding derivatives, SFTs, but including collateral)	117,429,439	112,856,036
Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
(General credit risk adjustments to on-balance sheet items)	-	-
(Asset amounts deducted in determining Tier 1 capital)	-	-
Total on-balance sheet exposures (excluding derivatives and SFTs)	**117,429,439**	**112,856,036**
Derivative exposures		
Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	362,228	496,693
Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	425,936	407,566
Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
Exposure determined under Original Exposure Method	-	-
(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	-	-
Adjusted effective notional amount of written credit derivatives	-	-
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
Total derivatives exposures	788,164	904,259
Securities financing transaction (SFT) exposures		
Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	4,326,672	3,699,296
(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
Counterparty credit risk exposure for SFT assets	-	-
Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
Agent transaction exposures	-	-
(Exempted CCP leg of client-cleared SFT exposure)	-	-
Total securities financing transaction exposures	4,326,672	3,699,296
Other off-balance sheet exposures		
Off-balance sheet exposures at gross notional amount	16,593,822	15,251,952
(Adjustments for conversion to credit equivalent amounts)	11,088,093	10,361,942
(General provisions deducted in determining Tier 1 capital and specific provisions associated associated with off-balance sheet exposures)	-	-
Off-balance sheet exposures	5,505,728	4,890,011

In € thousands	CRR leverage ratio exposures 12.31.2021	06.30.2021
Excluded exposures		
(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-18,209,256	-13,538,618
(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))	-7,636,646	-8,082,257
(Excluded exposures of public development banks (or units) - Public sector	-	-
(Excluded exposures of public development banks (or units) - Promotional	-	-
(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
(Excluded guaranteed parts of exposures arising from export credits)	-	-
(Excluded excess collateral deposited at triparty agents)	-	-
(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
(Total exempted exposures)	-25,845,902	-21,620,875
Capital and total exposure measure		
Tier 1 capital	7,318,754	6,827,720
Total exposure measure	**102,204,102**	**100,728,726**
Leverage ratio		
Leverage ratio (%)	7.2%	6.8%
Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)		
Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	6.3%	6.0%
Regulatory minimum leverage ratio requirement (%)		
Additional own funds requirements to address the risk of excessive leverage		
of which: to be made up of CET1 capital		
Leverage ratio buffer requirement (%)		
Overall leverage ratio requirement (%)	3.11%	3.11%
Choice on transitional arrangements and relevant exposures		
Choice on transitional arrangements for the definition of the capital measure	NA	NA
Disclosure of mean values		
Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash	4,326,672	3,699,296
Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash	4,326,672	3,699,296
Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	102,204,102	100,728,726
Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	115,661,102	112,915,726
Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	7.2%	6.8%
Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	6.3%	6.0%

Table 16 (EU LR3 - LRSpl): Split-up of on balance sheet exposures (excluding derivatives, securities financing transactions and exempted exposures)

As at 12.31.2021 In € thousands	CRR leverage ratio exposures
Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	96,335,794
Trading book exposures	-
Banking book exposures, of which:	96,335,794
Covered bonds	2,712,140
Exposures treated as sovereigns	7,220,991
Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	5,575,112
Institutions	8,087,418
Secured by mortgages of immovable properties	31,162,108
Retail exposures	19,111,623
Corporates	16,066,434
Exposures in default	770,486
Other exposures (eg equity, securitisations, and other non-credit obligation assets)	5,629,483

5. Capital adequacy

Pillar 2 of the Basel Accords requires banks to carry out their own assessment of their internal capital (also known as economic capital) and to use stress scenarios to assess their capital requirements in the event of an economic downturn. This pillar serves as a means of dialog between the bank and the supervisor on the adequacy of the institution's capital.

The Crédit Mutuel Arkéa group therefore has a system for measuring and monitoring its risks, including in particular an Internal Capital Adequacy Assessment Process (hereinafter "**ICAAP**"). This approach results in the signature of an annual capital adequacy statement by the Chairman and the Chief Executive Officer of Crédit Mutuel Arkéa.

The ICAAP approach is fully integrated into the risk governance framework. It entails the following stages, covering a forecast period of 3 years:

- identification of the significant risks incurred by the bank and the associated procedures, in direct collaboration with risk management and using a global Group risk map which is updated each year;
- an assessment of the capacity of these risks to be absorbed on an ongoing basis through Pillar 1 regulatory capital requirements;
- calculation of the level of additional economic capital to be allocated, for full coverage of the risks.

The difference between the economic capital requirement and the regulatory capital requirement constitutes a safety margin for the bank's solvency, in line with the risk appetite framework. The related amount depends on the Group's risk profile (in light of its current and future activities) and its degree of risk aversion.

The results of the ICAAP, which are regularly presented to the Group's management bodies, are used to demonstrate that the group has an adequate level of capital to cover its risk exposure, in line with its risk appetite thresholds. The level of security with respect to solvency, measured by the ratio of surplus capital to the regulatory capital requirement and to the economic capital requirement, is high given the Crédit Mutuel Arkéa group's moderate risk profile and ample capital.

6. Credit risk

Credit risk is one of the Crédit Mutuel Arkéa group's main risks. Information on the structure and organization of the function responsible for credit risk management is provided in Crédit Mutuel Arkéa's 2021 Universal Registration Document, in the section entitled "Risks".

6.1. Exposures

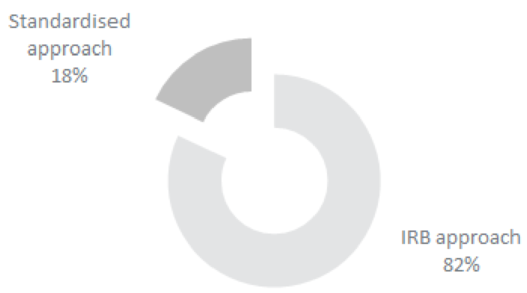
The Crédit Mutuel Arkéa group uses its internal ratings system to calculate its regulatory capital requirements in respect of credit risk, following the authorization issued by the regulatory authorities:

- using the advanced method, as from June 30, 2008, for the retail customer portfolio;
- using the foundation method, as from December 31, 2008, then the advanced method, as from December 31, 2012, for the bank portfolio;
- using the advanced method, as from December 31, 2012, for the corporate portfolio.

As part of the Target Review of Internal Models exercise, the ECB adopted decisions in May 2021 imposing limitations on large accounts and bank portfolios. Their implementation, which would have had an impact of -26 basis points on the CET1 ratio, will result in a switch to the IRB-Foundation method for these portfolios in March 2022.

The percentage of exposures authorized under the advanced method was more than 80% as of December 31, 2021. The foundation method was not used.

Share of gross exposures at 12.31.2021*



Share of gross exposures at 12.31.2020*

*Based on the scope covering credit institutions, corporates and retail customers

Table 17 (EU CR1-A): Maturity of exposures

As at 12.31.2021 In € thousands	Net exposure value					
	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
Loans and advances	3,561,790	16,459,092	12,884,107	56,572,344	268,817	89,746,150
Debt securities	-	3,447,348	4,511,569	1,762,698	-	9,721,615
Total	**3,561,790**	**19,906,440**	**17,395,676**	**58,335,042**	**268,817**	**99,467,765**

6.2. Credit quality of assets

Non performing exposures

A common definition of default has been adopted for all Credit Mutuel entities. Based on the alignment of the prudential treatment with the accounting treatment (CRC 2002-03), this definition matches the Basel concept of loans in default and the accounting concept of non-performing loans and loans in litigation. The computer software factors in contagion, which means downgrading can be extended to include related outstandings. The controls carried out by the internal audit and by the statutory auditors ensure the reliability of the procedures for identifying defaults used to calculate capital requirements.

Since November 2019, all Crédit Mutuel entities, including the Crédit Mutuel Arkéa group, have applied the new definition of prudential default in accordance with the guidelines of the EBA and regulatory technical standards on the concepts of applicable materiality thresholds.

The main changes linked to the implementation of this new definition are as follows:

- default analysis takes place at the borrower level and no longer at the contract level;
- the number of days past due/in arrears is assessed at the level of a borrower (obligor) or a group of borrowers (co-obligors) having a common commitment;
- default is triggered when 90 consecutive days past due/in arrears are observed at the level of a borrower/group of borrowers. The number of days is calculated when absolute (€100 Retail, €500 Corporate) and relative (more than 1% of balance sheet commitments overdue) materiality thresholds are crossed simultaneously. The counter is reset as soon as one of the two thresholds is crossed downwards;
- the scope of default contagion extends to all of the borrower's receivables and the individual commitments of borrowers participating in a joint credit obligation;
- the minimum probation period is three months before returning to performing status for non-restructured assets.

All Crédit Mutuel entities, including the Crédit Mutuel Arkéa group, have chosen to use the new definition of default based on the two-step approach proposed by the EBA:

- submission of a self-assessment and an authorization request to the supervisor. The rollout agreement was obtained by Crédit Mutuel in October 2019;
- implementation of the new definition of default in the systems, then recalibration of the models after a 12-month period of observation of new defaults.

This recalibration of parameters to take into account the new definition of default was postponed to the third quarter of 2021 as part of the ECB's easing measures in response to the health crisis.

The Crédit Mutuel entities believe the new definition of default, as required by the EBA, represents objective evidence of impairment in the accounting sense. The Group has therefore aligned the accounting (status/bucket 3) and prudential definitions of default.

Definitions and quantitative information concerning overdue payments are also provided in Crédit Mutuel Arkéa's 2021 Universal Registration Document, in the section entitled "Accounting principles and valuation methods".

Impairment provisions for credit risk

The new provisions introduced by the EBA Guidelines on credit risk management practices and the recognition of expected credit losses, which came into force on January 1, 2018 (IFRS 9), have resulted in the internal credit risk assessment methods being changed in order to comply with Articles 114 and 115 of the administrative order of November 3, 2014.

This new approach is based on an expected loss impairment model and replaces the former approach (IAS 39) based on an incurred loss impairment model. Thus, the credit risk, and therefore any impairment provision, are recognized as soon as the loan is granted.

Each contract is subject to an "expected" credit loss calculation with risk parameters whose calculation methods and values are specific to the Crédit Mutuel Arkéa group. The calculation methods depend on the segmentation of the portfolios:

- HDP (High Default Portfolio): a portfolio with a high default rate (statistical modeling);
- LDP (Low Default Portfolio): a portfolio with a low default rate (expert modeling).

It should be noted that the Group does not apply the transitional provisions relating to IFRS 9 (the capital and capital and leverage ratios already reflect the total impact of IFRS 9).

Allocating loans to the various buckets on the grant date

At the time loans are granted, they are allocated to one of the three risk categories, known as buckets, defined by IFRS 9:

- a contract (loan or securities) on a performing counterparty is allocated, at the time of approval, to bucket 1 regardless of its risk level (ratings from A+ to E+ inclusive), unless it is a loan identified as a restructured loan which will systematically be allocated to bucket 2;
- a contract (loan or securities) granted on a counterparty in default is allocated to bucket 3.

Allocation to the various buckets at each reporting date

Changes in risk quality are analyzed at each reporting date. In this regard, the probability of default for each loan estimated on the initial recognition date is compared with its estimated probability of default on the reporting date.

Accordingly, at each quarter end and for each financial instrument, the allocation rule is as follows:

- in the case of a counterparty in default (see below for downgrading criteria), all the counterparty's contracts are allocated to bucket 3 (loans in default);
- in the case of a performing counterparty, absolute and relative criteria are reviewed. These criteria are as follows:
    - absolute criteria: contractual payments more than 30 days past due, contract in default the previous month, securities rated as speculative grade, and concept of restructured loans (forbearance);
    - relative criteria: comparison of the probabilities of default at the grant date and the probabilities of default at the reporting date for financial instruments with internal statistical models (High Default Portfolio) or comparison of the ratings at the grant date and the ratings at the reporting date (Low Default Portfolio).

An examination of these criteria determines whether the debt is maintained in its original bucket or transferred to another bucket (for example, transfer from bucket 1 to bucket 2 in the event of an increase in the risk, or return from bucket 2 to bucket 1 in the event of a reduction in the risk).

The methods used to calculate provisions differ according to the bucket to which the loan is allocated: the expected credit loss is assessed over a maximum period of one year in the case of loans in bucket 1, whereas it is calculated over the contract's residual life in the case of loans in bucket 2. For a given contract, the amount of the provision on bucket 2 is therefore greater than that of the provision on bucket 1.

These absolute and relative criteria are supplemented by consideration of forward-looking information to assess the future changes in the parameters making up the expected credit losses (ECL).

As regards downgrading to default, the Crédit Mutuel Arkéa group has opted for systematic downgrading in compliance with the accounting regulations on default (see CRC Regulation 2014-07 of November 26, 2014 on the accounting treatment of credit risk) and the Basel accords.

The criteria that result in a counterparty being downgraded to default are as follows:

- knowledge of collective proceedings (safeguard procedure, receivership or court-ordered liquidation);
- notification of the admissibility of over-indebtedness proceedings;
- knowledge of personal recovery proceedings in the case of retail customers;
- loan with amount(s) more than 90 days past due;
- current account(s) with an irregular debit balance for more than 90 days, with a materiality threshold of €150, with the understanding that after a period of 6 months the counterparty is downgraded to default regardless of the outstanding amount;
- out-of-court recovery that has become impossible;
- contagion of the default according to the rules used in the Basel regulations;
- doubt as to the ability of a debtor to honor all or part of its commitments, when its situation presents characteristics such that regardless of the existence of any unpaid debt, it can be concluded that there is a proven risk. This is particularly the case where the debtor's worsened financial situation gives rise to a risk of non-recovery;
- for loans considered to be restructured: payment arrears of more than 30 days or a new restructuring measure.

All receivables due from these counterparties are systematically allocated to bucket 3 and are the subject of a single provision allocated for loan impairment.

As of December 31, 2021, the breakdown of outstandings and provisions by bucket[2] was as follows:

In € thousands	Balance sheet provisionable outstandings	Provisions
Bucket 1	93,279,414	183,106
Bucket 2	4,364,069	232,111
Bucket 3	1,451,421	713,704

In € thousands	Off-balance sheet provisionable outstandings	Provisions
Bucket 1	15,304,180	16,138
Bucket 2	669,378	6,382
Bucket 3	121,396	43,072

Health crisis related to Covid-19

The Crédit Mutuel Arkéa group is participating in the government's economic support program, implemented in response to the Covid-19 health crisis. This program included the deferral of payments for corporate clients and sole proprietorships and the granting of government-guaranteed loans to boost their cash positions.

In the context of market mechanisms, the payment deferrals granted until September 30, 2020 did not automatically constitute an indicator of significant deterioration in the credit risk of the financial assets concerned or a reclassification to restructured assets (forbone). Payment deferrals granted beyond that date represent individual support measures, as a result of which transfers to bucket 2 or 3 or restructured assets are made in accordance with the rules of all Crédit Mutuel entities.

All Crédit Mutuel entities have taken into account the unprecedented and sudden nature of the Covid-19 crisis in the macroeconomic environment in its review of the forward-looking aspect of its provisioning. The credit risk measurement system has been adapted to take into account the uncertainties of the health crisis, which are offset by government support measures. This methodological approach has been maintained in the preparation of the 2021 financial statements. In particular:

- the weightings of the forward-looking scenarios had been adapted and hardened, taking into account the unprecedented and brutal character of the Covid-19 crisis on the macroeconomic environment;
- initially and within the framework of the market mechanism, the repayment deferrals granted until September 30, 2020 did not automatically constitute an indicator of significant increase in the credit risk of the financial assets in question or of reclassification as restructured (forbone) assets. Beyond this date, the transfer to bucket 2 or 3 or to restructured assets of loans benefiting from the new individual support measures was applied in compliance with Group rules. However, the Group has taken further steps by applying an additional credit risk deterioration criterion for loans that have been granted a second repayment deferral without the first one having been repaid. Its implementation has resulted in additional transfers to restructured assets and an increase in expected credit losses (linked to a transfer to bucket 2 or a deterioration in the rating of already downgraded loans);
- in 2020, an additional provision has been made to anticipate the increase in claims in the sectors deemed to be the most vulnerable to the health crisis (tourism, gaming, leisure, hotels, restaurants, automotive and aeronautical industries excluding

[2] Bucket 3 includes POCI

manufacturers, clothing, the beverage trade, light vehicle rental, industrial passenger transport, and air carriers). It has been set up in accordance with a methodology defined at national level, which is based on the full transfer of the relevant exposures to bucket 2 and the application of a minimum provisioning rate defined by sector group.

Sound exposures in vulnerable sectors have been fully transferred to bucket 2. No changes were made to the list of retained sectors in 2020.

A methodology for determining the sector adjustment has been defined and validated at the national level.

The selected sectors are subject to specific monitoring based on two elements:

- an expert element with the establishment of an ad hoc committee in charge of providing an economic view of business sectors and of expressing opinions to justify the entry or exit of vulnerable sectors;
- a quantitative element with monthly monitoring of internal indicators such as rate of performing loans past due by more than 30 days out of the total performing loans.

Forbone exposures

Exposures are restructured as a result of the debtor’s financial difficulties. This involves the Group making concessions to the debtor (changes in the contract terms such as the rate or term, partial waiver, additional financing that would not have been granted in the absence of such difficulties, etc.). The Crédit Mutuel Arkéa group has the means in its IT systems to identify restructured exposures in its performing and non-performing portfolios, which are defined using the principles set out by the EBA on October 23, 2013. Restructuring results, as a minimum, in a transfer to bucket 2.

The following tables provide a breakdown of outstanding non-performing loans and loans in litigation and the related provisions at December 31, 2021 according to their business sector or counterparty type, their Basel treatment method and their geographic area.

Table 18 (EU CQ1): Credit quality of forborne exposures

As at 12.31.2021 In € thousands	Gross carrying amount/nominal amount of exposures with forbearance measures			
	Performing forborne	Non-performing forborne		
			Of which defaulted	Of which impaired
Cash balances at central banks and other demand deposits	-	-	-	-
Loans and advances	197,256	429,932	429,932	429,932
Central banks	-	-	-	-
General governments	-	-	-	-
Credit institutions	-	-	-	-
Other financial corporations	28,124	6,466	6,466	6,466
Non-financial corporations	114,309	231,375	231,375	231,375
Households	54,823	192,091	192,091	192,091
Debt Securities	-	-	-	-
Loan commitments given	-	-	-	-
Total	197,256	429,932	429,932	429,932

As at 12.31.2021 In € thousands	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
Cash balances at central banks and other demand deposits	-	-	-	-
Loans and advances	-18,564	-178,686	314,639	200,058
Central banks	-	-	-	-
General governments	-	-	-	-
Credit institutions	-	-	-	-
Other financial corporations	-1,190	-5,726	27,674	741
Non-financial corporations	-13,271	-94,263	186,940	127,422
Households	-4,103	-78,697	100,025	71,895
Debt Securities	-	-	-	-
Loan commitments given	-	-	-	-
Total	-18,564	-178,686	314,639	200,058

Table 19 (EU CQ3): Credit quality of performing and non-performing exposures by past due days

As at 12.31.2021 In € thousands	Gross carrying amount/nominal amount					
	Performing exposures			Non-performing exposures		
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days
Cash balances at central banks and other demand deposits	16,245,940	16,245,940	-	-	-	-
Loans and advances	89,421,539	88,678,019	743,520	1,451,107	528,781	118,866
Central banks	-	-	-	-	-	-
General governments	6,935,910	6,935,891	19	5,602	5,602	-
Credit institutions	14,666,874	14,666,870	4	-	-	-
Other financial corporations	3,062,773	2,571,303	491,470	16,657	4,310	591
Non-financial corporations	23,121,246	23,049,123	72,123	806,360	347,562	51,700
Of which SMEs	10,276,145	10,215,308	60,837	532,368	166,982	17,410
Households	41,634,736	41,454,832	179,904	622,488	171,307	66,575
Debt securities	9,729,435	9,729,435	-	314	314	-
Central banks	47,533	47,533	-	-	-	-
General governments	2,296,032	2,296,032	-	-	-	-
Credit institutions	5,917,279	5,917,279	-	-	-	-
Other financial corporations	279,270	279,270	-	-	-	-
Non-financial corporations	1,189,321	1,189,321	-	314	314	-
Off-balance-sheet exposures	34,369,270			121,396		
Central banks	16,388,151			-		
General governments	2,042,132			-		
Credit institutions	1,796,904			-		
Other financial corporations	1,820,225			1,883		
Non-financial corporations	8,409,412			99,084		
Households	3,912,446			20,429		
Total	149,766,184	114,653,394	743,520	1,572,817	529,095	118,866

As at 12.31.2021 In € thousands	Gross carrying amount/nominal amount					
	Non-performing exposures					
	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
Cash balances at central banks and other demand deposits	-	-	-	-	-	-
Loans and advances	148,864	112,156	195,299	93,186	253,955	1,451,107
Central banks	-	-	-	-	-	-
General governments	-	-	-	-	-	5,602
Credit institutions	-	-	-	-	-	-
Other financial corporations	50	1,004	3,981	1,826	4,895	16,657
Non-financial corporations	35,551	59,651	115,326	49,452	147,118	806,360
Of which SMEs	35,471	34,364	90,043	44,217	143,881	532,368
Households	113,263	51,501	75,992	41,908	101,942	622,488
Debt securities	-	-	-	-	-	314
Central banks	-	-	-	-	-	-
General governments	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-
Non-financial corporations	-	-	-	-	-	314
Off-balance-sheet exposures						121,396
Central banks						-
General governments						-
Credit institutions						-
Other financial corporations						1,883
Non-financial corporations						99,084
Households						20,429
Total	148,864	112,156	195,299	93,186	253,955	1,572,817

Table 20 (EU CQ4): Quality of non-performing exposures by geography

As at 12.31.2021 In € thousands	Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing		Of which subject to impairment			
			Of which defaulted				
On-balance-sheet exposures	**100,602,395**		**1,451,421**		**-1,134,630**		-
France	92,432,929		1,441,652		-1,119,307		-
Belgium	1,417,344		2,038		-2,897		-
Germany	820,143		1,488		-2,851		-
United Kingdom	752,956		397		-369		-
Netherlands	706,799		2		-1,517		-
Canada	652,162		-		-282		-
Spain	630,240		343		-664		-
Italy	531,855		-		-184		-
Sweden	526,635		34		-481		-
Luxembourg	340,397		-		-193		-
Ireland	280,494		951		-1,366		-
USA	239,328		3,363		-2,946		-
Austria	202,450		-		-97		-
Other countries	1,068,663		1,153		-1,476		-
Off-balance-sheet exposures	**34,490,666**		**121,396**			**65,592**	
France	34,298,570		121,396			65,492	
Belgium	124,164		-			62	
United Kingdom	20,566		-			27	
Luxembourg	19,703		-			2	
Germany	8,002		-			1	
Other countries	19,661		-			-	
Total	**135,093,061**		**1,572,817**		**-1,134,630**	**65,592**	-

Table 21 (EU CQ5): Credit quality of loans and advances to non-financial corporations by industry

As at 12.31.2021 In € thousands	Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing		Of which loans and advances subject to impairment		
			Of which defaulted			
Agriculture, forestry and fishing	2,181,547		134,581		-116,125	-
Mining and quarrying	24,352		24		-251	-
Manufacturing	992,735		83,138		-44,842	-
Electricity, gas, steam and air conditioning supply	302,512		13,624		-16,648	-
Water supply	97,207		3,021		-2,910	-
Construction	1,424,812		44,269		-39,353	-
Wholesale and retail trade	2,397,941		136,727		-100,050	-
Transport and storage	543,544		27,258		-11,761	-
Accommodation and food service activities	553,967		40,509		-43,527	-
Information and communication	229,441		8,240		-6,677	-
Financial and insurance actvities	2,146,379		56,171		-52,040	-
Real estate activities	8,370,349		118,058		-109,206	-
Professional, scientific and technical activities	2,681,699		54,429		-50,436	-
Administrative and support service activities	963,736		31,933		-25,991	-
Public administration and defense, compulsory social security	59,780		-		-	-
Education	142,997		1,490		-1,146	-
Human health services and social work activities	282,332		5,614		-4,496	-
Arts, entertainment and recreation	231,053		14,193		-9,683	-
Other services	301,223		33,081		-9,632	-
Total	**23,927,606**		**806,360**		**-644,774**	-

Table 22 (EU CQ7): Collateral obtained by taking possession and execution processes

As at 12.31.2021 In € thousands	Collateral obtained by taking possession Value at initial recognition	 Accumulated negative changes
Property, plant and equipment (PP&E)	-	-
Other than PP&E	1,540	-520
Residential immovable property	1,540	-520
Commercial Immovable property	-	-
Movable property (auto, shipping, etc.)	-	-
Equity and debt instruments	-	-
Other collateral	-	-
Total	1,540	-520

Table 23 (EU CR1): Performing and non-performing exposures and related provisions

As at 12.31.2021	Gross carrying amount/nominal amount					
	Performing exposures			Non-performing exposures		
In € thousands		Of which stage 1	Of which stage 2		Of which stage 1	Of which stage 3
Cash balances at central banks and other demand deposits	16,245,940	16,245,940	-	-	-	-
Loans and advances	89,421,539	85,090,220	4,317,725	1,451,107	-	1,451,107
Central banks	-	-	-	-	-	-
General governments	6,935,910	6,895,191	40,719	5,602	-	5,602
Credit institutions	14,666,874	14,666,587	-	-	-	-
Other financial corporations	3,062,773	2,960,699	100,640	16,657	-	16,657
Non-financial corporations	23,121,246	20,563,714	2,545,659	806,360	-	806,360
Of which SMEs	10,276,145	9,025,581	1,250,564	532,368	-	532,368
Households	41,634,736	40,004,029	1,630,707	622,488	-	622,488
Debt securities	9,729,435	9,462,932	46,346	314	-	314
Central banks	47,533	47,533	-	-	-	-
General governments	2,296,032	2,296,032	-	-	-	-
Credit institutions	5,917,279	5,917,239	-	-	-	-
Other financial corporations	279,270	277,375	-	-	-	-
Non-financial corporations	1,189,321	924,753	46,346	314	-	314
Off-balance-sheet exposures	34,369,270	33,685,297	683,973	121,396	-	121,396
Central banks	16,388,151	16,388,151	-	-	-	-
General governments	2,042,132	2,042,121	11	-	-	-
Credit institutions	1,796,904	1,796,798	106	-	-	-
Other financial corporations	1,820,225	1,798,930	21,295	1,883	-	1,883
Non-financial corporations	8,409,412	7,862,356	547,056	99,084	-	99,084
Households	3,912,446	3,796,941	115,505	20,429	-	20,429
Total	**149,766,184**	**144,484,389**	**5,048,044**	**1,572,817**	-	**1,572,817**

As at 12.31.2021 In € thousands	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Collateral and financial guarantees received	
	Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			On performing exposures	On non-performing exposures
		Of which stage 1	Of which stage 2		Of which stage 1	Of which stage 3		
Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
Loans and advances	-407,397	-175,389	-232,008	-719,099	-	-719,099	49,644,076	570,062
Central banks	-	-	-	-	-	-	-	-
General governments	-6,582	-5,483	-1,099	-2	-	-2	1,457,332	-
Credit institutions	-3,200	-3,200	-	-	-	-	398,424	-
Other financial corporations	-8,957	-4,869	-4,088	-11,568	-	-11,568	862,827	5,028
Non-financial corporations	-221,197	-80,458	-140,739	-423,577	-	-423,577	16,829,323	327,353
Of which SMEs	-114,196	-38,607	-75,589	-325,489	-	-325,489	6,908,388	165,957
Households	-167,461	-81,379	-86,082	-283,952	-	-283,952	30,096,170	237,681
Debt securities	-7,820	-7,717	-103	-314	-	-314	-	-
Central banks	-6	-6	-	-	-	-	-	-
General governments	-2,033	-2,033	-	-	-	-	-	-
Credit institutions	-2,092	-2,092	-	-	-	-	-	-
Other financial corporations	-931	-931	-	-	-	-	-	-
Non-financial corporations	-2,758	-2,655	-103	-314	-	-314	-	-
Off-balance-sheet exposures	-22,520	-16,138	-6,382	-43,072	-	-43,072	1,867,670	12,252
Central banks	-	-	-	-	-	-	-	-
General governments	-766	-766	-	-	-	-	-	-
Credit institutions	-63	-63	-	-	-	-	434,384	-
Other financial corporations	-850	-780	-70	-153	-	-153	91,642	-
Non-financial corporations	-16,667	-11,026	-5,641	-38,736	-	-38,736	1,235,661	12,252
Households	-4,174	-3,503	-671	-4,183	-	-4,183	105,983	-
Total	**-437,737**	**-199,244**	**-238,493**	**-762,485**	**-**	**-762,485**	**51,511,746**	**582,314**

Publication of the table EU CR2 - Changes in the stock of non-performing loans and advances:

As at 12.31.2021 In € thousands	Gross carrying amount
Initial stock of non-performing loans and advances	1,438,520
Inflows to non-performing portfolios	461,060
Outflows from non-performing portfolios	-448,473
Outflows due to write-offs	-139,145
Outflow due to other situations	-309,328
Final stock of non-performing loans and advances	**1,451,107**

Exposures subject to measures put in place in response to the Covid-19 crisis (moratoria, government-guaranteed loans, other support measures)

Table 24 (template 1): Information on loans and advances subject to legislative and non-legislative moratoria

As at 12.31.2021 In € thousands	Gross carrying amount						
		Performing			Non performing		
			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days
Loans and advances subject to moratorium	3,303	3,296	-	2,128	7	-	7
of which: Households	-	-	-	-	-	-	-
of which: Collateralised by residential immovable property	-	-	-	-	-	-	-
of which: Non-financial corporations	3,303	3,296	-	2,128	7	-	7
of which: Small and Medium-sized Enterprises	*3,303*	*3,296*	-	*2,128*	*7*	-	*7*
of which: Collateralised by commercial immovable property	-	-	-	-	-	-	-

As at 12.31.2021 In € thousands	Accumulated impairment, accumulated negative changes in fair value due to credit risk							Gross carrying amount
		Performing			Non performing			
			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	Inflows to non-performing exposures
Loans and advances subject to moratorium	-94	-91	-	-84	-3	-	-3	-
of which: Households	-	-	-	-	-	-	-	-
of which: Collateralised by residential immovable property	-	-	-	-	-	-	-	-
of which: Non-financial corporations	-94	-91	-	-84	-3	-	-3	-
of which: Small and Medium-sized Enterprises	*-94*	*-91*	-	*-84*	*-3*	-	*-3*	-
of which: Collateralised by commercial immovable property	-	-	-	-	-	-	-	-

Table 25 (template 2): Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria

As at 12.31.2021 In € thousands	Number of obligors	Gross carrying amount							
			Of which: legislative moratoria	Of which: expired	Residual maturity of moratoria				
					<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year
Loans and advances for which moratorium was offered	17,212	2,665,448							
Loans and advances subject to moratorium (granted)	17,212	2,665,448	-	2,662,145	118	-	59	-	3,126
of which: Households		-	-	-	-	-	-	-	-
of which: Collateralised by residential immovable property		-	-	-	-	-	-	-	-
of which: Non-financial corporations		2,665,448	-	2,662,145	118	-	59	-	3,126
of which: Small and Medium-sized Enterprises		*2,468,055*	-	*2,464,752*	*118*	-	*59*	-	*3,126*
of which: Collateralised by commercial immovable property		*11,349*	-	*11,349*	-	-	-	-	-

Table 26 (template 3): Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis

As at 12.31.2021 In € thousands	Gross carrying amount		Maximum amount of the guarantee that can be considered	Gross carrying amount
		of which: forborne	Public guarantees received	Inflows to non-performing exposures
Newly originated loans and advances subject to public guarantee schemes	**1,469,156**	**49,998**	**1,317,931**	**41,257**
of which: Households	-			-
of which: Collateralised by residential immovable property	-			-
of which: Non-financial corporations	1,469,156	49,998	1,317,931	41,257
of which: Small and Medium-sized Enterprises	*1,190,238*			*38,117*
of which: Collateralised by commercial immovable property	*210*			-

6.3. Standardized approach

Exposures dealt with under the standardized approach are set out in the following table.

The Crédit Mutuel Arkéa group uses assessments by rating agencies recognized by the supervisor (external credit assessment institutions - ECAI) to measure the risk on exposures dealt with using the standard method. The ratings of Standard & Poor's, Moody's and Fitch are mainly used for exposures to institutions, governments and central banks. The valuations of the Banque de France are mainly used for exposures to companies.

The cross-reference table used to link the credit quality steps to the external ratings taken into consideration is that defined in the regulations.

Table 27 (EU CR5): Standardised approach

As at 12.31.2021 In € thousands	Risk weight								
Exposure classes	0%	2%	4%	10%	20%	35%	50%	70%	75%
Central governments or central banks	17,834,748	-	-	-	-	-	-	-	-
Regional government or local authorities	-	-	-	-	5,634,672	-	-	-	-
Public sector entities	9,757,690	-	-	-	433,464	-	-	-	-
Multilateral development banks	194,347	-	-	-	-	-	-	-	-
International organisations	47,528	-	-	-	-	-	-	-	-
Institutions	252,709	-	-	-	20,868	-	10,124	-	-
Corporates	-	-	-	-	13,816	-	61,733	-	-
Retail exposures	-	-	-	-	-	-	-	-	3,422,657
Exposures secured by mortgages on immovable property	-	-	-	-	-	5,425,387	-	-	969,975
Exposures in default	-	-	-	-	-	-	-	-	-
Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-
Covered bonds	-	-	-	18,951	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-
Units or shares in collective investment undertakings	85	-	-	-	-	-	-	-	-
Equity exposures	-	-	-	-	-	-	-	-	-
Other items	-	-	-	-	-	-	-	-	-
TOTAL	**28,087,107**	**-**	**-**	**18,951**	**6,102,819**	**5,425,387**	**71,857**	**-**	**4,392,632**

As at 12.31.2021 In € thousands	Risk weight						Total	Of which unrated
Exposure classes	100%	150%	250%	370%	1250%	Others		
Central governments or central banks	-	-	69,525	-	-	-	**17,904,274**	-
Regional government or local authorities	-	-	-	-	-	-	**5,634,672**	143,844
Public sector entities	-	-	-	-	-	-	**10,191,153**	12,676
Multilateral development banks	-	-	-	-	-	-	**194,347**	-
International organisations	-	-	-	-	-	-	**47,528**	-
Institutions	-	-	-	-	-	-	**283,701**	61
Corporates	176,246	8,926	-	-	-	-	**260,721**	176,298
Retail exposures	-	-	-	-	-	-	**3,422,657**	3,422,657
Exposures secured by mortgages on immovable property	-	-	-	-	-	-	**6,395,362**	6,395,362
Exposures in default	225,786	20,542	-	-	-	-	**246,328**	246,328
Exposures associated with particularly high risk	-	-	-	-	-	-	**-**	-
Covered bonds	-	-	-	-	-	-	**18,951**	-
Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	**-**	-
Units or shares in collective investment undertakings	-	-	-	-	1,501	7,985	**9,571**	9,571
Equity exposures	1,398	-	17,694	-	-	-	**19,092**	19,092
Other items	811,072	-	-	-	-	-	**811,072**	811,072
TOTAL	**1,214,503**	**29,468**	**87,219**	**-**	**1,501**	**7,985**	**45,439,428**	**11,236,962**

Exposures to central governments and central banks (sovereign) are weighted exclusively at 0%. The sovereign outstandings weighted at 250% correspond to deferred tax assets.

6.4. Internal ratings-based approach

Rating procedures and parameters

Rating algorithms and expert models have been developed to improve credit risk assessment within Crédit Mutuel and to comply with the regulatory requirements concerning internal ratings-based approaches.

Confédération Nationale du Crédit Mutuel (hereinafter "**CNCM**") is responsible for defining the rating methodologies for all portfolios. The Crédit Mutuel Arkéa group provides the CNCM with human resources dedicated to developing and maintaining statistical models. In addition, it is directly involved in developing and approving working group projects on specific issues, as well as in work related to data quality and application acceptance testing.

The counterparty rating system is used throughout Crédit Mutuel.

The **probability of default** (hereinafter "**PD**") is the likelihood that a counterparty will default within a one-year period. The Crédit Mutuel Arkéa group's counterparties eligible for internal approaches are rated by a single system using:

- statistical algorithms or "mass ratings", based on one or more models, factoring in a selection of variables which are representative and predictive of credit risk;
- rating grids developed by experts.

These models are used to differentiate and correctly classify risk. The scale reflects the manner in which the risk changes and is broken down into eleven positions including nine performing positions (A+, A-, B+, B-, C+, C-, D+, D- and E+) and two default positions (E- and F).

In the so-called "mass" corporate and retail scopes, following the internal rating process, each borrower is allocated a rating. Based on this rating as well as other characteristics, performing borrowers are grouped into homogeneous risk classes, prior to the process of measuring the regulatory PD (probability of default) parameter. The grouping analyses are carried out on the segments defined for the purposes of modeling the algorithms. A risk class's probabilities of default are then estimated on the basis of the historical default rates observed on the exposures belonging to this class, based on a record of more than ten years of observations. Prudence margins are taken into account to factor in the uncertainty of estimates (e.g. relating to time volatility or data quality).

In the other scopes, too few transfers of customers to non-performing are available to ensure the relevance and reliability of statistical estimates. The probabilities of default associated with the internal ratings are calibrated on the basis of external data.

The **loss given default** (hereinafter "**LGD**") is the ratio of the loss on an exposure in the event of a counterparty default to the amount of exposure at the time of default.

Internal models for estimating LGD have been developed by the group and approved for the Bank, Corporate and Retail exposure classes.

In the "mass" Corporate and Retail scopes, LGD is calculated separately for each class defined according to the type of loan and the nature of the collateral. LGD is estimated based on the updated monthly collections observed for each class. Prudence margins are taken into account to factor in the uncertainty of estimates and the downturn nature of the

LGD. The calculations are based on an internal record of defaults and losses covering more than ten years.

In the other scopes, for which too few defaults are available to ensure the relevance and reliability of statistical estimates, LGDs are estimated on the basis of quantitative information and expert-based modeling using benchmarks and external data as part of a conservative approach (the downturn effect is taken into account).

The **credit conversion factor** (hereinafter “**CCF**”) corresponds to the ratio of the currently undrawn portion of a credit line that could be drawn and would therefore be exposed in the event of default to the portion of said credit line currently undrawn.

In the case of the corporate and retail customer portfolios, the CCFs are calculated in accordance with an internal method approved for financing commitments. In the case of guarantee commitments and the bank exposure class, regulatory values (foundation method) are applied.

In the Corporate and Retail scopes, the internal CCFs are estimated based on average historical CCFs weighted by the number of contracts, using a product-focused segmentation. They are calibrated on the basis of internal data.

The parameters used to calculate weighted risks (hereinafter “**RWA**”) are national and apply to all Crédit Mutuel entities.

Model map

Modeled parameter	Exposure class	Portfolios	Number of models	Methodology
PD	Banks	Financial institutions	2 models: Banks and covered bonds	Expert-type models based on grids comprising qualitative and quantitative variables
	Corporates	Large Accounts (revenue >€500m)	6 models according to the type of counterparty and sector	Expert-type models based on grids comprising qualitative and quantitative variables
		"Mass" corporates (revenue <€500m)	3 models	Quantitative-type models with expert qualitative grids
		Acquisition financing, large corporates	1 model	Expert-type model based on a grid comprising qualitative and quantitative variables
		Acquisition financing, corporates	1 model	Quantitative-type models combined with expert qualitative grids
		Specialized financing	SF - assets: 6 models according to the type of asset, SF - projects: 4 models according to the sector, SF - real estate: 1 model	Expert-type models based on grids comprising qualitative and quantitative variables
		Other corporates	2 models: Real estate companies and insurance companies	Expert-type models based on grids comprising qualitative and quantitative variables
	Retail	Individuals	6 models according to the type of loan (real estate loan, overdraft, etc.)	Quantitative-type models
		Corporate bodies	4 models according to the type of customer	Quantitative-type models
		Sole traders	3 models according to the type of profession (retailers, artisans, etc.)	Quantitative-type models
		Farmers	6 models according to the account status and the type of activity (cyclical or not)	Quantitative-type models
		Non-profit organizations	1 model	Quantitative-type models
		Real estate trusts	1 model	Quantitative-type models
LGD	Banks	Financial institutions	1 model	Expert-type model depending on the counterparty and the contract, based on quantitative and qualitative information
	Corporates	Large corporates, Acquisition financing, Real estate companies and Insurance companies	1 model, with sector parameters	Expert-type model depending on the counterparty and the contract, based on quantitative and qualitative information
		"Mass" corporates	1 model applied to 8 segments according to the type of loan and the nature of the collateral	Quantitative-type models based on internal collection flows
	Retail		1 model applied to 10 segments according to the type of loan and the nature of the collateral	Quantitative-type models based on internal collection flows
CCF	Corporates	"Mass" corporates	1 model applied to 4 segments according to the type of loan	Quantitative model, CCFs calibrated using internal data
	Retail		1 model applied to 8 segments according to the type of loan	Quantitative model, CCFs calibrated using internal data

Table 28 (EU CR6): IRB approach – Credit risk exposures by exposure class and PD range

A-IRB As at 12.31.2021 In € thousands	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provisions
Credit institution												
	0.00 to <0.15	10,371,684	25,540	99%	10,389,449	0.03%	29%	2.5	787,269	8%	701	-
	0.00 to <0.10	9,695,792	17,348	99%	9,707,428	0.02%	29%	2.5	566,388	6%	476	-
	0.10 to <0.15	675,893	8,192	99%	682,021	0.10%	33%	2.5	220,882	32%	225	-
	0.15 to <0.25	82,735	5,000	99%	86,485	0.23%	17%	2.5	21,984	25%	33	-
	0.25 to <0.50	31,968	-	-	31,968	0.44%	40%	2.5	27,042	85%	56	-
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <2.50	12,890	-	-	12,890	1.02%	28%	2.5	10,381	81%	36	-
	0.75 to <1.75	12,890	-	-	12,890	1.02%	28%	2.5	10,381	81%	36	-
	1.75 to <2.5	-	-	-	-	-	0%	-	-	-	-	-
	2.50 to <10.00	31	-	-	31	2.79%	28%	2.5	32	104%	-	-
	2.5 to <5	31	-	-	31	2.79%	28%	2.5	32	104%	-	-
	5 to <10	-	-	-	-	-	0%	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	0%	-	-	-	-	-
	10 to <20	-	-	-	-	-	0%	-	-	-	-	-
	20 to <30	-	-	-	-	-	0%	-	-	-	-	-
	30.00 to <100.00	-	-	-	-	-	0%	-	-	-	-	-
	100.00 (Default)	991	-	-	991	100.00%	45%	2.5	-	-	244	-
	Sub-total (Credit institution)	10,500,300	30,540	99%	10,521,815	0.04%	29%	2.5	846,708	8%	1,071	-2,429
Corporates												
	0.00 to <0.15	1,696,222	1,049,942	92%	2,242,236	0.09%	56%	2.5	815,555	36%	1,057	-
	0.00 to <0.10	1,242,518	695,040	92%	1,592,984	0.07%	65%	2.5	638,083	40%	784	-
	0.10 to <0.15	453,704	354,901	92%	649,252	0.13%	32%	2.5	177,472	27%	273	-
	0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-
	0.25 to <0.50	1,462,018	1,037,233	89%	1,959,399	0.35%	46%	2.5	1,298,223	66%	3,181	-
	0.50 to <0.75	5,004,131	2,116,151	91%	6,023,411	0.64%	23%	2.5	2,057,354	34%	8,959	-
	0.75 to <2.50	5,486,028	2,444,671	91%	6,806,804	1.39%	30%	2.5	4,358,464	64%	27,832	-
	0.75 to <1.75	4,262,829	1,914,383	91%	5,330,891	1.21%	32%	2.5	3,566,133	67%	20,494	-
	1.75 to <2.5	1,223,199	530,288	90%	1,475,913	2.04%	24%	2.5	792,331	54%	7,338	-
	2.50 to <10.00	3,870,306	1,415,466	91%	4,740,134	3.98%	28%	2.5	3,578,871	76%	50,783	-
	2.5 to <5	3,320,956	1,294,646	90%	4,116,211	3.44%	28%	2.5	3,151,420	77%	40,055	-
	5 to <10	549,350	120,820	91%	623,923	7.58%	23%	2.5	427,452	69%	10,728	-
	10.00 to <100.00	415,501	110,681	92%	485,111	21.20%	23%	2.5	455,365	94%	23,215	-
	10 to <20	256,272	80,559	90%	309,042	15.66%	24%	2.5	295,553	96%	11,709	-
	20 to <30	863	-	100%	863	24.06%	20%	2.5	692	80%	42	-
	30.00 to <100.00	158,366	30,121	94%	175,206	30.97%	21%	2.5	159,120	91%	11,464	-
	100.00 (Default)	463,204	143,496	95%	585,554	100.00%	52%	2.5	291,068	50%	278,392	-
	Sub-total (Corporates)	18,397,410	8,317,640	91%	22,842,647	4.46%	32%	2.5	12,854,900	56%	393,419	-420,306
Corporates - of which: SMEs												
	0.00 to <0.15	-	-	-	-	-	-	-	-	-	-	-
	0.00 to <0.10	-	-	-	-	-	-	-	-	-	-	-
	0.10 to <0.15	-	-	-	-	-	-	-	-	-	-	-
	0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-
	0.25 to <0.50	-	-	-	-	-	-	-	-	-	-	-
	0.50 to <0.75	3,193,309	1,004,323	91%	3,716,305	0.64%	23%	2.5	1,033,111	28%	5,371	-
	0.75 to <2.50	2,346,874	704,057	91%	2,756,655	1.48%	23%	2.5	1,035,641	38%	9,296	-
	0.75 to <1.75	1,572,920	416,580	91%	1,841,548	1.21%	22%	2.5	647,497	35%	4,970	-
	1.75 to <2.5	773,954	287,477	91%	915,107	2.03%	23%	2.5	388,143	42%	4,326	-
	2.50 to <10.00	1,921,397	551,592	91%	2,286,051	4.08%	23%	2.5	1,163,784	51%	21,848	-
	2.5 to <5	1,582,046	474,974	91%	1,899,569	3.40%	23%	2.5	932,199	49%	15,157	-
	5 to <10	339,351	76,618	91%	386,482	7.45%	23%	2.5	231,586	60%	6,691	-
	10.00 to <100.00	213,190	37,827	92%	235,607	21.03%	22%	2.5	184,511	78%	10,763	-
	10 to <20	132,328	24,124	91%	144,754	14.71%	22%	2.5	107,895	75%	4,744	-
	20 to <30	863	-	100%	863	24.06%	20%	2.5	692	80%	42	-
	30.00 to <100.00	80,000	13,702	94%	89,990	31.17%	21%	2.5	75,924	84%	5,978	-
	100.00 (Default)	228,883	31,767	95%	250,672	100.00%	56%	2.5	161,082	64%	126,154	-
	Sub-total (Corporates - of which: SMEs)	7,903,653	2,329,567	91%	9,245,290	4.95%	24%	2.5	3,578,129	39%	173,432	-200,295
Retail customers												
	0.00 to <0.15	19,553,256	1,581,114	82%	20,403,187	0.06%	14%	-	537,625	3%	1,936	-
	0.00 to <0.10	19,231,895	1,294,677	82%	19,856,105	0.06%	14%	-	506,371	3%	1,811	-
	0.10 to <0.15	321,361	286,437	77%	547,082	0.12%	20%	-	31,254	6%	126	-
	0.15 to <0.25	4,695,781	393,795	83%	4,901,079	0.20%	14%	-	284,552	6%	1,406	-
	0.25 to <0.50	5,735,518	456,395	83%	5,953,580	0.35%	17%	-	568,735	10%	3,596	-
	0.50 to <0.75	1,852,966	240,854	83%	1,979,442	0.61%	19%	-	261,603	13%	2,347	-
	0.75 to <2.50	4,313,589	742,058	83%	4,660,010	1.47%	18%	-	961,863	21%	12,247	-
	0.75 to <1.75	2,694,979	410,695	83%	2,894,782	1.04%	18%	-	518,073	18%	5,483	-
	1.75 to <2.5	1,618,610	331,363	83%	1,765,227	2.16%	18%	-	443,790	25%	6,763	-
	2.50 to <10.00	1,848,573	296,134	83%	1,987,188	5.02%	19%	-	669,199	34%	19,391	-
	2.5 to <5	988,184	131,004	83%	1,052,601	3.56%	20%	-	328,941	31%	7,364	-
	5 to <10	860,389	165,129	84%	934,587	6.66%	19%	-	340,257	36%	12,027	-
	10.00 to <100.00	440,152	25,704	87%	453,154	21.10%	19%	-	259,006	57%	18,416	-
	10 to <20	174,946	13,194	86%	181,645	14.31%	21%	-	89,321	49%	5,290	-
	20 to <30	187,343	8,565	87%	191,592	22.90%	18%	-	127,806	67%	8,044	-
	30.00 to <100.00	77,863	3,945	89%	79,917	32.20%	20%	-	41,879	52%	5,082	-
	100.00 (Default)	603,870	13,175	95%	610,068	100.00%	56%	-	207,808	34%	327,752	-
	Sub-total (Retail customers)	39,043,706	3,749,229	84%	40,947,709	2.27%	16%	-	3,750,391	9%	387,091	-483,146

A-IRB As at 12.31.2021 In € thousands	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provisions
Retail customers - of wich: secured by mortgages on immovable property												
	0.00 to <0.15	13,787,729	446,181	84%	13,963,079	0.06%	14%	-	337,215	2%	1,219	-
	0.00 to <0.10	13,770,483	446,164	84%	13,945,826	0.06%	14%	-	336,509	2%	1,216	-
	0.10 to <0.15	17,246	17	89%	17,253	0.12%	14%	-	706	4%	3	-
	0.15 to <0.25	3,015,341	64,802	86%	3,040,809	0.20%	14%	-	171,289	6%	835	-
	0.25 to <0.50	2,667,787	46,380	89%	2,686,092	0.36%	15%	-	250,523	9%	1,471	-
	0.50 to <0.75	569,079	5,865	91%	571,421	0.62%	17%	-	72,753	13%	587	-
	0.75 to <2.50	1,697,302	105,785	88%	1,738,907	1.35%	15%	-	378,917	22%	3,477	-
	0.75 to <1.75	1,118,555	21,697	89%	1,127,102	0.94%	15%	-	197,198	17%	1,599	-
	1.75 to <2.5	578,747	84,089	87%	611,806	2.12%	14%	-	181,719	30%	1,878	-
	2.50 to <10.00	633,535	10,742	89%	637,789	4.92%	15%	-	303,648	48%	4,791	-
	2.5 to <5	336,106	5,789	88%	338,395	3.46%	15%	-	135,645	40%	1,765	-
	5 to <10	297,429	4,953	90%	299,394	6.57%	15%	-	168,003	56%	3,026	-
	10.00 to <100.00	178,586	1,673	92%	179,248	21.29%	16%	-	146,985	82%	5,959	-
	10 to <20	57,120	590	92%	57,355	14.94%	17%	-	44,003	77%	1,402	-
	20 to <30	94,664	1,010	91%	95,062	21.66%	15%	-	81,447	86%	3,085	-
	30.00 to <100.00	26,802	73	93%	26,831	33.55%	16%	-	21,535	80%	1,473	-
	100.00 (Default)	261,509	921	97%	261,875	100.00%	56%	-	73,844	28%	140,984	-
	Sub-total (Retail customers - of wich: secured by mortgages on immovable property)	22,810,869	682,350	89%	23,079,220	1.66%	15%	-	1,735,174	8%	159,323	-203,346
Retail customers - of wich: secured by mortgages on immovable property - SMEs												
	0.00 to <0.15	-	-	-	-	-	-	-	-		-	-
	0.00 to <0.10	-	-	-	-	-	-	-	-		-	-
	0.10 to <0.15	-	-	-	-	-	-	-	-		-	-
	0.15 to <0.25	641,055	5,900	90%	643,375	0.19%	14%	-	29,233	5%	171	-
	0.25 to <0.50	719,474	5,771	91%	721,820	0.34%	19%	-	68,659	10%	470	-
	0.50 to <0.75	549,087	5,169	91%	551,155	0.62%	17%	-	70,223	13%	571	-
	0.75 to <2.50	441,982	3,642	92%	443,445	1.47%	17%	-	101,897	23%	1,125	-
	0.75 to <1.75	329,372	2,871	92%	330,520	1.18%	17%	-	66,565	20%	669	-
	1.75 to <2.5	112,610	772	92%	112,926	2.33%	17%	-	35,332	31%	455	-
	2.50 to <10.00	199,319	2,912	90%	200,496	5.35%	18%	-	101,362	51%	1,936	-
	2.5 to <5	95,721	1,378	90%	96,277	3.65%	18%	-	40,457	42%	632	-
	5 to <10	103,598	1,534	91%	104,220	6.92%	18%	-	60,905	58%	1,304	-
	10.00 to <100.00	80,746	404	92%	80,909	22.04%	18%	-	65,652	81%	3,152	-
	10 to <20	41,883	239	92%	41,981	14.05%	18%	-	31,863	76%	1,033	-
	20 to <30	13,750	102	92%	13,791	26.91%	20%	-	13,574	98%	753	-
	30.00 to <100.00	25,113	63	93%	25,138	32.72%	16%	-	20,215	80%	1,366	-
	100.00 (Default)	118,472	217	98%	118,561	100.00%	59%	-	41,045	35%	67,159	-
	Sub-total (Retail customers - of wich: secured by mortgages on immovable property - SMEs)	2,750,135	24,016	92%	2,759,762	5.82%	19%	-	478,071	17%	74,583	-88,344
Retail customers - of wich: secured by mortgages on immovable property - Non-SMEs												
	0.00 to <0.15	13,787,729	446,181	84%	13,963,079	0.06%	14%	-	337,215	2%	1,219	-
	0.00 to <0.10	13,770,483	446,164	84%	13,945,826	0.06%	14%	-	336,509	2%	1,216	-
	0.10 to <0.15	17,246	17	89%	17,253	0.12%	14%	-	706	4%	3	-
	0.15 to <0.25	2,374,286	58,902	83%	2,397,434	0.20%	14%	-	142,056	6%	664	-
	0.25 to <0.50	1,948,313	40,608	86%	1,964,272	0.37%	14%	-	181,865	9%	1,001	-
	0.50 to <0.75	19,992	697	82%	20,266	0.56%	14%	-	2,529	12%	16	-
	0.75 to <2.50	1,255,320	102,143	84%	1,295,462	1.31%	14%	-	277,020	21%	2,352	-
	0.75 to <1.75	789,183	18,826	85%	796,582	0.84%	14%	-	130,633	16%	929	-
	1.75 to <2.5	466,137	83,317	81%	498,880	2.07%	14%	-	146,387	29%	1,423	-
	2.50 to <10.00	434,216	7,830	87%	437,293	4.73%	14%	-	202,286	46%	2,855	-
	2.5 to <5	240,385	4,411	86%	242,118	3.39%	14%	-	95,188	39%	1,133	-
	5 to <10	193,831	3,419	88%	195,174	6.39%	14%	-	107,098	55%	1,722	-
	10.00 to <100.00	97,840	1,269	90%	98,339	20.67%	14%	-	81,333	83%	2,808	-
	10 to <20	15,237	351	81%	15,374	17.36%	14%	-	12,140	79%	369	-
	20 to <30	80,914	908	90%	81,271	20.77%	14%	-	67,872	84%	2,332	-
	30.00 to <100.00	1,690	10	100%	1,694	45.87%	14%	-	1,321	78%	107	-
	100.00 (Default)	143,037	704	95%	143,314	100.00%	53%	-	32,800	23%	73,825	-
	Sub-total (Retail customers - secured by mortgages on immovable property - Non-SMEs)	20,060,734	658,333	85%	20,319,458	1.09%	14%	-	1,257,103	6%	84,740	-115,002
Retail customers - revolving												
	0.00 to <0.15	17,931	88,352	47%	35,690	0.09%	31%	-	622	2%	10	-
	0.00 to <0.10	10,020	60,150	47%	22,110	0.07%	31%	-	332	2%	5	-
	0.10 to <0.15	7,911	28,202	47%	13,580	0.11%	31%	-	290	2%	5	-
	0.15 to <0.25	5,181	11,538	44%	7,500	0.20%	31%	-	263	4%	5	-
	0.25 to <0.50	10,159	22,664	58%	14,714	0.31%	31%	-	729	5%	14	-
	0.50 to <0.75	11,940	17,009	43%	15,359	0.54%	31%	-	1,194	8%	25	-
	0.75 to <2.50	22,526	17,914	54%	26,118	1.59%	31%	-	4,566	17%	127	-
	0.75 to <1.75	12,192	10,632	54%	14,329	1.10%	31%	-	1,928	13%	49	-
	1.75 to <2.5	10,334	7,282	53%	11,789	2.18%	31%	-	2,638	22%	79	-
	2.50 to <10.00	10,327	3,874	55%	11,106	4.80%	31%	-	4,255	38%	164	-
	2.5 to <5	6,306	2,553	55%	6,820	3.79%	31%	-	2,251	33%	79	-
	5 to <10	4,021	1,321	55%	4,286	6.40%	31%	-	2,004	47%	84	-
	10.00 to <100.00	4,065	897	62%	4,245	16.96%	31%	-	3,296	78%	221	-
	10 to <20	1,676	395	100%	1,756	10.72%	31%	-	1,112	63%	58	-
	20 to <30	2,360	480	58%	2,456	21.02%	31%	-	2,151	88%	159	-
	30.00 to <100.00	29	22	100%	33	45.87%	31%	-	33	99%	5	-
	100.00 (Default)	3,292	46	88%	3,301	100.00%	72%	-	443	13%	2,353	-
	Sub-total (Retail customers - revolving	85,421	162,294	46%	118,034	4.36%	32%	-	15,367	13%	2,919	-3,882

A-IRB As at 12.31.2021 In € thousands	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provisions
Retail customers - other												
	0.00 to <0.15	5,747,595	1,046,581	82%	6,404,418	0.07%	15%	-	199,788	3%	708	-
	0.00 to <0.10	5,451,391	788,364	82%	5,888,169	0.07%	15%	-	169,530	3%	590	-
	0.10 to <0.15	296,204	258,217	81%	516,250	0.12%	20%	-	30,258	6%	118	-
	0.15 to <0.25	1,675,259	317,454	81%	1,852,769	0.20%	15%	-	113,000	6%	567	-
	0.25 to <0.50	3,057,573	387,351	82%	3,252,774	0.34%	19%	-	317,483	10%	2,110	-
	0.50 to <0.75	1,271,947	217,980	82%	1,392,661	0.61%	20%	-	187,657	13%	1,735	-
	0.75 to <2.50	2,593,761	618,359	82%	2,894,984	1.53%	20%	-	578,379	20%	8,643	-
	0.75 to <1.75	1,564,231	378,367	82%	1,753,352	1.11%	20%	-	318,947	18%	3,836	-
	1.75 to <2.5	1,029,530	239,992	82%	1,141,632	2.19%	19%	-	259,433	23%	4,807	-
	2.50 to <10.00	1,204,711	281,518	83%	1,338,293	5.06%	21%	-	361,296	27%	14,436	-
	2.5 to <5	645,772	122,662	82%	707,386	3.60%	22%	-	191,045	27%	5,519	-
	5 to <10	558,939	158,856	83%	630,907	6.70%	21%	-	170,251	27%	8,917	-
	10.00 to <100.00	257,501	23,134	87%	269,661	21.04%	22%	-	108,725	40%	12,236	-
	10 to <20	116,150	12,209	86%	122,535	14.07%	22%	-	44,206	36%	3,830	-
	20 to <30	90,319	7,075	87%	94,074	24.21%	21%	-	44,208	47%	4,801	-
	30.00 to <100.00	51,032	3,850	89%	53,052	31.51%	22%	-	20,310	38%	3,605	-
	100.00 (Default)	339,069	12,208	94%	344,892	100.00%	57%	-	133,521	39%	184,414	-
	Sub-total (Retail customers - other)	16,147,415	2,904,586	84%	17,750,454	3.05%	18%	-	1,999,850	11%	224,849	-275,919
Retail customers - other - SMEs												
	0.00 to <0.15	-	-	-	-	-	-	-	-		-	-
	0.00 to <0.10	-	-	-	-	-	-	-	-		-	-
	0.10 to <0.15	-	-	-	-	-	-	-	-		-	-
	0.15 to <0.25	555,708	91,058	81%	597,136	0.19%	17%	-	32,524	5%	193	-
	0.25 to <0.50	1,715,294	240,891	82%	1,822,309	0.33%	22%	-	181,212	10%	1,343	-
	0.50 to <0.75	1,043,177	138,580	82%	1,102,303	0.63%	21%	-	141,189	13%	1,422	-
	0.75 to <2.50	1,742,216	245,360	82%	1,851,614	1.53%	22%	-	375,994	20%	6,100	-
	0.75 to <1.75	1,091,777	169,991	82%	1,168,027	1.13%	22%	-	219,064	19%	2,866	-
	1.75 to <2.5	650,438	75,369	83%	683,587	2.22%	22%	-	156,930	23%	3,234	-
	2.50 to <10.00	909,078	160,560	82%	980,372	5.20%	23%	-	273,996	28%	11,773	-
	2.5 to <5	461,406	88,109	82%	499,731	3.57%	24%	-	140,603	28%	4,301	-
	5 to <10	447,672	72,451	82%	480,641	6.89%	23%	-	133,392	28%	7,472	-
	10.00 to <100.00	180,920	16,176	86%	188,677	22.12%	22%	-	72,474	38%	9,332	-
	10 to <20	93,617	9,514	86%	98,062	14.65%	22%	-	33,548	34%	3,182	-
	20 to <30	37,533	2,840	85%	38,847	28.93%	23%	-	19,185	49%	2,639	-
	30.00 to <100.00	49,770	3,822	89%	51,769	31.15%	22%	-	19,740	38%	3,512	-
	100.00 (Default)	268,167	11,348	93%	273,346	100.00%	57%	-	117,326	43%	146,834	-
	Sub-total (Retail customers - other - SMEs)	6,414,560	903,972	84%	6,815,758	5.99%	23%	-	1,194,714	18%	176,997	-211,679
Retail customers - other - Non-SMEs												
	0.00 to <0.15	5,747,595	1,046,581	82%	6,404,418	0.07%	15%	-	199,788	3%	708	-
	0.00 to <0.10	5,451,391	788,364	82%	5,888,169	0.07%	15%	-	169,530	3%	590	-
	0.10 to <0.15	296,204	258,217	81%	516,250	0.12%	20%	-	30,258	6%	118	-
	0.15 to <0.25	1,119,551	226,396	82%	1,255,633	0.20%	15%	-	80,476	6%	374	-
	0.25 to <0.50	1,342,279	146,461	82%	1,430,465	0.35%	15%	-	136,271	10%	767	-
	0.50 to <0.75	228,770	79,400	81%	290,358	0.54%	20%	-	46,469	16%	313	-
	0.75 to <2.50	851,545	372,999	82%	1,043,370	1.54%	16%	-	202,385	19%	2,543	-
	0.75 to <1.75	472,454	208,375	82%	585,325	1.07%	16%	-	99,883	17%	970	-
	1.75 to <2.5	379,091	164,624	81%	458,045	2.14%	16%	-	102,503	22%	1,572	-
	2.50 to <10.00	295,633	120,958	85%	357,921	4.69%	16%	-	87,301	24%	2,663	-
	2.5 to <5	184,365	34,554	83%	207,655	3.67%	16%	-	50,442	24%	1,218	-
	5 to <10	111,267	86,404	86%	150,266	6.09%	16%	-	36,859	25%	1,445	-
	10.00 to <100.00	76,581	6,959	88%	80,984	18.52%	20%	-	36,251	45%	2,904	-
	10 to <20	22,533	2,695	84%	24,473	11.75%	23%	-	10,658	44%	648	-
	20 to <30	52,786	4,235	89%	55,228	20.89%	19%	-	25,023	45%	2,162	-
	30.00 to <100.00	1,262	28	100%	1,284	45.87%	16%	-	571	44%	93	-
	100.00 (Default)	70,901	860	98%	71,546	100.00%	54%	-	16,195	23%	37,580	-
	Sub-total (Retail customers - other - Non-SMEs)	9,732,855	2,000,614	84%	10,934,697	1.22%	16%	-	805,136	7%	47,852	-64,240
Total		**67,941,415**	**12,097,410**	**89%**	**74,312,170**	**2.63%**	**23%**	**2.5**	**17,451,999**	**23%**	**781,582**	**-905,882**

Table 29 (EU CR6-A): Scope of the use of IRB and SA approaches

As at 12.31.2021 In € thousands	Exposure value as defined in Article 166 CRR for exposrues subject to IRB approach	Total exposure value for exposures subject to the Standardised approach and to the IRB approach	Percentage of total exposure value subject to the permanent partial use of the SA (%)	Percentage of total exposure value subject to IRB Approach (%)	Percentage of total exposurevalue subject to a roll-out plan (%)
Central governments or central banks	36,133,282	-	-	-	-
Of which Regional governments or local authorities		-	-	-	-
Of which Public sector entities		-	-	-	-
Institutions	14,110,735	-	-	-	-
Corporates	29,250,775	-	-	-	-
Of which Corporates - Specialised lending, excluding slotting approach		-	-	-	-
Of which Corporates - Specialised lending under slotting approach		-	-	-	-
Retail	53,224,709	-	-	-	-
of which Retail – Secured by real estate SMEs		-	-	-	-
of which Retail – Secured by real estate non-SMEs		-	-	-	-
of which Retail – Qualifying revolving		-	-	-	-
of which Retail – Other SMEs		-	-	-	-
of which Retail – Other non-SMEs		-	-	-	-
Equity	5,665,500	-	-	-	-
Other non-credit obligation assets	813,706	-	-	-	-
Total	**139,198,708**	-	-	-	-

Backtesting

The quality of the internal rating system is monitored based on procedures that detail the topics reviewed, the warning thresholds and the responsibilities of the participants. These documents are updated by the CNCM Risk Department if necessary as decisions are ratified.

Reporting on the monitoring of mass rating models involves three main areas of study: stability, performance and additional analyses. This reporting is carried out for each mass rating model on a quarterly basis and supplemented with half-yearly and annual controls and monitoring work, for which the levels of detail are higher (all of the elements making up each of the models are analyzed).

As regards the expert grids, the system includes a complete annual review based on performance tests (analysis of rating concentrations, transition matrices and consistency with the external rating system).

Default probabilities are monitored annually before any new estimates of the regulatory parameter. Depending on the portfolios, this is supplemented with interim monitoring on a half-yearly basis. The arrangements for monitoring loss given default (LGD) and the conversion factors (CCF) for off-balance sheet commitments are implemented annually. Their main objective is to validate the values taken by these parameters for each segment. In the case of LGD, this validation is carried out mainly by checking the robustness of the methods for calculating the prudential margins and by comparing the LGD estimators with the most recent data and actual figures. As regards the CCF, it is validated by reconciling the estimators with the most recent CCFs observed.

As the monitoring of parameters is subject to a national procedure, the quantitative elements relating to the backtesting of parameters and to changes in risk-weighted assets in the context of the internal ratings-based approach are presented in the national Pillar 3 report and listed below.

Table 30 (EU CR9): IRB approach – Back-testing of PD per exposure class (fixed PD scale)

A-IRB

Exposure class As at 12.31.2021 In € thousands	PD range	Number of obligors at the end of previous year	Of which number of obligors which defaulted in the year	Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
Corporates	0.00 to <0.15	-	-	-	-	-	-
	0.00 to <0.10	-	-	-	-	-	-
	0.10 to <0.15	-	-	-	-	-	-
	0.15 to <0.25	-	-	-	-	-	-
	0.25 to <0.50	-	-	-	-	-	-
	0.50 to <0.75	23,354	64	0.31%	0.64%	0.63%	0.27%
	0.75 to <2.50	21,830	142	0.95%	1.39%	1.93%	0.81%
	0.75 to <1.75	14,217	90	0.78%	1.19%	1.21%	0.65%
	1.75 to <2.5	7,613	52	1.28%	2.05%	2.12%	1.08%
	2.50 to <10.00	12,939	210	3.05%	4.21%	5.28%	2.45%
	2.5 to <5	9,467	112	2.38%	3.42%	3.37%	1.92%
	5 to <10	3,472	98	4.86%	7.64%	7.66%	3.91%
	10.00 to <100.00	2,646	257	13.69%	19.29%	25.19%	13.73%
	10 to <20	1,541	83	8.12%	15.68%	15.39%	7.71%
	20 to <30	47	2	15.37%	24.06%	24.06%	13.17%
	30.00 to <100.00	1,058	172	21.71%	32.31%	35.37%	21.25%
	100.00 (Default)	-	-	100.00%	100.00%	100.00%	100.00%
Retail	0.00 to <0.15	3,512,888	885	0.04%	0.07%	0.08%	0.04%
	0.00 to <0.10	1,987,694	393	0.03%	0.07%	0.06%	0.03%
	0.10 to <0.15	1,525,194	492	0.04%	0.11%	0.12%	0.05%
	0.15 to <0.25	807,781	550	0.10%	0.20%	0.21%	0.10%
	0.25 to <0.50	948,682	1,163	0.16%	0.35%	0.32%	0.17%
	0.50 to <0.75	783,950	2,084	0.34%	0.61%	0.64%	0.35%
	0.75 to <2.50	1,489,419	8,644	0.90%	1.44%	1.69%	0.88%
	0.75 to <1.75	980,282	3,848	0.61%	1.02%	1.22%	0.59%
	1.75 to <2.5	509,137	4,796	1.46%	2.11%	2.20%	1.39%
	2.50 to <10.00	665,896	14,645	3.45%	5.04%	5.43%	3.13%
	2.5 to <5	350,454	5,569	2.51%	3.47%	3.65%	2.37%
	5 to <10	315,442	9,076	4.49%	6.70%	6.76%	4.03%
	10.00 to <100.00	341,319	33,239	14.35%	20.55%	23.45%	13.23%
	10 to <20	134,797	6,584	7.29%	14.50%	15.26%	6.95%
	20 to <30	170,250	21,081	17.67%	21.63%	23.60%	16.64%
	30.00 to <100.00	36,272	5,574	25.00%	32.17%	35.61%	22.45%
	100.00 (Default)	-	-	100.00%	100.00%	100.00%	100.00%

Table 31 (EU CR9.1): IRB approach – Back-testing of PD per exposure class (only for PD estimates according to point (f) of Article 180(1) CRR)

A-IRB

Exposure class As at 12.31.2021 In € thousands	PD range	External rating equivalent	Number of obligors at the end of previous year		Observed average default rate (%)	Average PD (%)	Average historical annual default rate (%)
				Of which number of obligors which defaulted in the year			
Credit institutions	0.00 to <0.15	1 to 2	312	1	0.04%	0.06%	0.07%
	0.15 à < 0.50	3	113	-	0.15%	0.34%	0.13%
	0.50 à < 10	4	29	-	0.70%	1.91%	0.37%
	10.00 à < 100.00	5 to 6	14	3	3.24%	21.61%	2.10%
	100.00 (Default)	-	-	-	100.00%	100.00%	100.00%
Large corporates	0.00 to <0.15	1 to 2	1,324	-	0.49%	0.07%	0.10%
	0.15 à < 1.50	3	3,711	7	0.43%	0.62%	0.20%
	1.50 à < 10	4	2,353	20	1.28%	2.60%	0.84%
	10.00 à < 100.00	5 to 6	244	26	10.72%	16.58%	8.54%
	100.00 (Default)	-	-	-	100.00%	100.00%	100.00%

Permanent and periodic control

The permanent control plan of the Crédit Mutuel Arkéa group's Basel regulatory framework comprises two levels:

- at CNCM level, the model validation function validates new models and significant adjustments made to existing models on the one hand, and carries out permanent monitoring of the internal rating system (particularly the parameters used to calculate regulatory capital requirements), on the other;
- at the Crédit Mutuel Arkéa group level, permanent control verifies the overall adoption of the internal rating system, the operational aspects related to the production and calculation of the ratings, the credit risk management procedures directly related to the internal rating system, and the quality of the data.

In terms of periodic control, the Crédit Mutuel Arkéa group's Internal Audit and Periodic Control Department operates according to a CNCM framework procedure that defines the types of assignments to be carried out on an ongoing basis on the Basel III credit risk framework as well as the division of responsibilities between the regional and national audit units.

Additional quantitative information

Table 32 (EU CR8): RWEA flow statements of credit risk exposures under the IRB approach

In € thousands	Risk weighted exposure amount
Risk weighted exposure amount as at 09.30.2021	**16,900,988**
Asset size (+/-)	309,579
Asset quality (+/-)	241,437
Model updates (+/-)	-
Methodology and policy (+/-)	-
Acquisitions and disposals (+/-)	-
Foreign exchange movements (+/-)	-
Other (+/-)	-
Risk weighted exposure amount as at 12.31.2021	**17,452,004**

The risk-weighted assets (RWAs) of specialized financing exposures are obtained using the slotting criteria method.

The risk-weighted assets (RWAs) of equity exposures are obtained using the simple risk-weighted approach, which involves applying specific risk weightings to the carrying amounts of the exposures.

The Crédit Mutuel Arkéa group has no exposure to specialized lending such as object finance and commodities finance. Consequently, the following tables are not displayed in the Group's Pillar 3 report:

- EU CR10.3: Specialised lending - Object finance (Slotting approach);
- EU CR10.4: Specialised lending - Commodities finance (Slotting approach).

Table 33 (EU CR10.1): Specialised lending - Project finance (Slotting approach)

As at 12.31.2021 In € thousands Regulatory categories	Remaining maturity	On-balancesheet exposure	Off-balancesheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
Category 1	Less than 2.5 years	46,063	14,426	50%	56,882	29,636	-
	Equal to or more than 2.5 years	294,680	129,006	70%	391,435	285,513	1,566
Category 2	Less than 2.5 years	-	-	70%	-	-	-
	Equal to or more than 2.5 years	-	3,375	90%	2,531	2,374	20
Category 3	Less than 2.5 years	-	-	115%	-	-	-
	Equal to or more than 2.5 years	-	-	115%	-	-	-
Category 4	Less than 2.5 years	-	-	250%	-	-	-
	Equal to or more than 2.5 years	-	-	250%	-	-	-
Category 5	Less than 2.5 years	-	-	-	-	-	-
	Equal to or more than 2.5 years	-	-	-	-	-	-
Total	**Less than 2.5 years**	46,063	14,426		56,882	29,636	-
	Equal to or more than 2.5 years	**294,680**	**132,381**		**393,966**	**287,886**	**1,586**

Table 34 (EU CR10.2): Specialised lending - Income-producing real estate and high volatility commercial real estate (Slotting approach)

As at 12.31.2021 In € thousands Regulatory categories	Remaining maturity	On-balancesheet exposure	Off-balancesheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
Category 1	Less than 2.5 years	5,561	-	50%	5,561	2,897	-
	Equal to or more than 2.5 years	77,898	16,470	70%	90,251	65,829	361
Category 2	Less than 2.5 years	-	-	70%	-	-	-
	Equal to or more than 2.5 years	-	-	90%	-	-	-
Category 3	Less than 2.5 years	-	-	115%	-	-	-
	Equal to or more than 2.5 years	-	-	115%	-	-	-
Category 4	Less than 2.5 years	-	-	250%	-	-	-
	Equal to or more than 2.5 years	-	-	250%	-	-	-
Category 5	Less than 2.5 years	-	-	-	-	-	-
	Equal to or more than 2.5 years	-	-	-	-	-	-
Total	**Less than 2.5 years**	5,561	-		5,561	2,897	-
	Equal to or more than 2.5 years	**77,898**	**16,470**		**90,251**	**65,829**	**361**

Tableau 35 (EU CR10.5): Equity exposures under the simple risk-weighted approach

As at 12.31.2021 Categories In € thousands	On-balancesheet exposure	Off-balancesheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
Private equity exposures	827,595	68,341	190%	895,935	1,702,277	7,167
Exchange-traded equity exposures	207,458	-	290%	207,458	601,628	1,660
Other equity exposures	2,688,592	-	370%	2,688,592	9,947,790	64,526
Total	**3,723,644**	**68,341**		**3,791,985**	**12,251,695**	**73,353**

7. Counterparty credit risk

Counterparty credit risk corresponds to the risk incurred on:

- derivative instruments in the banking book and the trading book;
- repo transactions in the banking book.

For the Crédit Mutuel Arkéa group, counterparty credit risk is a small component of overall credit risk.

The exposure value for counterparty credit risk for derivatives is calculated in accordance with Chapter 6 of the CRR, using the SA-CCR method. There are no specific provisions concerning the manner in which capital requirements are then determined: the weighting applied to the exposure at default (EAD) depends on the segmentation applicable to the instrument (in particular, in the internal ratings-based approach (IRBA), to determine the relevant probability of default and loss given default).

Risk mitigation techniques for repo transactions are taken into account in accordance with Chapter 4 of the CRR and are presented below in the section entitled “Credit risk mitigation techniques”. It presents the main categories of collateral taken into account by the institution.

It should be noted that if its credit rating is downgraded by three notches, the impact of additional liquidity outflows would represent 2.3% of the Group's total liquidity reserves.

The Crédit Mutuel Arkéa group has no exposure to credit derivatives and does not apply the IMM approach for counterparty credit risk. Consequently, the following tables are not displayed in the Group's Pillar 3 report:

- EU CCR6: Credit derivatives exposures;
- EU CCR7: RWEA flow statements of CCR exposures under the IMM.

Table 36 (EU CCR1): Analysis of CCR exposure by approach

As at 12.31.2021 In € thousands	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU - Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
EU - Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
SA-CCR (for derivatives)	258,801	304,240		1.4	788,257	788,257	788,257	320,976
IMM (for derivatives and SFTs)			-	-	-	-	-	-
Of which securities financing transactions netting sets			-		-	-	-	-
Of which derivatives and long settlement transactions netting sets			-		-	-	-	-
Of which from contractual cross-product netting sets			-		-	-	-	-
Financial collateral simple method (for SFTs)					-	-	-	-
Financial collateral comprehensive method (for SFTs)					4,326,672	4,326,672	4,326,672	209,647
VaR for SFTs					-	-	-	-
Total					**5,114,929**	**5,114,929**	**5,114,929**	**530,623**

Table 37 (EU CCR2): Transactions subject to own funds requirements for CVA risk

As at 12.31.2021 In € thousands	Exposure value	RWEA
Total transactions subject to the Advanced method	-	-
(i) VaR component (including the 3× multiplier)		-
(ii) stressed VaR component (including the 3× multiplier)		-
Transactions subject to the Standardised method	101,050	58,705
Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-
Total transactions subject to own funds requirements for CVA risk	**101,050**	**58,705**

Table 38 (EU CCR3): Standardised approach - CCR exposures by regulatory exposure class and risk weights

As at 12.31.2021 In € thousands	Risk weight											Total exposure value
Exposure classes	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-
Regional government or local authorities	-	-	-	-	123,701	-	-	-	-	-	-	123,701
Public sector entities	76,123	-	-	-	9,665	-	-	-	-	-	-	85,787
Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-	-	-	-
Institutions	-	169,493	-	-	-	-	-	-	-	-	-	169,493
Corporates	-	-	-	-	-	-	-	-	-	-	-	-
Retail	-	-	-	-	-	-	-	-	-	-	-	-
Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
Other items	-	-	-	-	-	-	-	-	-	-	-	-
Total exposure value	**76,123**	**169,493**	**-**	**-**	**133,366**	**-**	**-**	**-**	**-**	**-**	**-**	**378,981**

Table 39 (EU CCR4): IRB approach - CCR exposures by exposure class and PD scale

As at 12.31.2021 In € thousands	PD scale	Exposure value	Exposure weighted average PD (%)	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amounts
Credit institution							
	0.00 to <0.15	2,983,523	0.07%	32%	2.5	169,557	-
	0.15 to <0.25	137,478	0.23%	32%	2.5	57,437	-
	0.25 to <0.50	5,698	0.44%	43%	2.5	5,179	-
	0.50 to <0.75	-	-	-	-	-	-
	0.75 to <2.50	-	-	-	-	-	-
	2.50 to <10.00	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-
	Sub-total (Credit institution)	3,126,698	0.08%	32%	2.5	232,173	7%
Corporates							
	0.00 to <0.15	1,369,982	0.08%	96%	2.5	39,834	-
	0.15 to <0.25	-	-	-	-	-	-
	0.25 to <0.50	53,190	0.35%	74%	2.5	57,122	-
	0.50 to <0.75	44,985	0.65%	45%	2.5	35,343	-
	0.75 to <2.50	63,888	1.29%	43%	2.5	52,945	-
	2.50 to <10.00	66,990	3.37%	43%	2.5	74,920	-
	10.00 to <100.00	4,760	19.99%	29%	2.5	7,091	-
	100.00 (Default)	3,410	100.00%	75%	2.5	-	-
	Sub-total (Corporates)	1,607,206	0.56%	89%	2.5	267,256	17%
Corporates - of which: SMEs							
	0.00 to <0.15	-	-	-	-	-	-
	0.15 to <0.25	-	-	-	-	-	-
	0.25 to <0.50	-	-	-	-	-	-
	0.50 to <0.75	11,352	0.66%	45%	2.5	6,714	-
	0.75 to <2.50	41,380	1.25%	45%	2.5	31,012	-
	2.50 to <10.00	37,489	3.12%	45%	2.5	35,571	-
	10.00 to <100.00	1,238	23.16%	45%	2.5	2,483	-
	100.00 (Default)	1,321	100.00%	75%	2.5	-	-
	Sub-total (Corporates - of which: SMEs)	92,780	3.63%	45%	2.5	75,779	82%

As at 12.31.2021 In € thousands	PD scale	Exposure value	Exposure weighted average PD (%)	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amounts
Retail customers							
	0.00 to <0.15	101	0.09%	45%	-	11	-
	0.15 to <0.25	8	0.24%	45%	-	2	-
	0.25 to <0.50	35	0.27%	45%	-	7	-
	0.50 to <0.75	253	0.56%	45%	-	78	-
	0.75 to <2.50	1,241	2.14%	45%	-	758	-
	2.50 to <10.00	405	3.43%	45%	-	276	-
	10.00 to <100.00	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-
	Sub-total (Retail customers)	2,044	2.05%	45%	-	1,131	55%
Retail customers - of wich: secured by mortgages on immovable property							
	0.00 to <0.15	-	-	-	-	-	-
	0.15 to <0.25	-	-	-	-	-	-
	0.25 to <0.50	-	-	-	-	-	-
	0.50 to <0.75	-	-	-	-	-	-
	0.75 to <2.50	-	-	-	-	-	-
	2.50 to <10.00	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-
	Sub-total (Retail customers - of wich: secured by mortgages on immovable property)	-	-	-	-	-	-
Retail customers - of wich: secured by mortgages on immovable property - SMEs							
	0.00 to <0.15	-	-	-	-	-	-
	0.15 to <0.25	-	-	-	-	-	-
	0.25 to <0.50	-	-	-	-	-	-
	0.50 to <0.75	-	-	-	-	-	-
	0.75 to <2.50	-	-	-	-	-	-
	2.50 to <10.00	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-
	Sub-total (Retail customers - of wich: secured by mortgages on immovable property - SMEs)	-	-	-	-	-	-
Retail customers - of wich: secured by mortgages on immovable property - Non-SMEs							
	0.00 to <0.15	-	-	-	-	-	-
	0.15 to <0.25	-	-	-	-	-	-
	0.25 to <0.50	-	-	-	-	-	-
	0.50 to <0.75	-	-	-	-	-	-
	0.75 to <2.50	-	-	-	-	-	-
	2.50 to <10.00	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-
	Sub-total (Retail customers - secured by mortgages on immovable property - Non-SMEs)	-	-	-	-	-	-
Retail customers - revolving							
	0.00 to <0.15	-	-	-	-	-	-
	0.15 to <0.25	-	-	-	-	-	-
	0.25 to <0.50	-	-	-	-	-	-
	0.50 to <0.75	-	-	-	-	-	-
	0.75 to <2.50	-	-	-	-	-	-
	2.50 to <10.00	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-
	Sub-total (Retail customers - revolving	-	-	-	-	-	-

As at 12.31.2021 In € thousands	PD scale	Exposure value	Exposure weighted average PD (%)	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amounts
Retail customers - other							
	0.00 to <0.15	101	0.09%	45%	-	11	-
	0.15 to <0.25	8	0.24%	45%	-	2	-
	0.25 to <0.50	35	0.27%	45%	-	7	-
	0.50 to <0.75	253	0.56%	45%	-	78	-
	0.75 to <2.50	1,241	2.14%	45%	-	758	-
	2.50 to <10.00	405	3.43%	45%	-	276	-
	10.00 to <100.00	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-
	Sub-total (Retail customers - other)	2,044	2.05%	45%	-	1,131	55%
Retail customers - other - SMEs							
	0.00 to <0.15	-	-	-	-	-	-
	0.15 to <0.25	-	-	-	-	-	-
	0.25 to <0.50	30	0.27%	45%	-	6	-
	0.50 to <0.75	204	0.57%	45%	-	60	-
	0.75 to <2.50	147	1.36%	45%	-	62	-
	2.50 to <10.00	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-
	Sub-total (Retail customers - other - SMEs)	380	0.85%	45%	-	127	34%
Retail customers - other - Non-SMEs							
	0.00 to <0.15	101	0.09%	45%	-	11	-
	0.15 to <0.25	8	0.24%	45%	-	2	-
	0.25 to <0.50	5	0.28%	45%	-	1	-
	0.50 to <0.75	50	0.54%	45%	-	18	-
	0.75 to <2.50	1,094	2.24%	45%	-	695	-
	2.50 to <10.00	405	3.43%	45%	-	276	-
	10.00 to <100.00	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-
	Sub-total (Retail customers - other - Non-SMEs)	1,663	2.33%	45%	-	1,004	60%
Total		**4,735,948**	**0.24%**	**51%**	**2.5**	**500,560**	**11%**

Table 40 (EU CCR8): Exposures to CCPs

As at 12.31.2021 In € thousands	Exposure value	RWEA
Exposures to QCCPs (total)		-
Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	169,493	3,390
(i) OTC derivatives	169,493	3,390
(ii) Exchange-traded derivatives	-	-
(iii) SFTs	-	-
(iv) Netting sets where cross-product netting has been approved	-	-
Segregated initial margin	169,493	
Non-segregated initial margin	-	-
Prefunded default fund contributions	-	-
Unfunded default fund contributions	-	-
Exposures to non-QCCPs (total)		-
Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
(i) OTC derivatives	-	-
(ii) Exchange-traded derivatives	-	-
(iii) SFTs	-	-
(iv) Netting sets where cross-product netting has been approved	-	-
Segregated initial margin	-	
Non-segregated initial margin	-	-
Prefunded default fund contributions	-	-
Unfunded default fund contributions	-	-

8. Credit risk mitigation techniques

Financial, personal and real collateral can be used directly to reduce the calculation of credit risk-related capital requirements that help to determine the calculation of the Group's solvency ratio. The use of collateral in risk mitigation techniques is, however, subject to compliance with eligibility conditions and minimum requirements imposed by regulations.

Netting and collateralization of repurchase agreements and over-the-counter derivatives

When a master agreement is entered into with a counterparty, the signatory entity applies netting to the exposure on the counterparty.

With financial counterparties, the Crédit Mutuel Arkéa group supplements these agreements with collateralization contracts (credit support annexes). The operational management of these agreements takes place through the TriOptima platform.

Through regular margin calls, the residual net credit risk from over-the-counter derivatives and repurchase agreements is greatly reduced.

Description of the main categories of collateral taken into account by the institution

Collateral is used in the calculation of weighted risks in different ways depending on the type of borrower, the calculation method used for the hedged exposure and the type of collateral.

For agreements involving mass-market customers (i.e. the "retail" portfolio and, in part, the "corporate" portfolio) that are handled using the advanced internal ratings-based approach (IRBA), collateral is taken into account in the calculation and segmentation of the loss given default (LGD) calculated statistically for all of the Group's non-performing loans and loans in litigation.

For agreements pertaining to the “institutions” portfolio and, in part, the “corporate” portfolio, personal collateral and financial collateral are used as risk mitigation techniques as defined by the regulations:

- personal collateral corresponds to the undertaking made by a third party to replace the primary debtor in the event of default by the latter;
- 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, shares or convertible bonds, gold, UCITS shares, life insurance policies and instruments of any kind issued by a third party and repayable on demand.

Procedures applied for the measurement and management of instruments that constitute real collateral

The procedures for measuring collateral vary according to the nature of the instrument that constitutes the real collateral. Generally, the studies carried out are based on statistical estimate methodologies that are directly integrated into the tools and based on external indexes to which discounts can be applied depending on the type of asset used as collateral. In the case of real estate collateral, the initial measurement is usually calculated based on the acquisition or construction value of the asset.

During the lifetime of the collateral, it is revalued periodically according to internal rules.

Main categories of protection providers

Apart from intra-group collateral, the main categories of protection providers taken into account are home loan collateral companies.

Table 41 (EU CR3): CRM techniques overview - Disclosure of the use of credit risk mitigation techniques

As at 12.31.2021 In € thousands	Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
Loans and advances	56,904,448	50,214,138	36,129,563	14,084,575	-
Debt securities	9,729,749	-	-	-	
Total	66,634,197	50,214,138	36,129,563	14,084,575	-
Of which non-performing exposures	1,451,107	570,062	546,269	23,793	-
Of which defaulted	*1,451,107*	-	-	-	

Table 42 (EU CR4): Standardised approach - Credit risk exposure and CRM effects

As at 12.31.2021 In € thousands	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
Exposure classes	On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
Central governments or central banks	17,904,274	-	17,904,274	-	173,814	1%
Regional government or local authorities	5,575,112	1,341,845	5,575,112	59,560	1,126,934	20%
Public sector entities	10,168,488	682,226	10,168,488	22,665	86,693	1%
Multilateral development banks	194,347	-	194,347	-	-	0%
International organisations	47,528	-	47,528	-	-	0%
Institutions	283,701	-	283,701	-	9,236	3%
Corporates	202,519	116,431	202,519	58,202	208,927	80%
Retail	3,299,353	374,385	3,299,353	123,304	2,502,302	73%
Secured by mortgages on immovable property	6,338,724	319,292	6,338,724	56,639	2,626,367	41%
Exposures in default	246,322	791	246,322	6	256,599	104%
Exposures associated with particularly high risk	-	-	-	-	-	0%
Covered bonds	18,951	-	18,951	-	1,895	10%
Institutions and corporates with a short-term credit assessment	-	-	-	-	-	0%
Collective investment undertakings	9,416	155	9,416	155	38,002	397%
Equity	19,092	-	19,092	-	45,633	239%
Other items	811,072	-	811,072	-	811,072	100%
TOTAL	45,118,898	2,835,125	45,118,898	320,530	7,887,474	17%

Outstandings measured using the standardized approach mainly concern:

- the categories comprising central and local governments and similar entities;

- mortgage lending by specialized subsidiaries.

This type of counterparty or lending benefits from preferential weighting. There is no additional impact from the use of risk mitigation (CRM) techniques.

Table 43 (EU CR7-A): IRB approach - Disclosure of the extent of the use of CRM techniques

A-IRB As at 12.31.2021 In € thousands	Total exposures	Credit risk Mitigation techniques – Funded credit Protection (FCP)				
		Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)
Central governments and central banks	-	-	-	-	-	-
Institutions	10,521,815	-	-	-	-	-
Corporates	22,842,647	-	-	-	-	-
Of which Corporates – SMEs	*9,245,290*	-	-	-	-	-
Of which Corporates – Specialised lending	-	-	-	-	-	-
Of which Corporates – Other	*13,597,357*	-	-	-	-	-
Retail	40,947,709	-	-	-	-	-
Of which Retail – Immovable property SMEs	*2,759,762*	-	-	-	-	-
Of which Retail – Immovable property non-SMEs	*20,319,458*	-	-	-	-	-
Of which Retail – Qualifying revolving	*118,034*	-	-	-	-	-
Of which Retail – Other SMEs	*6,815,758*	-	-	-	-	-
Of which Retail – Other non-SMEs	*10,934,697*	-	-	-	-	-
Total	**74,312,170**	**-**	**-**	**-**	**-**	**-**

A-IRB As at 12.31.2021 In € thousands	Credit risk Mitigation techniques – Funded credit Protection (FCP)				Credit risk Mitigation techniques – Unfunded credit Protection (UFCP)	Credit risk Mitigation methods in the calculation of RWEAs	
	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and sustitution effects)
Central governments and central banks	-	-	-	-	-		-
Institutions	-	-	-	-	-		846,708
Corporates	-	-	-	-	-		12,854,900
Of which Corporates – SMEs	-	-	-	-	-		*3,578,129*
Of which Corporates – Specialised lending	-	-	-	-	-		-
Of which Corporates – Other	-	-	-	-	-		*9,276,771*
Retail	-	-	-	-	-		3,750,391
Of which Retail – Immovable property SMEs	-	-	-	-	-		*478,071*
Of which Retail – Immovable property non-SMEs	-	-	-	-	-		*1,257,103*
Of which Retail – Qualifying revolving	-	-	-	-	-		*15,367*
Of which Retail – Other SMEs	-	-	-	-	-		*1,194,714*
Of which Retail – Other non-SMEs	-	-	-	-	-		*805,136*
Total	-	-	-	-	-		**17,451,999**

The Crédit Mutuel Arkéa group applies the advanced internal ratings-based method to most of its customer loans. As a result, collateral is mainly taken into account in the modeling of loss given default.

The Crédit Mutuel Arkéa group does not underwrite credit derivatives. Consequently, the following table is not displayed in the Group's Pillar 3 report:

- EU CR7 : IRB approach - Effect on the RWEAs of credit derivatives used as CRM techniques.

Table 44 (EU CCR5): Composition of collateral for CCR exposures

As at 12.31.2021 In € thousands	Collateral used in derivative transactions				Collateral used in SFTs			
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
Cash – domestic currency	-	128,695	328,916	190,530	-	24,711	-	7,283
Cash – other currencies	-	-	-	-	-	-	-	-
Domestic sovereign debt	-	-	-	-	-	1,299,995	-	660,491
Other sovereign debt	-	-	-	-	-	-	-	82,959
Government agency debt	-	-	-	-	-	250,003	-	21,975
Corporate bonds	-	-	-	-	-	1,827,231	-	1,119,357
Equity securities	-	-	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-	-	-
Total	**-**	**128,695**	**328,916**	**190,530**	**-**	**3,401,940**	**-**	**1,892,065**

9. Securitisation

At the end of December 2021, Crédit Mutuel Arkéa group is not exposed to any securitisation risk.

Consequently, the following tables are not displayed in the Group's Pillar 3 report:

- EU SEC1: Securitisation exposures in the non-trading book;
- EU SEC2: Securitisation exposures in the trading book;
- EU SEC3: Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor;
- EU SEC4: Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor;
- EU SEC5: Exposures securitised by the institution - exposures in default and specific credit risk adjustments.

10. Market risk

Information on the structure and organization of the function responsible for market risk management is provided in Crédit Mutuel Arkéa's 2021 Universal Registration Document, in the section entitled "Risks".

The Crédit Mutuel Arkéa group calculates its market risk capital requirements using the standardized approach.

At the end of December 2021, there is no market risk as the Crédit Mutuel Arkéa group has no portfolio in the trading book. Consequently, the following table is not displayed in the Group's Pillar 3 report:

- EU MR1: Market risk under the standardised approach.

11. Interest rate risk in the banking book

Information on the structure and organization of the function responsible for interest rate risk management is provided in Crédit Mutuel Arkéa's 2021 Universal Registration Document, in the section entitled “Risks”.

Interest rate risk is then current or prospective risk, to which the bank's shareholders' capital and earnings are exposed as a result of unfavorable movements in interest rates. It can result from a difference in maturity between fixed-rate assets and liabilities, a difference in the reference index (basis risk) or the exercise of options (such as caps, floors or early repayment of loans).

Assessment and monitoring

The system in place within Crédit Mutuel Arkéa concerning interest rate risk is in line with the recommendations of the administrative order of November 3, 2014, the EBA guidelines on the supervisory review and evaluation process (SREP) (EBA/GL/2014/13) and the EBA guidelines on the management of interest rate risk arising from non-trading book activities (EBA/GL/2018/02).

Interest rate risk is measured and monitored within the consolidated banking perimeter and for each component entity. All balance sheet and off-balance sheet items, especially financial instruments and deferred transactions, are included in the measurement of this risk.

Interest rate risk arises from the Group's business activity and results from differences in interest rates and reference index between assets and liabilities. Its analysis also takes into account volatility of outstanding products without contractual maturity and implicit options (early repayment options, payment extensions, use of credit rights, etc.). The measure of interest rate risk is based on three main indicators, calculated at least on a quarterly basis.

The **sensitivity of the net present value** (hereinafter “NPV”) is an indicator provided by the Directive 2013/36/UE on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as amended by the Directive 2019/878 of the European parliament and of the Council of May 20, 2019 (hereinafter referred to as the "**CRD4**"). Expressed as a percentage of Tier 1 capital, it measures the variation 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, steepener, flattener, increase in short rates, decrease in short rates, excluding equity, equity holdings and fixed assets. The CRD4 sets a maximum exposure threshold of -15% of Tier 1 capital.

At the end of 2021, the NPV sensitivities related to the Group's Tier 1 capital under the 6 EBA scenarios are as follows:

- parallel up (+200 bp): -6.3%;
- parallel down (-200 bp): +2.9%;
- steepener (short rates down, long rates up): +1.2%;
- flattener (short rates up, long rates down): -1.6%;
- short rate up: -2.5%;
- short rate down: +3.4%.

The NPV sensitivities respect the Group's management threshold set at -10%, reflecting Crédit Mutuel Arkéa's will to minimize its exposure to interest rate risk. The maximum exposure is nearly 460 million euros in the scenario of a 200 bp increase in interest rate

Interest rate impasses consists in projecting outstandings (assets and liabilities) at a known interest rate in a static view based on their contractual characteristics (maturity date and type of amortization) or by modeling their flow.

Flow modeling is necessary when the amortization 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, etc.). With the exception of reserves that are disposed of by agreement, the modeling is essentially based on the analysis of past customer behavior. In the context of early repayments, it takes into account a possible correlation between market rates and early repayments rates.

At the end of 2021, the level of interest rate transformation is very limited on all maturities, Crédit Mutuel Arkéa's interest rate exposure is globally neutral in the central scenario.The levels of exposure on interest rate impasses are well below the Group’s management thresholds and reflect the Group's low risk appetite for interest rate risk.

The **sensitivity of the interest margin** measures the gain (or loss) of a change (up or down) in interest rates on the Group’s interest margin. It is expressed as a percentage of the net banking and insurance income hereinafter “NBI”), according to different rate variations. It is evaluated in two environments:

- In a static environment
  The sensitivity of the interest margin is built according to static interest rate impasses, the impact of optional risks (measuring the effect of activating caps and floors on the interest margin). It is projected over 5 years.
  At the end of 2021, the overall neutral position in the static interest rate impasse results in a reduced sensitivity of the interest margin in case of moderate parallel rate shocks:
  - for a 100 bp increase, the maximum annual impact over the five first years is -18M euros (in year 1), i.e. 1% of NBI;
  - for a 100 bp decrease, the maximum annual impact over the five first years is -17M euros, i.e. 1% of NBI.

  In a scenario of a parallel shock of +/-100 bp on the interest rate curve, the sensitivity of the Crédit Mutuel Arkéa group's interest margin at the end of 2021 is less than -1% of NBI over the first 5 years.
- In a dynamic environment
  The sensitivity margin is the difference between the interest margin of the interest rate shock scenario and the interest margin of the central scenario (the latter corresponding to the Group's forecast interest margin prepared as part of the budgeting process). The purpose of this calculation is to determine the margin changes taking into account the business trajectory, i.e. the Group's forecast margin changes in the event of a rate shock.
  At the end of 2021, the sensitivities of the net interest margin as a % of NBI are as follows:
  - for a 100 bp increase, the sensitivity of the net interest margin is +4.5% in year 1 and +3,2% in year 2;

- for a 100 bp decrease, the sensitivity of the net interest margin is -1,5% in year 1 and +0,9% in year 2.

Other static indicators are produced in order to monitor the basis risk and the risk related to the activation of explicit options on customer loans (capped interest rate).

Management

The management of the interest rate risk is centralized by Crédit Mutuel Arkea for all entities of the banking perimeter. The interest rate position of the banking entities is fully backed by the “central rate unit”, which manages the Group position with markets hedges in accordance with the exposure target defined by the Group’s Operational ALM Committee (in line with the Group’s central economic scenario).

When the risk arises from a difference in interest rates nature (between fixed-rate assets and variable-rate liabilities, for example), hedging is mainly executed 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 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 regularly to ensure the effectiveness of the hedge and limit the impact on the Group’s IFRS earnings.

In the current context of rising inflation and its corollary impact on monetary policy, the Group is maintaining a prudent policy and a high level of interest rate backing for its balance sheet. It remains slightly exposed to interest rate risk in order to protect its margins, which is corroborated by the level of the structural impasse and the interest margin sensitivity indicator.

Description of the key modeling and parametric assumptions different from those used for disclosure of template EU IRRBB1

The modeling assumptions are carried out through internally developed models.

Early repayments of housing, cash, equipment and consumer loans in euros by entities in the traditional network are estimated using behavioral models. The models concerned are as follows:

- early repayments of housing loans;
- early repayments of zero-interest loans;
- early repayments of loans related to CEL (home savings accounts) and PEL (home savings plans);
- early repayment of bridging loans;
- early repayment of consumer loans;
- early repayment of investment loans;
- early repayment of cash flow loans.

In accordance with authorities recommandations, Crédit Mutuel Arkéa group's interest rate risk exposure and sensitivity indicators measurement are carried out using three complementary approaches: static, dynamic on a constant balance sheet basis and dynamic with future activity assumptions. Thus, flow conventions are applied, notably those applicable to the following aggregates:

- unmatured client resources:
    - individual current accounts;
    - professional and business current accounts;
    - livrets A/ bleu passbook savings accounts et LDDS;
    - CEL (home savings accounts);
    - other passbook savings accounts except CEL;
    - PEP Liberté;
- current accounts receivable:
    - individual current accounts in debit;
    - professional current accounts in debit;
- revolving loans;
- home savings plans;
- doubtful and unpaid loans;
- litigation;
- other balance sheet items.

The Crédit Mutuel Arkéa group does not use any other assumptions than those defined above to control the table IRRBB1.

Average and longest repricing term on non-maturity deposits

The average Crédit Mutuel Arkéa group's demand deposits maturity calculation is carried out quarterly. On December 31, 2021, the average maturity of demand deposits in euros is 4.4 years, and therefore complies with the 5-year limit indicated in paragraph 115-o of the EBA guidelines.

The longest maturity of demand deposits for EUR and USD currencies is 6.60 years for the "transactional retail" category.

Table 45 (EU IRRBB1): Interest rate risks of non-trading book activities

In € thousands	ΔEVE		ΔNII	
Period	12.31.2021	06.30.2021	12.31.2021	06.30.2021
Parallel up (+200 bps)	-461,079	219,919	192,304	-1,574
Parallel down (-200 bps)	214,074	-194,844	-2,344	29,901
Steepener	88,199	238,924		
Flattener	-119,719	-234,254		
Short rate up	-185,598	-51,223		
Short rate down	250,234	77,631		

Period	12.31.2021	06.30.2021
Tier 1 capital	7,318,754	6,827,720

12. Liquidity risk

Information on the structure and organization of the function responsible for liquidity risk management is provided in Crédit Mutuel Arkéa's 2021 Universal Registration Document, in the section entitled "Risks".

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 assets and liabilities.

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 honor its commitments.

The Group has historically been vigilant and prudent in the face of this risk.

Several liquidity ratios are particularly monitored:

- the LCR is a liquidity ratio provided for by the CRD4 and the CRR. 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 NSFR (Net Stable Funding Ratio) is also a liquidity ratio provided for in the CRD4 and CRR texts. It verifies the coverage of stable uses by stable resources. The minimum level required is 100%, as from June 2021.

Strategy and processes implemented

The main objective of the Crédit Mutuel Arkéa group's treasury and refinancing management strategy is to ensure that liquidity risk management complies with the Group's ALM and capital management policy. This policy, defined by Crédit Mutuel Arkéa's General Management and Board of Directors, has historically been vigilant and prudent in the face of this risk.

The general liquidity risk appetite is defined using the principles approved by Crédit Mutuel Arkéa's Board of Directors, which are summarized below:

- manage liquidity within the Group's consolidated banking scope;
- ensure prudent management of liquidity risk by dedicated teams within Crédit Mutuel Arkéa that act as the Group's central liquidity unit (the central liquidity unit being the Group's only issuer in the markets) in order to contribute to the Group's business continuity even during long periods of adverse activity trends and in this respect to be able to last at least twelve months without access to the market or any change in commercial policy within three months;
- manage the Crédit Mutuel Arkéa group's balance sheet structure in order to help control liquidity risk;
- manage the internal allocation to provide subsidiaries with access to liquidity at all times (Crédit Mutuel Arkéa being their sole counterparty for managing their cash needs or surpluses) to enable them to comply with regulatory and internal rules.

These principles are broken down into management limits and thresholds applicable to a series of indicators that are monitored at least quarterly (which incorporate different assumptions taking into account the group's business model).

Certain key indicators are the subject of particular attention: the loan-to-deposit ratio, the LCR ratio, the NSFR, the survival horizon (with a stress scenario in the financial markets and a stress scenario on the markets coupled with leaks on customer deposits) and the level of use of the declared overall collateral management pool (3G pool) (allowing access to the ECB's monetary policy operations).

Since 2010, the Group has implemented a policy aimed at reducing its level of dependence on the financial markets and increasing its reserves of liquid assets. The loan-to-deposit ratio was 99% at the end of 2021. The liquidity reserves (made up of available cash, securities that are LCR-eligible and assets that are ECB-eligible immediately or in the short term) represent more than twice the requirements in connection with the LCR, at nearly 30 billion euros.

The monitoring and management system is supplemented by other indicators that cover the various aspects of liquidity risk: gaps in the central and stress scenarios, the asset mobilization ratio (based on the reporting of encumbered assets), liquidity reserves, dispersion of sources of refinancing, refinancing volumes by maturity, etc.

At the end of 2021, the limits set by the management body (General Management and the Board of Directors) were complied with in full.

Table 46 (EU LIQ1): Quantitative information of LCR

In accordance with the CRR, the Crédit Mutuel Arkéa group produces, and submits monthly to the ECB, a report on its short-term liquidity coverage ratio (hereinafter "**LCR**").

The purpose of the LCR is to ensure the short-term resilience of banks in the face of severe liquidity stress. It verifies that the level of highly-liquid assets is sufficient to cover the net cash flows over the next 30 days, under stress assumptions involving, in particular, deposit flight and the drawing down of amounts under off-balance sheet agreements.

The minimum level required for the LCR was set at 100% in 2021. The Group met the regulatory requirement throughout the second semester of 2021 with significant room for maneuver. At the end of December 2021, the Group's consolidated LCR was 163%. The average annual level from January 2021 to December 2021 was 154% as shown in the table below.

In € thousands	Total unweighted value (average)				Total weighted value (average)			
Quarter ending on	**12.31.2021**	09.30.2021	06.30.2021	03.31.2021	**12.31.2021**	09.30.2021	06.30.2021	03.31.2021
Number of data points used in the calculation of averages : 12								
HIGH-QUALITY LIQUID ASSETS								
Total high-quality liquid assets (HQLA)					**21,135,581**	20,504,786	19,933,307	19,084,304
CASH - OUTFLOWS								
Retail deposits and deposits from small business customers, of which:	**43,685,297**	42,788,209	41,836,921	40,927,078	**3,232,718**	3,156,576	3,081,896	3,016,348
Stable deposits	**24,998,911**	24,568,849	24,079,541	23,563,808	**1,249,946**	1,228,442	1,203,977	1,178,190
Less stable deposits	**18,479,622**	18,010,181	17,541,913	17,146,844	**1,962,369**	1,911,961	1,862,781	1,822,028
Unsecured wholesale funding	**22,699,597**	22,060,640	21,380,502	20,723,981	**11,007,342**	11,021,316	10,938,126	10,705,202
Operational deposits (all counterparties) and deposits in networks of cooperative banks	**1,688,780**	1,009,409	375,443	-	**218,677**	139,537	66,855	-
Non-operational deposits (all counterparties)	**20,255,784**	20,346,793	20,419,402	20,172,389	**10,033,632**	10,177,341	10,285,613	10,153,610
Unsecured debt	**755,034**	704,438	585,657	551,592	**755,034**	704,438	585,657	551,592
Secured wholesale funding					**47,998**	111,881	112,361	111,218
Additional requirements	**10,086,792**	9,815,803	9,586,924	9,391,095	**1,407,343**	1,345,892	1,305,049	1,234,116
Outflows related to derivative exposures and other collateral requirements	**99,184**	98,545	97,405	97,585	**99,184**	98,545	97,405	97,585
Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
Credit and liquidity facilities	**9,987,607**	9,717,258	9,489,519	9,293,510	**1,308,159**	1,247,347	1,207,644	1,136,531
Other contractual funding obligations	**583,095**	524,940	581,333	508,840	**583,095**	524,940	581,333	508,840
Other contingent funding obligations	**926,686**	893,215	870,217	843,539	**151,553**	139,473	128,997	119,026
TOTAL CASH OUTFLOWS					**16,430,049**	16,300,079	16,147,762	15,694,751
CASH - INFLOWS								
Secured lending (e.g. reverse repos)	**317,348**	264,169	263,141	193,390	**97,027**	79,877	66,931	47,288
Inflows from fully performing exposures	**2,325,030**	2,395,780	2,442,502	2,410,936	**1,815,066**	1,880,802	1,941,140	1,962,131
Other cash inflows	**716,722**	803,751	949,204	1,202,274	**716,722**	803,751	949,204	1,202,274
(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
(Excess inflows from a related specialised credit institution)					-	-	-	-
TOTAL CASH INFLOWS	**3,359,100**	3,463,700	3,654,846	3,806,601	**2,628,815**	2,764,431	2,957,275	3,211,693
Fully exempt inflows	-	-	-	83,333	-	-	-	83,333
Inflows subject to 90% cap	-	-	-	-	-	-	-	-
Inflows subject to 75% cap	**3,359,100**	3,463,700	3,654,846	3,723,268	**2,628,815**	2,764,431	2,957,275	3,128,360
TOTAL ADJUSTED VALUE								
LIQUIDITY BUFFER					**21,135,581**	20,504,786	19,933,307	19,084,304
TOTAL NET CASH OUTFLOWS					**13,801,234**	13,535,648	13,190,487	12,483,058
LIQUIDITY COVERAGE RATIO					**154%**	**152%**	**152%**	**154%**

The Crédit Mutuel Arkéa group calculates the LCR in accordance with the Commission implementing regulation (EU) 2021/637.

Table 47 (EU LIQ2): Net Stable Funding Ratio

In addition to the LCR, European regulations provide for a long-term structural liquidity ratio called the NSFR (Net Stable Funding Ratio). The NSFR is designed to encourage credit institutions to have a permanent structure of stable resources, enabling them to continue operating over a period of one year in an environment of prolonged stress.

As from June 2021, CRR has introduced a minimum level for the NSFR which is 100% and revised methods for its calculation. The Group met the regulatory requirement; at the end of December 2021, the ratio was 112%.

	Unweighted value by residual maturity				
As at 12.31.2021 In € thousands	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
Available stable funding (ASF) Items					
Capital items and instruments	7,920,386	-	-	2,400,352	10,320,738
Own funds	7,920,386	-	-	2,351,322	10,271,708
Other capital instruments		-	-	49,031	49,031
Retail deposits		38,285,298	-	-	35,425,813
Stable deposits		19,380,888	-	-	18,411,844
Less stable deposits		18,904,410	-	-	17,013,969
Wholesale funding:		35,866,605	2,827,607	25,301,172	38,121,966
Operational deposits		2,502,408	-	-	1,251,204
Other wholesale funding		33,364,196	2,827,607	25,301,172	36,870,762
Interdependent liabilities		7,592,815	-	-	-
Other liabilities:	-	3,252,135	-	885,054	885,054
NSFR derivative liabilities	-				
All other liabilities and capital instruments not included in the above categories		3,252,135	-	885,054	885,054
Total available stable funding (ASF)					**84,753,571**
Required stable funding (RSF) Items					
Total high-quality liquid assets (HQLA)					2,956,439
Assets encumbered for a residual maturity of one year or more in a cover pool		520,493	512,717	11,360,112	10,534,324
Deposits held at other financial institutions for operational purposes		-	-	-	-
Performing loans and securities:		11,531,049	5,255,400	52,465,074	53,134,276
Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		1,549,998	-	-	-
Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		1,739,364	1,437,029	1,475,432	2,339,498
Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		6,530,508	2,891,215	38,003,739	47,940,398
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		312,985	210,077	4,434,360	4,195,731
Performing residential mortgages, of which:		354,780	379,951	11,800,420	-
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		1,356,400	547,205	1,185,483	2,854,380
Interdependent assets		7,592,815	-	-	-
Other assets:		1,165,552	-	8,039,712	8,204,786
Physical traded commodities				-	-
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		169,331	-	-	143,931
NSFR derivative assets		3,769			3,769
NSFR derivative liabilities before deduction of variation margin posted		347,466			17,373
All other assets not included in the above categories		644,986	-	8,039,712	8,039,712
Off-balance sheet items		11,635,285	-	23,409	605,174
Total RSF					**75,434,998**
Net Stable Funding Ratio (%)					**112%**

Structure and organization of the function responsible for liquidity risk management

Three levels of management bodies are responsible for liquidity management.

Group-wide ALM principles and limits are set annually by Crédit Mutuel Arkéa's Board of Directors. The Board is regularly informed of the results of the policy implemented and monitors compliance with the limits on a quarterly basis. The subsidiaries' limits are adopted by their respective supervisory bodies in accordance with the framework defined at Group level.

The ALM and Capital Management Committee is responsible for the Group's strategic management. Chaired by the Group's Chief Executive Officer, its members include the effective managers and the central managers in collaboration with the ALM Department. This committee, which constitutes an "ad hoc committee" within the meaning of Article 228 of the administrative order of November 3, 2014 on internal control, meets at least four times a year (it met seven times in 2021).

As regards liquidity, the role of the ALM and Capital Management Committee is to:

- define the general liquidity risk management policy and propose a body of principles and limits to Crédit Mutuel Arkéa's Board of Directors;
- monitor the liquidity exposure of the group and of its components. If necessary, it may ask a unit to adjust its exposure;
- validate the process for measuring and monitoring related risks;
- steer the entities' commercial policies on savings collection and loan sales by setting the internal capital transfer rules.

The Operational ALM committees of the Group and the subsidiaries are responsible for the day-to-day ALM of the corresponding entity, by delegation of authority and based on guidelines defined by the Group ALM and Capital Management Committee. The Group's Operational ALM Committee meets monthly. Chaired by the group's Chief Financial Officer, its role is to:

- monitor cash and liquidity reserves;
- manage the Group's refinancing and liquidity hedges, in particular by defining the program for raising funds on the markets for all maturities;
- monitor risk indicators and compliance with management limits and rules.

The main operational structures are:

- the Group ALM Department, which reports to the Financial Steering Department and produces the analyses and reports required for the supervision and decisions of the ALM and Capital Management Committee and of the Group Operational ALM Committee (the department head being a member of these committees), in collaboration, if necessary, with the Financial Markets Department. It monitors the implementation of the decisions of the two aforementioned committees. It also manages the Group's main loan assignment channels;
- the Financial markets Department, which negotiates and arranges transactions (refinancing, investment and treasury) within the framework determined by the ALM and Capital Management Committee and the Group Operational ALM Committee;
- the Back office Department, which manages intra-day cash, in conjunction with the Financial Markets Department.

Policies for hedging and mitigating liquidity risk, and strategies and processes put in place to monitor the ongoing effectiveness of such hedges and mitigation techniques

Liquidity risk exposure monitoring consists of a range of indicators covering the various facets of liquidity risk. A body of internal standards is defined and validated annually, and is monitored regularly (at least once every quarter); if necessary, if a standard appears inappropriate in the light of cyclical or structural changes, it may be amended by a decision or proposal of the ALM and Capital Management Committee and the Board of Directors.

The Group's market refinancing program is defined annually by taking into account the impact of the projected business activity on the main liquidity indicators and in accordance with the group system of multi-year projections with which it is in line. It aims to ensure lasting compliance with internal standards. It can be updated every quarter based on actual and projected trends in business activity and the financial market environment (see section 4.5.3 of the 2021 Universal Registration Document on liquidity risk for more details).

Scope and nature of liquidity risk reporting and assessment systems, and statement by the management body

The monitoring of exposure and limits is the subject of regular (quarterly at a minimum) reports to the above-mentioned bodies, as well as to the Risk and Internal Control Committee and the Risk Monitoring Committee.

The reports are tailored to the recipients concerned on the basis of their role in the management and monitoring of liquidity risk.

In addition, each year, the management body (made up of Crédit Mutuel Arkéa's Board of Directors and General Management) approves a statement on liquidity risk. This statement, which is sent to the ECB, covers the main aspects of liquidity risk management: organization, the measurement and monitoring system, the Group's appetite, management procedures (both in normal and stress situations), the levels of the main indicators, etc. The statement in respect of 2021 ended as follows:

"In light of the above factors and the fact that 2021 was marked by the continuation of the health crisis and the maintenance of an accommodating ECB policy, Crédit Mutuel Arkéa's Board of Directors and Executive Committee are satisfied with the robustness and agility of the liquidity risk management system.

They confirm that the Group's liquidity situation reflects the implementation of a prudent policy, both in normal and stressed situations, and that it effectively corresponds to its level of appetite for liquidity risk. As such, the survival indicator calculated by the Crédit Mutuel Arkéa group is significantly higher than its twelve-month internal limit, including by taking into account stress assumptions on the Group's customers and on the financial markets.

More generally, the Group has significant leeway to cope with proven tensions (which may arise in particular in connection with the conflict between Russia and Ukraine).

The centralized structure of liquidity management and the associated governance are appropriate to the vital nature of liquidity risk management.

The management system is relevant and documented; it has evolved in 2021 in order to adapt to changes in the context and monetary policy decisions.

It covers the various aspects of liquidity risk and is adapted to the risk profile of the Crédit Mutuel Arkéa group.

Regular reporting provided to the Group's various bodies is in line with expectations. Regulatory ratios and internal indicators are continuously monitored. Their level demonstrates the Group’s sound and prudent management.

In accordance with its principles of good management and the expectations of the ECB, Crédit Mutuel Arkéa’s Board of Directors and Executive Committee are committed to promoting the ILAAP approach by continuing to monitor on an ongoing basis the adequacy of the Group’s liquidity and financing in light of its risk appetite level.”

Qualitative short-term liquidity ratio information template

Concentration of funding and liquidity sources

Crédit Mutuel Arkéa seeks to diversify its sources of funding and liquidity. It has therefore defined internal standards on:

- the loan-to-deposit ratio in order to check the balancing of the business activity and the dependence on market refinancing;
- the level of dispersion of interbank refinancing in order to ensure control of its dependence on certain counterparties;
- refinancing volumes by maturity to avoid a concentration of the maturities of the refinancing lines.

At the same time, the Crédit Mutuel Arkéa group has developed a policy of diversifying its refinancing channels and has several types of issue vehicles, particularly in the medium to long term, with both unsecured and secured issuance programs.

The definition of the refinancing program takes into account these limits and the various possible issuance vehicles. When preparing for and carrying out issues in the markets, attention is also paid to the diversification of investors, both by type of investor, banks, etc.) and by geographic area (France, Germany, Scandinavian countries, etc.).

Exposure to derivatives and possible collateral calls

The Crédit Mutuel Arkéa group uses derivatives mainly for the purpose of managing interest rate risk. They are subject to margin calls that are generally standardized and comply with the requirements of the European Market Infrastructure Regulation (EMIR) requirements.

At the end of 2021, the net position of collateral calls was not material and had a marginal impact on cash and liquid securities management.

In addition, the calculation of the LCR includes an additional cash outflow corresponding to additional collateral requirements that would result from an adverse market scenario; the amount is valued at close to €93 million as at December 31, 2021, which is not material in view of the amount of liquid assets.

Asymmetry of currencies in the LCR

The LCR is calculated in euros only, as foreign currency positions are marginal (foreign currency positions are valued in euros as they are below the 5% representativeness threshold in the total consolidated banking balance sheet). This is due to the Group's business model and geographic location.

Description of the degree of centralization of liquidity management and interaction between Group units

As indicated in the "Strategy and processes implemented" section, Crédit Mutuel Arkéa acts as a central liquidity unit:

- Crédit Mutuel Arkéa borrows and lends on the markets while taking into account the projected needs or surpluses of the entities included in the banking scope. Transactions are carried out in euros;
- entities with cash requirements are refinanced exclusively by Crédit Mutuel Arkéa; banking entities with cash surpluses reinvest them exclusively with Crédit Mutuel Arkéa. Transactions are carried out based on applicable arm's length terms.

In addition to the vital importance of liquidity risk management by specialized teams within Crédit Mutuel Arkéa, this structure makes it possible to pool the needs of all the banking entities and to achieve the critical mass needed to access markets under competitive conditions as regards price and volume.

Since the Group's liquidity management is centralized by Crédit Mutuel Arkéa, the supervisor has granted the Group's main banking subsidiaries an exemption from the individual monitoring of the LCR.

13. Information on encumbered and unencumbered assets

Pursuant to Article 430(1)(g) of the CRR, the Crédit Mutuel Arkéa group reports to the competent authorities the amount of encumbered and unencumbered assets at its disposal and their main characteristics. These assets may be used as collateral to obtain other financing on the secondary markets or from the central bank, and therefore constitute additional sources of liquidity.

An asset is considered to be “encumbered” if it is used as collateral, or may be used contractually, to secure, collateralize or enhance a transaction from which it cannot be separated. By contrast, an asset is "unencumbered" if it is free from any legal, regulatory, contractual or other limitations, the possibility of liquidation, sale, transmission or disposal.

For example, the definition of encumbered assets includes the following types of contracts:

- secured financial transactions, including repurchase agreements, securities lending and other forms of loans;
- collateralization agreements;
- collateralized financial guarantees;
- collateral placed in clearing systems, clearing houses or other institutions as a condition for accessing the service. This includes initial margins and funds against insolvency risk;
- facilities given to central banks. Assets already in position should not be considered encumbered, unless the central bank does not authorize the withdrawal of these assets without prior agreement;
- underlying assets of securitisation entities when these assets have not been derecognized by the entity. The assets underlying the securities held are not considered encumbered, unless these securities are used to pledge or guarantee a transaction in any way;
- baskets of collateral created to issue covered bonds. These assets are recognized as encumbered assets except in certain situations where the entity holds these covered bonds (self-issued bonds).

Assets placed in financing mechanisms that are unused and can easily be withdrawn are not considered to be encumbered.

In the case of the Crédit Mutuel Arkéa group, the main sources of charges on assets are:

- repurchase agreements;
- receivables used as collateral for covered bond issuance;
- receivables used as collateral for borrowings from the central bank;
- receivables used as collateral for borrowings from refinancing institutions.

The median ratio of encumbered assets to total regulated assets was 21.19% at December 31, 2021.

Table 48 (EU AE1): Encumbered and unencumbered assets

As at 12.31.2021 In € thousands	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
		of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
Assets of the disclosing institution	**26,392,526**	**5,214,569**			**95,325,424**	**1,059,750**		
Equity instruments	-	-	-	-	1,281,365	-	1,281,365	-
Debt securities	9,281,530	5,214,569	9,281,530	5,214,569	1,301,462	1,059,750	1,331,324	1,038,991
of which: covered bonds	2,341,126	2,034,913	2,341,126	2,034,913	550,845	125,818	550,845	125,818
of which: securitisations	-	-	-	-	-	-	-	-
of which: issued by general governments	2,114,239	1,896,581	2,114,239	1,896,581	234,294	164,018	248,319	155,447
of which: issued by financial corporations	5,945,897	2,810,001	5,945,897	2,810,001	292,042	275,241	292,042	275,241
of which: issued by non-financial corporations	1,192,694	604,528	1,192,694	604,528	404,807	163,928	332,329	140,089
Other assets	**16,691,254**	-			**92,742,597**	-		

median values of end-of-quarter data for the past year

Table 49 (EU AE2): Collateral received and own debt securities issued

As at 12.31.2021 In € thousands	Fair value of encumbered collateral received or own debt securities issued		Unencumbered Fair value of collateral received or own debt securities issued available for encumbrance	
		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
Collateral received by the disclosing institution	-	-	2,819,778	-
Loans on demand	-	-	-	-
Equity instruments	-	-	-	-
Debt securities	-	-	2,643,128	-
of which: covered bonds	-	-	766,283	-
of which: securitisations	-	-	-	-
of which: issued by general governments	-	-	906,986	-
of which: issued by financial corporations	-	-	1,127,947	-
of which: issued by non-financial corporations	-	-	9,832	-
Loans and advances other than loans on demand	-	-	-	-
Other collateral received	-	-	168,500	-
Own debt securities issued other than own covered bonds or securitisations	-	-	-	-
Own covered bonds and securitisations issued and not yet pledged			-	-
Total collateral received and own debt securities issued	**26,392,526**	**5,214,569**		

median values of end-of-quarter data for the past year

Table 50 (EU AE3): Sources of encumbrance

As at 12.31.2021 In € thousands	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
Carrying amount of selected financial liabilities	23,759,112	26,392,525

median values of end-of-quarter data for the past year

14. Operational risk

Information on the structure and organization of the function responsible for operational risk management is provided in Crédit Mutuel Arkéa's 2021 Universal Registration Document, in the section entitled "Risks".

Description of the advanced measurement approach (AMA)

As part of the implementation of the operational risk advanced measurement approach (hereinafter "**AMA**") for measuring capital requirements in respect of operational risks, a dedicated department of the CNCM Risk Department is responsible for operational risk. The Crédit Mutuel Arkéa group is fully committed to this approach.

It involves measuring and controlling operational risks based on the risk mapping carried out for each business line, purpose, type of risk and risk context. This work is carried out in close collaboration with the subsidiaries and operational departments, in accordance with the day-to-day risk management measures. These mappings serve as a standardized framework for analysis of the proven loss experience and potential risks.

For "serious" risks, they result in modeling drawn from the work of experts which is reconciled with probability-based estimates based on different scenarios.

For "frequency" risks, the models rely on the national database of internal incidents. Data is entered into this application by the Crédit Mutuel Arkéa group in accordance with a national collection procedure which defines a uniform threshold of €1,000 above which each incident must be input. To ensure data collection is exhaustive, the national system also provides a framework for reconciliations of the incident database and the accounting information.

Subscription to an external database completes the analysis. It contributes to the enhancement of mapping and, more generally, the operational risk measurement system. The use of this database and the procedures for taking this data into account are the subject of a CNCM procedure.

The Group's general management and reporting system incorporates the requirements of the administrative order of November 3, 2014 relating to internal control. The effective managers are informed of operational risk exposures and losses on a regular basis and at least four times a year.

The procedures implemented within the Crédit Mutuel Arkéa group in terms of governance, incident collection and risk management and measurement systems enable it to take appropriate corrective measures. These procedures are subject to regular controls.

Authorized use of the AMA method

The French Prudential Control and Resolution Authority (hereinafter the "**ACPR**") has authorized Crédit Mutuel to use the advanced measurement approach to calculate its capital adequacy requirement as from April 1, 2010. This provision applies to the Crédit Mutuel Arkéa group, with the exception of those entities that have been included in the calculation scope since that date.

The Group's capital adequacy requirement calculated using the AMA method is determined by dividing between the regional groups the requirement calculated at the level of CNCM.

Operational risk mitigation and hedging policy

Operational risk mitigation techniques include:

- preventive measures identified during the mapping process and implemented directly by operational staff;
- safeguard initiatives, which focus primarily on the widespread implementation of emergency and business continuity plans (EBCP);
- insurance programs.

Each of the Crédit Mutuel Arkéa group's key or important activities has its own emergency and business continuity plan, which is organized on the basis of three phases:

- emergency assistance: this is triggered immediately and involves measures designed to handle emergencies and institute solutions for operating under adverse conditions;
- business continuity: this involves resuming activities under adverse conditions in accordance with procedures defined before the crisis;
- return to normal.

Use of insurance techniques

The ACPR has authorized Crédit Mutuel to take into account the impact of insurance as a mitigating factor when calculating the capital adequacy requirement using the AMA method for operational risk.

The principles applied for financing operational risks within the Crédit Mutuel Arkéa group depend on the frequency and severity of each potential risk. They consist of:

- setting aside funds for frequent risks through the operating account;
- insuring insurable serious risks via external insurers or reinsurers;
- developing self-insurance for amounts below insurance companies' excesses;
- allocating prudential capital reserves or provisions financed by assets that can be mobilized for serious non-insurable risks.

The Crédit Mutuel Arkéa group's insurance programs comply with the provisions of Article 323 of the CRR concerning the deduction of insurance under the AMA.

The insurance coverage used in the deduction process covers damage to real and personal property (multi-risk), specific banking risks and fraud, professional third-party liability and cyber-risks.

Table 51 (EU OR1): Operational risk own funds requirements and risk-weighted exposure amounts

As at 12.31.2021 In € thousands	Relevant indicator			Own funds requirements	Risk exposure amount
	Year-3	Year-2	Last year		
Banking activities subject to basic indicator approach (BIA)	217,631	213,331	270,170	35,057	438,207
Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	68,023	80,775	89,849	9,536	119,203
Subject to TSA:	68,023	80,775	89,849		
Subject to ASA:	-	-	-		
Banking activities subject to advanced measurement approaches AMA	1,408,222	1,353,117	1,375,540	159,723	1,996,533

15. Corporate governance and compensation policy

Crédit Mutuel Arkéa group compensation policy is defined by the Board of Directors of Crédit Mutuel Arkéa on the recommendation of its Compensation Committee, with the support of central management in its preparation and implementation.

15.1. Composition and role of the Compensation Committee

The Compensation Committee of the Crédit Mutuel Arkéa group is composed of a Chairman and three members, all of whom are members of the Crédit Mutuel Arkéa Board of Directors. One of the members of the Committee is a director representing employees who have voting rights on Crédit Mutuel Arkéa's Board of Directors.

The Chairman and members of the Compensation Committee are appointed by Crédit Mutuel Arkéa's Board of Directors for the term of their directorship.

As of December 31, 2021, the Compensation Committee is composed of the following four members:

- Mr Patrick Le Provost, Président;
- Mr Thierry Bougeard;
- Mr Luc Moal;
- Ms Marie Vignal-Renault.

The Director of Human Resources attends meetings of the Compensation Committee. To fulfill its task and if necessary, the Committee relies on studie and on benchmarks carried out by an independent consulting firm.

The operation of the Compensation Committee is governed by a charter approved by Crédit Mutuel Arkéa's Board of Directors.

The Compensation Committee has the following tasks:

- develop the Group's compensation principles and policies and ensure their implementation;
- examine the compensation policies and variable compensation schemes of the Group's regulated entities;
- prepare decisions concerning compensation to be adopted by the supervisory function, with regard to the corporate officers of Crédit Mutuel Arkéa;
- supervise compensation for:
    - Credit Mutuel Arkéa's and subsidiaries subject to CRD regulations on individual basis General Management
    - senior executives fulfilling internal control functions of Crédit Mutuel Arkéa and subsidiaries subject to CRD regulations on an individual basis;
    - effective managers of regulated entities;
- oversees compensation packages for other members of the regulated staff;
- examine:
    - the scope of the regulated staff defined pursuant to CRD regulations;

    - the variable compensation policy applicable to the regulated staff;
- periodically review of Crédit Mutuel Arkéa and/or its subsidiaries amount of compensation paid to directors and members of the supervisory bodies of Crédit Mutuel Arkéa and/or its subsidiaries;
- if necessary, use services of external compensation consultants.

The Compensation Committee regularly reports on its work to Crédit Mutuel Arkéa's Board of Directors and to the Group's regulated subsidiaries supervisory bodies, with annual review of the compensation policy.

The Compensation Committee met 16 times in 2021. Its work focused in particular on the following:

- annual compensation reports;
- Group's compensation policy;
- regulated staff: scope and compensation policy;
- compensation policy concerning regulated subsidiaries;
- compensation for members of the Board of Directors, effective managers and senior executives of internal control functions, members of the regulated staff and effective managers of regulated Group subsidiaries;
- variable compensation schemes.

15.2. General principles of the compensation policy

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, and does not encourage risk-taking in excess of the level of risk defined by the Group and includes measures to avoid conflicts of interest.

The compensation policy includes principles that take into account the following objectives:

- alignment with Crédit Mutuel Arkéa's *Raison d'être* (purpose) as defined by the Crédit Mutuel Arkéa Board of Directors for submission to the Shareholders' Meeting:
    - by adhering to the economic strategy and objectives, values and interests of the Crédit Mutuel Arkéa group;
    - by incorporating both financial and non-financial assessment criteria, in order toto maintain consistency between the overall compensation and the performance of the Crédit Mutuel Arkéa group as well as the individual performance of the executives;
    - by taking corporate social responsibility (CSR) into account when deciding on compensation;
- the need for the Crédit Mutuel Arkéa group to attract, motivate and retain individuals recognized as competent and particularly talented in the areas of activity in which the Crédit Mutuel Arkéa group operates;
- consistency with the compensation and employment conditions of Crédit Mutuel Arkéa group 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, prevention of conflicts of interest and fairness of decisions made.

To be motivating and rewarding, the compensation policy is based on a fair and objective assessment of individual and/or collective performance.

The Crédit Mutuel Arkéa group's compensation policy is part of an overall human resources policy designed to promote the company's competitiveness, skills developping, calm social climate promotion, and social and environmental issues awareness.

The Crédit Mutuel Arkéa group promotes responsible finance, reflected in the Group's compensation policy reflects this philosophy.

The total compensation of Crédit Mutuel Arkéa group’s employees is composed of:

- fixed compensation;
- individual annual variable compensation;
- collective variable compensation;
- peripheral compensation.

Each employee receives all or part of these components according to his or her responsibilities, skills and performance.

The Crédit Mutuel Arkéa group regularly compares its practices with those of other groups in the banking and insurance sectors to ensure that compensation is sufficient to attract and retain the talent and skills the Group needs.

The compensation policy of the Crédit Mutuel Arkéa group takes into account the regulatory framework applicable to its various business sectors:

- for credit institutions and investment companies: CRD regulations and EBA guidelines;
- for management companies: AIFM and/or UCITS regulations and the AMF General Regulation;
- for insurance companies: Solvency 2 regulations.

The Crédit Mutuel Arkéa group is in the process of developing an approach that aims to integrate sustainability risks into its compensation policy in a consistent and gradual manner. In accordance with the sectoral legislation on compensation policies to which the Crédit Mutuel Arkéa group and its entities are subject, the approach that will be adopted will enable sustainability risks to be taken into account in the appropriate processes.

Fixed compensation

The fixed compensation is designed to retain and motivate employees and to recognize the experience and responsibilities of the position, as well as the role and importance of the position within the organization, in accordance with the benchmarks regularly set by each Group entity. It represents a significant proportion of total compensation and is used, where appropriate, as a basis for determining the maximum variable compensation.

Annual variable compensation

The amount of variable compensation and its distribution do not impede the ability of the establishments to maintain a sound financial basis.

The allocation of variable compensation is defined according to the achievement of the objectives set and the results of the employee of the entity and/or the Group.

Variable compensation is linked to annual performance and the impact on the institution's risk profile.

In the event of insufficient performance, non-compliance with rules and procedures or risky behavior, variable compensation is directly affected.

Variable compensation is set in accordance with regulatory principles.

Annual variable compensation depends on year's financial and non-financial performance and employees' contributions to the success of the Crédit Mutuel Arkéa group's strategy.

In order to comply with the regulations, variable compensation system must respect the following:

- the amount of variable compensation is established by combining the evaluation of the performance of the individual and the business unit concerned with that of the overall results of the company;
- the assessment of performance must take into account both financial and non-financial criteria.

In addition to the fixed salary, the variable compensation is paid for quantitative and/or qualitative achievements measured on the basis of observed performance and individual evaluations in relation to the objectives set.

It compensates:

- performance, which is defined by the successful completion of assignments and the achievement of objectives. An evaluation of the latter below 100% achievement cannot result in a variable compensation rate higher than the target;
- outperformance is recognized when assignments are successfully completed and objectives are achieved at a rate of over 100%. In this situation, the variable compensation rate may be higher than the target, up to the limit.

Annual variable compensation does not constitute a right and is set each year in accordance with the compensation policy for the related year and the governance principles in force.

Exceptional bonuses

Discretionary bonuses may be awarded to the Group's employees, except for members of the regulated staff referred to below, in very specific circumstances (special mission and/or exceptional investment) and in compliance with the framework for annual compensation negotiations validated by the Group's Executive Committee.

Employee savings

The Crédit Mutuel Arkéa group is committed to involving all its employees in the Group's results so that the value created can be shared collectively.

To this end, collective variable compensation mechanisms have been developed in most of the Group's entities in order to be as close as possible to the creation of value (profit-sharing/interest and Group bonuses).

Social protection systems

Employee benefits depend on the applicable collective statutes. They complement other forms of compensation and are designed to protect the employee against life's hazards (provident fund, health expenses) and to help prepare for retirement (pension plan).

Employee shareholding

In accordance with Crédit Mutuel Arkéa's cooperative statuses, Group's employees do not benefit from stocks granting or debt options or performance shares.

When the Group acquires majority stakes in structures that have set up employee shareholding schemes, these mechanisms are left unchanged but must not be extended to other employees of the structure.

Exceptionally, the Board of Directors of Crédit Mutuel Arkéa may decide to set up corporate profit-sharing schemes on the recommendation of the Executive Committee and after consulting the Risk and Internal Control Committee and the Compensation Committee.

Risk, compliance and internal audit functions

Staff in the independant control functions (including risk management, compliance and internal audit) and more generally of staff in the units responsible for validating transactions' compensation, is set independently of the compensation of the business lines for which they validate or verify transactions, in order to prevent any conflict of interest, and at a level sufficient to ensure that qualified and experienced staff are available. Thus, when variable compensation for internal control functions is established, it is based exclusively on individual criteria.

It takes into account the achievement of the objectives associated with the function and must be, for equivalent qualifications, skills and responsibilities, at an appropriate level in relation to the professionals whose activities they control.

The compensation of these employees is designed to avoid excessive risk-taking.

The variable compensation of employees exercising internal control functions (risk management, permanent control, compliance and internal audit functions) is capped at 30% of their fixed compensation.

Gender pay gap

The Crédit Mutuel Arkéa group pays particular attention to the issue of professional equality between men and women by implementing measures aimed at permanently eliminating pay gaps. With a weighted average gender equality index of 90/100 at Group level, well above regulatory requirements, Crédit Mutuel Arkéa demonstrates its long-term commitment to promote diversity and combat discrimination.

The Group's objectives in this area are to promote equality in the workplace over the long term and to create the conditions for genuine equality at all stages of professional life.

15.3. Role of independent control functions

In order to ensure that the compensation system takes due account of all types of risk and levels of liquidity and equity, that the overall compensation policy is consistent, promotes sound and effective risk management and is consistent with the institution's business strategy, objectives, corporate culture and values, and long-term interests, the Compensation Committee evaluates the Group's compensation mechanisms and the systems adopted. In doing so, it relies on the formal opinions issued by the Risk Management Department and the Compliance and Permanent Control Department. Each year, the heads of the Risk Management and Compliance Departments must respectively assess the appropriateness of the compensation policy to the Group's risk profile and its compliance with applicable regulatory requirements. The results of these analyses are presented to the Risk and Internal Control Committee and the Compensation Committee, which informs the Board of Directors of Crédit Mutuel Arkéa.

Without prejudice to the missions of the Compensation Committee, a member of the Risk and Internal Control Committee is invited, in an advisory capacity, to the meeting of the Compensation Committee when the compensation policy is reviewed, in order to examine whether the proposed incentives are in line with the Group's risk appetite framework. Similarly, each year a member of the Compensation Committee is invited to a meeting of the Risk and Internal Control Committee.

In order to ensure compliance with the strategy, regulations and risk appetite framework of the institution, the Crédit Mutuel Arkéa group's Human Resources Department involves the risk management and compliance functions in the review of the scope of the regulated staff. In this context, the compliance and risk management functions issue a formal opinion prior to the implementation of any compensation policy or system or its revision.

In addition, the General Inspection and Periodic Control Department incorporates the provisions of the regulatory framework applicable to compensation for Crédit Mutuel Arkéa group employees into its own risk mapping, on the basis of which the annual audit plan is drawn up.

15.4. Compensation policy for the regulated staff

Principles of the compensation policy for the regulated staff

In accordance with regulations, the compensation policy for the regulated staff is characterized by the following principles:

- 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 loan-to-deposit ratio;
    - the cost/income ratio;

  to which should be added the achievement of the cost/income ratio and the NBI or notional ROE set annually for each entity, provided that the employee concerned performs his or her duties within a subsidiary or federation of the Crédit Mutuel Arkéa group;
- the variable component for a given employee may not exceed 100% of the fixed component. However, for executive directors who are not employees, the Shareholders' Meeting may approve a higher maximum ratio provided that the overall level of the variable component does not exceed 120% of the fixed component;
- under certain conditions, a portion of the variable compensation is deferred and acquired in tranches, subject to the strength of the institution's financial base;
- when the conditions for deferral are met, part of the variable compensation is paid in cash indexed to a composite indicator calculated on the basis of Group consolidated criteria;
- the variable compensation and the deferred variable compensation tranches in the course of acquisition may be reduced in whole or in part, up to 100%, in the event of behavior likely to expose the Crédit Mutuel Arkéa group, or one of its entities, to an abnormal and significant risk, in particular because of the employee's responsibility for acts that have led to significant losses for the institution, or in the event of a failure to comply with the obligations of good repute and competence.

Perimeter of the regulated staff

Where the parent company is a reporting entity, the compensation policy and related requirements (CRD regulation and EBA guidelines) apply to all entities included in the scope of consolidation (whether or not the entities are also reporting entities). The scope of consolidation is the prudential scope of consolidation (as defined by the CRR).

Crédit Mutuel Arkéa and its subsidiaries subject to the CRD with a balance sheet total of more than €10 billion must define on an individual basis the scope of their regulated staff, otherwise known as risk takers.

The EBA defines the qualitative and quantitative criteria for identifying the risk takers of the institutions covered by the CRD regulation.

The determination of which employees are included in the regulated staff is carried out at least once a year under the joint responsibility of the Group's human resources, risk and compliance functions and is submitted to the Board of Directors of Crédit Mutuel Arkéa for approval on the recommendation of the Compensation Committee.

Characteristics of the deferral rules for the regulated staff

Amounts of variable compensation to be deferred

The member of the regulated staff receiving an annual variable compensation exceeding €50,000 or representing more than one third of his or her total compensation is subject to rules relating to the payment of a portion of his or her variable compensation on a deferred basis:

- 60% of the variable compensation for compensation exceeding €500,000;
- 50% of the variable compensation for other compensation.

This deferral period must be spread over:

- five years for corporate officers;
- four years for other members of the regulated staff.

Financial or similar instruments

As Crédit Mutuel Arkéa's share capital is not listed on a regulated market, the entire deferred component of the variable compensation is paid in cash instruments linked to shares, i.e. the amount of which reflects and changes according to the credit quality of the institution. These cash instruments are indexed to a composite indicator calculated on the basis of Group consolidated criteria.

Conditions for payment of the deferred compensation

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

Ceiling on the variable compensation

The variable part of the total compensation of each member of the regulated staff may not exceed the amount of the fixed part of this compensation.

Nevertheless, for executive directors who are not employees, the Shareholders' Meeting may approve, for each reference year, the principle of a higher maximum ratio which may not exceed 120% of the fixed component. In the light of actual performance, the ratio will be set and justified by the Board of Directors of Crédit Mutuel Arkéa on the recommendation of the Compensation Committee.

Departure and mobility

In the event of departure from the Group or mobility of a member of the regulated staff, the variable compensation for the current fiscal year, if one is to be granted, and the deferred portions due and not yet due, are treated without impact of the departure or mobility.

Variable compensation for the current fiscal year, if any, and deferred portions are therefore systematically retained and paid at the normal due dates, in accordance with the conditions and form originally planned.

These compensation items, subsequent to departure or mobility, also remain subject to the risk adjustment rules established within the Group.

Risk adjustment

The variable compensation of the member of the regulated staff and the tranches of deferred variable compensation in the process of being acquired may be reduced in whole or in part, up to a maximum of 100%, in the event of behavior likely to expose the Crédit Mutuel Arkéa group, or one of its entities, to an abnormal and significant risk, in particular because of his or her responsibility for actions that have led to significant losses for the institution, or in the event of a failure to comply with the obligations of good repute and competence.

Thus, the risk adjustment mechanism is applied when:

- the member of the regulated staff has participated in or been responsible for actions that have resulted in significant losses to the institution;
- the member of the regulated staff has not complied with the applicable standards of good repute and competence;
- the member of the regulated staff has materially contributed to poor or negative financial performance, as well as fraud or other intentional or grossly negligent conduct resulting in significant losses;
- the member of the regulated staff has committed serious misconduct such as a violation of the code of conduct;
- the institution (or business unit) at which the member of the regulated staff works is subject to a serious risk management deficiency;
- the institution (or business unit) at which the member of the regulated staff works is subject to significant increases in the economic capital base or regulatory capital base;
- the institution (or business unit) where the member of the regulated staff works is subject to regulatory sanctions and where the behavior of the staff member contributed to the sanction.

The same applies in the event that the risk tolerance threshold of the CET1 ratio is reached.

15.5. Communication

Shareholders' meeting

In accordance with the provisions of article L. 511-73 of the French Monetary and Financial Code, the Shareholders' Meeting is consulted each year on the total compensation paid during the previous financial year to employees with executive status or belonging to categories of staff whose professional activities have a significant impact on the risk profile of the Crédit Mutuel Arkéa group as a whole.

In accordance with regulations, and within the limit of 120%, a reasoned resolution to approve a maximum variable compensation ratio of more than 100% of fixed compensation is submitted to the Shareholders' Meeting.

On June 7, 2021, the ECB was informed that the Shareholders' Meeting of Crédit Mutuel Arkéa, ruling under the quorum and majority conditions set forth in Article L.511-78 of the French Monetary and Financial Code, decided on May 11, 2021 that the variable part of the total compensation of Crédit Mutuel Arkéa's non-employee executive directors, namely Mrs Hélène Bernicot and Mrs Anne Le Goff, respectively Chief Executive Officer and Associate Chief Executive Officer, may, upon decision of the Board of Directors, be increased for the financial year 2021 to a maximum of 120% of their fixed compensation.

The Shareholders' Meeting grants this authorization on the grounds that it should make it possible (i) to maintain, for the two executives concerned, the pursuit of ambitious financial objectives for the development of Crédit Mutuel Arkéa in line with its *Raison d'être* (purpose), and (ii) to maintain the necessary flexibility between the allocations of variable compensation and the overall performance observed.

The amounts of variable compensation are directly linked to the economic results of the Crédit Mutuel Arkéa group and take into account changes in the cost of risk. Consequently, they do not have a significant impact on the Group's financial base.

Universal Registration Document and Pillar 3 Report

The Universal Registration Document, which forms part of the Corporate Governance Report, includes a chapter on the compensation paid to corporate officers, and in particular the compensation paid and due in respect of the year under review.

The information on compensation policy and practices in accordance with Article 450 of the CRR is published in the Pillar 3 report on the Group's corporate website.

15.6. Quantitative information on the 2021 compensation of effective managers and persons whose professional activities have a significant impact on the company's risk profile

Table 52 (EU REM1): Remuneration awarded for the financial year

As at 12.31.2021 In € thousands		MB Supervisory function	MB Management function	Other senior management	Other identified staff
Fixed remuneration	Number of identified staff	4	4	7	93
	Total fixed remuneration	1,231,408	1,472,208	1,227,927	12,835,591
	Of which: cash-based	1,190,512	1,401,493	1,084,610	10,947,458
	Of which: shares or equivalent ownership interests				
	Of which: share-linked instruments or equivalent non-cash instruments				
	Of which: other instruments				
	Of which: other forms	40,896	70,715	143,317	1,888,132
Variable remuneration	Number of identified staff	2	4	6	83
	Total variable remuneration	5,772	1,548,413	967,009	4,034,634
	Of which: cash-based	5,772	723,419	552,805	3,236,392
	Of which: deferred				
	Of which: shares or equivalent ownership interests				
	Of which: deferred				
	Of which: share-linked instruments or equivalent non-cash instruments				
	Of which: deferred				
	Of which: other instruments	-	824,994	414,205	798,242
	Of which: deferred	-	824,994	414,205	798,242
	Of which: other forms				
	Of which: deferred				
Total remuneration		**1,237,180**	**3,020,621**	**2,194,936**	**16,870,225**

Table 53 (EU REM2): Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

As at 12.31.2021 In € thousands	MB Supervisory function	MB Management function	Other senior management	Other identified staff
Guaranteed variable remuneration awards				
Guaranteed variable remuneration awards - Number of identified staff				
Guaranteed variable remuneration awards -Total amount				
Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap				
Severance payments awarded in previous periods, that have been paid out during the financial year				
Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff				
Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount				
Severance payments awarded during the financial year				
Severance payments awarded during the financial year - Number of identified staff	-	-	1	3
Severance payments awarded during the financial year - Total amount	-	-	582,000	2,148,197
Of which paid during the financial year	-	-	582,000	2,148,197
Of which deferred				475,064
Of which severance payments paid during the financial year, that are not taken into account in the bonus cap				
Of which highest payment that has been awarded to a single person	-	-	582,000	1,557,642

Table 54 (EU REM3): Deferred remuneration

Deferred and retained remuneration As at 12.31.2021 In € thousands	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
MB Supervisory function	-	-	-	-	-	-	**3,050**	-
Cash-based	-	-	-				3,050	
Shares or equivalent ownership interests	-							
Share-linked instruments or equivalent non-cash instruments	-							
Other instruments	-							-
Other forms	-							
MB Management function	**591,592**	**380,675**	**210,916**	-	-	-	**723,419**	**824,994**
Cash-based	591,592	380,675	210,916				723,419	
Shares or equivalent ownership interests	-							
Share-linked instruments or equivalent non-cash instruments	-							
Other instruments	-							824,994
Other forms	-							
Other senior management	**302,153**	**210,282**	**91,872**	-	-	-	**414,205**	**414,205**
Cash-based	302,153	210,282	91,872				414,205	
Shares or equivalent ownership interests	-							
Share-linked instruments or equivalent non-cash instruments	-							
Other instruments	-							414,205
Other forms	-							
Other identified staff	**415,439**	**266,958**	**148,481**	-	-	-	**2,209,216**	**798,242**
Cash-based	415,439	266,958	148,481				2,209,216	
Shares or equivalent ownership interests	-							
Share-linked instruments or equivalent non-cash instruments	-							
Other instruments	-							798,242
Other forms	-							
Total amount	**1,309,184**	**857,915**	**451,269**	-	-	-	**3,349,889**	**2,037,441**

Table 55 (EU REM4): Remuneration of 1 million EUR or more per year

As at 12.31.2021	Identified staff that are high earners as set out in Article 450(i) CRR
€ 1 000 000 to below € 1 500 000	-
€ 1 500 000 to below € 2 000 000	-
€ 2 000 000 to below € 2 500 000	-
€ 2 500 000 to below € 3 000 000	1
€ 3 000 000 to below € 3 500 000	-
€ 3 500 000 to below € 4 000 000	-
€ 4 000 000 to below € 4 500 000	-
€ 4 500 000 to below € 5 000 000	-
€ 5 000 000 to below € 6 000 000	-
€ 6 000 000 to below € 7 000 000	-
€ 7 000 000 to below € 8 000 000	-

Following the end of his term of office as Chairman of the Board of Directors of Crédit Mutuel Arkéa, Jean-Pierre Denis received a total gross amount of 2,418,000 euros as part of the contractual termination of his employment contract:

- 860,000 euros in compensation for his vacation entitlements;
- 475,000 euros in severance pay pursuant to the legal and contractual provisions applicable to Crédit Mutuel Arkéa as an employer;
- 1,083,000 euros in contractual indemnity corresponding to two years' gross base compensation. In this respect, Jean-Pierre Denis agreed not to apply the provisions of his employment contract, as set out in the regulated agreement approved by the Shareholders' Meeting and mentioned in the URD of Crédit Mutuel Arkéa for the financial year 2020, under which the contractual termination indemnity should have been calculated by taking into account the last variable remuneration effectively received. By waiving these provisions, this specific indemnity paid is thus reduced by two thirds.

Table 67 (EU REM5): Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

As at 12.31.2021 In € thousands	Management body remuneration		
	MB Supervisory function	MB Management function	Total MB
Total number of identified staff			
Of which: members of the MB	4	4	8
Of which: other senior management			
Of which: other identified staff			
Total remuneration of identified staff	1,237,180	3,020,621	4,257,801
Of which: variable remuneration	5,772	1,548,413	1,554,185
Of which: fixed remuneration	1,231,408	1,472,208	2,703,616

As at 12.31.2021 In € thousands	Business areas						Total
	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	
Total number of identified staff							108
Of which: members of the MB							
Of which: other senior management	-	1	-	2	-	4	
Of which: other identified staff	4	35	-	13	4	37	
Total remuneration of identified staff	777,690	7,098,576	-	3,477,118	1,001,535	6,710,242	
Of which: variable remuneration	251,591	1,878,513	-	1,108,556	205,134	1,557,849	
Of which: fixed remuneration	526,099	5,220,062	-	2,368,562	796,402	5,152,392	

16. Appendices

16.1. Declaration of the responsible person

The information considered as proprietary is: flows and stocks of losses broken-down by exposure class, industry and geography as well as flows of provisions of the period (article 442 e and f); the number of obligors broken-down by exposure class and PD range (article 452 h); and the flow modeling within the scope of interest rate risk management (article 448).

Decisions not to publish this information are taken in agreement with the Crédit Mutuel Arkéa group's management bodies.

Person responsible for the information contained in this document

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

Declaration of the responsible person

I certify that the information contained in the Pillar 3 Report disclosing the information published under Part Eight of EU Regulation No. 575/2013 "CRR", as amended by the EU Regulation No. 2019/876 "CRR2", is, to the best of my knowledge, in accordance with the formal policies and internal processes, systems and controls.

Done at Le Relecq Kerhuon, April 11, 2022.

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

16.2. List of tables

16.3. Pillar 3 cross-reference table

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438	Own funds requirements and risk-weighted exposure amounts	Capital - capital requirements	27
439	Exposures to counterparty credit risk	Counterparty credit risk	63
440	Countercyclical capital buffers	Prudential indicators - key metrics	29 - 30
441	Indicators of global systemic importance	Not applicable for Crédit Mutuel Arkéa whose total exposure (as defined for the leverage ratio) does not exceed €200 billion, which is the trigger point for determining whether an institution is classified as a global systemic institution	-
442	Exposures to credit risk and dilution risk	Credit risk	38
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445	Exposure to market risk	Market risk	74
446	Operational risk management	Operational risk	90
447	Key metrics	Prudential indicators - key metrics	28
448	Disclosure of exposures to interest rate risk on positions not held in the trading book	Banking book interest rate risk	75
449	Disclosure of exposures to securitisation positions	Securitization	73
450	Remuneration policy	Corporate governance and compensation policy	93
451	Leverage ratio	Prudential indicators - leverage ratio	32
451 bis	Liquidity requirements	Liquidity risk	80
452	Use of the IRB Approach to credit risk	Credit risk - internal ratings-based approach	52
453	Use of credit risk mitigation techniques	Credit risk mitigation techniques	69
454	Use of the Advanced Measurement Approaches to operational risk	Operational risk	90
455	Use of internal market risk models	Market risk	74