

Creators of *useful links*



SUMMARY

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MESSAGE FROM THE CHAIR OF BOARD OF DIRECTORS

“WE ARE A DIFFERENT BANK”

ISABELLE GRATIANT, CHAIR OF THE BOARD OF DIRECTORS

In an increasingly uncertain and fragmented world, BRED Banque Populaire, which is now more than a century old, is a different bank in the banking landscape. This uniqueness finds its first expression in our cooperative status, which frees us from the pressure of the financial markets and allows us to escape the tyranny of immediate profitability and an exclusively short-term vision.

“ WHEREVER WE ARE, WE ARE
THE SAME, WITH THE SAME
APPROACH AND THE SAME WAY
OF DOING THINGS.”

Thanks to this status, we maintain a special relationship with our cooperative shareholders who, as shareholders, are the owners of BRED Banque Populaire. We work with them, advise them and support them in their life projects, whether personal or professional. We meet them regularly and have known them well, and often for decades. This longevity and proximity sets us apart in the banking market. Our most loyal cooperative shareholders are 100 years old. Others receive cooperative shares at birth or inherit them during their lifetime. These ties undoubtedly oblige us and represent a form of common theme to which we are particularly attached.

The other aspect of our uniqueness is reflected in our local roots. We have chosen to maintain a local branch network to be as close as possible to our customers and cooperative shareholders. This strong choice responds both to a regional approach, which consists of offering points of contact wherever we are present, and to a relational approach thanks to which we forge strong long-term ties with our customers and cooperative

shareholders. This territoriality also applies outside France. We are one of the few players to be present throughout the French overseas territories and to offer all possible expertise to individual customers and companies of all sizes. To put it another way, wherever we are, we are the same, with the same approach and the same way of doing things. As for our international presence, it contributes to developing the economy of regions with few banks, which we are proud of.

This regional anchoring is based on a decentralized approach. We adapt to the reality of each region. We respect its fundamentals and are attentive to its evolution.

We have always made our decisions locally, as closely as possible to the reality on the ground. The deposits that we collect in a given territory are reallocated within the economy of that territory. Whether financing projects, generating jobs or creating wealth, our choices and actions are guided, above all, by economic and societal usefulness.

Lastly, our uniqueness is reflected in the trust that unites us. Whether it is one-off advice or long-term support, the relationships we have with our customers and cooperative shareholders are based on listening and transparency. They are based on simplicity, accessibility and proximity. Our advisors, present on the ground, place their action in an inclusive dimension in which there is no prejudice and no sociological or financial bias. We are an open and committed bank and enjoy working with all our customers and cooperative shareholders. We are useful and we aim to remain useful.

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



“THE BANKING PROFESSION IS ONE OF THE MOST BEAUTIFUL”

JEAN-PAUL JULIA, CHIEF EXECUTIVE OFFICER

In a context marked by political and geopolitical uncertainties, BRED Banque Populaire rolled out its strategic plan “Aligning energies - BRED ambitions 2027” by fully committing to the future through structuring initiatives that strengthen our fundamentals: always being closer to our customers, our cooperative shareholders and our teams.

While 2024 was marked by an uncertain geopolitical and economic situation against a backdrop of sluggish growth, our bank, true to its cooperative values, has been able to collectively mobilize to achieve its growth objectives and also, and above all, to deploy its strategic plan, “Aligning energies - BRED ambitions 2027”. Everything obviously becomes simpler when a job makes sense on a daily basis. Ours is useful because it supports the life trajectories of our customers and cooperative shareholders, all life trajectories. It is based on our expertise and our ability to forge and maintain close and trusting relationships with our teams, our customers and our cooperative shareholders. Lasting links, because they are useful. This is our vision of the banking profession. 2024 was an opportunity to put it into action, by putting our customers back at the heart of our growth dynamic: the reorganization of our Mainland and Overseas France networks enabled us to strengthen our presence in the regions and, gave rise, against the current trends in our sector, to the reopening of our branches, the creation of reception counters, the strengthening of our local management as well as the recruitment of advisors. The launch of BRED Banque Populaire’s Corporate & Investment Banking, bringing together our corporate banking and trading desk activities, responded to our desire to help medium-sized and large companies to continue their development.

Internationally, the acquisition of Société Générale Madagasikara, the leading bank in Madagascar, has enabled us to expand our presence in the Indian Ocean and become the leading banking player in this region.



**LASTING LINKS, BECAUSE
THEY ARE USEFUL. THIS IS OUR VISION
OF THE BANKING PROFESSION.**

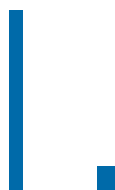


Our vision of the banking profession is now embodied by three values that our teams identified in 2024 and which guide our action, regardless of our level of responsibility, our seniority, or the territory in which we operate: we are a winning, human and committed bank.

As you will discover in this 2024 activity report, these are not just words. This ongoing commitment, over the long term, it is our cooperative shareholders, our customers, whether individuals, professionals, companies and local authorities, as well as our employees, who talk about it that best.

The profession of cooperative banker is a great job! Being useful in the long term, creating collective value and supporting transitions is our pride and purpose.

CHAPTER



REPORT ON CORPORATE GOVERNANCE

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This report has been prepared in accordance with the final paragraph of Article L.225-37 of the French Commercial Code, and takes into account the work of the Board of Directors and its various committees, as well as meetings with the Chairs of the Board's Committees, Senior Management and the external auditors. It was approved by the Board of Directors on March 24, 2025.

I.1 PRESENTATION OF THE BANK

I.1.1 Identity

Company name and registered office

BRED Banque Populaire (abbreviation: BRED)
18 quai de la Rapée, 75604 PARIS

Registration

Paris Trade and Companies Register No. 552 091 795
LEI NICH5Q04ADUV9SN3Q390

Term of the company

The company was initially incorporated for 99 years from October 7, 1919. Its term was subsequently extended by a further 99 years from May 21, 2010.

I.1.2 Legal form and applicable laws

BRED Banque Populaire is a Banque Populaire cooperative limited liability company (*société anonyme coopérative de Banque Populaire*) with fixed capital, which is governed by Article L.512-2 *et seq.* of the French Monetary and Financial Code and all laws on Banques Populaires, the act of September 10, 1947 that created the cooperative bank status, Book II, Titles I to IV, of the French Commercial Code, Book V, Title I, Chapter I, and Title III of the French Monetary and Financial Code, the laws adopted to implement them, and these articles of association.

In addition, the company is subject to the general decisions, in particular the decision on the guarantee system for the Banques Populaires network, adopted by BPCE pursuant to the powers granted to it by Articles L.511-30, L.511-31, L.511-32, L.512-12, L.512-106 and L.512-107 and of the French Monetary and Financial Code.

The legal documents relating to BRED Banque Populaire (articles of association, minutes of General Meetings, statutory audit reports) may be reviewed at the company's registered office or at the registry of the Paris Commercial Court.

I.1.3 Corporate purpose

As provided in Article 3 of the articles of association, the company has the following corporate purposes:

1. to engage in all banking transactions with commercial, industrial, craft, agricultural or liberal profession undertakings, whether in individual or corporate form and, more generally, with any other local authority or legal person, whether or not a cooperative shareholder, to provide assistance to its individual customers, to contribute to the performance of all transactions guaranteed by a mutual guarantee company established in accordance with Book V, Title I, Chapter V, Section 3, of the French Monetary and Financial Code, to grant holders of home savings accounts or plans any credit or loan for the purpose of financing their property projects, to receive deposits from any person or company and, more generally, to engage in all banking operations referred to in Book III, Title I, of the French Monetary and Financial Code;

2. the company may also carry out any related transactions referred to in Article L.311-2 of the French Monetary and Financial Code, provide the investment services referred to in Articles L.321-1 and L.321-2 of that Code and perform any other activity permissible for banks under the statutes and regulations. Therefore, it may, in particular, carry out all insurance brokerage transactions and, more generally, act as an insurance intermediary.

It may also act as an intermediary or broker in the property sector and, in this capacity, carry out all property and securities transactions on behalf of third parties, as well as engaging in asset management and investment advisory activities, in accordance with the laws in force;

3. the company may make any investments in real or personal property necessary for the performance of its activities, subscribe for or acquire for itself all investment securities, acquire any interests in all companies, groups or associations and, more generally, carry out all transactions of any kind relating directly or indirectly to the company's purposes that may facilitate the development or achievement thereof.

I.1.4 Fiscal year

The fiscal year lasts 12 months from January 1 to December 31.

1.1.5 Groupe BPCE and BRED Banque Populaire's position within Groupe BPCE

Groupe BPCE works in all banking and insurance businesses through its two major cooperative networks, Banque Populaire and Caisse d'Épargne, as well as its subsidiaries.

The description and organization chart of Groupe BPCE is available on the BPCE website, in particular in the Universal Registration Document and its updates, by clicking on the following link: <https://www.groupebpce.com/en/investors/results-and-publications/universal-registration-document-registration-document/>.

BRED Banque Populaire is an affiliate of BPCE. BPCE is a central institution within the meaning of the French Monetary and Financial Code and an approved credit institution. It is incorporated as a public limited company (*société anonyme*) with a Management Board and a Supervisory Board and 50% of its capital is held by the Banques Populaires. BRED Banque Populaire held a 4.95% stake at December 31, 2024.

1.1.6 Equity holdings and controlling interests

As required by Article L.233-6 of the French Commercial Code, companies that have their registered offices in France and exceeded significant equity holding or controlling interest thresholds (as a %) are listed below:

	January 1, 2024	December 31, 2024
FRP II	0%	100%
FRP V	0%	100%
FRP VI	0%	100%
FRP VII	0%	100%
FONCIÈRE HÉROUVILLE	0%	100%
SCI HÉROUVILLE	0%	100%
VALMY FINANCEMENT 21 SAS	0%	100%
VALMY FINANCEMENT 22 SAS	0%	100%
VALMY FINANCEMENT 23 SAS	0%	100%
VALMY FINANCEMENT 24 SAS	0%	100%
VALMY FINANCEMENT 25 SAS	0%	100%
VALMY FINANCEMENT 26 SAS	0%	100%
VALMY FINANCEMENT 27 SAS	0%	100%
VALMY FINANCEMENT 28 SAS	0%	100%
VALMY FINANCEMENT 29 SAS	0%	100%
VALMY FINANCEMENT 30 SAS	0%	100%

1.2 SHARE CAPITAL

At December 31, 2024, the share capital of €1,962,341,211.60 is divided into 184,430,565 cooperative shares with a nominal value of €10.64, all of which are fully paid up and must be held in registered form.

1.2.1 Change in share capital

	Change in the share capital of BRED Banque Populaire			
	Amount of share capital	Number of members' cooperative shares	Nominal value of the share capital	Number of members
At December 31, 2024	€1,962,341,211.60	184,430,565	10.64	206,128
At December 31, 2023	€1,893,934,238.40	178,841,760	10.59	196,678
At December 31, 2022	€1,681,431,905.79	159,680,143	10.53	190,581
At December 31, 2021	€1,495,866,772.29	142,871,707	10.47	181,849
At December 31, 2020	€1,375,717,807.62	132,026,661	10.42	175,784

In accordance with Article L.512-5 of the French Monetary and Financial Code, taking into account the voting rights attached to the shares that cooperative shareholders hold directly and/or indirectly and the proxies granted to them, at meetings, no cooperative shareholder may hold more than 0.25% of the total number of voting rights attached to the company's shares, either personally or as a proxy. This restriction does not apply to the Chair of a meeting who casts votes under proxies received in accordance with the legal obligation under Article

L.225-106 of the French Commercial Code. The number of voting rights held directly or indirectly includes, in particular, the voting rights attached to shares that a cooperative shareholder holds personally, shares held by a legal person they control within the meaning of Article L.233-3 of the French Commercial Code, and units equivalent to shares held, as defined by the provisions of Articles L.233-7 et seq. of that Code.

I.2.2 Cooperative shares

The shares of BRED Banque Populaire are registered and held in individual accounts kept in accordance with legal requirements. They are not listed. Transfers, which are essentially between the Bank's customers, are carried out at nominal value by a transfer between accounts.

Ownership of a share is deemed automatic agreement with the company's articles of association and the decisions adopted by General Meetings.

I.2.3 Remuneration of cooperative shares

Shares confer the right to yearly interest at a rate set by the Annual General Meeting. In accordance with Article 14 of the act of September 10, 1947 governing the status of cooperative entities, this rate may not exceed the average yield of bond issues over the three calendar years preceding the date of the General Meeting, plus two points.

Interest paid on cooperative shares was:

- €0.158 for the 2019 fiscal year;
- €0.140 for the 2020 fiscal year;
- €0.157 for the 2021 fiscal year;
- €0.263 for the 2022 fiscal year;
- €0.317 for the 2023 fiscal year.

I.2.4 Treasury shares

At December 31, 2024, 1,803,147 BRED cooperative shares were held by the company indirectly.

I.2.5 Delegations of authority in connection with capital increases granted by General Meetings to the Board of Directors

Date of the General Meeting	Overall authorization ceiling	Duration of authorization	Capital increase carried out on the basis of this authorization
General Meeting of May 30, 2024	€500,000,000 by issuing cooperative shares	26 months	Capital increase in cash, <u>completed on December 18, 2024</u>, in the amount of €59,185,444.95, through the issuance of 5,588,805 new cooperative shares of a par value of €10.59. Subsequently, the nominal value of existing and new shares was increased by €0.05 by capitalizing reserves totaling €9,221,528.25. The company's share capital thus increased from €1,893,934,238.40 to €1,962,341,211.60.

1.3 THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

1.3.1 The Board of Directors



PATRICIA LEWIN

Director

LAURENCE DUGELAY

Director representing employees

RAPHAËL POCHET

Director

ISABELLE PASTORET

Director

JEAN-PAUL JULIA

Chief executive officer

NADINE CALVÈS

Director

PASCAL DROUHAUD

Director

GÉRARD KUSTER

Deputy secretary

ISABELLE GRATIANT

Chairman of the board of directors

LEÏLA TURKI

Director

BRUNO GIORGIANNI

Director

NATHALIE BRIOT

Director

FRANÇOIS MARTINEAU

Vice-President

PASCAL MARTIN DE FREMONT

Director representing employees

CAMILLE BOUGON

Director

STÉPHANE QUENNET

CSEC delegate

LAURENT RONIS-LE MOAL

Director

CYRIL BARTH

Director

EDOUARD DELMON

BPCE delegate

Not on picture:

STÈVE GENTILI

Delegate Vice-President

BENOÎT BAS

Deputy secretary

ANNE BAY

Director

BRUNO BLANDIN

Board secretary

1.3.1.1 The role of the Board

The Board of Directors is a collegial body that determines the company's business strategies and ensures they are carried out. Subject to the powers expressly granted to General Meetings, and within the limit of the corporate purposes, the Board of Directors considers all issues relating to the company's operations and, by its decisions, resolves matters that concern it. The Board performs the checks and controls it deems necessary and devotes sufficient time to its tasks.

In particular, the articles of association empower the Board to:

- define the company's general strategy and objectives;
- authorize commitments that exceed the internal delegation of authority granted to the Chief Executive Officer;
- examine and approve the annual and consolidated financial statements and prepare the company's management report;
- propose the annual interest to be paid on cooperative shares, subject to the legal maximum;
- decide on the admission and expulsion of cooperative shareholders;
- convene General Meetings;
- adopt internal rules of procedure specifying the rules of its operation, as well as those of the specialized committees.

In addition to the articles of association, the Board of Directors has adopted rules of procedure that are periodically updated to comply with current laws and regulations, as well as corporate governance best practice.

The Board also performs the tasks and exercises the powers granted to it by the Ministerial Order of November 3, 2014 on internal controls within companies in the banking, payment services and investment services sector that are supervised by the French Prudential Supervisory Authority (hereafter the "Ministerial Order of November 3, 2014"). Accordingly, it examines the activities and results of the internal control system on the basis of reports from those responsible for permanent and periodic controls, sets overall risk limits and

criteria and thresholds for significant incidents, decides the remuneration policy taking into account its impact on risk and, more generally, ensures that the Bank complies with the requirements of the Ministerial Order of November 3, 2014 and all statutes and regulations governing risk management and controls of credit institutions.

The Board also complies with the EBA/GL/2021/05 guidelines on internal governance issued by the European Banking Authority (hereinafter the "Internal Governance Guidelines"). These guidelines set out the internal governance systems, processes and mechanisms credit institutions must adopt to ensure they are effectively and prudently managed. In this regard, the Board of Directors, in its capacity as a management body exercising a supervisory role, must in particular:

- supervise and monitor Management decision-making and actions;
- ensure effective oversight of the management body in its executive role;
- constructively challenge and critically examine the proposals and information provided by the members of the management body in its executive role, as well as its decisions;
- periodically assess the effectiveness of the institution's internal governance framework and take appropriate measures to address any weaknesses detected.

1.3.1.2 Specific duties of the Chair of the Board

The Chair's responsibilities are set out in the articles of association and rules of procedure. In particular, the Chair:

- organizes and oversees the work of the Board of Directors;
- ensures that strategic issues are discussed as a priority;
- reports to the General Meeting;
- together with Senior Management, prepares the general policies and objectives proposed to the Board of Directors;
- ensure that the directors are able to perform their duties.

1.3.1.3 Composition of the Board

At December 31, 2024, the Board of Directors was composed of twenty directors, including two directors representing employees.

Chair of the Board of Directors

Isabelle GRATIANT

Main position: Chair of the Board of Directors of BRED

Term end date: 2028 General Meeting Number of cooperative shares held: 11,648 Date of birth: April 8, 1960	Mandates or functions within BRED Banque Populaire Group - Chair of the Board of Directors of BRED Banque Populaire, BRED COFILEASE and BRED GESTION. - Director of Prépar Courtage, Prépar IARD, Cofibred and the BRED Banque Populaire corporate foundation. - Member of the Supervisory Board of Prépar Vie. - Manager of SCI Entreprise et Développement Mandates or functions outside BRED Banque Populaire Group - University professor.

Deputy Vice-Chair

Stève GENTILI

Main position: Deputy Vice-Chair of the Board of Directors of BRED Banque Populaire

Term end date: 2026 General Meeting Number of cooperative shares held: 38,201 Date of birth: June 5, 1949	Mandates or functions within BRED Banque Populaire Group - Chair of the Board of Directors of Cofibred, BIC-BRED, BIC-BRED Suisse SA, the BRED Banque Populaire corporate foundation, IRR INVEST SA, NRJ INVEST SA and SPIG. - Deputy Vice-Chairman of the Board of Directors of BRED Banque Populaire. - Director of Promepar Asset Management, BRED Gestion, BCI Mer Rouge, Prépar IARD, BRED Cofilease and EPBF. - Member of the Supervisory Board of Prépar Vie. Mandates or functions outside BRED Banque Populaire Group - Director of Financière Hoche Bains-les-Bains.

Vice-Chair

François MARTINEAU

Main position: Member of the Bar

Term end date: 2026 General Meeting Number of cooperative shares held: 2,438 Date of birth: June 11, 1951	Mandates or functions within BRED Banque Populaire Group - Vice-Chair of BRED Banque Populaire. Mandates or functions outside BRED Banque Populaire Group - Member of the Bar. - President of the Conservateur Foundation. - Member of the Supervisory Board and Vice-Chair of Assurances and Associations Mutuelles le Conservateur. - Director of Conservateur Finance.

| Secretaries

Bruno BLANDIN**Main position:** Manager of Établissements Claude Blandin et Fils SARL

Term end date: 2030 General Meeting Number of cooperative shares held: 3,461 Date of birth: October 7, 1952	Mandates or functions within BRED Banque Populaire Group • Secretary of the Board of Directors of BRED Banque Populaire. • Director of BRED COFILEASE. Mandates or functions outside BRED Banque Populaire Group • Manager of Établissements Claude Blandin et Fils SARL (ECB), lead holding company of a group of commercial companies. • Manager of TRIDOM SARL, lead holding company of a group of property companies. • Manager of SARL B6, SARL BEB, SCI ATHENAI, SCI TAMARINE, SCI AQUILA-CURIE, CARAIBES Marchand de biens, SCI DE L'ANGLE, SCI Du TREGOR LANNION. • President of SAS PROMIDOM. • Vice-Chairman of FEDOM (<i>Fédération des DOM/TOM</i>). • Director of GIE C2B, GIE CBI, and SEM PATRIMONIALE RÉGION GUADELOUPE. • Permanent representative of Établissements Claude Blandin et fils as member of the Management Committee of CANAL+ ANTILLES. • President of the <i>Union des Entreprises - MEDEF GUADELOUPE</i>. • 1st Vice-Chair and Director of the Grand Port Maritime de la Guadeloupe (Member of the Supervisory Board). • Elected member of the Guadeloupe Islands Chamber of Commerce and Industry (CCI-IG).

Gérard KUSTER**Main position:** Business Ethics Consultant at Ethics Premium

Term end date: 2028 General Meeting Number of cooperative shares held: 4,858 Date of birth: December 20, 1948	Mandates or functions within BRED Banque Populaire Group • Deputy Secretary to the Board of Directors of BRED Banque Populaire. • Director of Promepar Asset Management and Prépar Courtage. Mandates or functions outside BRED Banque Populaire Group • Business Ethics Consultant at Ethics Premium. • Director of the <i>Forum francophone des affaires</i>. • Member of the Ethics Committee of Aéroports de Paris (ADP).

Benoît BAS**Main position:** Corporate Affairs and Communications Director at JT International

Term end date: 2026 General Meeting Number of cooperative shares held: 379 Date of birth: January 16, 1975	Mandates or functions within BRED Banque Populaire Group • Deputy Secretary to the Board of Directors of BRED Banque Populaire. • Director of the BRED Banque Populaire Enterprise Foundation. Mandates or functions outside BRED Banque Populaire Group • Corporate Affairs and Communications Director at JT International. • Director of ALCOME (environmentally responsible organization).

Directors

Cyril BARTH

Main position: President of CYRALAB, professional training center

Term end date: 2029 General Meeting Number of cooperative shares held: 1,171 Date of birth: March 11, 1971	Mandates or functions within BRED Banque Populaire Group • Director of BRED Banque Populaire. • Director of the BRED Banque Populaire Enterprise Foundation. Mandates or functions outside BRED Banque Populaire Group • President of SAS CYRALAB, COHÉRENCE SAS, SCYFCONSEIL. • Manager of SCI SCYFC'HOME.

Anne BAY

Main position: Co-manager – Chief Administrative and Financial Officer – Nostromo communications agency

Term end date: 2028 General Meeting Number of cooperative shares held: 101 Date of birth: January 25, 1962	Mandates or functions within BRED Banque Populaire Group • Director of BRED Banque Populaire. Mandates or functions outside BRED Banque Populaire Group • Manager – Chief Administrative and Financial Officer of the Nostromo SARL communications agency.

Camille BOUGON

Main position: Director of the French property division of an international investment holding company - Independent Consultant of Associés en Gouvernance

Term end date: 2025 General Meeting Number of cooperative shares held: 4,748 Date of birth: April 4, 1981	Mandates or functions within BRED Banque Populaire Group • Director of BRED Banque Populaire. Mandates or functions outside BRED Banque Populaire Group • Director of the French property division of an international investment holding company - Independent Consultant of Associés en Gouvernance. • President of SAS CAMERO. • Manager of SC JEANJO, SCI MINIE, SCI DES MARAIS, IPC SARL. • Partner of SCI BOIS LEVENT.

Nathalie BRIOT

Main position: Institutional relations and lobbying consultant

Term end date: 2026 General Meeting Number of cooperative shares held: 101 Date of birth: July 11, 1954	Mandates or functions within BRED Banque Populaire Group • Director of BRED Banque Populaire. • Director of the BRED Banque Populaire Enterprise Foundation. Mandates or functions outside BRED Banque Populaire Group • Institutional relations and lobbying consultant. • Managing Partner of SCI LA TERRASSE. • Partner of SCI RABATAU 59.

Nadine CALVES

Main position: Management Officer to the General Secretariat of the French Finance Ministry

Term end date: 2026 General Meeting	Mandates or functions within BRED Banque Populaire Group
Number of cooperative shares held: 496	• Director of BRED Banque Populaire. • Director of the BRED Banque Populaire Enterprise Foundation.
Date of birth: April 6, 1965	Mandates or functions outside BRED Banque Populaire Group
	• Management Officer to the General Secretariat of the French Finance Ministry.

Pascal DROUHAUD

Main position: Manager of EURL International Consulting Strategy

Term end date: 2025 General Meeting	Mandates or functions within BRED Banque Populaire Group
Number of cooperative shares held: 206	• Director of BRED Banque Populaire.
Date of birth: July 3, 1964	Mandates or functions outside BRED Banque Populaire Group
	• Manager of EURL International Consulting Strategy.

Bruno GIORGIANNI

Main position: Public Affairs and Security Officer and Chief of Staff to the Chair and CEO of Dassault Aviation

Term end date: 2025 General Meeting	Mandates or functions within BRED Banque Populaire Group
Number of cooperative shares held: 100	• Director of BRED Banque Populaire. • Director and member of the Strategy Committee of Cofibred (Compagnie Financière de la BRED).
Date of birth: April 17, 1966	Mandates or functions outside BRED Banque Populaire Group
	• Public Affairs and Security Officer and Chief of Staff to the Chair and CEO of Dassault Aviation. • Member of the GIFAS-CIDEF Defense Committee.

Patricia LEWIN

Main position: Outreach delegate for the French Ministry of Defense's Directorate General for International Relations and Strategy (DGRIS)

Term end date: 2026 General Meeting	Mandates or functions within BRED Banque Populaire Group
Number of cooperative shares held: 528	• Director of BRED Banque Populaire.
Date of birth: November 24, 1960	Mandates or functions outside BRED Banque Populaire Group
	• Outreach delegate for the French Ministry of Defense's Directorate General for International Relations and Strategy (DGRIS).

Isabelle PASTORET

Main position: Controller General at the Ministry of Finance, Trade and Industry

Term end date: 2026 General Meeting	Mandates or functions within BRED Banque Populaire Group • Director of BRED Banque Populaire.
Number of cooperative shares held: 573	Mandates or functions outside BRED Banque Populaire Group • Controller General at the Ministry of Finance, Trade and Industry.
Date of birth: April 29, 1962	• Member of the Economic and Social Council of the Île-de-France Region (CESR).

Raphaël POCHET

Main position: Consultancy and training for security executives

Term end date: 2026 General Meeting	Mandates or functions within BRED Banque Populaire Group • Director of BRED Banque Populaire.
Number of cooperative shares held: 1,220	Mandates or functions outside BRED Banque Populaire Group • Security executive training consultant.
Date of birth: February 3, 1953	

Laurent RONIS-LE MOAL

Main position: General Manager of Services for the Cotentin Urban Area

Term end date: 2027 General Meeting	Mandates or functions within BRED Banque Populaire Group • Director of BRED Banque Populaire.
Number of cooperative shares held: 100	Mandates or functions outside BRED Banque Populaire Group • General Manager of Services for the Cotentin Urban Area.
Date of birth: November 26, 1971	

Leïla TURKI

Main position: Senior executive in an asset management company

Term end date: 2025 General Meeting	Mandates or functions within BRED Banque Populaire Group • Director of BRED Banque Populaire.
Number of cooperative shares held: 3,021	
Date of birth: October 25, 1972	

Directors representing employees

Pascal MARTIN DE FRÉMONT

Main position: Back-office staff member at BRED Banque Populaire

Term end date: June 17, 2030 Number of cooperative shares held: 348 Date of birth: August 30, 1965	Mandates or functions within BRED Banque Populaire Group • Back-office staff member at BRED Banque Populaire. • Director representing the employees at BRED Banque Populaire.

Laurence DUGELAY

Main position: Portfolio Officer within the Asset Commitments and Projects division of BRED Banque Populaire

Term end date: September 12, 2030 Number of cooperative shares held: 0 Date of birth: February 23, 1969	Mandates or functions within BRED Banque Populaire Group • Portfolio Officer within the Asset Commitments and Projects division of BRED Banque Populaire. • Director representing the employees at BRED Banque Populaire. Mandates or functions outside BRED Banque Populaire Group • Treasurer of UNSA Banque Populaire.

Method of appointment and term of office of directors

The directors, who must be members of the Bank, are appointed by the General Meeting for a term of six years, on the recommendation of the Board of Directors and after review by the Nominations Committee.

The two directors representing employees were appointed or reappointed in 2024, for a term of six years, by the two largest trade unions.

Balanced representation

The composition of the Board aims to strike a balance between:

- the experience, knowledge and skills required to perform the duties of a member of the Board of Directors; and
- a harmonious representation of the various socio-professional categories that comprise the Bank's customer base and the different regions in which it does business.

At December 31, 2024, the Board of Directors consisted of nine women and eleven men (i.e., 45% women and 55% men), not including the two directors representing employees in accordance with the law. BRED therefore meets with the minimum percentage of 40% of each gender on its Board of Directors, in accordance with the provisions of Article L.225-18-I of the French Commercial Code.

In addition, the articles of association provide that the number of directors over the age of 68 may not exceed one third of the number of directors in office. However, this provision does not apply to the two directors representing employees.

Directors' ethical obligations

Directors must comply with the French and European laws regarding the availability, attendance, skills, knowledge, integrity and confidentiality obligations incumbent on the directors of a credit institution.

Persons who attend Board of Directors meetings

Senior Management, the General Secretary, the representative of the Social and Economic Committee and the representative of the central body (BPCE) attend Board meetings in a non-voting capacity. Lastly, the Statutory Auditors and the company's operational and functional managers attend meetings whenever necessary.

1.3.1.4 The Board's work in 2024

The Board of Directors meets as often as required by the company's interests, pursuant to a notice of meeting given by its Chair and at least six times per year.

During the 2024 fiscal year, the Board met seven times. Meetings lasted an average of four hours, with an attendance rate of directors of 95%.

Governance

- The Board approved the training program for the directors representing employees and was informed of the training program for the other Board members.
- It decided on the allocation of compensatory payments for time devoted to company business by Board members.
- The Board took note of the results of the self-assessment carried out for the 2023 fiscal year.
- It prepared and approved the resolutions submitted to the Annual General Meeting.

Corporate social responsibility and cooperative audits

- The Board of Directors reviewed the Bank's corporate social responsibility (CSR) policy and actions, as well as the five-year cooperative audit report.
- It contributed to the definition of BRED's values and reviewed the conclusions of the project to define these values.

Share capital

- Following a review by the Bureau members, the directors approved the transfers of cooperative shares. They were also regularly informed when the limits on cooperative share ownership were exceeded.
- The Board of Directors took note of the cooperative shareholder stimulus plan and approved the changes made to the share capital security policy.
- Using the delegation of authority granted by the General Meeting, the Board of Directors carried out a capital increase of €59,185,444.95, in order to strengthen the activity, stability and financial autonomy of the Bank. Since December 18, 2024, the share capital has been €1,962,341,211.60.

Human resources and remuneration

- The Board of Directors heard a report on the work of the Remuneration Committee.
- On the recommendation of this Committee, it established the principles and criteria for determining, distributing and allocating the components of remuneration for the Chief Executive Officer. In addition, it approved the variable remuneration policy applicable to traders, risk controllers and executive management.
- The Board of Directors was informed of the results of the "Diapason" survey, which has served as a barometer of employee engagement since 2012.

Strategy, activity and operations

- The Board of Directors approved Groupe BRED's 2024-2027 strategic plan.
- It was regularly informed of the economic situation in France, Europe and internationally, with a particular focus on the banking and financial markets. Changes in interest rates and their impact on the banking sector and on BRED were a constant focus of attention for the members of the Board of Directors.
- During the 2024 fiscal year, the Board of Directors approved two exceptional transactions: the acquisition of the leading bank in Madagascar and the sale of its technological subsidiary Vialink.
- The Board heard the heads of the Bank's main departments report on the business activities and growth in the results of commercial banking in France and internationally, the Corporate and Investment Bank and the Consolidated management of investments.
- It approved the Trading Desk business plan and carried out the annual review of commitment limits.
- The Board also reviewed the figures illustrating the improvement in customer satisfaction.

Accounting and financial information

- The Board of Directors regularly heard reports on the work of the Audit and Accounts Committee.
- It examined and approved the company and consolidated financial statements for the 2023 fiscal year, and reviewed the quarterly results, the updated year-end forecast, the medium-term plan and the budget for 2025.
- Board members discussed with the Statutory Auditors.
- The Board carried out the annual review of regulated commitments and related-party agreements entered into and authorized in previous fiscal years that continued into 2023.
- It approved the draft report of the Board of Directors for 2023 and the Pillar 3 report.
- The Board renewed the authorizations for the issuance of subordinated notes and euro medium-term notes (EMTNs).

Internal control, risks, compliance

- The Board of Directors regularly heard reports on the work of the Risk Committee, in particular the results of the assignments carried out by BRED's Internal Audit, and the follow-up of recommendations (for all issuers).
- It was informed of the change in the head of the compliance function.
- The Board approved the risk appetite system presented by Senior Management and the Risk division, and was regularly informed of its monitoring and updating.
- It was informed of the results of the Internal Audit's work and the multi-year audit plan.
- The annual report on internal control for the 2023 fiscal year, as well as the internal control reports concerning the anti-money laundering and financing of terrorism (AML-CTF) systems and the freezing of assets, were approved by the Board.
- The directors monitored the Bank's risk governance and internal control framework. They regularly heard the Director of Risk, Protection and Control, in particular regarding the summary of permanent controls in 2023, the periodic review of the risk dashboards and consolidated mapping, as well as the approval of policies and procedures.
- The Board was informed of a study on the monitoring of high-risk segments and associated strategies.
- It examined the work of the Risk Committee relating to IT risks, the results of the information system security tests, and the conclusions of the BRED Internal Audit's mission on cybersecurity.
- Lastly, it was informed of the solidarity, deposit guarantee and resolution mechanisms.

1.3.1.5 The Board's specialized committees

The Board of Directors has created four specialized committees, whose members are all directors of the Bank. Members issue opinions intended for the Board and are appointed by the Board on the basis of their skills and professional experience for a period set at the time of their appointment.

The main roles of the Committees

Audit and Accounts Committee

The main roles of the Audit and Accounts Committee are:

- monitoring issues relating to the preparation and auditing of accounting and financial information;
- overseeing the process for preparing financial information and, if necessary, making recommendations to ensure its integrity;
- monitoring the efficiency of the internal control and risk management procedures with regard to the procedures for preparing and treating accounting and financial information;
- ensuring the independence of the Statutory Auditors and examining their work program, their recommendations and the follow-up actions taken by Senior Management;
- assuming responsibility for the selection procedure for the Statutory Auditors and issuing recommendations on their appointment, remuneration, renewal and dismissal.

Risk Committee

The main roles of the Risk Committee are:

- advising the Board of Directors on the Bank's overall strategy and risk appetite, both current and future, taking into account all types of risk, to ensure they are consistent with the Bank's business strategy, objectives, culture and corporate values;
- overseeing the implementation of the Bank's strategies concerning capital management, liquidity and other relevant risks, such as market risk, credit risk, operational risk (including legal and IT risks) and reputational risk, in order to ensure they are consistent with the approved risk appetite and risk strategy;
- examining various possible scenarios, including stress scenarios, to assess how the Bank's risk profile would react to external and internal events;
- evaluating the recommendations of the internal and external auditors and ensuring the appropriate implementation of measures adopted;
- ensuring the prices for products and services offered to customers are in line with the Bank's business model and risk strategy.

Remuneration Committee

The main roles of the Remuneration Committee are:

- preparing the decisions the Board of Directors adopts regarding remuneration, in particularly those that have an impact on the Bank's risk and risk management;
- performing an annual review of:
 - the Bank's remuneration policy,
 - the remuneration, bonuses and benefits of all types granted to the Bank's corporate officers,
 - certain categories of employees, including risk takers, staff members with a control function, and any other employee in the same remuneration bracket given their aggregate income, whose professional activities may have a significant impact on the risk profile of the Bank or the group;
- evaluating the mechanisms and systems adopted to ensure that:
 - the remuneration system takes due account of all types of risk and liquidity and capital levels,
 - the overall remuneration policy is consistent and promotes sound and effective risk management, and
 - it is consistent with the Bank's business strategy, objectives, culture, corporate values and long-term interests.

Appointments Committee

The main roles of the Appointments Committee are:

- identifying and recommending to the Board of Directors suitable candidates for election to the Board, with a view to proposing them for election to the Board at the General Meeting;
- assessing:
 - the structure, size, composition and effectiveness of the Board of Directors with regard to the tasks assigned to it and to submit any useful recommendations to it,
 - the knowledge, skills and experience of members of the Board of Directors, individually and collectively, and report to the Board in this respect;
- periodically reviewing the Board's policies on the selection and appointment of executive management and making recommendations to the Board of Directors;
- setting a target for balanced representation of men and women on the Board of Directors.

Composition of the committees

Each committee is composed of at least three members chosen from among the directors and who do not exercise management functions within the Bank.

Committee members, individually and collectively, have suitable knowledge, professional experience and skills to sit on their respective committees.

Committee members are appointed by the Board at the proposal of the Chairman for the duration of their duties as directors.

At December 31, 2024, the main specialized committees were composed of:

Composition of the specialized committees of the BRED Banque Populaire Board

	Audit and Accounts Committee ⁽¹⁾	Risk Committee	Remuneration Committee	Appointments Committee
Chairman	Benoît BAS	Gérard KUSTER	Raphaël POCHET	Stève GENTILI
Committee members	Bruno BLANDIN	François MARTINEAU	Pascal DROUHAUD	Nathalie BRIOT
	Gérard KUSTER	Isabelle PASTORET	Stève GENTILI	Nadine CALVES
	François MARTINEAU	Leïla TURKI	Patricia LEWIN	Patricia LEWIN
	Isabelle PASTORET		Pascal MARTIN DE FREMONT	Raphaël POCHET
	Leïla TURKI			

(1) In accordance with Article L823-19 of the French Commercial Code, at least one member of the Audit and Accounts Committee has specific financial or accounting skills. This person is Gérard Kuster who was appointed by the Board of Directors as an independent member with financial and accounting expertise.

The main topics examined by the specialized committees in 2024

Audit and Accounts Committee

The Committee met five times in 2024 and reported on its work to the Board of Directors.

The Audit and Accounts Committee examined BRED's standalone and consolidated financial statements and interim financial statements.

It examined the process for preparing accounting and financial information, the results of the audits performed in 2023 by the Financial Control Department, and the audit plan for 2024. The Committee also took note of the anti-corruption mapping relating to accounting procedures and controls.

It met in closed session with the Statutory Auditors to discuss the financial statements for the 2023 fiscal year and reviewed their reports.

The Committee also examined the Statutory Auditors' statement of independence and took note of their audit plan for 2024. It reviewed the services for which BRED appointed the Statutory Auditors, other than the certification of the financial statements.

Risk Committee

The Risk Committee met seven times in 2024 and reported on its work to the Board of Directors.

It was regularly informed of the findings of assignments conducted by the BRED Group Compliance Division, the Groupe BPCE Compliance Division and the supervisory authorities, and was updated on the implementation of the recommendations expressed.

The Committee examined the 2024 audit plan and the multi-year audit plan of the BRED Internal Audit.

It reviewed the annual report on internal control, the report of the Compliance Director and the BRED Group's internal control charter.

It periodically reviewed the risk management system (including compliance with thresholds and limits), focusing on credit risk, market risk, balance sheet risk, compliance risk, country risk and operational risk. The Committee regularly took note of the change in risk appetite indicators and the quarterly consolidated risk map, including non-compliance risk.

The Committee was informed of the periodic updating of policies, particularly covering commitments, investment, liquidity, cash flow, balance sheet management, compliance, operational risk country risk and compliance of investment services. It took note of the procedures relating to the management and supervision of subsidiaries, as well as exceptional growth operations and transactions.

The Committee regularly interviewed the managers of Bank departments, including Legal, Human Resources, Consolidated Investment Management, Information Systems Security and Safety of Persons and Property.

Remuneration Committee

The Committee met twice in the past year and reported on its work to the Board.

As it does every year, it examined and recommended that the Board should approve the variable remuneration package for the CEO.

The Committee received detailed information on changes in the regulated population and their variable remuneration. It conducted the annual review of the remuneration policy, ensuring its compliance with the regulatory provisions and professional standards in force.

In accordance with Article L511-74 of the French Monetary and Financial Code, the Remuneration Committee reviewed the conclusions of the audit performed to verify proper application of the regulatory provisions specific to risk takers.

It examined the remuneration of the heads of BRED's control functions.

Finally, the Committee prepared the draft resolutions concerning remuneration, which were submitted for approval to the General Meeting.

Appointments Committee

The Committee met three times in the past year and reported on its work to the Board.

In accordance with Article L511-100 of the French Monetary and Financial Code and the EBA/ESMA guidelines on assessing the suitability of members of the management body and holders of key positions, the Appointments Committee assessed the structure, size, composition and effectiveness of the Board of Directors.

In the context of the appointments and reappointments of three directors, an individual assessment was carried out to ensure that:

- the rules governing the holding of multiple terms of office are complied with;
- sufficient time is devoted to their term of office as director of BRED;
- they have the necessary experience, knowledge and skills;
- nothing calls into question their good repute, honesty and integrity;
- there are no conflicts of interest to report.

Lastly, in accordance with Article L.511-101 of the French Monetary and Financial Code, the Appointments Committee ensured that, in the performance of its duties, the Board of Directors was not dominated by one person or a small group of persons in a manner prejudicial to the interests of BRED.

1.3.1.6 Management of conflicts of interest and regulated commitments

All directors must inform the Board of any conflict of interest, including potential conflicts of interest, and refrain from participating in the vote on the corresponding decision.

In accordance with the EBA/ESMA guidelines on assessing the suitability of members of the management body and holders of key positions, the Board of Directors has adopted a policy for preventing and managing conflicts of interest that identifies and oversees situations that could potentially hinder the ability of management or the Board of Directors to adopt objective and impartial decisions that best meet the Bank's interests and to perform their duties independently and objectively.

In addition, any agreement entered into directly or indirectly between BRED and its Chief Executive Officer and, more broadly, any person referred to in Article L.225-38 of the French Commercial Code, must be submitted to the Board of Directors for prior authorization.

The same applies to any agreement made between BRED and another company if the Chief Executive Officer or any director of BRED is an owner, partner with unlimited liability, manager, director, member of the Supervisory Board or, in general, the head of such company.

Prior approval by the Board of Directors must be based on the benefits of the agreement to the BRED, specifically the financial conditions associated with it.

1.3.2 Senior Management and the Executive Committee

BRED Banque Populaire's Senior Management consists of a Chief Executive Officer and three Deputy CEOs.

1.3.2.1 Senior Management

Appointment of the Chief Executive Officer

Pursuant to a proposal of the Chair, the Board of Directors appoints a Chief Executive Officer for a five-year term. The Chief Executive Officer may not be a member of the Board of Directors. The term of office is renewable.

In accordance with Article L.512-107 of the French Monetary and Financial Code, the appointment and renewal of the term of office of the Chief Executive Officer is subject to BPCE's approval.

Jean-Paul Julia has been Chief Executive Officer of BRED since June 1, 2023.

Role and powers of the Chief Executive Officer

The Chief Executive Officer has the broadest powers to act on the company's behalf in all circumstances. The CEO exercises their powers within the limits of the corporate purposes, subject to the powers expressly reserved by law to General Meetings and the Board of Directors. The Chief Executive Officer manages the company in accordance with its corporate interest, taking into account the social and environmental issues in connection with its business.

The CEO must obtain prior authorization from the Board of Directors for projects to:

- acquire or dispose of material equity interests or equity interests that materially modify the consolidation scope;
- acquire or dispose of buildings used as head offices.

Deputy Chief Executive Officers

The Chief Executive Officer is assisted by three Deputy CEOs, Éric MONTAGNE, Simone DE OLIVEIRA and Béatrice GOSSEREZ.

Accountable managers

BRED, in accordance with banking regulations, has appointed Jean-Paul JULIA and Éric MONTAGNE as its two executive managers. With regard to the supervisory authorities and in particular the ACPR, Jean-Paul JULIA and Éric MONTAGNE are guarantors and assume full responsibility for the following activities:

- the effective determination of the direction of the institution's activity;
- accounting and financial information;
- internal control;
- the determination of capital.

1.3.2.2 Offices and positions held by the Chief Executive Officer

Jean-Paul JULIA

Main position: Chief Executive Officer of BRED Banque Populaire

Term end date:	Mandates or functions within BRED Banque Populaire Group
2028 General Meeting	• Chief Executive Officer of BRED Banque Populaire. • Chief Executive Officer of Cofibred. • Director of Banque Franco Lao (BFL), BCI Mer Rouge, BRED Bank Fiji Limited, BRED Bank Cambodia, BRED Madagasikara Banque Populaire, BIC BRED Suisse SA, Banque Internationale de Commerce - BRED, BRED Gestion, Promepar Asset Management. • Member of the Supervisory Board of Prépar Vie. • Permanent representative of BRED on the Board of Directors of BCI Nouvelle-Calédonie. • Non-voting director of BPCE.

I.

1.3.2.3 Executive Committee

The Executive Committee consists of Senior Management and 14 other members who are department heads. It meets once a week.



JEAN-PAUL JULIA
Chief Executive Officer



SIMONE DE OLIVEIRA
Deputy CEO
responsible for Technologies,
Services and Operations



BÉATRICE GOSSEREZ
Deputy CEO and Secretary
General



ÉRIC MONTAGNE
Deputy CEO
responsible for the Commercial
division



RÉGIS BARRIAC
Director of International
Operations



NATHALIE BETTING
Deputy Director of Financing
and Investment Banking



ARNAUD DELAUNAY
Director of CSR



FRANÇOISE EPIFANIE
Development Director



**BALTASAR
GONZALEZ-COLLADO**
Chief Financial Officer



MURIEL LECLERCQ
Director of Strategy
and Transformation



AURÉLIEN PENNERAT
Director of General Inspection
and Internal Audit



JEROME PERRIN
Director of French overseas
Territories Networks



LEILA SALIMI
Director of Communications



LAURENT SAMSOEN
Mainland France Commercial
Network Director



CHRISTIAN SCHELLINO
Commitments Director



**VALERIE
SCLAVON-PERRONNET**
Human Resources Director



LUC VIENNET
Director of Financing and
Investment Banking



ARNAUD VIRICEL
Director of Risk, Protection
and Control

I.4 GENERAL MEETINGS

I.4.1 Methods for convening meetings

General Meetings are convened by the Board of Directors in accordance with the requirements prescribed by law. As the shares are in registered form, meetings may be convened by sending each cooperative shareholder a notice of meeting by ordinary post.

Meetings take place at the registered office or at any other place specified in the notice to attend. The notice of meeting must be sent at least fifteen days before the date of the meeting.

I.4.2 Admission requirements

All cooperative shareholders are entitled to attend General Meetings and take part in the deliberations, either in person or through a proxyholder, in accordance with the applicable laws and regulations, regardless of the number of cooperative shares they hold.

A proxyholder may not appoint another person to replace them. If a cooperative shareholder's proxy form does not specify the name of a proxy, the chair of the General Meeting will cast a vote in favor of the adoption of proposed resolutions submitted or approved by the Board of Directors and a vote against the adoption of all other proposed resolutions.

At a Board of Directors meeting duly convened on the date of a General Meeting, the Board may vote on amendments proposed by the General Meeting during a suspension of such meeting.

Legal persons may take part in General Meetings through their legal representatives or any other person duly and properly authorized to represent them.

A proxy is valid for one meeting only. However, it may be granted for an Ordinary Shareholders' Meeting and an Extraordinary Shareholders' Meeting held on the same day, or within a period of seven days. A proxy granted for a General Meeting is valid for all subsequent meetings convened with the same agenda.

All cooperative members may vote by post, using a balloted completed and sent to BRED in accordance with the requirements prescribed by the applicable laws and regulations.

In accordance with the requirements laid down by the statutes and regulations, cooperative shareholders may send their proxy form and postal ballots for any General Meeting in paper format, or in electronic format if authorized by the Board of Directors and stated in the notice of meeting.

I.4.3 Requirements for exercising voting rights

At all Ordinary or Extraordinary Shareholders' Meetings, the quorum is calculated on the basis of all cooperative shares that make up the share capital, less cooperative shares that have been deprived of voting rights in accordance with the law. Each share confers the right to one vote. If votes are cast by post, only postal ballots received by BRED no later than the day before the date of the meeting will be counted when calculating the quorum, in accordance with the requirements prescribed by the law in force.

In accordance with Article L.512-5 of the French Monetary and Financial Code and the Bank's articles of association, at meetings no cooperative shareholder may hold more than 0.25% of the total number of voting rights appurtenant to the company's shares, either personally or as a proxy, taking into account the voting rights attached to the shares cooperative shareholders hold directly and/or indirectly and the proxies granted to them.

I.5 THE STATUTORY AUDITORS

The company's accounts are audited by two Statutory Auditors appointed for six fiscal years by an Ordinary Shareholders' Meeting, who perform their duties in accordance with legal requirements.

Their terms of office will expire at the Ordinary Shareholders' Meeting that will vote in 2029 on the financial statements for the year ending December 31, 2028.

The Statutory Auditors' fees are set in accordance with legal requirements.

Statutory Auditors are vested with the duties and powers conferred to them by the statutes and regulations. They are given notice of all meetings of cooperative members no later than the date the members are given notice.

Statutory Auditors must be given notice of the Board meeting that will approve the accounts for the fiscal year. They may be given notice of any other meeting of the Board of Directors at which their presence is deemed appropriate.

Principal Statutory Auditors

DELOITTE et ASSOCIÉS
(appointed in 2023)

KPMG
(appointed in 1999)

Signatory partners

Charlotte VANDEPUTTE

Sophie MEDDOURI

I.6 COOPERATIVE REVIEW

In accordance with the provisions of Articles 25-1 to 25-5 of act 47-1775 of September 10, 1947 governing the status of cooperative entities, BRED is subject to the cooperative audit created by act 2014-856 of July 31, 2014.

This audit, which is performed by an independent auditor, verifies that the organization and operation of cooperative societies are consistent with the principles and rules applicable to cooperative entities and with the interests of the members, as well as with the specific cooperative rules applicable to them and, if necessary, proposes corrective measures.

The cooperative review is a positive act of cooperative governance. It provides BRED's members with the means to ensure that their company continues to abide by the operating

principles that guarantee its long-term future. For the corporate officers, it also aids governance and ensures the coherence of the cooperative project, taking into account the requirements of the cooperative status and the laws specific to its business sector.

The General Meeting of May 29, 2018 appointed Étienne Madranges as cooperative auditor. He presented his first cooperative audit report at the General Meeting held on May 28, 2019. His term of office was renewed at the General Meeting of May 31, 2023.

His second five-year report, issued in February 2024, was presented to the cooperative shareholders at the General Meeting of May 30, 2024.

CHAPITRE

2.

REMUNERATION POLICY
AND PRACTICES

2.1	DESCRIPTION OF THE COMPANY'S CURRENT REMUNERATION POLICY	24	2.3	DESCRIPTION OF THE REMUNERATION POLICY	25
2.2	DECISION-MAKING PROCESS	24	2.3.1	Composition of the risk taker population	25
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Report provided for in Article 266 of the Ministerial Order of November 3, 2014 on the internal control of companies in the banking, payment services and investment services sector subject to the supervision of the French Prudential Supervisory Authority

Remuneration policy and practices for persons defined in Article L.511-71 of the French Monetary and Financial Code

- 2024 fiscal year -

2.1 DESCRIPTION OF THE COMPANY'S CURRENT REMUNERATION POLICY

In general, fixed remuneration is adapted to the level of skills, responsibility and expertise of each employee and to the levels of remuneration for each profession in the banking sector labor market, considering the minimum levels for each classification set by the Bank's collective agreement. It takes into account the achievement of the objectives associated with the position (regular and formal evaluations of all employees are required by internal procedures).

Employees may also potentially receive a variable component that depends on meeting collective and/or individual targets.

At BRED level, the ratio between the sum of individual variable remuneration and of fixed remuneration is limited to a maximum of 20%.

Employees benefit from an incentive and profit-sharing scheme that depends on the Bank's results.

Furthermore, in the case of the periodic and permanent control departments, remuneration is set independently of that of the business lines controlled. Remuneration levels must be sufficient to hire individuals who are fully qualified to perform the work assigned to them.

The remuneration policy and practice are based on the principle of equal pay for men and women for equal work or work of equal value. BRED pays particular attention to gender equality, particularly in terms of pay policy and the reduction of inequalities, from the time employees are recruited by paying and classifying men and women equally for the same job, level of responsibility, training and professional experience, and then throughout their career; by ensuring proposals made during the annual pay review are fair. An agreement on gender equality in the workplace has been signed by all representative trade unions and a gender equality action plan has been rolled out. In particular, it includes a specific budget for reducing the pay gap between men and women. This commitment is reflected in the calculation of the gender equality index (Decree No. 2019-15 of January 8, 2019), for which BRED obtained 92 points out of a maximum of 100 points for 2024.

The variable remuneration scheme complies with the requirements imposed on the remuneration policy by the French Monetary and Financial Code, the Ministerial Order on internal control of November 3, 2014 and Delegated Regulation 2021/923 of March 25, 2021 supplementing CRD IV and CRD V.

2.2 DECISION-MAKING PROCESS

Acting on a proposal of Senior Management and after having consulted the Remuneration Committee, the Board of Directors determines the principles of the remuneration policy. In particular, this policy covers members of the regulated population, as defined by Delegated Regulation 2021/923.

2.2.1 Composition of the Remuneration Committee

The Remuneration Committee is chaired by Mr Raphaël Pochet. It is also composed of Mr Stève Gentili, Mr Pascal Drouhaud, Ms Patricia Lewin and Mr Pascal Martin de Frémont (Director representing employees).

Its composition complies with the applicable laws:

- the Committee consists of members of the supervisory body who do not hold a management position within the company;

- the Chair and the majority of the members possess the necessary qualities to be considered independent;
- the Committee includes an employee representative.

In addition, the members of the Remuneration Committee collectively have the appropriate professional knowledge, expertise and experience concerning remuneration policies and practices and risk management and control.

2.2.2 Role of the Remuneration Committee

The Remuneration Committee, which met on March 21, 2024 and October 29, 2024, has a file assembled under the supervision of Senior Management. This file includes, in particular, the report submitted to the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR), the French prudential supervisory authority for the banking and insurance sector pursuant to Article 266 of the Ministerial Order of November 3, 2014 on the internal control of companies in the banking, payment and investment services sector subject to control by the ACPR. It also incorporates the contributions of the Human Resources Department, the Risks, Protection and Permanent Control Department (advice on compliance with limits and internal procedures, as well as on the ethical behavior of risk-takers; the application of the principles of the risk-takers and executive remuneration policy).

This committee conducts an annual review of:

- the principles of the company's remuneration policy;
- the remuneration, bonuses and benefits of all types granted to the company's corporate officers;

- the remuneration of the heads of the control functions (Director of Risks, Protection and Permanent Control/ Secretary General, head of the control and compliance function/ the Head of Compliance of Investment Services/ the Head of Audit).

The Remuneration Committee expresses its opinion on Senior Management's proposals concerning the regulated population and proposes to the supervisory body the principles of the remuneration policy for that population. It is informed of any observations made by the ACPR or any other supervisory bodies.

It also ensures that the remuneration policy complies with the SRAB regulations and the Volker Rule.

Each year, the Remuneration Committee is informed of the reports of the Risk Takers' Committee, including breaches identified and final decisions adopted under Article L.511-84, paragraph I, concerning the allocation of variable remuneration to risk takers.

2.3 DESCRIPTION OF THE REMUNERATION POLICY

2.3.1 Composition of the risk taker population

In accordance with CRD V, the "Group I MRTs" have been identified, i.e., the risk takers identified by BRED Banque Populaire, a large institution in terms of its balance sheet.

Delegated Regulation 2021/923 defines a set of 17 criteria to identify regulated staff members. There are fifteen qualitative criteria and two quantitative criteria.

All employees meeting any of the criteria set out in the Delegated Regulation of March 25, 2021 were included in the Group I MRT scope.

Identification on the basis of qualitative criteria:

1. Member of the management body in an executive capacity (corporate officers – excluding the Chairman of the Board of Directors – and employee executive management);
2. Member of the management body in its supervisory capacity (Chairman and members of the Board of Directors);
3. Member of Senior Management (Executive Committee);
4. Responsibility for the activities of the independent risk management function, the compliance function or the internal audit function within the management body;
5. Overall responsibility for risk management within a "material business unit" within the meaning of European regulations: an organizational unit or subsidiary (credit institution, finance company, investment firm) to which an internal capital allocation of at least 2% has been made);
6. Staff member heading a "material business unit." In the case of a subsidiary, depending on its legal form, this is the Chief Executive Officer or the Chairman of the Management Board;

7. Managerial responsibility for one of the functions referred to in point 4) or in a material business unit;
8. Managerial responsibility in a material business unit reporting directly to the member of staff who heads the unit;
9. Head of a function responsible for legal affairs, finance (including taxation and budgeting), human resources, remuneration policy, information technology or economic analysis;
10. Head of a committee responsible for managing a category of risk other than credit risk or market risk, or a decision-making member of such a committee;
11. Staff and members of credit committees with credit risk exposure authority for a nominal amount per transaction equal to 0.5% of the institution's Common Equity Tier-I capital and totaling at least €5 million;
12. Staff and committee members with the power to take, approve or veto decisions relating to trading book transactions that, in aggregate – when the Standardized Approach is used – amount to 0.5% or more of the institution's Common Equity Tier-I capital;
13. Managerial responsibility for a group of members of staff who individually have the power to commit the institution to transactions the sum of which is greater than or equal to the conditions in points 11) or 12);
14. Staff and committee members with the power to approve or veto the introduction of new products;
15. Member in charge of the SRAB/Volker unit.

Identification on the basis of quantitative criteria:

1. Staff whose total remuneration during the previous fiscal year was equal to or greater than €750 thousand; and staff of a Material Business Unit (MBU) whose remuneration is at least €500 thousand and exceeds the average remuneration of the members identified under criteria 1, 2 and 3;
2. Employees in the top 0.3% (rounded up to the nearest whole number) of employees who received the highest total remuneration during the previous fiscal year.

Application rules for identification criteria

The identification process is carried out at BRED Group level and at the level of each Group company, subject to the proportionality principle. When applying this principle, the Delegated Regulation sets a threshold corresponding to a balance sheet total of €10 billion. An institution is required to identify its regulated staff members whenever its total balance sheet exceeds this threshold. The proportionality principle also excludes companies that are not credit institutions, finance

companies or investment companies if they do not present any material risk for their group. Accordingly, for BRED Group, the identification of regulated staff members is based on a consolidated BRED Group approach and an individual BRED approach.

In addition, 47 employees are identified as "Group 2 MRTs" by Groupe BRED subsidiaries located in the European Union, which apply the CRD V directive on an individual basis. It is clarified that although a certain number of principles relating to remuneration policy apply to all employees of Groupe BRED and its subsidiaries, the following provisions apply only to Group I MRT employees.

The list of identified employees is submitted to the Remuneration Committee. It is reviewed once a year by a panel including members of the Risks, Protection and Permanent Control Department and the Human Resources Department, under the authority of Senior Management. The Risks, Protection and Permanent Control Department formally validate the methodology for identifying the regulated population.

2.3.2 General principles of the remuneration policy applicable to the regulated population

2.3.2.1 Chairman

As BRED has opted to separate the functions of Chairman and Chief Executive Officer, the Chairman receives remuneration for time spent on the administration of the cooperative bank.

2.3.2.2 Members of the Board of Directors

Members of the Board of Directors receive allowances in compensation of time spent on the administration of the cooperative bank.

2.3.2.3 Executive management

2.3.2.3.1 Chief Executive Officer

The fixed pay of the Chief Executive Officer did not change in 2024.

The amount of annual variable remuneration awarded for 2024 is determined by the Board of Directors and calculated, as it is each year, in accordance with the criteria and procedures defined by BPCE.

The variable portion has two components:

- a Group component (20%) expressing the solidarity of the Banks and Caisses with the consolidated results of Groupe BPCE and each of the two networks;
- a "Company" component (80%) in line with BRED's development and performance objectives.

The "Company" component, in turn, consists of 30% common national criteria defined at BPCE level and 50% local criteria defined at BRED level.

The common national criteria are based on data specific to BRED illustrating its achievements over the past period as compared with the achievements of other Banques Populaires. These criteria are determined in accordance with predefined rules and are calculated by BPCE.

Since the 2018 fiscal year, one of these local criteria has been tied, in particular, to the quality of the Bank's risk appetite framework.

To do so, the Committee uses the information provided by the Risk division and the opinion of the Board's Risk Committee. On the basis of this information, the Remuneration Committee determines:

- whether the risk appetite framework is appropriately deployed within the company each year (introduction, implementation of number and threshold indicators according to the Group's methodology);
- whether any threshold breaches have been properly handled, in accordance with the Group procedure.

If the quality of the risk appetite framework is unsatisfactory, the variable pay of the Chief Executive Officer may be reduced by up to 10% of the proposed amount of variable pay, provided such amount does not exceed the variable pay obtained in the previous year.

In accordance with the laws applicable to executive management, a portion of the Chief Executive Officer's variable remuneration is deferred on a straight-line basis over five years (see Section 3.2.3.3).

The Chief Executive Officer benefits from a company car, the pension scheme and end-of-career bonuses applicable to Chief Executive Officers of Groupe BPCE.

Moreover, the Chief Executive Officer is the beneficiary of a Long-Term Incentive Plan awarded in 2024 by the BRED Board of Directors' meeting of March 25, 2024, which recognizes the institution's organic CET1 creation for 75% and that of Groupe BPCE for 25%. The multi-year pay, for which the final amount represents 30% of fixed remuneration if the target is achieved and may reach a maximum of 60% in the event of outperformance, is over three years and will be paid from 2027 until 2031 in accordance with the CRD regulation applicable to the executive management and the standards in force within the Group (deferral, indexation, deferral period and trigger criterion).

2.3.2.3.2 Second executive manager

When reviewing the award of the variable portion to the second executive manager, the Remuneration Committee now takes into account, as it does for the Chief Executive Officer, the quality of the risk appetite framework, according to the criteria indicated above.

If the quality of the risk appetite framework is unsatisfactory, the variable remuneration of the second accountable manager may be reduced by up to 10% of the proposed amount of variable remuneration, provided such amount does not exceed the variable remuneration obtained in the previous year.

2.3.2.3.3 Payment procedures for the annual variable remuneration of executive management

For companies that have deployed the LTIP, the deferral rate applicable to the annual variable pay for 2024 is based on the aggregate annual variable pay awarded for 2024 + LTIP amount vested for 2024 (PV + LTIP).

The LTIP amount vested could increase the PV + LTIP aggregate above €500 thousand and the deferral rate could increase from 40% to 50%.

On the other hand, in the event of mobility of an MRT executive, the annual variable pay and the LTIP amounts vested for the fiscal year of the two institutions must be combined.

Above the threshold of €50 thousand of variable remuneration awarded in respect of year N or exceeding two-thirds of the total remuneration (annual fixed remuneration plus annual variable remuneration awarded), the following rules apply to the deferred payment of annual variable remuneration to executive management:

The schedule for the payment of annual variable remuneration awarded in respect of fiscal years prior to 2023, for example for the BRED executive management and members of the CDG is as follows:

Deferral over 5 years for executive management

	Starting from March, year N	Starting from March, year N+1 Indexed	October, year N+1 Indexed	October, year N+2 Indexed	October, year N+3 Indexed	October, year N+4 Indexed	October, year N+5 Indexed
	Not indexed	No performance condition	Performance condition	Performance condition	Performance condition	Performance condition	Performance condition
For variable remunerations deferred at 40% (var. allocated between €50 thousand and €500 thousand)	50%	10%	8%	8%	8%	8%	8%
For variable remunerations deferred at 50% (var. allocated between €500 thousand and €1,000 thousand)	50%		10%	10%	10%	10%	10%
For variable remunerations deferred at 60% (var. allocated over €1,000 thousand)	40%		12%	12%	12%	12%	12%

2. REMUNERATION POLICY AND PRACTICES

DESCRIPTION OF THE REMUNERATION POLICY

The schedule for the payment of variable remuneration awarded in respect of the 2024 fiscal year, for example for the BRED executive management and members of the CDG is as follows:

	Starting from March, 2025	Starting from March, 2026 Indexed	March 2027 Indexed	March 2028 Indexed	March 2029 Indexed	March 2030 Indexed	March 2031 Indexed
	Not indexed	No performance condition	Performance condition	Performance condition	Performance condition	Performance condition	Performance condition
Performance condition for vesting			Yes	Yes	Yes	Yes	Yes
Vesting date	SB closing of the 2024 financial statements	SB closing of the 2024 financial statements	SB closing of the 2025 financial statements	SB closing of the 2026 financial statements	SB closing of the 2027 financial statements	SB closing of the 2028 financial statements	SB closing of the 2029 financial statements
Payment date	March 2025	March 2026	March 2027	March 2028	March 2029	March 2030	March 2031
Retention period		12 months	12 months	12 months	12 months	12 months	12 months
For variable remunerations deferred at 40% (var. allocated ⁽¹⁾ between €50 thousand and €500 thousand)	50%	10%	8%	8%	8%	8%	8%
For variable remunerations deferred at 50% (var. allocated ⁽¹⁾ between €500 thousand and €1,000 thousand)	50%		10%	10%	10%	10%	10%
For variable remunerations deferred at 60% (var. allocated ⁽¹⁾ over €1,000 thousand)	40%		12%	12%	12%	12%	12%

(1) Including LTIP if applicable.

For each deferred portion, final vesting is subject to the financial performance and robustness criteria set out in Section 3.3.1, as well as continued presence with the company.

In the event of **voluntary departure or dismissal, deferred unvested amounts are lost**; in the event of **retirement or a transfer within Groupe BPCE**, deferred sums are systematically **retained and paid at the normal due dates**, in line with the conditions (performance, penalty, etc.) and form initially provided for.

As an exception, in the event of the risk taker's death and invalidity categories 2 and 3 only, deferred portions are settled immediately.

The fractions of the deferred portions of variable remuneration are indexed according to Groupe BPCE's formula from the decision taken during the Board of Directors' meeting of March 25, 2024: this formula is based on an indicator representative of the change in the value of Groupe BPCE for 50% and the change in the value of the BRED for 50%. These coefficients are communicated annually by BPCE.

These new indexation methods also apply to the deferred variable portions not yet paid, awarded in 2021, 2022 and 2023.

2.3.2.4 Other members of the regulated population

The variable remuneration of employees who are members of the regulated population is determined in accordance with the general framework for the annual allocation of bonuses and rules set in the mandatory annual negotiations (NAO). Specific provisions, covered, apply to traders. If members of the regulated population other than traders receive variable remuneration above the threshold that requires the application of special allocation and payment procedures (deferred shares), they are also subject to these procedures.

Above the threshold of €50 thousand of variable remuneration awarded in respect of year N or exceeding two-thirds of the total remuneration (annual fixed remuneration plus annual variable remuneration awarded), the following rules apply to the deferred payment of annual variable remuneration:

Deferral over five years for other risk takers

	Starting from March N	Starting from March N+1 Indexed	October N+1 Indexed	October N+2 Indexed	October N+3 Indexed	October N+4 Indexed
	Not indexed	No performance condition	Performance condition	Performance condition	Performance condition	Performance condition
For variable remunerations deferred at 40% (var. allocated between €50 thousand and €500 thousand)	50%	10%	10%	10%	10%	10%

For the 2024 fiscal year, the schedule for the payment of variable remuneration is as follows:

	Starting from March 2025	Starting from March 2026 Indexed	March 2027 Indexed	March 2028 Indexed	March 2029 Indexed	March 2030 Indexed	March 2031 Indexed
	Not indexed	No performance condition	Performance condition	Performance condition	Performance condition	Performance condition	Performance condition
For variable remunerations deferred at 40% (var. allocated between €50 thousand and €500 thousand)	50%	10%	10%	10%	10%	10%	10%

For each deferred portion, final vesting is subject to the financial performance and robustness criteria set out in Section 3.3.1, as well as continued presence with the company.

In the event of **voluntary departure or dismissal, deferred unvested amounts are lost**; in the event of **retirement or a transfer within Groupe BPCE**, deferred sums are systematically **retained and paid at the normal due dates**, in line with the conditions (performance, penalty, etc.) and form initially provided for.

As an exception, in the event of the risk taker's death and invalidity categories 2 and 3 only, deferred portions are settled immediately.

The fractions of the deferred portions of variable remuneration are indexed according to Groupe BPCE's formula from the decision taken during the

Board of Directors' meeting of March 25, 2024: this formula is based on an indicator representative of the change in the value of Groupe BPCE for 50% and the change in the value of the BRED for 50%. These coefficients are communicated annually by BPCE.

These new indexation methods also apply to the deferred variable portions not yet paid, awarded in 2021, 2022 and 2023.

For the entire regulated population, the award of variable remuneration is linked to observance of the risk and compliance rules. The heads of these functions must give their opinion on the variables applicable to the employees concerned and propose the application of penalties where appropriate.

2.3.2.5 Traders

The principles and procedures below specifically concern the regulated population of BRED's Trading Desk.

The main features of the variable remuneration policy for traders are as follows:

- determination of a bonus budget separate from the NAO budgets by the trading desk managers. Thus, the Senior Management approves a maximum potential amount of variable remuneration based, in particular, on a measurement of the financial performance of the Trading Desk;
- a proposal for individual bonuses from the Trading Desk line managers, based on a written assessment of their traders' contribution to profitability and the achievement of objectives (contribution to the business development, professional conduct, etc.) formalized in individual files;
- individual **cap** on variable remuneration of **200%** of fixed remuneration, up to a Maximum of **€900 thousand** for traders;
- formal opinion from the Risk Takers Committee on traders' adherence to compliance and risk policies;
- a strong link between remuneration and the medium-term financial performance of the business, with variable remuneration requiring the continued presence of the traders and continuing financial performance over time and in compliance with the risk appetite. Conditional remuneration awarded in 2024 is covered by the "2024 Long-Term Performance and Loyalty Plan";
- Above the threshold of **€50 thousand** of variable remuneration awarded in respect of year N or **exceeding two-thirds of the total remuneration** (annual fixed remuneration plus annual variable remuneration awarded), deferred payments of potential bonuses subject to continued presence and subsequent performance conditions must represent, at individual level, at least **40%** of the total amount of variable remuneration awarded during a fiscal year;

- all bonuses are subject to conditions of continued presence and subsequent performance that align traders' interests with those of the Bank and thus contribute to containing risk, with a holding period of six months before liquidation and payment;
- payments are spread over the four fiscal years following the year of the award based on performance indicators and presence within the Group six months before the potential payment date;
- guaranteed variable remuneration is forbidden, except temporarily in the case of a new hire, as permitted by the regulations.

Lastly, traders must comply with all internal control procedures applicable to the Trading Desk. Compliance with the risk policy is assessed, in particular, on the basis of the proper application of regulatory obligations, compliance with procedures, the proper processing of files by the Trading Desk, compliance with limits, and the cooperation of traders with the Risks, Protection and Permanent Control division and the Compliance division teams (responsiveness, quality of exchanges, etc.).

Reports, on an individual basis, are made half-yearly to the Head of the Trading Desk and the Human Resources Department. If necessary, the Director of Human Resources, the Head of the Risks, Protection and Permanent Controls Department and the Head of Compliance alert Senior Management to ensure that any breaches (of internal and external rules falling within their remit) are properly taken into account in bonus proposals and, where appropriate, recommend an impact on the amounts of variable remuneration requested.

The Risks, Protection and Permanent Control Department and the Secretary General, head of the compliance control function formally validate the remuneration policy applicable to the regulated population.

2.3.3 Policy on the payment of variable remuneration to risk takers

In accordance with Articles L511-71 to L511-85 of the French Monetary and Financial Code, policy on the payment of variable remuneration is as follows:

2.3.3.1 Financial strength and performance criteria applicable to the entire regulated population

Only the Board of Directors may waive the application of the general criteria of financial strength or performance or any other rule of the remuneration policy applicable to the regulated population, including penalties.

BRED financial soundness and performance criteria

Pursuant to Article L511-83 of the French Monetary and Financial Code, the Board of Directors, acting on a proposal from the Remuneration Committee, decided that the variable remuneration of members of the regulated population, whether deferred or not, could only be paid if the Bank had a level of capital (CET1 ratio) in line with regulatory requirements when the accounts are closed (general financial soundness criterion). If this criterion is not met, the variable remuneration will be cancelled.

Similarly, a general financial performance criterion has been defined: the regulated population may not be awarded variable remuneration for any fiscal year in which BRED Group's share of net income is negative. Any deferred share payments due to be made during such a fiscal year are also cancelled.

BPCE financial soundness criterion

Lastly, pursuant to paragraph 4 of Article L.511-77, in the event that the minimum regulatory ratio (CET1 ratio) of Groupe BPCE is not met at December 31, of the fiscal year, the Supervisory Board of BPCE proposes a reduction in the variable portion awarded in respect of the fiscal year, and in the deferred portions of variable portions not yet due, of risk takers, by applying a rate which must be at least 50%. The proposed reduction rate may not be 100% if its application, possibly combined with other measures, enables the minimum threshold set at the beginning of the fiscal year in question to be reached.

The Remuneration Committee ensures that variable remuneration reflects the Bank's actual commercial and financial performance.

The amounts of variable remuneration must not such as to lead to disproportionate risk-taking and must not hinder the institution's ability to strengthen its capital base.

2.3.3.2 Behavioral penalties

In accordance with Article L511-84 of the French Monetary and Financial Code, BRED has established reduction criteria for the variable portion of regulated population remuneration in the event of any serious breaches in risk management and compliance.

Risk Takers Committee

The so-called Risk Takers Committee manages the system for monitoring penalty criteria and deciding annually on penalty proposals to be presented to the Remuneration Committee.

Chaired by the Chief Executive Officer, this Committee is composed of managers from Human Resources division, the Risks Protection & Permanent Control division and the Compliance division.

The Committee is tasked with the following duties:

- validating the remuneration policy for risk takers, which is then submitted to the Board of Directors for approval after review by the Remuneration Committee. This policy specifies the criteria for identifying risk takers;
- ensuring regulatory and Groupe BPCE standards for identifying and remunerating risk takers are applied;
- deciding on any proposals for reduction of variable remuneration requested by the control functions;
- for traders, deciding on the materiality of active overruns, identified and notified by the Risks, Protection and Permanent Control division.

Applicable penalty criteria

The behavioral penalty system applicable to the variable portions of risk takers' remuneration include the following types of breaches:

- a serious breach of a compliance or risk rule, including in terms of limits, delegations and mandates, resulting in an individual reprimand in writing by a senior manager or the head of a compliance, permanent control or risk function. The percentage reduction may be up to 20% pursuant to a proposal from the MRT committee and approved by the Chief Executive Officer. A serious breach is a breach that has led to the occurrence of an incident whose potential or proven impact is greater than the serious incident threshold defined for the Group by the "operational risks" standard, i.e., a threshold of €300 thousand;
- a material breach of a compliance or risk rule, including in terms of limits, delegations and mandates, **resulting in an individual reprimand in writing by a senior manager or the Chief Risks, Protection and Permanent Control Officer of Groupe BRED**. The percentage reduction may be up to 100% pursuant to a proposal from the relevant committee and approved by the management body in its supervisory capacity. A material breach is a breach that has led to the occurrence of an incident whose potential or actual impact is greater than the material incident threshold applicable at Groupe BRED level, i.e., 0.5% of the institution's capital;
- failure to complete mandatory regulatory training: -20% of variable remuneration on the recommendation of the relevant committee and approved by the management body in its supervisory capacity, unless justification is approved by the HR Department in conjunction with the Heads of Risks, Protection and Permanent Control and Compliance;
- a trader's failure to comply with the risk mandate may constitute a material breach, even if it did not lead to an incident with a potential or actual impact above the applicable material incident threshold. The risk mandate specifies which events may qualify as a serious breach or material breach.
- In particular, if a trader takes a purely directional or arbitrage position, this is considered a material breach and will result in a 100% reduction in variable remuneration.

For the 2024 fiscal year, two employees saw their variable remuneration reduced for failure to complete mandatory training.

2.3.3.3 Capping of variable remuneration

Lastly, the variable remuneration awarded to all CRD risk takers complies with the rules on capping variable remuneration in relation to fixed remuneration as defined by the regulations.

As a reminder, the CRD caps the variable component at 100% of the fixed component of total remuneration of CRD risk takers, unless a General Meeting approves a higher percentage, which may not exceed 200%.

In 2015, BRED's General Meeting approved the capping of the variable component at 200% of the fixed component of the total remuneration of CRD risk takers for 2015 and subsequent fiscal years.

2.3.3.4 Aggregate quantitative information on the remuneration of risk takers

Remuneration awarded in respect of the 2024 fiscal year - Table REM I

Award in respect of the 2024 fiscal year - excluding employer contributions - in €		Management body Monitoring function	Management body Management function	Other members of Senior Management	Other identified staff members	Total
Fixed pay	Number of staff members identified with fixed pay	21	2	15	103	141
	Total fixed remuneration	€1,020,114	€1,086,000	€2,803,000	€11,688,471	€16,597,586
	of which, in cash	€1,020,114	€1,086,000	€2,803,000	€11,688,471	€16,597,586
	of which, in shares or equivalent property rights	€0	€0	€0	€0	€0
	of which, in linked instruments	€0	€0	€0	€0	€0
	of which, in other instruments	€0	€0	€0	€0	€0
	of which, in other forms	€0	€0	€0	€0	€0
Variable pay	Number of staff members identified with variable pay	0	2	14	94	110
	Total variable remuneration	€0	€1,105,552	€1,337,264	€6,839,842	€9,282,658
	of which, in cash	€0	€473,000	€668,000	€3,832,842	€4,973,842
	of which, deferred	€0	€0	€0	€0	€0
	of which, in shares or equivalent property rights	€0	€0	€0	€0	€0
	of which, deferred	€0	€0	€0	€0	€0
	of which, in linked instruments	€0	€473,000	€484,000	€3,007,000	€3,964,000
	of which, deferred	€0	€460,000	€387,200	€2,405,600	€3,252,800
	of which, in other instruments	€0	€159,552	€0	€0	€159,552
	of which, deferred	€0	€159,552	€0	€0	€159,552
	of which, in other forms	€0	€0	€185,264	€0	€185,264
	of which, deferred	€0	€0	€0	€0	€0
TOTAL REMUNERATION		€1,020,114	€2,191,552	€4,140,264	€18,528,313	€25,880,244

Amounts paid in respect of new hires and terminations during the 2024 fiscal year - Table REM2

Amounts in € - Excluding employer contributions		Management body Monitoring function	Management body Management function	Other members of Senior Management	Other identified staff members	Total
Fixed pay	Guaranteed variable pay awarded in 2024					
	Number of risk taker employees who received guaranteed variable pay in 2024 when they were hired	0	0	0	0	0
	Amount of guaranteed variable pay awarded in 2024 on recruitment of a risk taker	€0	€0	€0	€0	€0
	<i>of which, guaranteed variable pay paid in 2024 and not taken into account in the bonus cap</i>	€0	€0	€0	€0	€0
	Severance pay awarded in previous years and paid in 2024					
	Number of employees who received severance pay in 2024 in respect of fiscal years prior to 2024	0	0	0	0	0
	Amount of severance pay awarded before 2024 and paid in 2024	€0	€0	€0	€0	€0
	Severance payments made in 2024					
	Number of employees who received severance pay awarded in 2024	0	0	1	0	1
	Amount of severance pay awarded in 2024	€0	€0	€185,264	€0	€185,264
	<i>of which, amount paid in 2024</i>	€0	€0	€185,264	€0	€185,264
	<i>of which, deferred amount</i>	€0	€0	€0	€0	€0
	<i>of which, severance payments made in 2024 that are not included in the bonus cap</i>	€0	€0	€0	€0	€0
	<i>of which, the highest amount awarded to a single person</i>	€0	€0	€185,264	€0	€185,264

2.

CHAPTER

3.

ACTIVITY REPORT

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3.1 ECONOMIC ENVIRONMENT

What will be the new world in 2025?

The election of the new President of the United States last November will have made all the other elections invisible, although they were very numerous, on all continents throughout 2024. And this election will undoubtedly influence many decisions and have an impact on the profile of future global activity.

2025 starts off with mixed results. While economic activity in the Eurozone, and in France in particular, has been able to adapt to many headwinds, it is starting this new fiscal year with low energy reserves. Thus, the likely 0.7% growth expected in the Eurozone (1.1% in France in 2024) will be mainly fueled by the effects of a slowdown in domestic demand mitigated by public spending. In France, business investment has run out of steam quarter after quarter. On the one hand, uncertain demand and on the other hand, the increase in financing costs, have gradually weakened these initiatives while residential investment continued the downward adjustment that began in 2023.

Since last spring, however, the decline in inflationary pressures has freed up new room for maneuver in the European Central Bank's monetary policy, allowing it to begin a cycle of easing of its intervention rates which will continue in 2025.

The latter have already benefited from a decline of 125 points. Now at 2.50%, the refinancing rate could fall by at least 25 points before next summer. It will offer more attractive financing conditions. However, the more uncertain political and budgetary environment could slow the expected favorable effects of this easing in France, in particular. This easing is nevertheless a valuable support in several ways for activity in our region. On the one hand, it supports the continuation of a disinflationary process which, on the other hand, finally frees up purchasing power for households. The latter, who in 2024 opted to strengthen their savings, may this year devote a portion to more spending. Finally, consumption should pick up after a sluggish year in this area. However, this recovery

remains conditional on a situation in the labor market which has become more uncertain in recent months. While a few countries in the Eurozone are still avoiding this downturn, Germany and France have now entered a new cycle in this market. In France, unemployment could reach around 8% before falling to around 7.5% at the end of the year or in early 2026. Companies could wait for more clarity on the budget and tax plan to reactivate projects put on pause since this summer.

The global environment and the arrival at the head of the United States of a new administration, more inclined to erect new obstacles to global trade, are in turn blurring the prospects for a recovery in activity on the export front. France is not very exposed to the American market directly, with its exports to this destination only weighing 1.7% of its GDP, but its main neighbor and economic partner across the Rhine could suffer more directly and weigh on the recovery of the zone as a whole.

The first shudders on the preparation of a European economic policy to respond to these new threats are already subject to disagreements within the Union: sanctions in return or not, new measures to protect our sensitive markets or not, the options on the table do not seem to be up to this new challenge and the resources deployed on the other side of the Atlantic.

A European strategy is essential to weigh in against the other two major centers of Asia and America. In terms of both defense, technology and energy, Europe can and must take action to prevent a model that it has not chosen from being imposed on it. Moving away from the United States and approaching new partners, who in turn are subject to retaliation, is another pillar of this rebalancing strategy. The latter is still under construction. It offers many opportunities. Nevertheless, it will remain imbued with the decisions taken on the other side of the Atlantic.

3.2 COMMERCIAL BANKING STRATEGY

The year 2024 was marked by a particularly troubled geopolitical context: escalation of conflicts in the Middle East, the fall of President Bashar al-Assad in Syria and the stagnation of the war in Ukraine.

On the political front, in the United States, Donald Trump made a spectacular return to the White House. In France, the year was rich in twists and turns: a dissolution, early elections generating a National Assembly divided into three blocks and a censorship that plunged France into political instability unprecedented under the Fifth Republic.

At the same time, France has also experienced historic highlights such as the global success of the Olympic and Paralympic Games in Paris and the reopening of Notre-Dame de Paris.

2024 also proved to be the hottest year on record and was marked by new series of devastating climate disasters: fires, deadly floods in Spain, cyclone in Mayotte. Our fellow citizens are increasingly aware of the impacts of climate change and of the fact that conflicts or decisions taken at the other end of the world can have direct consequences on their daily lives.

From an economic standpoint, the 2024 fiscal year was characterized by a decline in inflation in a context of moderate growth. The easing of interest rates enabled the real estate market to recover in the second half of the year. However, 2024 ended in an anxiety-provoking national context. Without a budget for 2025, households and companies are navigating by sight while the level of public finance deficit is abysmal.

In addition, the banking market is facing fund trends that it must deal with:

- the digital transformation, with increasing adoption of digital technologies to improve operational efficiency, offer innovative services and meet customer expectations in terms of convenience and accessibility;
- at the same time, customer expectations are changing, with a growing demand for personalized, fast and accessible services. Banks are investing in improving the customer experience to retain their customers;
- the banking sector is highly competitive, with the emergence of fintechs and neo-banks that offer innovative and disruptive financial services. Traditional banks must adapt to remain competitive;
- with the increase in digital services, data security and protection against cyber threats have become top priorities for banks;
- an increasingly complex regulatory environment, with strict compliance, transparency and risk management requirements. This includes regulations such as Basel III, MiFID II, and GDPR;
- banks are increasingly committed to sustainable and socially responsible practices, integrating ESG (environmental, social and governance) criteria into their investment strategies and operations;

- continuous innovation in areas such as artificial intelligence, blockchain and automation offers new opportunities to improve financial services and create more efficient business models;
- interest rates remain low, which affects bank profitability by reducing interest margins. Banks must diversify their revenue streams to offset this impact;
- changes in demographics, such as the aging of the population and the increase in Generation Z and millennials, influence the demand for banking products and services.

These factors are shaping the banking landscape, and pushing banks to adapt and rethink their strategies to meet the challenges and opportunities of the current market.

Faced with these challenges, BRED has chosen to consolidate its cooperative banking model, close to its customers and its regions, to refocus on its values and fundamentals and to take generous care of its customers.

In concrete terms, advisors work on a daily basis to:

- meet all their customers, get to know them and understand their needs;
- equip them, capture flows, domicile wages and savings;
- sustainably develop their business assets;
- be irreprouachable in their role as cooperative bankers and be proud of it.

3.2.1 A Bank whose strategy is based on a core of values shared by all

Faced with social fragmentation and short-term finance, our cooperative model, which makes the cooperative shareholder the actor in decisions, allows us to adopt a long-term vision focused on sustainable, responsible development and social utility.

Our values guide our actions and interactions with our customers. These values are notably: integrity, transparency, ethics, quality of service, security, excellence, priority to customer needs, social and environmental responsibility. These values serve as a guide in all our strategic and operational decisions, helping us to maintain the trust and loyalty of our customers and partners.

In addition, we conducted a review of the values specific to BRED's unique identity. We have collectively identified three core values that best define our institution:

1. people;
2. winning spirit;
3. committed.

These values reflect our identity and history. They are the foundation of the strategic development plan that we have built with the aim of making BRED a remarkable bank.

3.2.2 Strategic vision

BRED's ambition to become a remarkable bank is based on key pillars to ensure sustainable development, stability and ability to meet the needs of our customers.

Commitment to our customers and cooperative shareholders: customer satisfaction and loyalty is at the heart of our strategy through high-quality services and tailored solutions.

Proximity: we focus on proximity with our customers and cooperative shareholders, by maintaining a dense network of local branches (Branches, Wealth Management Circles and Business Centers) for direct and human contact, and to offer personalized services adapted to the specific needs of our individual, professional and corporate customers.

Commitment to our regions: we are strongly committed to supporting local projects and regional economic

development. Our regionalized organization provides our advisors with perfect knowledge and control of their region and ecosystem. As such, in 2024, BRED was a premium partner of the Paris 2024 Olympic and Paralympic Games. This partnership is an extension of our historic commitment to sport.

Innovation and continuous improvement: we are committed to the continuous improvement of the processes and services offered, taking into account feedback from customers, employees and technological developments.

Social and environmental responsibility: we integrate environmental, social and governance (ESG) criteria into our strategy, supporting sustainable projects and reducing our own environmental footprint.

3.2.3 BRED's relational model

BRED maintains a long-term, close relationship with all its customers: individuals, craftspeople, retailers, independent professionals, high net-worth customers, SMEs, mid-sized companies, large corporates and institutional investors. BRED defines itself as a life partner that supports its customers in all major stages of their personal and professional life.

The purpose of our advisors is to support the projects of their customers, both small or large, and ensure that they succeed. They make every effort to meet all their needs and build personalized and adapted solutions.

Our network is structured around:

- sectors or major sectors grouping local branches in charge of retail customers;
- wealth management circles in charge of high net-worth customers;
- business centers managing SME/mid-sized and corporate customers;
- an entity dedicated to the management of high net worth customers.

The BRED network is present in mainland France (Paris, Val de Marne, Hauts de Seine, Seine Saint Denis, Seine et Marne, Aisne and Normandy) and in French overseas departments (Martinique, French Guiana, Guadeloupe, Saint Barth, Saint Martin, Réunion and Mayotte).

Our branch network is an essential component of our strategy of proximity to our customers and being a committed bank in our regions. It deploys dedicated advisors who are experts in their markets in each of its branches. To provide advice and expertise adapted to each type of customer, it is segmented by market: individuals, private individuals and professionals.

3.2.4 A reinforced sales network to better care for our customers

In 2024, as part of the deployment of its strategic plan, BRED reviewed the organization of its sales network. This reorganization aimed to put the customer at the center of our branches, strengthen our regional presence and reaffirm our identity as the Bank for professional customers.

As a preamble, we reassessed the network of our Branches, Wealth Management Circles and Business Centers to align human resources with local opportunities. This approach enabled us to determine the need for additional advisors for each of our entities. It also led to the appointment of sector directors and directors or managers in each branch.

Strengthening local management and skills

Each branch is now headed by a local manager who embodies BRED's values within their team. This central role ensures effective supervision while representing the bank in the field. These appointments also made it possible to relieve the Sector Directors of decisions that can be arbitrated within the branches.

Strengthening local management was also a crucial step to provide support and encourage employee retention, and to improve the representation of BRED in each of its regions.

The continuous training of our employees is a priority to guarantee quality customer service and promote a motivating work environment. We also ensure that our employees have the skills to effectively manage customer interactions and are up to date on the latest products, services and company policies.

The advisors meet and advise their customers through scheduled or spontaneous appointments in branches, by telephone, by video or on site for professional customers. Belonging to a human-scale regional bank also promotes a good knowledge of the specificities of the regions and ecosystems. This proximity enables us to make rapid decisions.

Lastly, managerial proximity helps to create a positive working environment, where advisors feel supported and accompanied.

In addition, our BREDConnect sites and application allow our customers to consult their accounts and carry out their transactions independently 24 hours a day, 7 days a week. Our customer relations centers based in Joinville-le-Pont, Caen, Fort de France and Saint Denis de la Réunion offer extended accessibility to all our customers in all latitudes (mainland France, the French Antilles, French Guiana, Indian Ocean). They support branches to provide information to customers and quickly manage and resolve day-to-day issues.

With these diverse channels, BRED deploys a multi-channel banking model that offers a consistent and flexible customer experience, allowing customers to switch from one channel to another. This meets modern customer expectations for convenience and affordability.

At the same time, the training program has been redesigned to strengthen the commercial skills of our advisors with a particular focus on improving customer satisfaction and loyalty, while meeting the growing expectations of our customers. Particular attention is paid to the development of skills in the professional market to better serve this customer segment and support our growth strategy.

Strengthening the professional customers market

The professional customers market is strategic for BRED, offering opportunities for growth, diversification and profitability, and enabling us to strengthen our role as a key player in local economic development. To regain our position as a bank for PROS, we are:

- strengthening the workforce of the professional line in all our branches through the internal promotion of our employees and also through a recruitment campaign;
- reinvesting in the training of professionals with new training routes dedicated to professional advisors;
- promoting support thanks to a local manager in each branch;

- freeing up more sales time with the creation of the CRC PRO offering professional customers support for their daily operations by a dedicated unit to give our advisors more time for advice, expertise, on-site appointments, and prospecting.

Reopening and refurbishment of branches

Reopening the doors of our branches was essential to strengthen the proximity with our professional customers in particular. This reopening of doors throughout the day marks a turning point in our approach and marks the end of “reception by appointment.” This new organization required us to review

our reception methods. They have been adapted to local specificities. For branches with regular flows, we recruited around fifty sales advisors in charge of customer reception. In less frequented branches, the manager organizes the reception within the team in turn.

In addition, a new telephone system is in place for more fluid management and pooled handling of overflow calls.

In addition to the reopening of branch doors, we carried out logistical adjustments and infrastructure work to welcome our customers in optimal conditions with the creation of reception counters and the refurbishment of additional offices.

3.2.5 BRED Banque Privée: a private bank with a culture of excellence

A long-term support system

BRED Banque Privée provides all its customers, whether individuals, business or corporate officers, with the expertise of its advisors to meet their asset structuring and management demands. It provides them with daily guidance on tax and legal aspects, the management of their financial assets and the financing of their life projects.

It is organized to offer support adapted to the types of customers:

- twelve Banque Privée departments in the regions where BRED Banque Populaire does business welcome customers with financial assets exceeding €300 thousand. In each of the centers in the regions, in the Paris region, in Normandy and the French Overseas Departments, every customer is offered a dual relationship with the daily support of a sales representative for the management of their day-to-day banking transactions, and that of its private banking advisor, who is the preferred contact for value-added advice and the management of their assets;
- a Banque Privée entity at the BRED Espace designed to meet the specific financial issues of non-residents;
- BRED Wealth Management, composed of a team of private bankers, assistants and credit analysts, supports families with financial assets exceeding €3 million and whose portfolio structures are complex and with an international dimension for certain which require specific expertise and monitoring.

Regional Banque Privée departments are usually located on the same site as business centers dedicated to SMEs. This proximity promotes the overall support of company directors who can also address the issues of valuing, transmitting or selling their professional tool, which is an integral part of their portfolio.

BRED Banque Privée also has an engineering department combining three activities: wealth management, finance and property. These experts support the sales teams and actively participate in updating their knowledge. The wealth management engineers provide analysis and technical expertise, and develop strategies incorporating tailor-made solutions. Disposal-transmission engineers assist shareholder

corporate officers in transactions relating to their company's share capital (valuation of securities, intermediation and advice). The property engineering activity includes asset valuation and transactions.

Lastly, every quarter, BRED Banque Privée brings together a Strategic Asset Allocation Committee, which draws up investment strategies that are reviewed periodically to adapt to economic developments and market trends. The Banque Privée asset allocation manager, specializing in financial market techniques and products, provides the relevance of their analysis to optimize the return on the assets of targeted customers within the given risk level.

An open-architecture solution

The asset management offering consists of investment solutions offered by the subsidiaries of BRED Banque Populaire: Prépar Vie, Promepar Asset Management and Adaxtra Capital, as a priority. The Banque Privée also defends an open architecture model by enriching its offering with products and services from external partners recognized in the market.

Promepar AM, an asset management subsidiary, provides customers with a complete range of management methods, under mandate, managed in life insurance, delegated and, for high net worth customers, an active advisory management service. Each customer managed under mandate has direct access to their manager. Promepar AM selects the best funds in the market but also has its own funds and deploys a socially responsible investment offering.

A high-end event-hosting site and services

To welcome customers in mainland France and overseas territories, Banque Privée spaces have been designed to foster dialog and close relationships. These customers are also regularly invited to events, in close collaboration with the subsidiaries or partners. A newsletter regularly provides customers with news of current events. In 2024, BRED Banque Privée renewed an “Excellent” label in recognition of its ongoing commitment alongside its customers.

3.2.6 A Bank that works closely with corporate customers

BRED has continued to engage in the projects necessary to optimize the SME market in terms of organization, expansion of its offering, customer pathways and enhancement of its employees' expertise.

Customers are monitored at business centers on the basis of various customer segments: small businesses, SMEs and mid-caps in order to deploy skills according to the needs of its 20,000 corporate customers in all of its regions.

BRED has positioned itself as a partner bank for companies and for their managers. As a first circle Banking Advisor, it anticipates the needs of business leaders, advises and supports them over the long term. On both business and asset management issues, it works in synergy with the bank's various expertise structures to offer high value-added transactions.

The positioning of teams upstream of projects and our broad range of expertise enables us to make a difference for our corporate customers, particularly in financing, M&A advisory,

private equity, international banking, cash management and Trading Desk activities.

BRED has strengthened its Structured Financing platform with support for its customers: LBO (leveraged buy-outs), external growth and investments, asset financing and projects with a dedicated credit agent service for these transactions. In 2024, BRED financed 1,400 projects for its customers managed in Business Centers for a volume of €1.4 billion in loans.

It also obtained 60 structured debt arrangement mandates, including 20 with the role of credit and collateral agent.

Excellence training is provided to business center employees to ensure that each one is able to provide an expert's view of the financial situation of corporate customers and the feasibility of their projects, support the customers' strategic considerations and be able to create bespoke solutions with the support of the specialized departments.

3.2.7 Corporate & Investment Banking

In 2024, Corporate & Investment Banking (CIB) continued to develop its activities in its various markets (institutional, business property, mid-caps and corporate customers). As a partner of its customers, the CIB has reinforced its support in line with the latest developments in the economic and social environment: external growth opportunities, the challenges of the ecological transition, financing working capital requirements (WCR) and hedging needs generated by the rise in interest rates.

Each "Corporate & Investment Banking" customer is supported by a two-person team consisting of a senior banker, who manages corporate finance and structured financing issues in conjunction with business line experts, and an account manager more specifically in charge of Daily banking - i.e., cash flow and cash management issues. As the customer's initial point of contact with the bank, they provide a long-term relationship based on trust.

The recognized expertise of our financing teams (corporate financing and/or asset-secured financing or projects) makes it possible to provide customers with individualized assistance:

advice on structuring and syndication of their debt in line with their projects, their business model and, if applicable, their environmental and social strategy.

As a leading banker, thanks to its close relationship with its customers and its significant financing capacity, the CBD has been entrusted with the roles of arranger, agent and coordinator in market transactions. This long-term proximity also enabled CIB to carry out the first two USPP disintermediated loans.

On November 21, the Trading Desk joined CIB, which became IFB (Investment & Financing Bank) to provide increased clarity for its customers and strengthen its development. This first step continues with a study of the opportunity to expand the scope to improve commercial consistency and enable it to significantly increase its footprint from 2025.

In this rapidly changing world, IFB will continue to invest in the development of innovative solutions to best serve its customers: digitalization of the customer experience, cash management offer at the highest market level, impact financing, etc. with support from all banking business lines.

3.2.8 A Bank with a resolutely international focus

BRED meets the needs of its customers with an international activity thanks to a wide range of services. In particular, its corporate and institutional clients can benefit from the management of documentary credits and bank guarantees as well as international flow management services.

In addition, BRED is present through its commercial banking subsidiaries in the South Pacific, South-East Asia and the Indian Ocean. Our presence in Djibouti has been strengthened by the definitive acquisition of the activities of Société Générale on December 20, 2024.

Its international commodity trade financing activity is carried out exclusively by BIC BRED Switzerland in Geneva and its Dubai branch.

Lastly, a specific activity on International Financial Institutions is developed in Paris and Geneva with a regional approach to international banks. This activity covers the entire range of products and services dedicated to banks: banking, foreign exchange and interest rate, reissuance and confirmation.

3.2.9 BRED Espace: BRED's online bank

BRED Espace is BRED's online bank. It offers its 48,000 customers the advantages of an entirely online bank and the close relationship of a traditional bank.

As an anti-low-cost model, BRED Espace is not intended to compete with our branch sales network. It is an alternative to the physical branch network; it is clearly a component of BRED and offers high added value services to its customers.

The arguments that distinguish it?

- the ability to provide a remote offering as broad as that of our network and to address all types of customer (individuals, wealth management, professionals, associations);
- a dedicated advisor able to speak the customer's language if necessary can be reached by telephone, WhatsApp, email or video conference.

It deploys an innovative development model and over the years has acquired reliable expertise with like-minded clients:

- university students, with a branch dedicated to prestigious schools and partner universities;
- people temporarily present in the French overseas territories;
- international: natural persons – non-residents, expatriates (but also inpatriate employees) – and local economic institutions and actors, such as embassies, consulates, Alliances Française schools abroad, etc.;

- professional service providers;
- adults under guardianship;
- BRED's branch for staff, which manages the accounts of BRED employees, retirees, as well as the spouses and children of our employees, is also part of the online bank.

These clients are very different but have one point in common: they are all open to remote management. Each of these customer segments is managed by a dedicated team with in-depth knowledge of the specific issues encountered.

In 2024, BRED ESPACE focused on three strategic areas:

1. continued acquisition of affinity targets;
2. being a bulwark against attrition by strengthening its internal reputation and synergies with other commercial entities;
3. being an alternative to the physical branch for Individual/PRO prospects, including in our regions.

An important organizational decision was also made in 2024: to centralize the Bank's non-resident customers within BRED ESPACE for better management and monitoring of this type of customer.

3.2.10 A Bank owned by its cooperative shareholder customers and committed to sustainable development in its communities

Cooperative shareholders

Over 200,000 BRED Banque Populaire customers have become cooperative shareholders of their bank and hold a portion of its share capital after having subscribed for cooperative shares. These are unlisted financial securities that had a nominal value of €10.64 as at December 31, 2024, and which may be held in an ordinary securities account or an equity savings plan, either individually or on behalf of a company or association.

BRED Banque Populaire's share capital and retained earnings comprise the Bank's capital, which is essential for its development, growth and autonomy. The fact that the cooperative shares are unlisted preserves BRED Banque Populaire's independence from the financial markets. Thus, the company remains loyal to the principle of medium- to long-term thinking and continues to focus solely on serving its customers and its regions, in line with its purpose: "resolutely cooperative and innovative, BRED Banque Populaire provides a sustainable and close relationship to support all those who live and work in each region."

The cooperative shares confer on their holders the power to vote on the resolutions of BRED Banque Populaire's Annual General Meeting. This provides cooperative shareholders with an opportunity to participate in the governance of their bank and, in particular, to choose their representatives on the Board of Directors, who are responsible for approving the Bank's strategic policies. Ownership of these cooperative shares entitles the holder to the payment of annual interest, voted by the Annual General Meeting, which closely associates

cooperative shareholder customers with the long-term vision of BRED Banque Populaire's success.

A permanent link is maintained with the cooperative shareholders through local information meetings, during which bank experts speak on topics such as wealth management or taxation, and the testimony of cooperative shareholder entrepreneurs supported by the bank in the management of their professional project. The intervention of a winning or a partner association can also be noted to illustrate BRED Banque Populaire's societal commitment.

A newsletter is sent quarterly to cooperative shareholders to allow them to follow the latest news on the bank's cooperative dimension.

In addition, in the "Cooperative Bank" section of the institutional website "bred.fr", a great deal of information is published on the cooperative shareholder base, illustrated by testimonials and on BRED Banque Populaire's societal commitment.

Corporate Social Responsibility (CSR)

BRED Banque Populaire strives to ensure ethical business practices, in strict compliance with the laws in force. This objective is reflected in the adoption of a Code of Conduct and Ethics, mandatory training for employees, and a comprehensive call monitoring and surveys program that measures the quality of customer service. In addition, a range of constantly improved measures is in place to ensure the security of our customers' personal data.

Our dense and recently renovated network of physical branches can be accessed by persons with disabilities and is supplemented by remote communication channels, which facilitate access to our services, including for the most vulnerable, fragile or elderly customers.

BRED Banque Populaire's activity, focused on financing the life and professional projects of its customers, contributes to supporting the economy at the local level, in particular by forging solid relationships with local players such as the Chambers of Commerce and Industry or the Chambers of Trades and Crafts with which BRED Banque Populaire supports entrepreneurs in their development creation or transmission-takeover project. This support is reflected in easier access to the various banking services offered by the bank, in particular financing that can benefit from the SOCAMA guarantee.

BRED Banque Populaire manages the decarbonization of its loan portfolio by incorporating ESG criteria into the loan approval procedures and by supporting its customers in their own decarbonization processes through a tailored range of services and financing. BRED Banque Populaire actively finances the renewable energy production and improvements to the energy efficiency of buildings for professional and residential use. A restrictive credit policy has been adopted regarding the financing of thermal coal.

Through BPCE, BRED Banque Populaire has also been a member of the Global Compact since 2012. This program promotes compliance with international standards in the areas of human rights, labor, the environment and preventing corruption, as well as encouraging taking steps to advance the sustainable development goals. BRED Banque Populaire therefore ensures compliance with all fundamental conventions of the International Labour Organization (ILO) in all regions where it does business.

In addition, BRED Banque Populaire measures its “cooperative and societal footprint” and classifies its actions as societal and cooperative responsibility towards its cooperative shareholders, directors, employees, consumers, suppliers and subcontractors, the environment and civil society. These actions, which go beyond regulatory obligations, mainly concern the fields of education, research, culture and heritage and solidarity. In 2024, the Cooperative and Social Footprint amounted to nearly €17 million.

BRED Banque Populaire also holds numerous certifications and labels attesting to its commitment to CSR:

- last September, AFNOR (French national standardization organization) confirmed the Bank's five ISO 9001 certifications in respect of its various flow processing services;
- it has been committed for many years to reducing the gender wage gap;
- Certivéa has issued the BRED head office in Joinville-le-Pont and the Friedland building with the High Quality Environmental (HQE) label. Its PREPAR subsidiary has had its La Défense site certified as a “low energy building” (‘BBC’) by Effinergie;
- BRED Banque Populaire's subsidiary PROMEPAR AM, responsible for asset management for third parties, is a signatory to the United Nations Principles for Responsible Investment (PRI). It obtained the ‘SRI’ label for the BRED Sélection SRI fund and the ‘Relance’ label for the PROMEPAR PME Opportunités fund, in a reflection of its pledge towards socially responsible investment and its desire to be a committed player in the real economy. PROMEPAR's SRI offer meets the real expectations of customers who want to give meaning to their savings.

The analysis of rating agencies and observers confirm the scope of our CSR actions:

- in 2023, BRED Banque Populaire obtained the highest level of non-financial performance according to Moody's classification, i.e., the “advanced” level, with an ESG score of 66 points, ranking the Bank third in Europe in the category of retail and specialized banks;
- in 2024, the Bloomberg rating agency classified BRED Banque Populaire in the “LEADING” category. This rating demonstrates BRED's “advanced” capacity and willingness to integrate ESG criteria into its strategy, operations and risk management.

BRED Banque Populaire's CSR actions are presented and analyzed in detail in the sustainability report attached to this management report.

3.3 CONSOLIDATED INCOME STATEMENT - KEY FIGURES

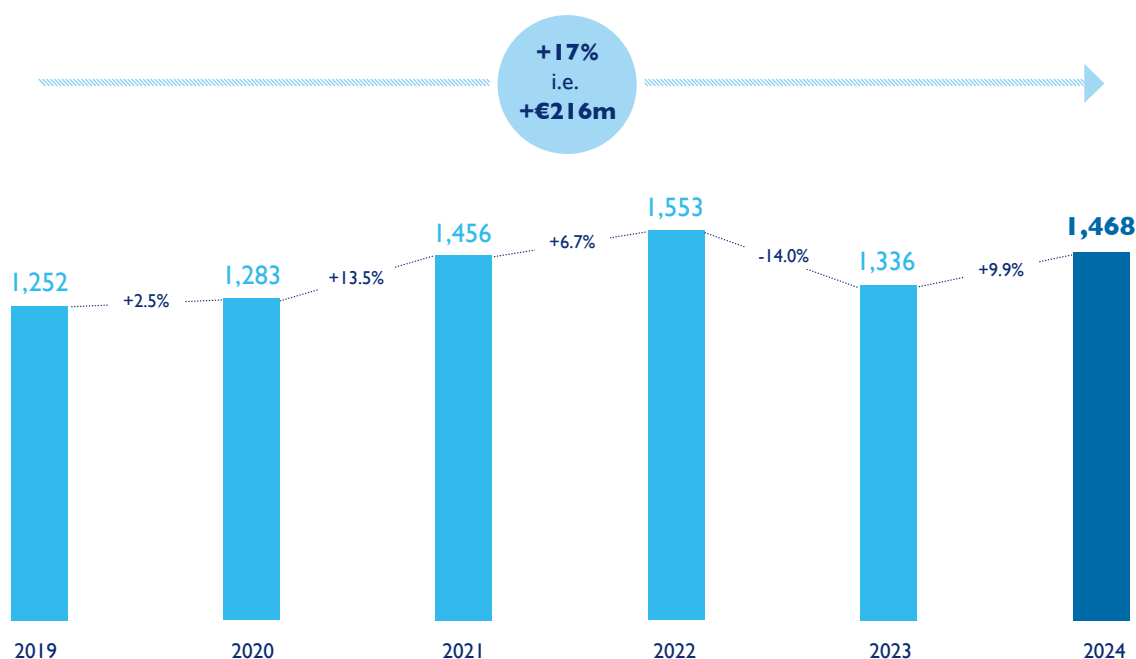
Consolidated income statement: IFRS accounting and management view

	2023	2024	2024-2023	2023	2024	2024-2023
<i>In millions of euros</i>	Excluding non-recurring items					
Net interest margin and similar income	825.7	928.2	+12.4%			
Net fees	516.3	548.5	+6.2%			
Income and expenses from other activities	-5.7	-8.7	+53.2%			
Net banking income	1,336.3	1,468.0	+9.9%	1,328.8	1,467.1	+10.4%
Payroll costs	-518.1	-551.7	+6.5%			
External services – excluding BPCE contribution	-149.9	-157.0	+4.8%			
Taxes and duties – excluding SRF	-31.3	-27.0	-13.6%			
Depreciation and impairment of non-current assets	-63.5	-66.7	+5.1%			
Operating expenses excluding SRF and BPCE contribution	-762.7	-802.5	+5.2%	-760.0	-794.9	+4.6%
Single Resolution Fund (SRF)	-26.5	1.1	NA			
BPCE Contribution	-33.3	-33.9	+1.5%			
Expense	-822.5	-835.2	+1.5%	-819.8	-827.7	+1.0%
GROSS OPERATING INCOME	513.8	632.7	+23.2%	508.9	639.4	+25.6%
Cost/income ratio	61.6%	56.9%	-4.7 pts	61.7%	56.4%	-5.3 pts
<i>Cost of risk on performing outstandings (Stages 1 and 2)</i>	2.7	-79.3	NA			
<i>Cost of risk on impaired outstandings (Stage 3)</i>	-106.4	-116.2	9.2%			
Cost of risk	-103.6	-195.5	88.7%	-103.6	-185.3	78.8%
NET OPERATING INCOME	410.1	437.2	6.6%	405.3	454.1	+12.0%
Share of profits of associates	31.0	17.1	-45.0%			
Gains or losses on other assets and change in value of goodwill	0.8	33.9	NA			
INCOME BEFORE TAX	442.0	488.2	+10.5%	437.1	449.0	+2.7%
Income tax	-109.4	-90.8	-17.0%			
NET INCOME	332.5	397.4	+19.5%	327.7	355.6	+8.5%
Non-controlling interests	-13.4	-6.4	-52.2%			
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	319.1	391.0	+22.5%	316.1	347.4	+9.9%

BRED's consolidated net banking income amounted to €1,468 million (+9.9%), up €132 million year-on-year.

Growth in BRED's consolidated net banking income

(in millions of euros)



BRED Banque Populaire generated net banking income (NBI) of €1,468 M, up 10% compared with 2023.

Commercial Banking in France (including ALM) saw a 1% drop in NBI, impacted by the cost in deposits and refinancing over the year, while net interest margin saw a significant increase over the last quarter. Fee income posted growth, a sign of the intensification of our relations across all our customer segments.

The International and Overseas Territories Banking division reported an 8.79% increase in NBI at constant currency. It continues to benefit from the good performance in commercial banking in the Pacific and the Horn of Africa, and the momentum of the international financing activities.

Financing & Investment Banking (FIB) which integrated the activities of Corporate & Investment Banking and Capital Markets posted an increase in NBI in 2024 (+28.4%).

Corporate & Investment Banking continued its strong involvement with customers, across all business line fundamentals. The Capital Markets division consolidated its sales activity with an increase in market share and an ever more significant outreach to a diversified customer base. It confirmed its leading position in Europe for the placement of short-term debt for domestic and international issuers for the second consecutive year.

Consolidated investment management recorded significant results, up sharply in 2024 (+113%), benefiting from interest rate levels and good performance in equity investment.

Operating expenses are under control, increasing by a total of 1.5%, reflecting investment as part of the strategic plan, human resources and IT resources, to support growth and improve processes. Strong development of subsidiaries also contributed to the increase in the Group's operating expenses.

The cost/income ratio was 56.9%, remaining at a very good level.

The overall cost of risk amounted to €195.5 million, up by 88.7%. This change reflects a prudent policy of allocations on performing loans in anticipation of deteriorations due to the economic context. The proven cost of risk remains below historical levels.

Net income attributable to equity holders of the parent for Groupe BRED totaled €391 M (+23%).

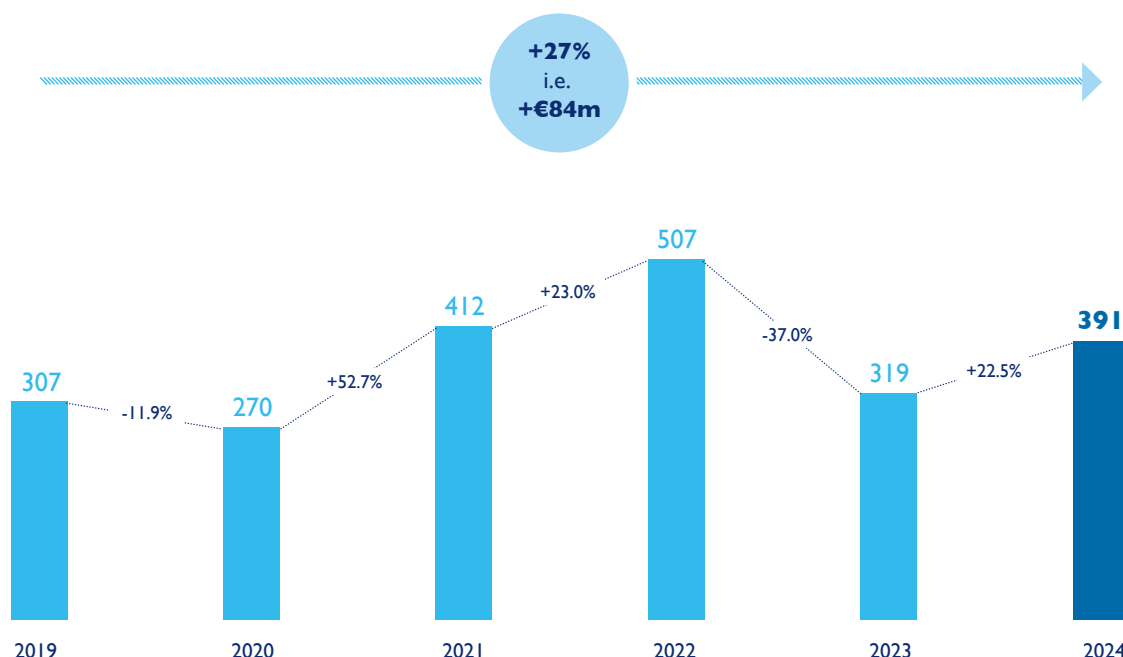
Shareholder's equity stood at €7.1 bn, up 6.2% over the fiscal year.

The CET1 solvency ratio was a very good level of 16.1%.

The LCR liquidity ratio stood at 108% at December 31, 2024, compared with the regulatory minimum requirement of 100%. BRED's NSFR (net stable funding ratio) was 106% at December 31, 2024, compared with the regulatory minimum requirement of 100%.

Growth in BRED's consolidated net income

(in millions of euros)



3.

Analysis of results

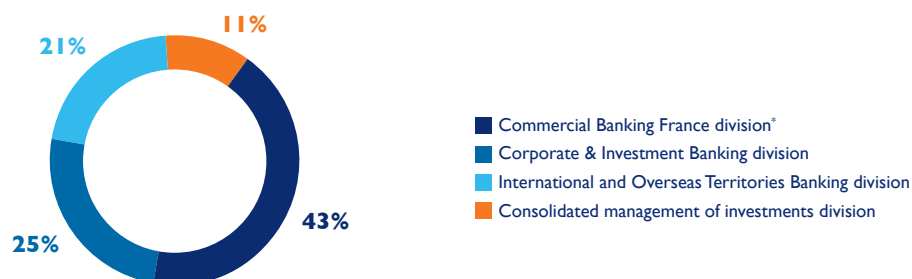
The group comprising BRED and its subsidiaries is organized into four divisions:

- Commercial Banking France, which includes the activities of the branches, wealth management centers, business centers, the Corporate Banking Division and commercial subsidiaries affiliated with these business lines, as well as Asset/Liability Management (ALM);
- International and Overseas Territories Banking, which includes the various international subsidiaries, international trade financing activities (BIC BRED) and correspondent banking;

- Investment & Financing Bank;
- Consolidated Investment Management.

The contribution of each of these business divisions to the IFRS consolidated net banking income of BRED Group is presented below, after restatement for non-recurring items. The NBI of the subsidiaries and holdings is treated here in accordance with the percentage of the holding independently of the accounting treatment method.

Breakdown of net banking income (NBI) excluding non-recurring items by division



3.4 COMMERCIAL BANKING FRANCE

Income statement: management view, excluding non-recurring items and excluding reallocation of BPCE fees

<i>In millions of euros</i>	2023	2024	2024-2023
Net interest margin and similar income	323.4	246.3	-23.8%
Net fees	407.2	427.5	5.0%
Other business income and expenses	13.4	9.8	-26.9%
Net banking income	744.0	683.6	-8.1%
Operating expenses	-493.2	-496.8	0.7%
Gross operating income	250.8	186.7	-25.6%
Cost of risk on performing loans	-8.2	-75.4	NA
Cost of risk on impaired loans	-71.0	-85.6	20.5%
INCOME BEFORE TAX	188.0	25.8	-86.3%

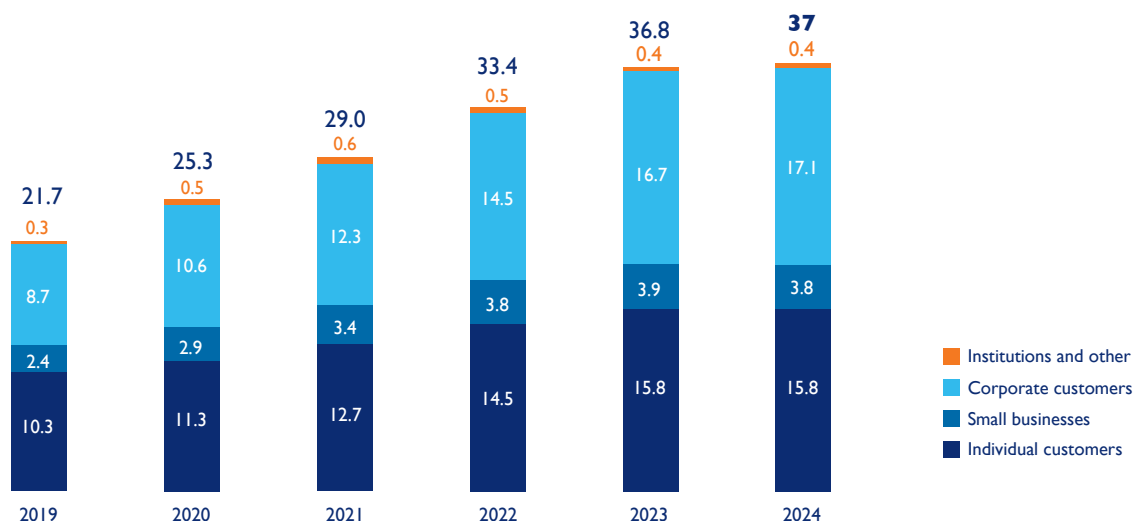
At the end of 2024, BRED's Commercial Banking France network had 332 sites (branches, asset management centers and business centers).

The Commercial Banking France division includes the activities of the subsidiaries whose businesses are related to commercial banking (insurance, personal protection, asset management, etc.).

Uses at Commercial Banking France and its subsidiaries

(in billions of euros, annual average value)

Excluding financial customers

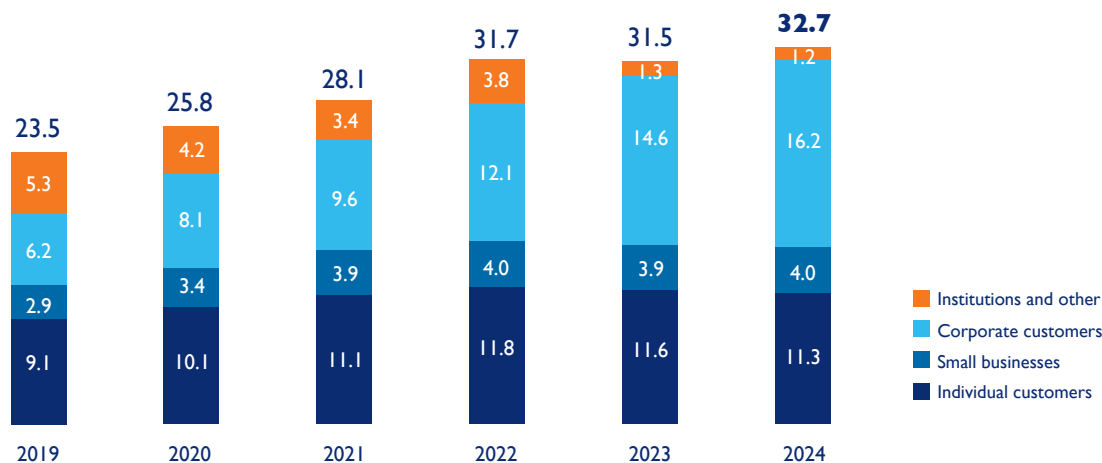


Outstanding loans to businesses rose by 2% over the year to €17.1 bn, with growth driven in particular by cash and equipment loans.

Deposits of Commercial Banking France and its subsidiaries

(in billions of euros, annual average value)

Excluding financial customers

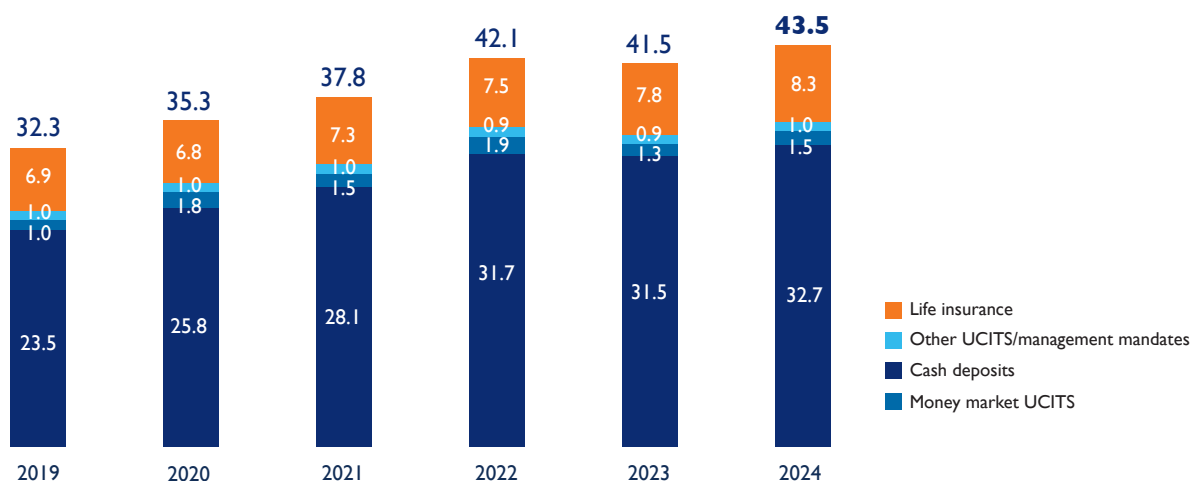


Cash deposits received from Commercial Banking France customers totaled €32.7 bn, a 4% increase, due essentially to inflows from corporate customers (+€1.6 bn) and professionals (+0.1 bn). This was offset by a decrease in inflows from individuals (-€0.3 bn).

Customer deposits of Commercial Banking France and its subsidiaries

(in billions of euros, annual average value*)

Excluding financial customers

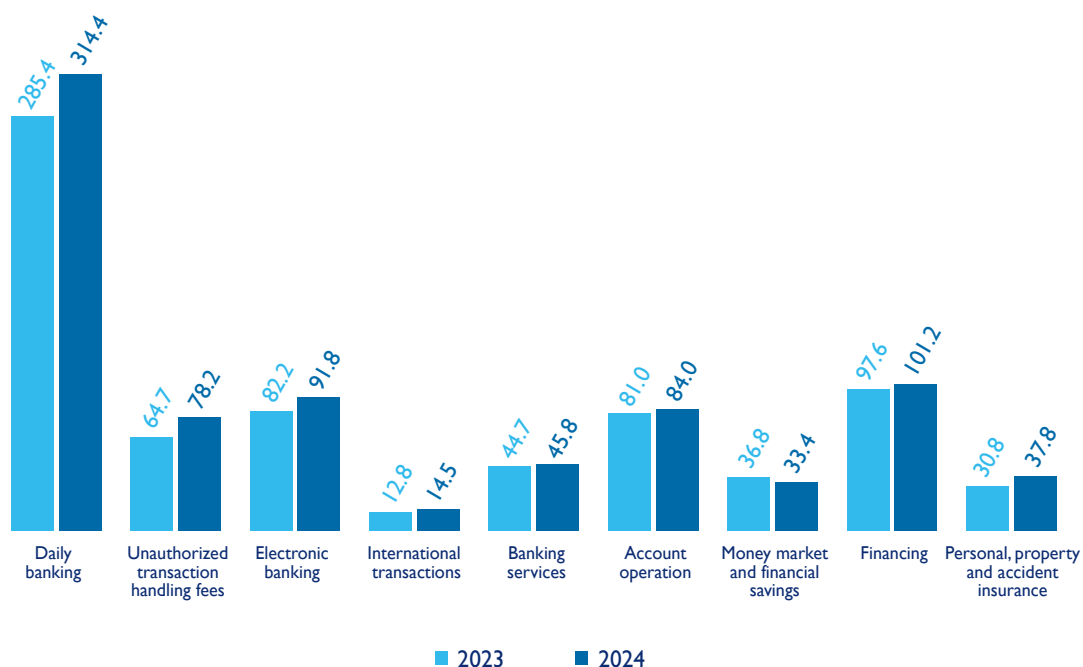


* Excluding UCITS and life insurance outstandings, at end of period value.

Life insurance exposures amounted to €3 bn (of which €1.7 bn outside Groupe BRED), up by 9% over the period.

Excluding non-recurring items, the net banking income of Commercial Banking France fell by 8.1%. The decrease in the net interest margin (NIM) of 23.8% is partially offset by an increase in fee income of €20.3 M.

The 5% increase in fees reflects the success of the bank's high value-added model.

Net fees and commissions - BRED SA*(in millions of euros)**Excluding subsidiaries, securitizations and non-recurring items*

Excluding non-recurring items, the expenses of Commercial Banking France remained under control, rising by 7%. The cost of risk amounted to €160.9 M (€62.9 M in 2023). As a result, pre-tax current income totaled €25.8 M, a drop of 86.3%.

The summary income statements (not adjusted for non-recurring items) of the Commercial Banking France division are presented below.

Results of the main French subsidiaries and controlled entities

Prépar Vie (wholly-owned subsidiary)

Life insurance and personal protection

Income statement: IFRS accounting view

<i>In millions of euros</i>	2023	2024	2024 vs. 2023
Net banking income	78.9	84.7	7%
Operating expenses	-31.6	-38.6	22%
Gross operating income	47.3	46.1	-3%
Corporate income tax	-17.6	-13.9	-21%
NET INCOME	29.7	32.2	8%

Prépar Vie designs and manages life insurance and personal protection products for the customers of BRED and other partners.

Prépar Vie's net banking income amounted to €84.7 million at the end of December 2024, up 7% compared to 2023, mainly due to very good savings inflows in 2024 and customer satisfaction which enabled our portfolio to grow by +4.5%.

After stagnating in 2023, expenses recorded a catch up, in line with the development plan to increase security and our digitalization tools. They were also impacted by non-recurring items (the company's 40th anniversary event and real estate impairments, in particular for €3.5 million).

Net income amounted to €32.2 million, up 8%.

Prépar IARD (wholly-owned subsidiary)

Non-life insurance

Income statement: IFRS accounting view

<i>In millions of euros</i>	2023	2024	2024 vs. 2023
Net banking income	14.2	15.1	7%
Operating expenses	-4.8	-4.2	-13%
Gross operating income	9.4	10.9	16%
Corporate income tax	-2.6	-2.7	3%
NET INCOME	6.7	8.2	22%

Prépar IARD had a portfolio of more than 1,500,000 policies at the end of December 2024, compared to more than 1,400,000 in 2023, mainly covering health, financial loss and accidental death.

Prépar IARD's NBI totaled €15.1 million at end-December 2024, an increase of 7%, mainly due to:

- the good behavior of the claims ratio of the products marketed;

- financial income from portfolio growth and good levels of interest rates.

General operating expenses are down by 13% in 2024, impacted by tax adjustments.

Net income amounted to €8.2 million, up 22%.

Promepar Asset Management (wholly-owned subsidiary)

Private management and collective management

Income statement: IFRS accounting view

<i>In millions of euros</i>	2023	2024	2024 vs. 2023
Net banking income	15.9	18.6	17%
Operating expenses	-10.4	-11.3	9%
Gross operating income	5.5	7.3	32%
Corporate income tax	-1.4	-1.9	36%
NET INCOME	4.1	5.4	31%

Promepar Asset Management, a division specializing in asset management, offers investment solutions through open or bespoke funds under discretionary or advisory management (securities accounts, French personal equity plans, life insurance contracts and SRI solutions). It provides its expertise to BRED advisers and its institutional customers, companies, associations and private customers.

The portfolio of assets under management totaled €3.4 billion at year-end 2024, up +7.5% over the year, with annual net inflows of +€68 million.

2024 was an excellent year for Promepar Asset Management, with a number of commercial and management successes, and continuing outperformance fees and commissions.

Net income amounted to €5.4 million, up 31%.

This year, Promepar Asset Management once again received great accolades for its funds and the management company, and expanded its offering with the launches of a bond fund maturing in 2029, a green bond fund, a private debt fund and a fixed income management mandate.

Sofider (wholly-owned subsidiary)

Financing for private individuals, professionals and social housing in La Reunion

Income statement: IFRS accounting view

<i>In millions of euros</i>	2023	2024	2024 vs. 2023
Net banking income	21.5	23.5	9%
Operating expenses	-9.0	-7.5	-16%
Gross operating income	12.6	16.0	27%
Cost of risk	-5.1	-5.3	4%
Net operating income	7.4	10.6	43%
Corporate income tax	-2.0	-2.4	21%
NET INCOME	5.5	8.3	51%

Historically specializing in Residential mortgages, since 2021, Sofider has rolled out its new model based on the development of consumer loans at points of sale. The objective is to make Sofider a leading player in consumer loans in the French overseas departments and become the leading credit company there within five years. Previously based solely in Reunion Island, in recent years its management has launched Sofider Auto in Mayotte and Crédit Chrono in the French West Indies.

Sofider is continuing and/or developing a number of highly profitable niches outside consumer credit, such as property development and tax exempt programs.

NBI was up by 9%. In 2024, Sofider was able to return to its normative margin levels. The increase in NBI was driven by the development of interest income on consumer loans and a good

increase in fee commissions. The net interest margin increased by 5%, while the cost of refinancing increased by 22% over the period. Fees and commissions increased by 37% to €3.3 million.

Expenses are well contained and even down by 16%.

The cost of risk rose slightly to €5.3 million. It was notably impacted by an exceptional allocation of €1 million to Mayotte (in connection with recent climate events). It was also negatively impacted by excessive allocations to the Antilles. The adjustment of collections and the deployment of new tools (store rating, banking aggregation) should make it possible to improve this situation.

Taking all these factors into account, net income rose by 51% to €8.3 million.

BRED Cofilease (wholly-owned subsidiary)

Leasing

Income statement: IFRS accounting view

In millions of euros	2023	2024	2024 vs. 2023
Net banking income	8.6	9.5	10%
Operating expenses	-3.7	-3.9	5%
Gross operating income	4.9	5.6	13%
Cost of risk	-0.6	-2	NS
Net operating income	4.3	2.9	-32%
Corporate income tax	-1.1	-0.6	-42%
NET INCOME	3.2	2.3	-29%

2024 production amounted to €167.6 million, up 1.7% compared to 2023.

The tense social context in Mayotte throughout the 2024 fiscal year as well as the decline in GBH orders had consequences on production in the Indian Ocean (-21%).

However, the surge in LOA lease-purchasing activity (+51%) made it possible to maintain a high level of production in this region.

Net banking income rose by 10% thanks to an improved net interest margin (+13%), despite a sharp increase in refinancing costs (+100%).

Operating expenses remained stable at +5% and the cost/income ratio improved (41% in 2024 compared to 43% in 2023).

The cost of risk deteriorated mainly due to:

- exceptional provisions (inflation risks and Mayotte) for an amount of €1.1 million;
- litigation provisions for an amount of €1.2 million, related to the automation of contentious cancellations in the Cassiopae tool.

SBE (50% interest)

Retail Banking

Income statement: IFRS accounting view

In millions of euros	2023	2024	2024 vs. 2023
Net banking income	12.7	10.3	-18%
Operating expenses	-10.1	-10.1	1%
Gross operating income	2.6	0.2	-92%
Cost of risk	-0.8	0.3	-130%
Net operating income	1.8	0.5	-74%
Corporate income tax	-0.5	-0.1	-76%
NET INCOME	1.2	0.3	-74%

SBE has been a specialist in banking services for large caps in France since 1988. It offers a full range of banking and insurance services for individuals and associations: financing, account management, savings, property and casualty and personal protection insurance.

SBE's NBI fell by 18%, penalized by the drop in the net interest margin. This, down by €2.4 million, was impacted by:

- the increase in our refinancing cost, up by €4.4 million;
- the increase in the cost of our customer resources, up €0.8 million.

This decrease in NIM was mitigated by gains on hedging transactions and by income received on customer transactions in a context of rising interest rates.

Operating expenses are stable. This reflects cost control efforts aimed at countering the consequences of inflation. The cost of risk improved notably through the reversal of provisions for collective items. Consequently, net income at end-December 2024 totaled €0.3 million, down 74%.

3.5 INTERNATIONAL AND OVERSEAS TERRITORIES BANKING

Income statement: management view, excluding non-recurring items and excluding reallocation of BPCE fees, IFRS

<i>In millions of euros</i>	2023	2024	2024-2023
Net banking income	192.8	208.9	8.4%
Operating expenses	-112.9	-117.0	3.7%
Gross operating income	79.9	91.9	15.1%
Cost of risk on performing loans	7.8	6.3	-18.3%
Cost of risk on impaired loans	-7.9	-9.7	23.9%
Net operating income	79.7	88.5	11.0%
Share of profit (loss) of companies accounted for under the equity method	30.9	17.1	-44.8%
INCOME BEFORE TAX	110.7	105.5	4.6%

The International and Overseas Territories Banking division comprises:

- commercial banking activities abroad, concentrated in high-growth geographic areas: BCI Mer Rouge, BRED Vanuatu and its subsidiary in the Solomon Islands, Banque Franco-Lao, BRED Bank Fiji, BRED Bank Cambodia. BIC BRED provides international financing in the regions of interest to BRED, particularly in the regions where its subsidiaries are located;
- equity interests in banks in foreign countries and overseas territories: Banque Calédonienne d'Investissement (49.9%), Acleda in Cambodia (12.13%), BCEL Public in Laos (10%) and Socredo in Tahiti (15%). These investments are accounted for using the equity method;
- an international trade financing business carried out mainly from Geneva (BIC BRED Suisse);
- a correspondent banking activity.

The year 2024 was marked by the continuing development of the activity of all international subsidiaries entering into the consolidation scope. Consolidated net banking income rose by +8.4% to €208.9 M in respect of the year.

The cost of risk increased by €3.4 M, mainly due to the unfavorable change in a file at BRED Fiji and a decrease in the volume of reversals of provisions.

Net operating income for the consolidated scope amounted to €88.5 M, up by 11% compared to 2023.

Income for equity-accounted companies, however, fell by €13.8 M, heavily impacted by the negative change in the operating account of the Banque Calédonienne d'Investissement which reflects the economic consequences of the nickel crisis and the events that took place in New Caledonia in the middle of the year.

Total pre-tax current income remains solid and totaled €105.5 M, down by 4.6%.

In 2025, the development of the international division will be marked by the acquisition of 70% of the share capital of a leading bank in Madagascar and its linkage to BRED Banque Populaire.

3.5.1 Oceania

Banque Calédonienne d'Investissement (49.9% interest)

| Income statement: accounting view, IFRS, at constant exchange rates

<i>In millions of XPF</i>	2023	2024	2024 vs. 2023
Net banking income	11,539.9	9,691.8	-16%
Operating expenses	-6,406.9	-6,205.5	-3%
Gross operating income	5,133.0	3,486.3	-32%
Cost of risk	-587.3	-4,355.7	NS
Net operating income	4,545.6	-869.4	-119%
Other items	5.2	204.6	NS
Pre-tax profit on ordinary activities	4,550.8	-664.8	-115%
Corporate income tax	-1,924.3	200.1	-110%
NET INCOME	2,626.5	-464.7	-118%
NET INCOME AT CONSTANT EXCHANGE RATES <i>(in millions of euros)</i>	22.0	-3.9	-118%

In 2024, the Banque Calédonienne d'Investissement (BCI) had to adapt to a very deteriorated socio-economic environment. The nickel crisis, which had been simmering for several months, resulted in the temporary closure of two out of the three metallurgical plants. In May, insurgent riots broke out against a backdrop of controversial electoral reform, with serious economic consequences. In December, the 17th Government of New Caledonia fell, reflecting an unstable political situation.

As most of the economic agents ha deferred their investments and current consumption while waiting for the situation to stabilize, new loan production in the Territory reached an all-time low.

Although BCI has managed to preserve its market share, its activity is in sharp decline. Its net banking income was thus down by more than 16%, and its net income was a loss of €3.9 million, mainly due to provisions for credit risk of €36.5 million, as a result of the May riots.

BRED Vanuatu (85% subsidiary)

| Income statement: accounting view, IFRS, at constant exchange rates (average 2024 rates)

<i>In millions of VUV</i>	2023	2024	2024 vs. 2023
Net banking income	2,791.4	3,239.1	16%
Operating expenses	-1,548.0	-1,655.3	7%
Gross operating income	1,243.5	1,583.8	27%
Cost of risk	-242.3	-269.4	11%
Net operating income	1,001.1	1,314.4	31%
Other items	4.6	10.9	136%
NET INCOME	1,005.7	1,325.2	32%
NET INCOME AT CONSTANT EXCHANGE RATES <i>(in millions of euros)</i>	7.7	10.2	32%

BRED in Vanuatu has demonstrated a remarkable ability to adapt in response to the economic and natural challenges of 2024. After a period of economic growth supported by tourism, itself driven by the increase in rotations with neighboring countries, the bank had to deal with an earthquake of magnitude 7.3 (on the Richter scale) on December 17, 2024. Despite this, BRED maintained its operations through an effective business continuity plan, ensuring uninterrupted service to its customers.

In terms of financial performance, BRED has been able to capitalize on its leading position in the Vanuatu banking market. With a market share of 42.4% in loans and 31.4% in deposits, at September 30, 2024, it not only strengthened its presence but also recorded net income of €10.2 million, marking an increase of 32% compared to the previous year.

These results illustrate BRED Vanuatu's resilience in the face of unforeseen events, and its ability to seize growth opportunities.

BRED Bank Solomon (branch of BRED Vanuatu)

Income statement: accounting view, IFRS, at constant exchange rates (average 2024 rates)

<i>In millions of SBD</i>	2023	2024	2024 vs. 2023
Net banking income	83.9	104.7	25%
Operating expenses	-54.5	-63.0	16%
Gross operating income	29.4	41.7	42%
Cost of risk	-5.2	-12.3	135%
Net operating income	24.2	29.4	22%
Corporate income tax	-8.5	-10.3	21%
NET INCOME	15.6	19.1	23%
NET INCOME AT CONSTANT EXCHANGE RATES <i>(in millions of euros)</i>	1.7	2.1	23%

BRED Bank Solomon (BBS) was founded in 2018. BBS is a branch of BRED Vanuatu Limited (BVL). After opening a second branch in 2021, BBS continued to grow strongly in 2024, with an 18% increase in the number of customers and a 25% rise in NBI. Gross operating income was up 42%.

With a workforce of 115 employees at year-end 2024, market share increased by 5.5 pts and 5.3 pts in loans and deposits respectively, reaching 35.5% and 23.9% respectively at the end of 2024.

At December 31, 2024, BRED Salomon's net banking income amounted to €11.6 million, with net income of €2.1 million, up 23% compared to 2023.

BRED Bank Fiji (90% subsidiary)

Income statement: accounting view, IFRS, at constant exchange rates (average 2024 rates)

<i>In millions of FJD</i>	2023	2024	2024 vs. 2023
Net banking income	65.8	70.8	8%
Operating expenses	-29.4	-36.4	24%
Gross operating income	36.4	34.3	-6%
Cost of risk	-7.4	-11.4	55%
Net operating income	29.0	22.9	-21%
Other items	-0.5	0.2	NS
Pre-tax profit on ordinary activities	28.5	23.2	-19%
Corporate income tax	-6.1	-4.4	-28%
NET INCOME	22.5	18.8	-16%
NET INCOME AT CONSTANT EXCHANGE RATES <i>(in millions of euros)</i>	9.3	7.7	-16%

Founded in late 2012, BRED Bank Fiji has seven branches (and a kiosk), with a portfolio of 46,500 individual, business and corporate customers. Its share of the credit market stood at 16.95% in December 2024, compared with 15.2% in December 2023. Its share of the deposits market also increased to 14.6%, compared to 13.1% in December 2023.

The loan portfolio amounted to FJD 1,648 million (+26%) for customer deposits that reached FJD 1,785 million (+24%). Net banking income amounted to FJD 71 million (+8%), driven in particular by an increase in the profit on the foreign exchange

business. Operating expenses reached FJD 36.4 million (+24%), with an increase in real estate and IT investment costs. Gross operating income thus amounted to FJD 34.3 million, down 6%, for a cost/income ratio of 51%.

The cost of risk increased to reach FJD 11.4 million (+55%), mainly in connection with the transfer to litigation of a case with significant outstandings.

Net income was a profit of FJD 18.8 million, down 16% compared with the previous fiscal year.

3.5.2 Southeast Asia

Banque Franco-Lao (70% subsidiary)

| Income statement: accounting view, IFRS, at constant exchange rates (average 2024 rates)

<i>In millions of KIP</i>	2023	2024	2024 vs. 2023
Net banking income	198,802.7	215,984.6	9%
Operating expenses	-117,922.6	-139,562.0	18%
Gross operating income	80,880.0	76,422.6	-6%
Cost of risk	-22,981.0	20,693.9	NS
Net operating income	57,899.0	97,116.4	68%
Other items	292.1	-53.6	-118%
Pre-tax profit on ordinary activities	58,191.1	97,062.8	67%
Corporate income tax	-8,269.9	-39,300.2	NS
NET INCOME	49,921.2	57,762.6	16%
NET INCOME AT CONSTANT EXCHANGE RATES <i>(in millions of euros)</i>	2.1	2.5	16%

In 2024, Laos' economic growth continued with a GDP increase of 4.6%, compared to 4.2% in 2023. However, this increase was slowed down by high imported inflation, reaching 23.13% in 2024, compared to 22.96% the previous year. This situation was exacerbated by a 5.5% devaluation of the local currency against the dollar, under pressure from the debt. To meet these economic challenges, the central bank implemented proactive measures during the third quarter of 2024 that had an immediate positive impact, helping to stabilize the local economy.

Faced with these challenges, Banque-Franco Lao (BFL) was able to adapt and exceed its development objectives in the Retail market, by enriching its service offering and adopting a

premium and personalized customer approach. In the corporate segment, BFL has expanded its range of services to offer ever more comprehensive and tailor-made solutions, while providing its customers with specialized advice and the solid expertise of Groupe BRED. The bank also maintained its investments in its customer services, both in branches and via its e-banking, in order to strengthen its offer and be part of a long-term approach of modernity and agility.

In a complex macroeconomic context, BFL recorded a 9% increase in its net banking income in 2024 compared to 2023. Its net income amounted to €2.5 million, an increase of 16% compared to the previous year.

BRED Bank Cambodia (wholly-owned subsidiary)

| Income statement: accounting view, IFRS, at constant exchange rates (average 2024 rates)

<i>In millions of USD</i>	2023	2024	2024 vs. 2023
Net banking income	16.3	16.6	1%
Operating expenses	-23.3	-19.9	-15%
Gross operating income	-7.0	-3.4	-52%
Cost of risk	-0.1	-0.5	NS
Net operating income	-7.1	-3.9	-45%
Corporate income tax	2.0	-1.4	NS
NET INCOME	-5.1	-5.2	3%
NET INCOME AT CONSTANT EXCHANGE RATES <i>(in millions of euros)</i>	-4.7	-4.8	3%

With a GDP of \$43 billion, Cambodia saw an increase of 39% following a rebasing carried out in 2024 with the support of the IMF. The country, which has a population of 17 million and a per capita income of \$1,810, now ranks among the five LMICs in South-East Asia. After a growth of 5% in 2023, the forecasts for 2024 maintain this growth rate, positioning Cambodia among the leaders in the ASEAN zone.

The non-textile industry, services and agriculture, more specifically the rice and rubber sectors, drove Cambodia's growth in 2024. The Textile industry experienced a recovery thanks to the relocation of orders from Myanmar and Bangladesh to Cambodia by major European and American customers. The tourism sector has not yet recovered the level of 2019 (63%), but the number of passengers and visitors to the Angkor temples is constantly increasing. GDP growth forecasts for 2025 are 5.8%.

The banking sector continued to see a slowdown in growth for a second year, mainly due to a significant increase in the cost of risk with an NPL rate rising from 5.1% at the end of 2023 to more than 8% estimated at the end of 2024.

In this context, BRED Bank Cambodia focused its efforts on winning new customers (+18%) and on the growth of deposits

(+10% to \$512 million at the end of 2024), thus balancing its loans/deposits ratio for the first time since its creation. Net banking income increased by 1% to reach \$16.6 million in 2024. The optimization of resources, a 15% reduction in expenses and a controlled cost of risk of \$0.5 million made it possible to halve the operating loss. Net operating income was a loss of -\$3.9 million and net income was -\$5.2 million.

3.5.3 Africa

BCI Mer Rouge (51% subsidiary)

| Income statement: accounting view, IFRS, at constant exchange rates (average 2024 rates)

<i>In millions of DJF</i>	2023	2024	2024 vs. 2023
Net banking income	6,181.4	6,655.7	8%
Operating expenses	-3,601.5	-3,828.3	6%
Gross operating income	2,579.9	2,827.4	10%
Cost of risk	2,146.3	724.8	-66%
Net operating income	4,726.1	3,552.2	-25%
Other items	0.0	5.7	NS
Pre-tax profit on ordinary activities	4,726.1	3,557.9	-25%
Corporate income tax	-1,236.1	-974.4	-21%
NET INCOME	3,490.1	2,583.4	-26%
NET INCOME AT CONSTANT EXCHANGE RATES <i>(in millions of euros)</i>	18.1	13.4	-26%

The Banque pour le Commerce et l'Industrie - Mer Rouge (BCI MR) enjoyed solid commercial development in 2024, with a significant increase in its net banking income (NBI) (+8%), mainly due to the increase in dollar interest rates and its commercial expansion. The institution maintains strict control of its operating expenses (+6%) while investing in strategic projects, particularly in the field of information technology.

The improvement in BCI MR's gross operating income, which increased by 10% between 2023 and 2024, is a positive sign of the bank's effective management in its day-to-day business. This favorable context led the bank to post net income of €13.4 million, thus confirming its financial strength and its key role in financing the Djibouti economy.

3.5.4 Europe

BIC BRED Suisse (wholly-owned subsidiary)

| Income statement: accounting view, IFRS, at constant exchange rates (average 2024 rates)

<i>In millions of CHF</i>	2023	2024	2024 vs. 2023
Net banking income	49.7	50.4	1%
Operating expenses	-24.0	-25.0	4%
Gross operating income	25.8	25.4	-1%
Cost of risk	-4.1	-0.3	-92%
Net operating income	21.7	25.1	16%
Corporate income tax	-3.5	-4.5	28%
NET INCOME	18.2	20.6	14%
NET INCOME AT CONSTANT EXCHANGE RATES <i>(in millions of euros)</i>	19.1	21.7	14%

BIC BRED Suisse is a key player in the international trade finance market in Geneva. In 2024, customer outstandings increased slightly but the trend at the end of the year was more promising (net increase in outstandings at the end of the

year in the three segments: energy, agricultural products and metals). The Dubai branch saw its outstandings triple to reach 10% of total outstandings.

The stability of NBI (+1% vs. 2023) is therefore in line with the change in loans and deposits during the year.

The increase in expenses decelerated (+4% versus +12% in 2023) and the cost of risk fell sharply. Net income (before

allocation to the RRBG) was CHF 24.5 million or CHF 20.6 million under IFRS, an increase of +18% and +14% respectively.

The cost/income ratio stabilized at around 49%, which remains below the peer average.

BIC BRED (wholly-owned subsidiary)

Income statement: accounting view, IFRS

In millions of euros	2023	2024	2024 vs. 2023
Net banking income	8.8	11.2	27%
Operating expenses	-0.9	-0.6	-28%
Gross operating income	8.0	10.6	33%
Cost of risk	-0.5	1.1	NS
Net operating income	7.5	11.6	56%
Corporate income tax	-0.9	-1.8	110%
NET INCOME	6.6	9.8	49%

BIC BRED Paris saw strong growth in revenues, thanks to a significant improvement in the interest on its euro-denominated outstandings and despite a decrease in its USD outstandings due to a less favorable business environment.

Off-balance sheet “Garantie Habitat” (housing guarantee) outstandings are gradually being amortized at €637 million.

NBI increased by 27% and operating expenses were down by 28%. The calculation of the IFRS cost of risk for the “Garantie Habitat” activity generated reversals.

Taken together, net income totaled €9.8 million, up 49%.

3.6 CORPORATE FINANCING & INVESTMENT BANK

Income statement: IFRS management view

In millions of euros	2023	2024	2024 vs. 2023
Net banking income	308.0	395.4	-28.4%
Operating expenses	-160.1	-157.6	-1.6%
Cost of risk	-27.6	-14.5	47.5%
PRE-TAX PROFIT ON ORDINARY ACTIVITIES	120.2	223.3	85.7%

The newly created Financing & Investment Bank (FIB) integrates the activities of Corporate & Investment Banking and the Capital Markets Department.

Corporate & Investment Banking had a very good year in 2024, with recurring income before tax of €133 million, a remarkable increase of 87%. Net banking income for the fiscal year, which amounted to €225.9 million, up 31%, reflects the strong commitment to customers, across all the fundamentals of its business lines.

The cost of risk remained contained and marked mainly for two large projects. It decreased sharply compared to the previous fiscal year, thus generating a significant increase in pre-tax income.

All customers, Corporates, Institutional and also Real Estate, with a strong resilience against the difficult context of the sector, contributed to these very positive results.

The Capital Markets Department division had higher income in 2024, compared with the results set in 2023, which equaled the

records of 2022.. In 2024, NBI totaled €169.5 M, up by 25% compared with 2023. It consolidated its commercial franchise, with an increase in market share and a more significant outreach to a diversified customer base.

Assets held in money-market funds provided to customers remained at high levels at over €600 bn and the market share went from 16.3% to 16.8%. For the second consecutive year, BRED was recognized as the leading bank in the world (excluding the United States) for the placement of the short-term debt of domestic and international issuers ⁽¹⁾.

The short-term deposits of money-market customers have continued to be replaced, in liquid sovereign securities, repurchase agreements, covered equities, or at the Central Bank according to a distribution in accordance with internal segregation rules.

The foreign exchange and interest rates business associated with the sales network remained at a high level with a marked increase in international activities.

(1) Ranking published by CMDportal.

3.7 CONSOLIDATED INVESTMENT MANAGEMENT

Income statement: management view, excluding non-recurring items, including BPCE fees, IFRS

<i>In millions of euros</i>	2023	2024	2024-2023
Net banking income	83.9	179.2	113.5%
Operating expenses	-53.6	-56.2	5.0%
Gross operating income	30.4	122.9	304.7%
Cost of risk on performing loans	-0.2	-0.1	-99.5%
Cost of risk on impaired loans	0.2	-6.4	NA
Share of equity-accounted companies	0.1	0.0	100%
Gain or loss on other assets	0.8	-22.2	NA
INCOME BEFORE TAX	18.3	94.3	416.5%

The Consolidated Investment Management division comprises investment activities (including NJR and IRR) and working capital activities (including operating property, COFIBRED and the holding in BPCE).

In 2023, current income, excluding non-recurring items increased significantly. Equity financial assets showed good

performance, notably driven by the decrease in key rates operated by the European Central Bank. Valuations of private equity benefited from this context, whereas infrastructure valuations began a period of stabilization.

Compared with 2023, the outlook for a lower cost of money is the main factor that explains the increase in 2024.

NJR (wholly-owned subsidiary)

Income statement: accounting view, IFRS

<i>In millions of euros</i>	2023	2024	2024 vs. 2023
Net banking income	25.1	28.9	15%
Operating expenses	-1.1	-1.1	1%
Gross operating income	24.0	27.8	16%
Cost of risk	0.5	-0.1	-112%
Net operating income	24.6	27.7	13%
Corporate income tax	-6.1	-6.9	12%
NET INCOME	18.4	20.8	13%

NJR, a Belgium-based subsidiary, manages a portfolio invested in liquid ABS (asset-backed securities), of which 91% is ECB eligible. NJR's strategy consists of concentrating on very highly rated senior assets and financing the purchase of these assets through repurchase agreements.

In 2024, NJR invested more than €1 billion, which resulted in an increase in the size of its portfolio from €2 billion to €2.3 billion while maintaining the defensive strategy adopted for many years. The duration of its portfolio remains short at

1.8 years and the average spread has risen to 53 points. The valuation of the portfolio was also slightly up at -€1 million.

In 2024, NJR achieved the best performance in its history, with NBI of €29 million, up 15%, thanks to the increase in investment volume, the rise in interest rates and the very strong performance of the portfolio.

In total, net income reached €20.8 million, an increase of 13% compared to 2023, which was already a record year.

IRR (wholly-owned subsidiary)

| Income statement: accounting view, IFRS

<i>In millions of euros</i>	2023	2024	2024 vs. 2023
Net banking income	-14.5	-13.3	-8%
Operating expenses	-0.6	-0.6	-4%
Gross operating income	-15.1	-13.9	-8%
Cost of risk	-13.5	13.7	NS
Net operating income	-28.6	-0.2	-99%
Other items	0.0	0.0	NS
Pre-tax profit on ordinary activities	-28.6	-0.2	-99%
Corporate income tax	7.0	-1.8	-126%
NET INCOME	-21.6	-2.0	-91%

A Belgium-based subsidiary, IRR manages a portfolio invested in real-estate funds.

The commercial real estate portfolio continued to suffer from the high level of long-term rates, in particular on its three former investments made before 2016. The rest of IRR's property portfolio has proved much more resilient overall.

After taking into account structural costs, net income was -€2.0 million.

3.8 RETURN ON CAPITAL OF THE BUSINESS DIVISIONS

Groupe BRED's return on regulatory capital used was 6.7% (excluding non-recurring items). Groupe BRED's net income as a percentage of total capital generated a return of 5.0%.

<i>In millions of euros</i>	Net income ⁽¹⁾ 2024	Capital	Return on capital ⁽²⁾
Commercial Banking France ⁽³⁾ & affiliated subsidiaries	33.7	1,681.2	2.0%
Financing & Investment Banking ⁽⁴⁾	166.6	1,130.0	14.7%
International and Overseas Territories Banking ⁽⁵⁾	77.7	927.8	8.4%
Consolidated Investment Management ⁽⁶⁾	69.4	1,461.8	4.7%
TOTAL (ALLOCATED EQUITY)	347.4	5,200.9	6.7%
Unused equity		4,779.8	
BRED TOTAL	347.4	6,980.7	5.0%

(1) Net income attributable to equity holders of the parent, excluding non-recurring items.

(2) Capital requirement calculated as at December 31, 2024.

(3) Including ALM.

(4) Corporate & Investment Banking and Capital Markets divisions.

(5) Including international trade financing and including integration of Bred Madagascar..

(6) Including holding in BPCE.

Breakdown of capital utilization



3.9 CONSOLIDATED BALANCE SHEET

Assets – IFRS 9

Assets (in €bn)	2023	2024
Cash and amounts due from central banks	15.8	11.1
Financial assets at fair value through profit or loss	13.4	15.0
Hedging derivatives	0.5	0.4
Financial assets at fair value through other comprehensive income	16.4	22.9
Securities at amortized cost	2.5	2.7
Loans and advances to banks and similar at amortized cost	9.0	9.5
Loans and advances to customers at amortized cost	41.8	43.6
Revaluation differences on interest rate risk-hedged portfolios, liabilities	0.0	0.0
Financial investments of insurance activities	9.0	9.6
Insurance contracts issued - Assets	0.0	0.0
Reinsurance contracts held - Assets	0.1	0.1
Current tax assets	0.0	0.0
Deferred tax assets	0.3	0.2
Accrued income and other assets	1.1	1.3
Investments accounted for using equity method	0.4	0.4
Investment property	0.0	0.0
Property, plant and equipment	0.3	0.3
Intangible assets	0.0	0.1
Goodwill	-	0.1
TOTAL ASSETS	110.8	117.5

Liabilities – IFRS 9

Liabilities (in € bn)	2023	2024
Amounts due to central banks	0.0	0.0
Financial liabilities at fair value through profit or loss	1.9	2.0
Hedging derivatives	0.4	0.3
Debt securities	9.2	7.8
Amounts due to banks and similar	21.0	24.0
Amounts due to customers	61.5	65.6
Revaluation differences on interest rate risk-hedged portfolios, liabilities	0.0	-
Current tax liabilities	0.0	0.0
Deferred tax liabilities	0.2	0.0
Accrued expenses and other liabilities	1.3	1.3
Liabilities related to insurance contracts issued	8.6	9.1
Reinsurance contracts held - Liabilities - IFRS 17	0.1	0.0
Provisions	0.1	0.1
Subordinated debt	0.0	0.0
Shareholders' equity	6.7	7.1
Equity attributable to equity holders of the parent	6.6	7.0
Capital and associated reserves	1.9	2.0
Consolidated reserves	4.5	4.7
Gains and losses recognized directly in equity	-0.1	-0.1
Net income for the period	0.3	0.4
Non-controlling interests	0.1	0.1
TOTAL LIABILITIES	110.8	117.5

On December 31, 2024, the consolidated balance sheet of Groupe BRED totaled €117.5 billion at December 31, 2024, up 6% (€6.6 billion) compared with December 31, 2023. The acquisition of the subsidiary BRED Madagasikara represents €960 million, the rest is mainly related to the increase in trading desk limits.

Deposits with the Central Bank were €4.7 bn lower than at December 31, 2023 due to the lower level of available liquidity at December 31, 2024.

On the assets side, we note growth in loans and advances to customers at amortized cost of €1.8 bn, particularly in cash loans (+€0.5 bn of which +€0.3 bn related to Madagascar) and equipment loans (+€0.5 bn of which +€0.1 bn related to Madagascar).

Loans and advances to credit institutions and accounts receivable were up.

Assets recognized at fair value through profit or loss rose by €1.5 bn (+11%), due to the rise in equities in connection with the Trading Desk business.

Assets recognized at fair value through equity were up €6.5 bn, or +39%, driven by the increase in treasury bills in connection with the Trading Desk business.

On the liabilities side, overnight loans from credit institutions increased by €0.2 bn. Term loans from credit institutions were up by €0.8 bn.

Customer demand deposits decreased by €2.1 bn and term accounts increased by €0.6 bn, in line with the high returns on deposits and €0.3 bn due to the acquisition of the Madagascar subsidiary.

Groupe BRED's shareholders' equity amounted to €7.1 bn compared to €6.7 bn on December 31, 2023. This change is the result of a €68 M capital increase (of which €59 M from the issue of cooperative shares and €9 M from the capitalization of reserves), the inclusion of net income and the change in unrealized capital gains and losses. Minority interests stood at €104 M at December 31, 2024 (up €43 M compared to 2023 related to the Madagascar subsidiary for 70%).

Given the consolidated profit for the 2024 fiscal year of €391.0 M and a balance sheet total of €117.5 bn, the asset return ratio amounts to 0.33%.

3.10 SOLVENCY AND LIQUIDITY

3.10.1 Equity and capital adequacy ratios

The Basel III regulation came into force on January 1, 2014. Solvency ratios are therefore presented in accordance with that regulation for the 2023 and 2024 fiscal years. The following definitions are derived from the Basel III regulations, the provisions of which have been incorporated into the European Directive 2013/36/EU (CRD IV) and Regulation No. 575/2013 (CRR) of the European Parliament and of the Council, as amended by EU Regulation No. 2019/876 (CRR2). All credit institutions in the European Union are subject to compliance with the prudential requirements defined in these texts since January 1, 2014.

Credit institutions subject to the CRD are accordingly required to continuously observe:

- the Common Equity Tier-I capital ratio (CETI);
- the Tier-I capital ratio, i.e., CETI plus Additional Tier-I capital (ATI);
- the total capital adequacy ratio, i.e., Tier-I plus Tier-2 capital.

Added to the above are capital buffers at the discretion of the national regulator. These include:

- a capital conservation buffer;
- a counter-cyclical buffer;
- a buffer for institutions of systemic significance.

The first two buffers concern all institutions on an individual or consolidated basis.

The ratios are determined by dividing regulatory capital and by the sum of:

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

These various levels of the solvency ratio show the ability of the institution to deal with the risks generated by its activities. It relates the various levels of capital to a measurement of its risks.

Credit institutions are required to comply with the following minimum ratio levels:

- capital ratios before buffers: since 2015, the minimum Common Equity Tier-I capital ratio (CETI ratio) is 4.5%. Similarly, the minimum Tier-I capital ratio (TI ratio) is 6%. Finally, the minimum total capital ratio (overall ratio) is 8%;
- capital buffers: they were applied progressively since 2016 to be finalized in 2019:
 - the capital conservation buffer for Tier-I capital is now equal to 2.5% of the total amount of risk exposure;
 - the countercyclical buffer equates to a weighted average of exposures at default (EAD) of the buffers defined at the level of each of the countries in which the institution operates. France's countercyclical buffer, set by the French Financial Stability Board, has been 1% since January 2, 2024
 - for 2024, the minimum capital ratios to be met are 7.85% for the CETI ratio, 9.35% for the Tier-I ratio and 11.35% for the institution's overall ratio.

Responsibility in terms of solvency

First, as a credit institution, BRED is responsible for its level of solvency, which it must maintain above the minimum regulatory standard. It possesses different levers for this purpose: issue of shares, allocation to reserves during appropriation of annual earnings, subordinated loans and management of weighted risks.

Secondly, due to its affiliation with the Group's central institution, its solvency is also guaranteed by BPCE SA (see Article L.511-31 of the French Monetary and Financial Code). Thus, where applicable, an affiliated institution may benefit from the implementation of Groupe BPCE's specific guarantee and solidarity system (see French Monetary and Financial Code Article L.512-107 paragraph 6), which brings together the capital of all the institutions of the Banque Populaire and Caisse d'Épargne networks).

3.10.2 Capital

In accordance with regulatory definitions, the total capital is divided in three categories: Common Equity Tier-I capital (CET I), Additional Tier-I capital (AT I) and Tier-2 capital (T2), from which are deducted holdings in other banking institutions (essentially the equity interest in BPCE SA).

At December 31, 2024, Groupe BRED's overall capital totaled €6,013.6 million.

	2023	2024
<i>In millions of euros</i>	Basel III⁽¹⁾	Basel III⁽¹⁾
Capital and associated reserves ⁽²⁾	1,901.4	1,969.4
Consolidated reserves	4,487.1	4,724.4
IAS/IFRS impact on retained earnings	-98.1	-104.1
Net income for the fiscal year	319.1	391.0
Proposed distribution of dividends	-56.4	-48.8
Consolidated equity	6,553.1	6,931.
Intangible fixed assets and other deductions	-44.4	-61.0
Equity instruments held in financial sector entities to be deducted from CET I	-401.8	-410.5
Negative difference between provisions and expected losses as per Basel III prudential calculations	-141.3	-38.2
Additional value adjustments in respect of prudent measurement of the trading portfolio's positions	-73.2	-81.2
Irrevocable payment commitments (IPC)	-53.6	-54.8
Pillar I backstop impact	-19.4	-29.8
Pillar II backstop impact	-63.8	-68.4
Goodwill included in property, plant and equipment	0.0	-57.8
Goodwill on major investments	-17.8	-17.8
Minority interests included in consolidated Common Equity Tier-I capital	10.8	11.8
Items deducted from AT I exceeding AT I capital	-113.8	-110.4
Other adjustments	-21.2	-0.3
Common Equity Tier-I capital (CET I)	5,613.4	6,013.6
Additional Tier-I capital (AT I) instruments	0.0	0.0
Tier-2 capital (T2) before deductions	0.0	0.0
Equity instruments held in financial sector entities to be deducted from additional capital	-2.3	-2.2
Collective provisions, standard method	0.0	0.0
Other adjustments	2.3	2.2
Tier-2 capital	0.0	0.0
TOTAL REGULATORY CAPITAL	5,613.4	6,013.6

(1) The rules for deducting equity instruments held in financial sector entities have undergone significant changes between Basel II and Basel III.

(2) Tier-3 capital is no longer eligible under Basel III.

NB: holdings in insurance companies are treated in accordance with the Danish compromise under Basel III.

Common Equity Tier-I capital (CETI)

Common Equity Tier-I capital (CETI) mainly equates to share capital, additional paid-in capital, reserves and retained earnings. They take certain deductions into account, notably related to intangible assets, deferred taxes dependent on future profits, prudential filters, negative amounts resulting from

insufficient provisions with regard to the expected losses and holdings in eligible banking, financial and insurance institutions in accordance with the rules covering deductibles and the transitional period.

At the close of 2024, Common Equity Tier-I capital after deductions stood at €6,013.6 M:

12/31/2023 <i>In millions of euros</i>	5,613.4
Capital increase	68.0
Income net of proposed dividend payout	342.2
Other items	-10.0
12/31/2024	6,013.6

- the share capital amounted to €1,962.3 M, up €68 M over the year due to the capital increase, and additional paid-in capital to €7.1 M;
- reserves amounted to €4,724.4 M, before appropriation of 2024 income, up €237 M compared to 2023;
- unrealized capital gains and losses and other recyclable reserves decreased by €6 M;
- deductions amounted to €918 M at the end of 2024. The deduction net of deductible on equity interests amounted to €411 M. On particular as BRED is a shareholder of BPCE SA, the amount of securities held is deducted from its capital due to the same euro being unable to cover risks in two different institutions.
- These lower deductions are mainly due to the decrease in the negative difference between the sum of value adjustments and collective impairments relating to IRB exposures and expected losses of €103 M, despite goodwill on property, plant and equipment of €58 M (related to the acquisition of the subsidiary BRED Madagasikara);
- insurance holdings are treated in accordance with the Danish compromise and are therefore no longer deducted from Common Equity Tier-I capital but are risk weighted at 370%.

Additional Tier-I capital (AT1)

Additional Tier-I capital (AT1) consists of subordinated instruments issued in accordance with strict eligibility criteria, issue premiums related to AT1 items and deductions of equity interests in eligible banking, financial and insurance institutions in accordance with the rules covering deductibles and the transitional period.

BRED did not have any AT1 capital at the end of 2024. The subscription to the BPCE AT1 issue therefore impacts CETI for an amount of €110.4 M net of deductibles.

Tier-2 capital (T2)

Tier-2 capital equates to subordinated debt instruments of a minimum duration of five years. Since the end of 2018, BRED no longer has Tier-2 capital consisting of subordinated loans. Since 2023, BRED no longer has Tier-2 capital consisting of the positive difference between the expected loss and the accounting provisions for performing or non-performing loans, following a review of the rules for calculating this difference at Groupe BPCE level.

3.10.3 Capital requirements and weighted risks

For the purposes of regulatory solvency calculations, three types of risks must be measured: credit risks, market risks and operating risks. These risks are respectively calculated from the amount of outstanding loans, the trading portfolio and the institution's net banking income.

Weighted risks are calculated according to regulatory methods. Capital requirements are equal to 8% of the total of these weighted risks.

At the close of 2024, Groupe BRED's risk-weighted assets amounted to €37,302 M under Basel III (i.e., capital requirement of €2,984.1 M), an increase of €2.1 bn. This rise is the result of the continued dynamism of the credit business in 2024 and by the further growth of BRED Group in France and abroad.

Basel III also introduced additional capital requirements, including:

- €13.5 M in respect of the Credit Value Adjustment (CVA): the CVA is an accounting correction of the mark-to-market value of derivatives that incorporates the costs of counterparty risk, which varies with changes in the counterparty's credit quality (changes in spreads or ratings). Basel III provides for an additional capital requirement to cover credit valuation volatility risk;
- In respect of the Centralized Clearing Houses (CCPs): in order to reduce systemic risks, the regulator wishes to generalize the use of CCPs in the over-the-counter derivatives market while managing the risks of these CCPs with relatively low weightings.

Institutions are exposed to CCPs in two ways:

- 2% weighting for transactions going through CCPs (for derivatives and FFIs);
- for CCP clearing member entities, capital requirements to cover the default fund exposure of each CCP;

- €127.5 M in respect of allowances on deferred tax assets depending on future taxable income linked to temporal differences and financial holdings greater than 10%. Items covered by the allowance are weighted at 250%.

3.10.4 Capital adequacy ratio

As BRED Group's prudential capital consisted solely of CET1 Tier-I capital at December 31, 2024, its overall solvency ratio is equal to its CET1 solvency ratio.

The overall ratio was a healthy 16.12% at the end of the fiscal year (higher than the regulatory minimum for 2024), up 0.16 points year-on-year.

In millions of euros	2023 Basel III	2024 Basel III
Common Equity Tier-I capital (CET1)	5,613.4	6,013.6
Additional Tier-I capital (AT1) instruments	0.0	0.0
Tier-2 capital after deductions	0.0	0.0
REGULATORY CAPITAL	5,613.4	6,013.6
Credit and counterparty risk	31,263.9	32,99.6
Market risk	1,336.1	1,593.6
Operational risk	2,564.7	2,808.7
TOTAL RISK EXPOSURE	35,164.7	37,301.8
OVERALL RATIO	15.96%	16.12%
of which, Common Equity Tier-I capital ratio	15.963%	16.12%

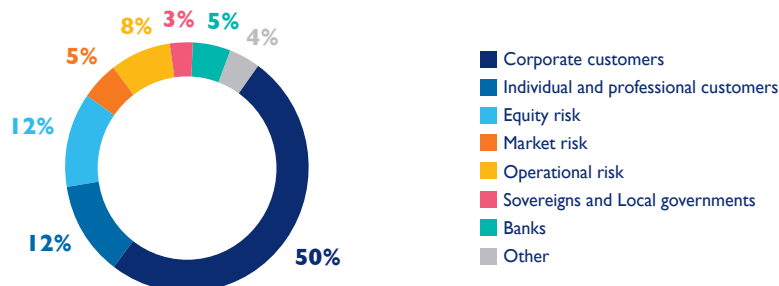
The increase in the ratio is due to an increase in equity, including a capital increase of €68 M, a decrease in deductions on equity (notably the negative difference between the amount of value adjustments and collective impairment relating to IRB exposures and expected losses for €103 M), and a moderate increase in risk-weighted assets.

This sound ratio demonstrates BRED's great capacity to create capital by allocating earnings to reserves and by issuing shares to its cooperative shareholders.

CET1 solvency ratio: 2023 vs. 2024



Risk-weighted assets excluding allowances - Basel III capital adequacy



3.10.5 Leverage ratio

The main purpose of the leverage ratio is to serve as an additional risk measurement for determining regulatory capital requirements. CRR Article 429, which sets forth the calculation method for the leverage ratio, was amended by Commission Delegated Regulation (EU) 2015/62 of October 10, 2014.

The coming into force of the Capital Requirements Regulation, known as “CRR2”, makes the leverage ratio a binding requirement applicable since June 28, 2021. The minimum requirement for this ratio to be met at all times is 3%. This regulation allows for certain exemptions in the calculation of exposures, including:

- regulated savings transferred to the Caisse des Dépôts et Consignations for the total amount centralized;

- transactions carried out with other Groupe BPCE establishments weighted at 0% for the purposes of the calculation of weighted risks.

The leverage ratio is determined by dividing Tier-I capital by exposures, which consist of assets and off-balance sheet items, after restatements of derivatives, securities financing transactions and items deducted from capital.

At December 31, 2024, the leverage ratio based on Tier-I capital taking was 6.09%.

The 0.03-point decrease in the ratio is mainly due to the increase in the size of the consolidated balance sheet.

In millions of euros	2023	2024
	Basel III	Basel III
Common Equity Tier-I capital	5,613.4	6,013.6
Leverage exposures	91,651.3	98,719.7
LEVERAGE RATIO	6.12%	6.09%

3.10.6 Liquidity

The business model of commercial banking in France is based on maintaining a prudent structure in the form of a balanced customer loan/deposit ratio. The loans/deposits ratio excluding financial customers benefited from the strong performance of funds raised and stood at 111% at December 31, 2024.

BRED's LCR (liquidity coverage ratio) stood at 108% at December 31, 2024, compared with a regulatory minimum requirement of 100%.

BRED's NSFR (net stable funding ratio) was 106% at December 31, 2024, compared with the regulatory minimum requirement of 100%.

3.11 CONTROL AND MANAGEMENT PROCEDURES RELATED TO ACCOUNTING AND FINANCIAL INFORMATION

Roles and responsibilities in preparing and processing accounting and financial information

BRED's accounting organization is decentralized.

Company financial statements

BRED's accounting information system is sufficiently granular to provide regular oversight of transactions and to meet all accounting and regulatory requirements.

The banking production departments, with the help of the Accounting Department, determine the accounting structures for their transactions and request the opening of the accounts they deem necessary. BRED Group's General Accounting Department is responsible for the chart of accounts, ensuring its integrity is preserved; it checks that the *modus operandi* defined for the accounts is appropriate and consistent.

The production of accounting and financial information is entrusted to a number of independent parties coordinated by the Chief Financial Officer, in accordance with BRED Group's decentralized accounting organization. The financial statements are prepared by the General Accounting Department. The accounts that are the basis of these documents are monitored and controlled at first level by the production departments.

Consolidated financial statements

The accounting information needed to prepare BRED Group's consolidated financial statements and to contribute to those of BPCE Group is recorded in the consolidation application used by all BPCE entities.

The General Accounting Department is responsible for monitoring the internal consistency of the consolidation scopes, charts of accounts, accounting methods and analysis used by all BRED consolidated entities in compliance with BPCE Group standards.

Regulatory and tax reports

The General Accounting Department is the main party responsible for producing regulatory and tax reports. Certain regulatory reports on liquidity ratios or major risks are the responsibility of ALM and the Risk division respectively.

Integrated reports

Integrated reports are forwarded to General Management and form the basis of the presentation of the accounts made by the CFO to the Board of Directors.

Control processes for accounting and financial data

The process for controlling accounting and financial data mirrors the general organization of BRED Group's internal control system and complies with the legal and regulatory requirements ensuing, in particular, from the Monetary and Financial Code and the Ministerial Order of February 25, 2021 covering internal control.

Financial audit

As a second-level permanent control function, Financial Audit is responsible for contributing to the reliability of BRED Group's accounting and financial information. Financial audit applies the Quality Control Framework for Groupe BPCE's accounting and financial information, which was validated by the Group Internal Control Coordination Committee (3CIG meeting of September 30, 2022). Financial Audit thus contributes to:

- improving the reliability and efficiency of first-level accounting and financial information production and control processes (standalone financial statements, consolidated financial statements, tax returns);
- quality control of the accounting and financial figures and indicators included in the regulatory reports or management reports, in conjunction with the other second-level permanent control stakeholders;
- preventing and detecting fraud and acts of bribery or influence peddling (focusing on accounting), in conjunction with the Compliance function, which is responsible for overall supervision and coordination.

The remit of Financial audit covers Groupe BRED as a whole, i.e., BRED SA and its subsidiaries and associates. Particular attention is paid to subsidiaries and associates that come within the scope of material entities, in accordance with the criteria and thresholds defined by Groupe BPCE.

The Financial Audit central team is responsible for maintaining functional links with the permanent controllers in the relevant subsidiaries or operating departments. In particular, this functional link is reflected in regular reporting by the permanent controllers, in accordance with formats, methodology and instructions established on the basis of the various requirements of Groupe BPCE.

To perform its duties, Financial Audit relies on the audit work performed by the Finance Department and the work of other risk functions when necessary.

Financial Audit's work is carried out in accordance with an annual audit plan. This audit plan is based on the results of risk mapping relating to the production of accounting and financial information, using a methodology that takes into account materiality, inherent risk and internal control risk. Financial Audit is also responsible for internal communication with BRED Group's various governance and control functions, including the Audit and Accounts Committee. It is responsible for reporting accounting and financial control issues to BPCE, the Statutory Auditors and the supervisory authorities. Financial audit is also responsible for monitoring the appointment and renewal of the Statutory Auditors in accordance with the rules defined in BPCE standards.

Financial audit reports hierarchically to the Chief Financial Officer and functionally to the Risk, Protection and Control Officer.

3.12 POST-BALANCE SHEET EVENTS

None.

3.13 OUTLOOK

In 2024, the economic and financial environment has improved, marked by the central banks' desire to emerge from a period of strong inflationary pressures and restrictive monetary policies. However, 2025 started off with mixed results. While economic activity in the Eurozone, and in France in particular, has been able to adapt to many headwinds, it is starting this new fiscal year with low energy reserves.

The global environment remains uncertain, with the arrival at the head of the United States of a new administration, more inclined to erect new obstacles to global trade. The development of a European economic policy to respond to these new threats is already the subject of disagreements within the Union. The geopolitical situation in Ukraine remains sensitive.

In this context, BRED will continue to play the role it has always played in the economic development of the regions in which it does business, in France and abroad, drawing on the diversity of its business lines. Our bank will continue to intensify the local, high value-added relationship it maintains with its customers and to finance their personal and business projects. BRED Group is also committed to supporting its customers' ecological and environmental transition.

Thanks to the strength of its performance, BRED Group is in possession of all the tools required to achieve its ambitions. The high net banking income and net income it posted in 2024 have strengthened its equity position. Moreover, the trust placed in BRED by its cooperative shareholders customers is an additional asset enabling it to meet its ambitions.

3.

3.14 SITE-SPECIFIC INFORMATION

Information on operations by country in accordance with Article L.511-45 of the Monetary and Financial Code is presented in Groupe BPCE's Universal Registration Document.

3.15 NON-TAX DEDUCTIBLE EXPENSES

Disclosure of luxury expenditures

In accordance with the provisions of Article 223 *quater* of the French General Tax Code, the financial statements for the fiscal year ended December 31, 2024 include an expense of €265,062 for luxury expenditures that are not tax deductible.

The tax incurred in connection with those expenditures and expenses is €68,465.

These luxury expenditures correspond to the non-deductible portion of rents on BRED Banque Populaire's service vehicles.

3.16 PAYMENT TIMES FOR SUPPLIERS AND CUSTOMERS

Supplier payment times

<i>In euros</i>	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Overall
(A) Late payment brackets					
Number of invoices concerned					295
Total amount of invoices concerned including taxes	3,026,906	1,162,074	84,276	57,505	4,330,761
(B) Invoices excluded from (A) relating to disputed or unrecorded liabilities and receivables					
Number of invoices excluded					None
Total amount of invoices excluded					None
(C) Reference payment terms used (contractual or statutory deadline - Article L.441-6 or Article L.443-1 of the French Commercial Code)					
Payment terms used to calculate overdue payments	Contractual payment terms: 30 days from date of invoice				

Customer payment times

The only invoices issued by BRED that do not concern banking transactions are those relating to intra-group transactions, most of which are paid by direct debit. Invoices not paid by December 31, 2024 are not significant.

3.17 INFORMATION ABOUT INACTIVE ACCOUNTS ON OUR BOOKS

In accordance with Articles L.312-19, L.312-20 and R.312-21 of the French Monetary and Financial Code, information relating to the inactive accounts on our books is as follows.

At 12/31/2024

Number of inactive accounts open in the institution's books	28,192
Total deposits and assets held in the inactive accounts identified	€85,994,334.15
Number of accounts whose credit balances have been deposited with Caisse des Dépôts et Consignations	1,888
Total amount of funds deposited with Caisse des Dépôts et Consignations	€4,011,609.16

CHAPTER

4.

ANNUAL CONSOLIDATED
FINANCIAL STATEMENTS

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4.1 CONSOLIDATED INCOME STATEMENT

<i>In thousands of euros</i>	Notes	2024 fiscal year	2023 fiscal year
Interest and similar income	4.1	3,601,423	3,300,904
Interest and similar expenses	4.1	-3,417,744	-2,872,962
Commission income	4.2	676,645	634,061
Commission expenses	4.2	-185,891	-178,236
Gains (losses) on financial instruments at fair value through profit or loss	4.3	672,359	277,768
Net gains (losses) on financial instruments at fair value through other comprehensive income	4.4	56,039	98,940
Net gains or losses arising from derecognition of financial assets at amortized cost	4.5	3,421	3,175
Revenue from insurance contracts issued	9.2.1	345,571	340,935
Service expenses from insurance contracts issued	9.2.2	-270,073	-279,147
Income and expenses from reinsurance contracts held	9.2.3	-21,551	-7,585
Net investment income from insurance activities	9.2.4	346,758	400,918
Finance income or expenses from insurance contracts issued	9.2.5	-330,584	-380,565
Finance income or expenses from reinsurance contracts held	9.2.6	425	317
Cost of credit risk on insurance activities financial investments	9.2.7	3,809	-272
Income from other activities	4.6	13,243	16,666
Expenses from other activities	4.6	-25,893	-18,621
NET BANKING INCOME		1,467,957	1,336,296
Operating expenses	4.7	-768,491	-759,029
Depreciation, amortization and impairment for property, plant and equipment and intangible assets		-66,744	-63,505
GROSS OPERATING INCOME		632,722	513,763
Cost of credit risk	7.1.1	-195,498	-103,619
NET OPERATING INCOME		437,224	410,143
Share in net income of associates and joint ventures	12.4.2	17,056	31,027
Gains or losses on other assets	4.8	33,911	780
Value adjustments on goodwill	3.5.2	0	0
INCOME BEFORE TAX		488,191	441,951
Income tax	11.1	-90,781	-109,439
Net income from discontinued operations		0	0
NET INCOME		397,411	332,512
Non-controlling interests		-6,408	-13,410
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		391,003	319,102

4.2 COMPREHENSIVE INCOME

In thousands of euros

	2024 fiscal year	2023 fiscal year
Net income	397,411	332,512
Items recyclable to net income	-5,235	-4,591
Foreign exchange rate adjustments	6,765	6,683
Revaluation of financial assets at fair value through other comprehensive income recyclable to profit or loss	11,952	40,311
Revaluation of derivative hedging items that can be recycled to profit or loss	-26,673	-29,227
Revaluation of financial assets at fair value through other comprehensive income recyclable to profit or loss (insurance activities)	27,901	159,207
Revaluation of insurance contracts held in other comprehensive income recyclable to profit or loss	-50,272	-143,179
Revaluation of reinsurance contracts held in other comprehensive income recyclable to profit or loss	72	-116
Share of gains and losses of associates recognized directly in other comprehensive income	4,636	6,889
Other items recognized in equity that can be recycled	0	0
Related taxes	20,383	18,017
Items not recyclable to net income	395	26,215
Remeasurement of non-current assets		0
Revaluation (or actuarial gains and losses) in respect of defined-benefit plans	8,625	-13,311
Revaluation of own credit risk on financial liabilities designated at fair value through profit or loss	0	0
Revaluation of equity financial assets recognized at fair value through other comprehensive income	8,935	36,654
Share of gains and losses of associates recognized directly in other comprehensive income	3	-477
Revaluation of equity financial assets recognized at fair value through other comprehensive income of the insurance activities		0
Remeasurement of direct participation insurance contracts – non recyclable		0
Other items recognized through other comprehensive income on items not recyclable to profit or loss	0	0
Related taxes	702	3,349
Total gains and losses recognized directly in equity	-4,841	21,623
COMPREHENSIVE INCOME	392,570	354,135
Attributable to equity holders of the parent	384,924	346,397
Non-controlling interests	7,646	7,739

4.

4.3 CONSOLIDATED BALANCE SHEET

Assets

<i>In thousands of euros</i>	Notes	12/31/2024	12/31/2023
Cash and amounts due from central banks	5.1	11,155,343	15,801,198
Financial assets at fair value through profit or loss	5.2.1	14,979,600	13,437,533
Hedging derivatives	5.3	396,797	460,608
Financial assets at fair value through other comprehensive income	5.4	22,902,652	16,441,234
Securities at amortized cost	5.5.1	2,649,136	2,482,162
Loans and advances to banks and similar at amortized cost	5.5.2	9,507,172	8,958,123
Loans and advances to customers at amortized cost	5.5.3	43,654,490	41,820,293
Revaluation differences on interest rate risk-hedged portfolios, assets		4,713	26
Financial investments of insurance activities	9.3.1	9,652,377	9,047,477
Insurance contracts issued - Assets		35,231	43,028
Reinsurance contracts held - Assets		116,278	114,712
Current tax assets		39,035	24,018
Deferred tax assets	11.2	204,434	307,859
Accrued income and other assets	5.7	1,317,774	1,079,630
Non-current assets held for sale	5.8	0	0
Investments accounted for using equity method	12.4.1	437,905	420,960
Investment property	5.9	2,214	2,436
Property, plant and equipment	5.10	348,375	341,622
Intangible assets	5.10	61,816	46,015
Goodwill	3.5.1	57,794	0
TOTAL ASSETS		117,523,136	110,828,932

Liabilities

<i>In thousands of euros</i>	Notes	12/31/2024	12/31/2023
Central banks		333	7
Financial liabilities at fair value through profit or loss	5.2.2	1,974,897	1,870,746
Hedging derivatives	5.3	341,900	386,914
Debt securities	5.11	7,760,911	9,185,203
Amounts due to banks and similar	5.12.1	24,047,688	20,985,478
Amounts due to customers	5.12.2	65,612,569	61,508,761
Revaluation differences on interest rate risk-hedged portfolios, liabilities		0	-1,266
Insurance contracts issued - Liabilities		9,140,664	8,560,212
Reinsurance contracts held - Liabilities		31,760	53,847
Current tax liabilities		42,981	10,011
Deferred tax liabilities	11.2	10,161	187,482
Accrued expenses and other liabilities	5.13	1,324,592	1,259,703
Liabilities associated with non-current assets held for sale	5.8	0	0
Provisions	5.14	144,641	143,746
Subordinated debt	5.15	5,456	7,349
Shareholders' equity		7,084,585	6,670,739
Equity attributable to equity holders of the parent		6,980,778	6,609,541
Capital and associated reserves		1,969,442	1,901,416
Consolidated reserves		4,724,478	4,487,090
Gains and losses recognized directly in other comprehensive income		-104,145	-98,067
Net income for the period		391,003	319,102
Non-controlling interests	5.17	103,807	61,198
TOTAL LIABILITIES AND EQUITY		117,523,136	110,828,932

4.4 STATEMENT OF CHANGES IN EQUITY

Capital and associated reserves

(in thousands of euros)	Capital ⁽¹⁾	Premiums ⁽¹⁾	Preference shares	Perpetual deeply subordinated notes	Consolidated reserves
Restated equity at January 1, 2023	1,681,432	7	0	0	4
Allocation of net income					506,824
Impact of changes associated with first implementation of IFRS 17	0	0	0	0	0
Impact of changes associated with first implementation of IFRS 9 to insurance activity	0	0	0	0	0
Restated equity at January 1, 2023	1,681,432	7,482	0	0	4,535,387
Dividend payments	0	0	0	0	-37,887
Redemption of subordinated notes			0		0
Remuneration of subordinated notes					0
Capital increase	212,502	0	0	0	-10,731
Impact of acquisitions and disposals on non-controlling interests			0		0
Increase (decrease) through transactions with owners	212,502	0	0	0	-48,617
Gains and losses recognized directly in other comprehensive income	0	0	0	0	4,491
Impact of acquisitions and disposals on non-controlling interests	0	0	0	0	0
Net income for the period	0	0	0	0	0
Comprehensive income	0	0	0	0	4,491
Other changes	0	0	0	0	-4,171
Shareholders' equity at December 31, 2023	1,893,934	7,482	0	0	4,487,089
Allocation of net income for the year	0	0	0	0	319,102
Impact of changes in the method for calculating social commitments					-84
Shareholders' equity at January 1, 2024	1,893,934	7,482	0	0	4,806,106
Dividend payments	0	0	0	0	
Capital increase	68,407	0	0	0	-9,222
Other movements	0	-381	0	0	-8,525
Transfer between equity components	0	0	0	0	0
Issue of perpetual deeply subordinated notes and preference shares	0	0	0	0	0
Issuance and redemption of perpetual deeply subordinated notes and preference shares	0	0	0	0	0
Interest paid on perpetual deeply subordinated notes and preference shares	0	0	0	0	0
Impact of acquisitions and disposals on non-controlling interests (1)	0	0	0	0	0
Increase (decrease) through transactions with owners	68,407	-381	0	0	-69,757
Gains and losses recognized directly in other comprehensive income	0	0	0	0	2,386
Capital gains and losses reclassified to retained earnings	0	0	0	0	0
Net income for the period	0	0	0	0	0
Net income and gains and losses recognized directly in other comprehensive income	0	0	0	0	2,386
Other changes (2)	0	0	0	0	-14,257
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2024	1,962,341	7,101	0	0	4,724,478

(1) Change mainly due to the acquisition of the Madagasikara subsidiary.

(2) Recognition of the correction of €14,228 thousand on interest on the legal reserves overpaid by BPCE.

ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY

Gains and losses recognized directly in other comprehensive income														
Recyclable							Non-recyclable							
Foreign exchange rate adjustments	Revaluation of financial assets at fair value through other comprehensive income recyclable to profit or loss	Debt financial assets recognized at fair value through other comprehensive income of the insurance activities	Revaluation of insurance and reinsurance contracts	Hedging derivatives	Impact of revaluation at fair value through comprehensive income (non-recyclable) - Equity instruments	Impact of the remeasurement of equity instruments recognized at fair value through non-recyclable equity of the insurance activities	Impact of the remeasurement of direct participation insurance contracts – non-recyclable	Revaluation of own credit risk liabilities designated at fair value through profit or loss	Revaluation differences on employee benefits	Net income attributable to equity holders of the parent	Total equity attributable to equity holders of the parent	Non-controlling interest	Total consolidated equity	
-14,416	-81,850	-188,438	150,522	35,560	-38,960	0	0	0	12,221	506,824	6,098,939	55,046	6,153,986	
									-506,824					
0	0	0	0	0	0	0	0	0	0	0	0		0	
0	0	0	0	0	0	0	0	0	0	0	0		0	
-14,416	-81,850	-188,438	150,522	35,560	-38,960	0	0	0	12,221	0	6,098,939	55,046	6,153,986	
0	0	0	0		0			0	0	0	-37,886	0	-37,886	
0	0	0	0		0			0	0	0	201,771	0	201,771	
0	0	0	0		0			0	0	0	163,885	0	163,885	
-8,525	28,142	108,654	-106,361	-20,817	36,390	0	0	0	-10,188	0	31,786	-5,671	26,114	
0	0	0	0		0			0	0	0	0	0	0	
0	0	0	0		0			0	0	319,102	319,102	13,410	332,512	
-8,525	28,142	108,654	-106,361	-20,817	36,390	0	0	0	-10,188	319,102	350,888	7,739	358,626	
0	0	0	0		0			0	0	0	-4,171	-1,587	-5,758	
-22,941	-53,708	-79,784	44,161	14,743	-2,571	0	0	0	2,033	319,102	6,609,541	61,198	6,670,739	
0	0	0	0		0			0	0	-319,102	0	0	0	
											-84	-15	-98	
-22,941	-53,708	-79,784	44,161	14,743	-2,571	0	0	0	2,033	0	6,609,456	61,183	6,670,641	
0	0	0	0		0			0	0	0	-52,010	-5,125	-57,135	
0	0	0	0		0			0	0	0	59,185	52	59,237	
0	0	0	0		0			0	0	0	-8,906	-6	-8,912	
0	0	0	0		0			0	0	0	0			
0	0	0	0		0			0	0	0	0			
0	0	0	0		0			0	0	0	0			
0	0	0	0		0			0	0	0	0	40,331	40,331	
0	0	0	0		0			0	0	0	-1,731	35,251	33,520	
10,384	8,864	30,916	-37,144	-19,452	7,991			0	6,197	0	10,142	1,203	11,345	
					-13,834						-13,834	0	-13,834	
0	0	0	0		0			0	0	391,003	391,003	6,408	397,411	
10,384	8,864	30,916	-37,144	-19,452	-5,843			0	6,197	391,003	387,310	7,611	394,922	
0	0	0	0		0			0	0	0	-14,257	-239	-14,496	
-12,556	-44,844	-48,868	7,018	-4,710	-8,414			0	8,230	391,003	6,980,779	103,807	7,084,585	

4.

4.5 CONSOLIDATED CASH FLOW STATEMENT

In thousands of euros

	12/31/2024	12/31/2023
Income before tax	488,191	441,951
Depreciation, amortization and impairment for property, plant and equipment and intangible assets	71,208	65,665
Goodwill impairment	0	0
Net charge for provisions*	368,975	325,035
Share in net income of associates	-11,301	-19,446
Net cash flows generated by investment activities	-173,973	-125,085
Income and expenses of financing activities	0	0
Other changes	-522,731	-661,105
Total non-monetary items included in net income before tax	-267,821	-414,937
Change in inter-credit institutions items	2,452,946	-4,107,358
Change in customer items	2,153,327	4,531,543
Change in financial assets and liabilities	-9,504,355	-9,413,890
Change in non-financial assets and liabilities	-153,090	361,075
Income taxes paid	-116,797	-139,227
Increase (decrease) in assets and liabilities resulting from operating activities	-5,167,969	-8,767,857
Net cash flows generated by operating activities (A) – Ongoing operations	-4,947,599	-8,740,843
Net cash flows generated by operating activities (A) – Discontinued operations		
Decrease (increase) in financial assets and equity interests	308,123	-48,826
Decrease (increase) in investment property	18	-578
Change in property, plant, equipment and intangible assets, investing activities	-42,176	-55,487
Net cash flows generated by investing activities (B) – Ongoing operations	265,965	-104,891
Net cash flows generated by investing activities (B) – Discontinued operations		
Net increase (decrease) arising from transactions with shareholders	1,715	161,651
Other increases (decreases) generated by financing activities	-1,893	220
Net cash flows generated by financing activities (C) – Ongoing operations	-178	161,871
Impact of changes in exchange rates (D) – Ongoing operations	-18,557	3,248
NET CHANGE IN CASH AND CASH EQUIVALENTS (A + B + C + D)	-4,700,369	-8,680,614
CASH FLOW ON ASSETS AND LIABILITIES HELD FOR SALE		
Net cash and bank balances at central banks	15,801,586	33,811,764
Cash and accounts with central banks (assets)	15,801,593	33,812,667
Accounts with central banks (liabilities)	-7	-902
Net balance of demand transactions with banks		
Current accounts with overdrafts ⁽¹⁾	999,132	808,772
Demand accounts and loans	0	0
Demand accounts in credit	-1,848,119	-10,987,323
Demand repurchases agreements	0	0
Opening cash and cash equivalents	14,952,599	23,633,214
Net cash and bank balances at central banks	11,155,384	15,801,586
Cash and accounts with central banks (assets)	11,155,717	15,801,593
Accounts with central banks (liabilities)	-333	-7
Net balance of demand transactions with banks		
Current accounts with overdrafts ⁽¹⁾	1,119,089	999,132
Demand accounts and loans	0	0
Demand accounts in credit	-2,022,243	-1,848,119
Demand repurchases agreements	0	0
Closing cash and cash equivalents	10,252,230	14,952,599
NET CHANGE IN CASH AND CASH EQUIVALENTS	-4,700,369	-8,680,614

(1) The current accounts with overdrafts do not include Livret A, LDD and LEP savings accounts centralized with Caisse des Dépôts et Consignations.

4.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Note I General framework

I.1 Groupe BPCE

Groupe BPCE comprises the Banque Populaire network, the Caisse d'Épargne network, the BPCE central institution and their subsidiaries.

The Banque Populaire network and Caisse d'Épargne network

Groupe BPCE is a cooperative group whose cooperative shareholders own the two retail banking networks, comprising the 14 Banques Populaires and the 15 Caisses d'Épargne. Each of the two networks owns an equal share in BPCE, the Group's central institution.

The Banque Populaire network consists of the Banques Populaires and the mutual guarantee companies which grant them the exclusive benefit of their guarantees.

The Caisse d'Épargne network consists of the Caisses d'Épargne and the local savings companies.

The Banques Populaires are wholly-owned by their cooperative shareholders.

The capital of the Caisses d'Épargne is wholly owned by the local savings companies. Local savings companies are cooperative structures with open-ended share capital owned by cooperative shareholders. They are tasked with coordinating the cooperative shareholder base, in line with the general objectives defined by the individual Caisse d'Épargne to which they are affiliated, and they cannot perform banking transactions.

BPCE

BPCE, a central institution as defined by French banking law and a credit institution approved to operate as a bank, was created pursuant to act No. 2009-715 of June 18, 2009. BPCE was incorporated as a *société anonyme* with a Management Board and a Supervisory Board, whose share capital is owned jointly and equally by the 14 Banques Populaires and the 15 Caisses d'Épargne.

BPCE's missions are closely linked to the cooperative principles of the Banques Populaires and the Caisses d'Épargne.

Specifically, BPCE represents the interests of its various affiliates in dealings with the supervisory authorities, defines the range of products and services offered by them, organizes depositor protection, approves key appointments of company directors and oversees the smooth operation of the Group's institutions.

As a holding company, BPCE is the head entity of the Group and holds the joint ventures between the two networks in retail banking and insurance, corporate banking and financial services, and their production units. It defines the Group's corporate strategy and growth and expansion policies.

The network and BPCE's main subsidiaries are arranged into two major divisions:

- Retail Banking and Insurance, which includes the Banque Populaire network, the Caisse d'Épargne network, the Financial Solutions & Expertise division (including factoring, consumer loans, leasing, sureties & financial guarantees, and the "retail securities" business), the Digital and Payments (integrating the payments subsidiaries and the Oney group) and Insurance divisions, and Other networks;
- Global Financial Services combining Asset & Wealth Management (Natixis Investment Managers and Natixis Wealth Management) and Corporate & Investment Banking (Natixis Corporate & Investment Banking).

In respect of the Group's financial functions, BPCE is responsible, in particular, for the centralized management of surplus funds, for the execution of any financial transactions required to develop and fund the Group, and for choosing the most appropriate counterparty for these transactions in the broader interests of the Group. BPCE also provides banking services to the other Group entities.

1.2 Guarantee mechanism

Pursuant to Articles L.511-31, L.512-107-5 and L.512-107-6 of the French Monetary and Financial Code, the guarantee and solidarity mechanism was set up to ensure the liquidity and capital adequacy of the Group and its associates, and to organize financial support within BPCE.

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

In the event of difficulties, BPCE will have to do everything necessary to restore the financial situation and may in particular make unlimited use of the resources of any, several or all affiliates, or implement the appropriate mechanisms of internal solidarity of the Group and by calling on the guarantee fund common to the two networks of which it determines the rules of operation, the triggering conditions, in addition to the funds of the two networks as well as the contributions of the affiliated institutions for its endowment and reconstitution.

BPCE manages the Banque Populaire Network Fund, the Caisse d'Épargne Network Fund and the Mutual Guarantee Fund.

The **Banque Populaire Network Fund** was formed by a deposit made by the Banques Populaires of €450 million that was booked by BPCE in the form of a 10-year term account which is indefinitely renewable.

The deposit made to the **Caisse d'Épargne Network Fund** by the Caisses d'Épargne of €450 million was booked by BPCE in the form of a ten-year term account which is indefinitely renewable.

The **Mutual Guarantee Fund** consists of deposits made by the Banques Populaires and the Caisses d'Épargne in the books of BPCE in the form of 10-year term accounts that are indefinitely renewable. The amount of the deposits by network was €197 million at December 31, 2024.

The total amount of deposits made with BPCE in respect of the Banque Populaire Network Fund, the Caisse d'Épargne Network Fund and the Mutual Guarantee Fund may not be less than 0.15% or more than 0.3% of the Group's total risk-weighted assets.

The booking of deposits in the institutions' individual accounts under the guarantee and solidarity system results in the recording of an item of an equivalent amount under a dedicated capital heading.

Mutual guarantee companies granting the exclusivity of their guarantees to a Banque Populaire benefit from a liquidity and capital adequacy guarantee in their capacity as affiliates of the central institution.

The liquidity and capital adequacy of the local savings companies are guaranteed first for each local savings company concerned by the Caisse d'Épargne of which the local savings company in question is the shareholder.

The Management Board of BPCE holds all the requisite powers to mobilize the resources of the various contributors without delay and in accordance with the agreed order, on the basis of prior authorizations given to BPCE by the contributors.

1.3 Significant events

Increase in the capital of BRED Banque Populaire

In December 2024, BRED Banque Populaire raised its share capital to €1,962,341,211.60 through both a cash capital increase and the capitalization of reserves.

Cash subscriptions amounted to €59,185,444.95. The capitalization of reserves amounted to €9,221,528.25.

The share capital is divided into one hundred and eighty-four million four hundred and thirty thousand five hundred and sixty-five (184,430,565) shares with a nominal value of ten euros and sixty-four cents (€10.64) each, fully paid up and all of the same category.

Acquisition of BRED Madagasikara

On December 20, 2024, following the approval by the Board of Directors of Société Générale Madagasikara and by the competent regulatory authorities, BRED Banque Populaire acquired 70% of the shares of Société Générale Madagasikara in Madagascar - a financial institution specializing in retail banking - with Société Générale for a total amount of €152 million.

This acquisition was completed through a cash consideration, financed by a loan of the same amount.

At December 31, 2024, the newly named BRED Madagasikara Banque Populaire entity was fully consolidated in the Group's financial statements.

Due to the short amount of time between the closing of the acquisition of Société Générale Madagasikara and the publication of the consolidated financial statements, the Group recorded the identifiable assets and liabilities at their carrying amounts recorded in Société Générale Madagasikara's IFRS package. The Group has 12 months to finalize the acquisition accounting and the measurement of the identifiable assets and liabilities of Société Générale Madagasikara at their fair value.

In addition, the portion of the income statement between the acquisition date and the reporting date was deemed not to be significant for Groupe BRED.

At December 31, 2024, the Group recorded provisional goodwill of €58 million.

As part of the Société Générale Madagasikara acquisition, COFIBRED received a liability guarantee.

Temporary allocation at December 31, 2024

In millions of euros

Cash and amounts due from central banks	171
Financial assets at FV OCI	150
Financial assets at amortized cost	666
Property, plant and equipment and intangible assets	32
Financial liabilities at amortized cost	-878
Other	-6
Net assets acquired at 100% (C)	135
Non-controlling interests (B)	41
Total purchase price (A)	152
PROVISIONAL GOODWILL (A) + (B) - (C)^{(1) (2) (3)}	58

(1) In accordance with IFRS 3 (revised), the final valuation of the provisional goodwill will be finalized within 12 months of the acquisition date.

(2) Changes in goodwill over the period are presented in Note 3.5 "Goodwill."

(3) Provisional goodwill is not tax deductible.

This acquisition is part of BRED Banque Populaire's international development strategy aimed at consolidating its activities in the Indian Ocean. This is a region where BRED Banque Populaire already has a strong presence, in Réunion and Mayotte where it has been established since 1985, as well as in Djibouti through its subsidiary BCI MR.

As a cooperative bank, BRED Banque Populaire makes a lasting contribution to the economic and social dynamism of the areas where it is established and will serve all economic players in Madagascar.

It covers all the activities operated by Société Générale Madagasikara, as well as all customer portfolios and all employees.

More than 1,000 employees support nearly 300,000 individual, corporate and institutional customers in 70 branches.

Vialink disposal

During the first half of 2024, Groupe BRED sold its stake in Vialink to the Signaturit group.

The result of the transaction amounted to +€56 million at June 30, 2024, recorded in "Net income (expense) from other assets."

BRED now holds €19 million in non-consolidated Solar Luxco shares (Signaturit group), or approximately 7%.

BRED continues to use Vialink's products (KYC, electronic signature, etc.) and to maintain a close commercial relationship.

These products are also widely used within Groupe BPCE.

Aurora

In 2024, Groupe BRED restructured the Aurora group, which was owned by BRED through its Belgian subsidiaries NJR and IRR and which was consolidated using the equity method due to its legal structure. Through various structures, Aurora owned five French simplified joint stock companies (SAS) that own shopping centers located in France. The transaction took place in several stages during 2024 so that Cofibred held all the shares of these five French simplified joint stock companies by December 31, 2024.

New Caledonia

New Caledonia was the scene of riots in May 2024, which resulted in material damage to the BCI NC, theft of cash and the deterioration of the country's economic situation. The subsidiary examined each of the significant receivables that could be affected by this situation and accordingly set aside a provision for the cost of risk on non-performing exposures. The share of profit/(loss) of the equity-accounted entity thus went from €10.8 million in 2023 to -€2.1 million in 2024.

Mayotte

The territory of Mayotte was hit by Cyclone Chio in December 2024. The Group's exposures in this region via BRED, Sofider and Cofilease were covered by a sectoral provision at December 31, 2024. The detailed impacts will be analyzed in 2025.

1.4 Events after the reporting period

There are no events after the end of the reporting period.

Note 2 Applicable accounting standards and comparability

2.1 Regulatory framework

BRED Group's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable on this date, excluding certain provisions of IAS 39 relating to hedge accounting.

2.2 Accounting standards

The standards and interpretations used and detailed in the annual financial statements at December 31, 2022, were complemented by standards, amendments and interpretations whose application is mandatory for reporting periods starting from January 1, 2024.

BRED Group chose the option available in IFRS 9 not to apply the provisions of the standard relative to hedge accounting, and to continue to apply IAS 39, as adopted by the European Union, for the recognition of these transactions, i.e., excluding certain provisions relating to macro-hedging.

Regulation (EU) 2017/2395 dated December 12, 2017 relating to transitional arrangements for mitigating the impact of the introduction of IFRS 9 on capital and for the large exposures treatment of certain public-sector exposures was published in the Official Journal of the European Union (OJEU) on December 27, 2017. BRED Group has decided not to opt for the transitional neutralization of the impact of IFRS 9 at the prudential level due to the moderate impact associated with application of the standard.

The standards, amendments and interpretations adopted by the European Union did not have a material impact on the Group's financial statements.

New standards published and not yet applicable

IFRS 18

IFRS 18 "Presentation and Disclosures in Financial Statements" will replace IAS 1 "Presentation of Financial Statements." It was published by the IASB on April 9, 2024. Subject to its adoption by the European Commission, IFRS 18 will be applicable as of January 1, 2027, with comparative data at January 1, 2026. Early application is authorized.

Amendment to IFRS 9 phase I

On May 30, 2024, the IASB published the amendments to IFRS 9 "Classification and Measurement of Financial Instruments" (amendments to IFRS 9 and IFRS 7) applicable as of January 1, 2026, subject to adoption by the European Commission. These amendments provide details on the basic nature of loans, the classification of non-recourse loans and securitizations.

2.3 Use of estimates and judgments

Preparation of the financial statements requires making estimates and assumptions in certain areas with regard to uncertain future events.

These estimates are based on the judgment of the individuals preparing these financial statements and the information available at the reporting date.

Actual future results may differ from these estimates.

With respect to the financial statements for the period ended December 31, 2024, in particular, accounting estimates requiring assumptions were mainly used for the following measurements:

- the fair value of financial instruments determined on the basis of valuation models (Note 10);
- the amount of expected credit losses on financial instruments as well as on loan and guarantee commitments (Note 7.1);
- provisions recorded on the liabilities side of the balance sheet and, more specifically, the provision for home savings products (Note 5.14);
- insurance assets and liabilities (Note 9);
- calculations related to the cost of pensions and future employee benefits (Note 8.2);
- uncertainties relating to the tax treatment of income tax (Note 11);
- deferred taxes (Note 11);
- goodwill impairment tests (Note 3.5);
- the lease term to be used for the recognition of rights-of-use and lease liabilities (Note 12.2.2).

Judgment must also be exercised to assess the business model and the basic characteristics of a financial instrument. The procedures are described in the relevant paragraphs (Note 2.5.1).

2.4 Presentation of the consolidated financial statements and reporting date

As no specific format is required under IFRS, the presentation used by the Group for summarized statements follows Recommendation No. 2022-01 issued by the French national accounting standards authority on April 8, 2022.

The consolidated financial statements are based on the accounts at December 31, 2023. The consolidated financial statements of the Group for the year ended December 31, 2024 were approved by the Board of Directors on February 24, 2025. They will be submitted for the approval of the General Meeting on May 27, 2025.

The amounts presented in the financial statements and in the notes thereto are expressed in thousands of euros, unless otherwise stated. Rounding may lead to differences between the amounts shown in the financial statements and those referred to in the notes.

2.5 General accounting principles and measurement methods

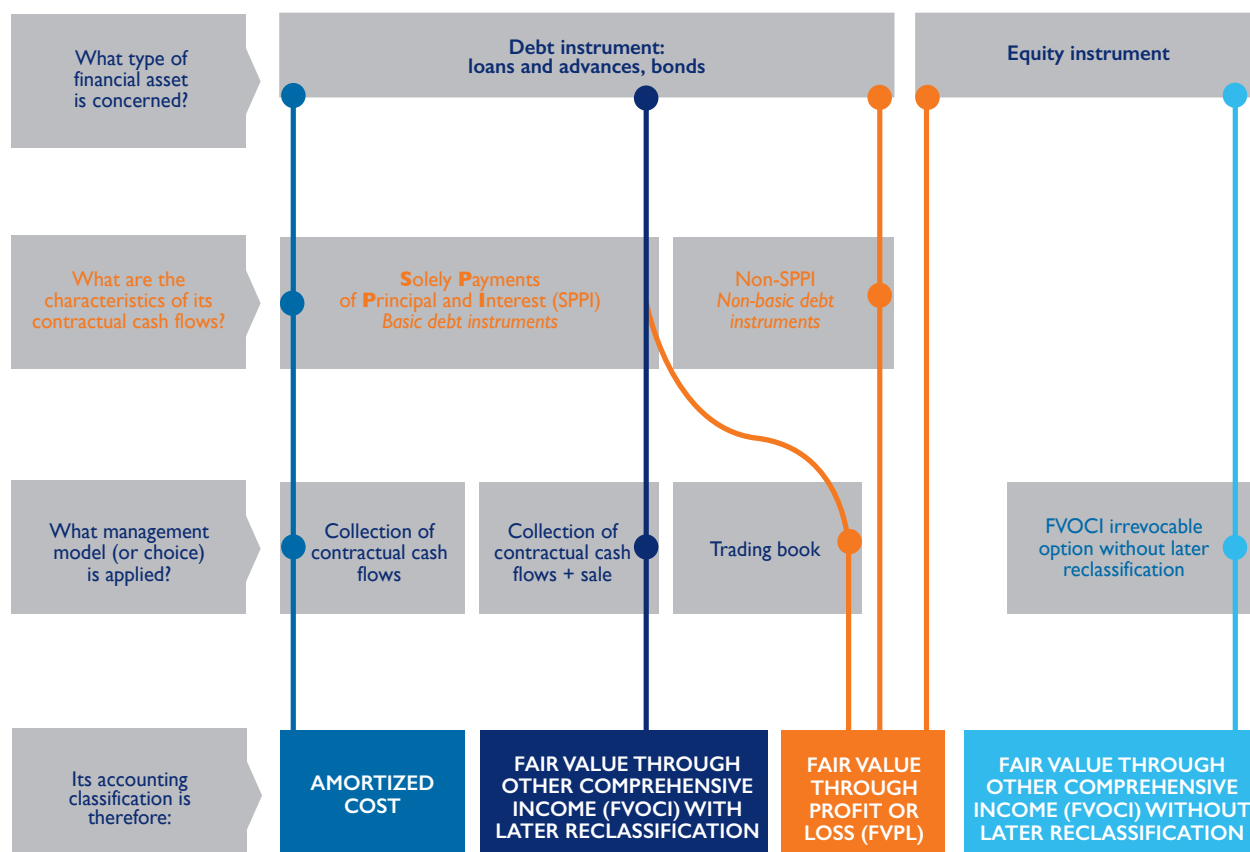
The general accounting principles set out below apply to the main items of the financial statements. Specific accounting principles are presented in the notes to which they refer.

2.5.1 Classification and measurement of financial assets and liabilities

IFRS 9 applies to BRED Group.

Financial assets

On initial recognition, financial assets are classified at amortized cost, at fair value through equity or at fair value through profit or loss depending on the nature of the instrument (debt or equity), the characteristics of their contractual cash flows and the way in which the entity manages its financial instruments (business model).



Business model

The entity's business model represents the way in which it manages its financial assets to produce cash flow. Judgment is exercised to ascertain the business model.

The choice of business model must take into account all information regarding the manner in which cash flows were generated in the past, along with all other relevant information.

For example:

- the way in which the performance of financial assets is assessed and presented to the main company directors;
- risks having an impact on the business model's performance, in particular the way in which these risks are managed;
- the way in which directors are paid (for example, if pay is based on the fair value of assets under management or on the contractual cash flows received);
- the frequency of, volume of and reason for sales.

Moreover, the choice of business model must be made at a level which reflects the way in which groups of financial assets are managed collectively with a view to achieving a given economic objective. The business model is therefore not decided on an instrument by instrument basis, but rather at a higher level of aggregation, by portfolio.

The standard provides for three business models:

- a business model whose objective is to hold financial assets in order to receive contractual cash flows ("hold to collect model"). This model, under which the concept of "holding" is relatively similar to holding to maturity, remains valid if disposals occur under the following conditions:
 - the disposals are due to an increase in credit risk,
 - the disposals occur just before maturity and at a price that reflects the contractual cash flows that are still owed,
 - other disposals may also be compatible with the "hold to collect" model's objectives if they are infrequent (even if their value is significant) or if their value is insignificant when considered both individually and overall (even if they are frequent).

For BRED Group, the hold-to-collect model applies mainly to financing activities (excluding the syndication business and except for operational simplification) carried out within the Retail Banking, Corporate & Investment Banking and Specialized Financial Services divisions;

- a mixed business model under which assets are managed with the objective of both receiving contractual cash flows and disposing of financial assets ("hold to collect and sell model").

BRED Group mainly applies the hold-to-collect-and-sell model to the portion of liquidity reserve securities portfolio management activities that is not managed exclusively using a hold-to-collect model;

- a model intended for other financial assets, especially those held for trading, for which the collection of contractual cash flows is incidental. This business model applies to the loan

syndication activity (for the portion of outstandings to be sold that was identified at the outset) and to the capital market activities carried out primarily by Corporate & Investment Banking.

Types of contractual cash flows: the SPPI (Solely Payments of Principal and Interest) test

A financial asset is classified as generating solely payments of principal and interest if, on specific dates, it gives rise to cash flows that are solely payments of principal and interest on the outstanding amount due. The SPPI test should be performed for each financial asset on initial recognition.

The principal amount is defined as the financial asset's fair value at its acquisition date. Interest is the consideration for the time value of money and the credit risk incurred on the principal amount, as well as other risks such as liquidity risk, administrative costs and the profit margin.

The instrument's contractual terms must be taken into account to assess whether contractual cash flows are solely payments of principal and interest. All elements that may cast doubt as to whether only the time value of money and credit risk are represented must therefore be analyzed. For example:

- events that would change the amount and date of the cash flows.

Any contractual option that creates risk exposure or cash flow volatility that is not consistent with a basic lending arrangement, such as exposure to fluctuations in the price of stocks or of a market index, or the introduction of leverage, would make it impossible to categorize contractual cash flows as SPPI;

- the applicable interest rate features (for example, consistency between the rate resetting period and the interest calculation period).

If a clear determination cannot be made through qualitative analysis, a quantitative analysis (a benchmark test) is carried out. This test involves comparing the contractual cash flows for the asset in question with the contractual cash flows of a benchmark asset;

- early redemption and extension conditions.

For the borrower or lender, a contractual option permitting prepayment of financial instruments does not violate the SPPI test for contractual cash flows if the prepayment amount mainly represents the unpaid amounts of principal and interest and, if applicable, a reasonable additional remuneration for the early termination of the contract.

Furthermore, although they do not strictly meet the criteria for remuneration of the time value of money, certain assets with a regulated interest rate are classified SPPI if this regulated rate provides consideration that corresponds substantially to the passage of time and presents no exposure to a risk that would be inconsistent with a basic lending arrangement. This is the case in particular for financial assets representing the portion of Livret A passbook savings account inflows that is centralized with Caisse des Dépôts et Consignations.

Financial assets that generate SPPI are debt instruments such as fixed-rate loans, floating-rate loans without an interest rate tenor mismatch or that are not linked to a security or to a market index, and fixed-rate or floating-rate debt securities.

Non-basic financial assets include, in particular: UCITS units, debt instruments that are convertible or redeemable for a fixed number of shares and structured loans granted to local authorities.

To qualify as SPPI assets, the securities held in a securitization vehicle must meet specific conditions. The contractual terms of the tranche must meet the SPPI criterion. The pool of underlying assets must meet the SPPI conditions. The risk inherent in the tranche must be lower than or equal to the exposure to the vehicle's underlying assets.

A non-recourse loan (e.g., infrastructure financing-type project financing) is a loan secured only by physical collateral. If there is no possible recourse to the borrower, the structure of other possible recourses or protection mechanisms for the lender in the event of default must be examined in order to categorize these loans as SPPI assets: acquisition of the underlying asset, collateral provided (security deposits, margin call, etc.), enhancements provided.

Accounting categories

Debt instruments (loans, receivables or debt securities) may be measured at amortized cost, at fair value through other comprehensive income recyclable to profit or loss or at fair value through profit or loss.

A debt instrument is valued at amortized cost if it meets the following two conditions:

- the asset is held in connection with a business model whose objective is to collect contractual cash flows;
- the contractual terms of the financial asset define it as generating SPPI within the meaning of the standard.

A debt instrument is valued at fair value through other comprehensive income if it meets the following two conditions:

- the asset is held under a hold-to-collect-and-sell model whose objective is both to collect contractual cash flows and to sell financial assets;
- the contractual terms of the financial asset define it as generating SPPI within the meaning of the standard.

Equity instruments are, by default, recorded at fair value through profit or loss unless they qualify for an irrevocable option for valuation at fair value through other comprehensive income not recyclable to profit or loss (provided they are not held for trading purposes and accordingly classified as financial assets at fair value through profit or loss), without subsequently being reclassified through profit or loss. If opting for the latter category, dividends continue to be recognized in income.

All other financial assets are recorded at fair value through profit or loss. These financial assets include financial assets held for trading, financial assets at fair value through profit or loss and non-SPPI assets. Financial assets may only be designated at fair value through profit or loss in order to eliminate or significantly reduce an accounting mismatch. This option enables the elimination of accounting mismatches stemming

from the application of different valuation rules to instruments managed under a single strategy.

Financial liabilities

The general rule is the measurement of financial liabilities at amortized cost, except for liabilities incurred for trading purposes (trading liabilities) and financial liabilities that the entity chooses to measure at fair value under the fair value option.

At the date of initial recognition, the accounting principles described for financial assets apply identically to financial liabilities, as follows:

- financial liabilities subsequently classified as measured at amortized cost are recognized at fair value less or increased by transaction costs;
- financial liabilities at fair value through profit or loss are recognized at fair value and the associated transaction costs will be recognized directly in the income statement.

If a financial liability is designated as being measured at fair value through profit or loss then:

- the amount of the change in fair value attributable to changes in the credit risk of the liability (i.e., the issuer spread) is to be presented in shareholders' equity unless this recognition would have the effect of creating or increasing an accounting mismatch in income (this mismatch is determined at the initial recognition and is not subsequently revised). The amounts recorded in equity are not subsequently recycled in profit or loss;
- the remainder of the change in the fair value of the financial liability is presented in profit or loss.

For the treatment of modifications of liabilities recognized at amortized cost, if the modification does not result in derecognition, the profit or loss resulting from the difference between the original cash flows and the modified cash flows discounted at the original effective interest rate must be recognized in profit or loss.

2.5.2 Foreign currency transactions

The method used to account for assets and liabilities relating to foreign currency transactions entered into by the Group depends upon whether the asset or liability in question is classified as a monetary or a non-monetary item.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the Group entity on whose balance sheet they are recognized, at the closing rates prevailing at the closing date. All resulting currency exchange differences are recognized in income. However, there are two exceptions to this rule:

- only the portion of the currency exchange differences calculated based on the amortized cost of financial assets at fair value through other comprehensive income is recognized in income, with any additional gains and losses being recognized in "Gains and losses recognized directly in other comprehensive income";
- currency exchange differences arising on monetary items designated as cash flow hedges or as part of a net investment in a foreign operation are recognized in "Gains and losses recognized directly in other comprehensive income."

Non-monetary assets carried at historic cost are translated using the exchange rate prevailing at the transaction date. Non-monetary assets carried at fair value are translated using the exchange rate in effect at the date on which the fair value was determined. Currency exchange differences on non-monetary items are recognized in profit or loss if gains and losses relating to the items are recorded in profit or loss, and in “Gains and losses recognized directly in other comprehensive income” if gains and losses relating to the items are recorded in “Gains and losses recognized directly in other comprehensive income.”

Note 3 Consolidation

3.1 Consolidating entity

The consolidating entity is BRED Banque Populaire SA.

3.2 Scope of consolidation – consolidation and valuation methods

The Group’s financial statements include the financial statements of all the entities over which it exercises control or significant influence, whose consolidation had a material impact on the aforementioned financial statements.

The scope of the entities consolidated by BRED Group is provided in Note 14 “Details of the scope of consolidation.”

3.2.1 Entities controlled by the Group

The subsidiaries controlled by BRED Group are fully consolidated.

Definition of control

Control exists when the Group has the power to govern an entity’s relevant activities, when it is exposed to or is entitled to variable returns due to its links with the entity and has the ability to exercise its power over the entity to influence the amount of returns it obtains.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing the control exercised. These potential voting rights may result, for example, from share call options traded on the market, debt or equity instruments that are convertible into ordinary shares, or equity warrants attached to other financial instruments. However, potential voting rights are not taken into account to calculate the percentage of ownership.

Exclusive control is presumed to exist when the Group holds directly or indirectly either the majority of the subsidiary’s voting rights, or at least half of an entity’s voting rights and a majority within the management bodies, or is in a position to exercise significant influence.

Special case: structured entities

Entities described as structured entities are those organized in such a way that voting rights are not a key criterion when determining who has control. This is the case in particular when voting rights only apply to administrative duties and relevant activities are managed through contractual agreements.

IAS 29 “Financial Reporting in Hyperinflationary Economies” sets out a number of quantitative and qualitative criteria for assessing whether an economy is hyperinflationary, including a three-year cumulative inflation rate approaching or exceeding 100%. Laos was in hyperinflation at December 31, 2024. The subsidiary in this country is, therefore, in a situation of hyperinflation within the meaning of IAS 29, but as the impact was insignificant, the subsidiary’s financial statements were not restated on December 31, 2024.

A structured entity frequently exhibits some or all of the following characteristics:

- well-defined activities;
- a specific and well-defined aim, for example: implementing a lease eligible for specific tax treatment, carrying out research and development, providing an entity with a source of capital or funding, or providing investors with investment options by transferring associated risk and advantages to the structured entity’s assets;
- insufficient equity for the structured entity to finance its activities without subordinated financial support;
- financing through the issuance, to investors, of multiple instruments inter-related by contract and which create concentrations of credit risk or other risks (“tranches”).

The Group therefore considers, among others, collective investment undertakings within the meaning of the French Monetary and Financial Code and equivalent bodies governed by foreign law as structured entities.

Full consolidation method

The full consolidation of a subsidiary in the Group’s consolidated financial statements begins at the date on which the Group takes control and ends on the day on which the Group loses control of this entity.

The portion of interest which is not directly or indirectly attributable to the Group corresponds to a non-controlling interest.

Income and all components of other comprehensive income (gains and losses recognized directly in other comprehensive income) are divided between the Group and non-controlling interests. The comprehensive income of subsidiaries is divided between the Group and non-controlling interests, including when this division results in the allocation of a loss to non-controlling interests.

Changes to the percentage interest in subsidiaries that do not lead to a change in control are recognized as transactions affecting equity.

The effects of these transactions are recognized in equity at their after-tax amount and therefore do not impact consolidated income attributable to equity holders of the parent.

Exclusion from the scope of consolidation

Immaterial controlled entities are excluded from the scope in accordance with the principle described in Note 14.5.

Employee pension funds and supplementary health insurance plans are excluded from the scope of consolidation insofar as IFRS 10 does not apply to either post-employment benefit funds or other long-term employee benefit plans, to which IAS 19, "Employee Benefits", applies.

Likewise, interests acquired with a view to their subsequent short-term disposal are recorded as available for sale and recognized in accordance with the provisions of IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations."

3.2.2 Investments in associates and joint ventures

Definition

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity, without exercising control or joint control over those policies. It is presumed to exist if the Group holds, directly or indirectly, 20% or more of the voting rights of an entity.

A joint venture is a partnership where the parties that exercise joint control over an entity have rights to the net assets of that entity.

Joint control is the contractually agreed sharing of control over a company, which exists only when the strategic decisions require the unanimous consent of the parties sharing control.

Equity method

The income, assets and liabilities of investments in associates and joint ventures are accounted for in the Group's consolidated financial statements using the equity method.

An investment in an associate or joint venture is initially recognized at its acquisition cost and subsequently adjusted for the Group's share in the income and other comprehensive income of the associate or joint venture.

The equity method is applied from the date on which the entity becomes an associate or a joint venture. At the time of acquisition of an associate or joint venture, the difference between the cost of the investment and the Group share in the net fair value of the entity's identifiable assets and liabilities is recognized as goodwill. When the net fair value of the entity's identifiable assets and liabilities is higher than the cost of investment, the difference is recognized in income.

The share of net income of entities accounted for under the equity method is included in the Group's consolidated income.

When a Group entity carries out a transaction with a Group joint venture or associate, the profit or loss resulting from this transaction is recognized up to the level of the interests held by third parties in the associate or joint venture.

The net investment in an associate or joint venture is subject to an impairment test if there is objective evidence of impairment as a result of one or more events occurring after initial recognition of the net investment and such events have an impact on the estimated future cash flows from the net investment, which can be reliably estimated. In such a case, the total carrying amount of the investment (including goodwill) is tested for impairment in accordance with the provisions of IAS 36 "Impairment of Assets."

Exception to the equity method

When the investment is held by a venture capital organization, an investment fund, an investment company with variable share capital or a similar entity such as an Insurance asset investment fund, the investor may choose not to recognize the investment using the equity method. In this case, revised IAS 28 "Investments in Associates and Joint Ventures" authorizes the investor to recognize the investment at its fair value (with changes in fair value recognized in income) in accordance with IFRS 9.

These investments are therefore recognized as "Financial assets at fair value through profit or loss."

3.2.3 Investments in joint activities

Definition

A joint activity is a partnership where parties that have joint control over an entity have direct rights over the entity's assets, and obligations for its liabilities.

Accounting treatment of joint activities

An investment in a joint enterprise is accounted for by integrating all interests held in the joint activity, i.e., the entitled share in each asset and liability and item of income. These interests are allocated by nature to the various lines of the consolidated balance sheet, consolidated income statement and the statement of net income and gains and losses recognized directly in other comprehensive income.

3.3 Consolidation rules

The consolidated financial statements are prepared using uniform accounting policies for reporting similar transactions in comparable circumstances. Where material, consolidation adjustments are made to ensure the consistency of the measurement methods applied by consolidated entities.

3.3.1 Foreign currency translation

The consolidated financial statements are expressed in euros.

Balance sheet items of foreign subsidiaries and branches whose functional currency is not the euro are translated using the exchange rate in force at the reporting date. Income and expense items are translated at the average exchange rate for the period, which is the approximate value of the transaction price if there are no significant fluctuations.

Foreign exchange rate adjustments arise from a difference in:

- net income for the period translated at the average rate and at the closing rate;
- equity (excluding net income for the period) translated at the historic exchange rate and at the closing rate.

The portion attributable to equity holders of the parent is recorded in equity under "Foreign exchange rate adjustments" and the portion attributable to minority shareholders under "Non-controlling interests."

3.2.2 Elimination of intra-group transactions

The impact of intragroup transactions on the consolidated balance sheet and consolidated income statement has been eliminated. Dividends, as well as gains and losses on intercompany asset disposals, are also eliminated. Where appropriate, capital losses from asset disposals resulting in impairment are maintained.

3.3.3 Business combinations

In accordance with revised IFRS 3, "Business Combinations" and IAS 27, "Consolidated and Separate Financial Statements":

- combinations between mutual insurers are included within the scope of IFRS 3;
- costs directly linked to business combinations are recognized in net income for the period;
- contingent considerations payable are included in the cost of the business combination at their fair value at the date of acquisition of a controlling interest in an entity, even if they are only potential. Depending on the settlement method, transferred considerations are recognized against:
 - capital and later price revisions will not be booked, or
 - debts and later adjustments are recognized against income (financial debts) or according to the appropriate standards (other debts outside the scope of IFRS 9);
- on an entity's acquisition date, non-controlling interests may be valued:
 - either at fair value (method resulting in the allocation of a share of the goodwill to non-controlling interests),
 - or at the share in the fair value of the identifiable assets and liabilities of the entity acquired (method similar to that applicable to transactions prior to December 31, 2009).

The choice between these two methods is made for each business combination.

Whatever method is chosen when the acquisition is made, increases in the percentage of interest in an entity already controlled are systematically recognized in capital:

- when an entity is acquired, any share previously held by the Group must be revalued at fair value through profit or loss. Consequently, in the event of a step acquisition, the goodwill is determined by reference to the fair value at the date on which control is acquired;

- when the Group loses control of a consolidated company, any share previously held by the Group must be revalued at fair value through profit or loss.

3.3.4 Purchase commitments granted to minority shareholders of fully consolidated subsidiaries

The Group has entered into commitments with minority shareholders of certain fully consolidated group subsidiaries to buy out their shares. These buyback commitments are optional commitments (sales of put options). The exercise price for these options may be an amount fixed contractually, or may be established according to a calculation formula defined upon the acquisition of the subsidiary's securities and taking into account its future activity, or may be set as the fair value of the subsidiary's securities on the day on which the options are exercised.

For accounting purposes, these commitments are treated as follows:

- pursuant to the provisions of IAS 32, the Group recognizes a financial liability with respect to the put options sold to minority shareholders in fully-consolidated entities. This liability is initially recognized at the discounted value of the put option exercise price under "Other liabilities";
- the obligation to record a liability even though the put options are not exercised means, for purposes of consistency, that the same accounting treatment as that for transactions related to non-controlling interests must be applied. As a result, the corresponding entry for this liability is deducted from "Non-controlling interests" underlying the options and the balance is deducted from "Consolidated reserves attributable to equity holders of the parent";
- subsequent changes in this liability relating to any change in the estimated exercise price of the options and the carrying amount of "Non-controlling interests" are fully recognized as "Consolidated reserves attributable to equity holders of the parent";
- in the event of a buyback, the liability is settled by the cash payment related to the acquisition of minority shareholders' stakes in the subsidiary in question. However, when the commitment expires, if the buyback does not take place, the liability is written off against "Non-controlling interests" and "Consolidated reserves attributable to equity holders of the parent" according to their respective amounts;
- as long as the options have not been exercised, results from non-controlling interests subject to put options are included in the consolidated income statement as "Non-controlling interests."

3.3.5 Fiscal year reporting date of consolidated entities

The entities included in the scope of consolidation close their accounts on December 31.

3.4 Changes in the scope of consolidation during the 2024 fiscal year

The main changes in the scope of consolidation in the 2024 fiscal year are presented below:

- disposal of Vialink in the second quarter;
- full consolidation of BRED Madagasikara Banque Populaire, held at 70%;
- liquidation of Aurora Capital SA in the fourth quarter.

In 2024, the scope of consolidation comprised 35 companies, being 31 fully consolidated companies and four companies consolidated using the equity method.

3.5 Goodwill

3.5.1 Value of goodwill

Goodwill generated by transactions during the fiscal year is analyzed in the note relating to the scope of consolidation.

<i>In thousands of euros</i>	12/31/2024	12/31/2023
Opening net value	0	0
Acquisitions ⁽¹⁾	57,794	0
Impairment	0	0
Reclassifications and other changes	0	0
Foreign exchange rate adjustments	0	0
Closing net value	57,794	0

(1) The goodwill of €57.8 million at December 31, 2024, is related to the acquisition of BRED Madagasikara.

Goodwill impairment tests

In accordance with the regulations, all goodwill has been tested for impairment, through an assessment of the value in use of the cash-generating units (CGUs) to which it is attached.

3.5.2 Value adjustments on goodwill

None.

Note 4 Notes to the income statement

Key points

Net banking income (NBI) includes:

- interest income and expenses;
- fees and commissions;
- gains (losses) on financial instruments at fair value through profit or loss;
- net gains (losses) on financial instruments at fair value through other comprehensive income;
- gains (losses) arising from derecognition of financial assets measured at amortized cost;
- net income from insurance activities;
- income and expenses from other activities.

4.1 Interest and similar income and expenses

Accounting principles

Interest income and expenses are recognized in the income statement for all financial instruments measured at amortized cost using the effective interest method, which includes interbank and customer items, the portfolio of securities at amortized cost, debt securities, subordinated debt and lease liabilities. This item also includes interest receivable on fixed income securities classified as financial assets at fair value through other comprehensive income and hedging derivatives, it being specified that accrued interest on cash flow hedging derivatives is taken to income in the same manner and period as the accrued interest on the hedged item.

Interest income also consists of interest on non-SPPI debt instruments not held under a trading model as well as interest on the related economic hedges (classified by default as instruments at fair value through profit or loss).

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability.

The effective interest rate calculation takes account of all transaction fees paid or received as well as premiums and discounts. Transaction fees paid or received that are an integral part of the effective interest rate of the contract, such as loan set-up fees and commissions paid to financial partners, are treated as additional interest.

Negative interest is presented as follows:

- a negative interest on an asset is presented as an interest expense in NBI;
- a negative interest on a liability is presented as interest income in NBI.

In thousands of euros	2024 fiscal year			2023 fiscal year		
	Interest income	Interest expenses	Net	Interest income	Interest expenses	Net
Loans/borrowings with banks ⁽¹⁾	789,596	-1,220,148	-430,552	796,903	-984,670	-187,767
Loans/borrowings with customers	1,356,761	-1,680,341	-323,580	1,227,624	-1,262,513	-34,889
Bonds and other debt securities held/issued	135,497	-357,043	-221,546	116,069	-393,463	-277,394
Subordinated debt	///	0	0	///	0	0
Lease liabilities	///	-953	-953	///	-661	-661
Financial assets and liabilities at amortized cost (excluding finance leases)	2,281,854	-3,258,485	-976,631	2,140,596	-2,641,307	-500,711
Finance leases	19,562	0	19,562	14,193	0	14,193
Debt securities	686,108	///	686,108	390,598	///	390,598
Other	0	///	0	0	///	0
Financial assets at fair value through other comprehensive income	686,108	///	686,108	390,598	///	390,598
TOTAL FINANCIAL ASSETS AND LIABILITIES AT AMORTIZED COST AND AT FAIRVALUE THROUGH EQUITY⁽¹⁾	2,987,524	-3,258,485	-270,961	2,545,387	-2,641,307	-95,920
Non-standard financial assets not held for trading	6,077	///	6,077	4,637	///	4,637
Hedging derivatives	601,439	-158,419	443,020	738,323	-228,132	510,191
Economic hedging derivatives	6,384	-840	5,544	12,558	-3,523	9,035
TOTAL INTEREST INCOME AND EXPENSES	3,601,423	-3,417,744	183,680	3,300,904	-2,872,962	427,942

(1) Interest income from loans and receivables with banks totals €68.115 million (€58.271 million in 2024) and consists of the remuneration on Livret A, LDD and LEP funds centralized with Caisse des Dépôts et Consignations.

Interest expense on regulated savings accounts is nil due to the net reversal (income) of the provision for home savings products in the amount of €2.3 million (net reversal of €1 million in 2023).

4.2 Fee and commission income and expenses

Accounting principles

In application of IFRS 15 “Revenue from Contracts with Customers”, income from ordinary activities reflects the transfer of control over goods and services promised to customers for the amount that the entity expects to receive in return for said goods and services. The recognition of this revenue calls for a five-step approach:

- identification of contracts with customers;
- identification of specific performance obligations (or items) to be recognized separately from one another;
- determination of the overall transaction price;
- allocation of the transaction price to the various specific performance obligations;
- recognition of revenue when performance obligations are met.

This approach applies to contracts entered into by an entity with its customers, with the exception of leases (covered by IFRS 16), insurance contracts (covered by IFRS 17) and financial instruments (covered by IFRS 9). If specific stipulations relating to revenue or contract costs are given under a different standard, these will first be applied.

This method primarily applies to the following Group activities:

- commission income, notably that relating to banking services when this income is not included in the effective interest rate, or that relating to asset management or financial engineering services;
- income from other activities (see Note 4.6), particularly in the case of services incorporated into lease agreements;
- banking services rendered with the participation of Group partners.

Fees and commissions are therefore recorded based on the type of service rendered and the accounting method used for the financial instrument to which the service rendered relates.

This line includes mainly fees and commissions receivable or payable on recurring services (payment processing, custody fees, etc.) and occasional services (fund transfers, late payment penalties, etc.), fees and commissions receivable or payable on execution of significant transactions, and fees and commissions receivable or payable on trust assets held or managed on behalf of the Group’s customers.

However, fees and commissions that form an integral part of the effective yield on a contract are recorded under “Net interest income.”

Commissions on services

Commissions on services are analyzed to separately identify their different items (or performance obligations) and to assign the appropriate share of revenues to each item. Each item is then recorded in the income statement by type of service provided and according to the method used to recognize the associated financial instrument:

- fees and commissions payable or receivable on recurring services are deferred over the period in which the service is provided (payment processing, custody fees, etc.);
- fees and commissions payable or receivable on occasional services are recognized in full in income when the service is provided (fund transfers, payment penalties, etc.);
- commissions payable or receivable on execution of a significant transaction are recognized in full in income on completion of the transaction.

When there is some uncertainty about the amount of a commission (incentive fees in asset management, variable financial engineering fees and commissions, etc.), only the amount that the Group is already certain to receive, given the information available at the closing date, is recognized.

Fees and commissions that form an integral part of the effective yield on an instrument, such as fees on loan commitments given or loan set-up fees, are recognized and amortized as an adjustment to the effective interest rate over the estimated term of the applicable loan. These fees and commissions are recognized as “Interest income” rather than “Commission income.”

Fiduciary and similar fees and commissions are those that result in assets being held or invested on behalf of individual customers, pension schemes or other institutions. Trust-management services mainly cover asset management business and custody services on behalf of third parties.

In thousands of euros	2024 fiscal year			2023 fiscal year		
	Income	Expense	Net	Income	Expense	Net
Cash and interbank transactions	7,666	712	6,954	8,916	-691	8,225
Customer transactions	192,981	-317	192,664	191,494	-443	191,051
Financial services	58,258	-18,865	39,393	45,943	-13,244	32,699
Sales of life insurance products	7,340	///	7,340	5,814	///	5,814
Payment services	302,604	-153,566	149,038	287,335	-152,368	134,967
Securities transactions	9,358	0	9,358	10,793	0	10,793
Trust management services	7,864	0	7,864	6,866	0	6,866
Financial instruments and off-balance sheet transactions	69,443	-11,797	57,646	60,587	11,048	49,539
Other fee and commission income/(expense)	21,131	635	20,496	16,310	-443	15,870
TOTAL FEE AND COMMISSION INCOME AND EXPENSES	676,645	-185,891	490,754	634,061	-178,236	455,825

4.3 Net gains or losses on financial instruments at fair value through profit or loss

Accounting principles

The “Net gains or losses on financial instruments at fair value through profit or loss” line item records gains and losses on financial assets and liabilities classified as held for trading, or recognized at fair value through profit or loss by option, including the interest generated by such instruments.

“Gains and losses on hedging transactions” include gains and losses arising from the revaluation of derivatives used as fair value hedges, as well as gains and losses from the revaluation of the hedged item in the same manner; the revaluation at fair value of the macro-hedged portfolio and the ineffective portion of cash flow hedges.

In thousands of euros	2024 fiscal year	2023 fiscal year
Gains and losses on financial instruments mandatorily recognized at fair value through profit or loss ⁽¹⁾	622,226	412,958
Gains and losses on financial instruments designated at fair value through profit or loss	0	0
• Gains and losses on financial assets designated at fair value through profit or loss	0	0
• Gains and losses on financial liabilities designated at fair value through profit or loss	0	0
Gains and losses on hedging transactions	-41,615	230,853
• Ineffective portion of cash flow hedges (CFH)	0	0
• Ineffective portion of fair value hedges (FVH)	-41,615	230,853
Changes in fair value hedges	-106,822	-372,610
Changes in fair value of hedged items	65,207	141,757
Gains and losses on foreign exchange transactions	91,748	95,663
TOTAL NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	672,359	277,768

(1) Including economic currency hedges.

In the 2024 fiscal year, “Gains and losses on financial instruments mandatorily recognized at fair value through profit or loss” included:

- the change in fair value of derivatives that are either:
 - held for trading, or
 - economic hedging derivatives that do not meet the restrictive criteria required by IAS 39;

- the change in fair value of derivatives subject to an impact of +€2.489 million due to changes in counterparty risk, i.e., credit valuation adjustment (CVA) and debit valuation adjustment (DVA).

Initial margin (day one profit)

Not applicable at December 31, 2024.

4.4 Gains (losses) on financial assets measured at fair value through other comprehensive income before tax

Accounting principles

Financial assets at fair value through other comprehensive income include:

- SPPI debt instruments managed under a hold to collect and sell business model at fair value through other comprehensive income recyclable to profit or loss. If they are sold, changes in fair value are taken to income;
- equity instruments at fair value through other comprehensive income not recyclable to profit or loss. In the event of disposal, changes in fair value are not transferred to profit or loss but are taken directly to the consolidated reserves line item in equity. Only dividends affect income when they correspond to a return on investment.

Changes in the value of SPPI debt instruments managed under a hold to collect and sell business model recognized at fair value through other comprehensive income recyclable to profit or loss include:

- income and expenses recognized in net interest income;
- net gains or losses on derecognized debt financial assets at fair value through other comprehensive income;
- impairment/reversals recognized in “Cost of credit risk”;
- gains and losses recognized directly in other comprehensive income.

<i>In thousands of euros</i>	2024 fiscal year	2023 fiscal year
Net gains or losses on debt instruments	-2,354	44,278
Net gains or losses on equity instruments (dividends)	58,393	54,662
TOTAL GAINS OR LOSSES ON FINANCIAL ASSETS AT FAIRVALUE THROUGH EQUITY	56,039	98,940

4.5 Net gains or losses on financial assets at amortized cost

Accounting principles

This item includes net gains or losses on financial assets at amortized cost arising from the derecognition of financial assets at amortized cost (loans and advances, debt securities) and financial liabilities at amortized cost.

<i>In thousands of euros</i>	2024 fiscal year			2023 fiscal year		
	Gains	Losses	Net	Gains	Losses	Net
Loans or advances to banks	0	0	0	0	0	0
Loans or advances to customers	3,282	0	3,282	3,214	0	3,214
Debt securities	262	0	262	0	0	0
Gains and losses on financial assets at amortized cost	3,544	0	3,544	3,214	0	3,214
Amounts due to banks	0	0	0	0	0	0
Amounts due to customers	0	0	0	0	0	0
Debt securities	0	-123	-123	11	-50	-39
Subordinated debt	0	0	0	0	0	0
Gains and losses on financial liabilities at amortized cost	0	-123	-123	11	-50	-39
TOTAL NET GAINS OR LOSSES RESULTING FROM THE DERECOGNITION OF FINANCIAL ASSETS AT AMORTIZED COST	3,544	-123	3,421	3,225	-50	3,175

4.6 Income and expenses from other activities

Accounting principles

Income and expenses from other activities mainly include:

- income and expenses on investment property (rental income and expense, gains and losses on disposals, depreciation, amortization and impairment);
- income and expenses on operating leases;
- income and expenses on real estate development activities (revenues, purchases used).

In thousands of euros	2024 fiscal year			2023 fiscal year		
	Income	Expense	Net	Income	Expense	Net
Income and expenses from real estate activities	0	0	0	0	0	0
Income and expenses from leasing transactions	2,982	0	2,982	3,092	0	3,092
Income and expenses from investment property	0	-205	-205	0	-231	-231
Share of joint ventures	4,584	0	4,584	4,954	0	4,954
Transfers of expenses and income	94	-128	-34	441	-171	270
Other operating income and expenses	5,584	-26,837	-21,253	8,179	-24,605	-16,426
Net additions to/reversals from provisions to other operating income and expenses	///	1,277	1,277	///	6,386	6,386
Other banking income and expenses⁽¹⁾	10,262	-25,688	-15,426	13,574	-18,390	-4,816
TOTAL INCOME AND EXPENSES FROM OTHER ACTIVITIES	13,244	-25,893	-12,649	16,666	-18,621	-1,955

(1) As a reminder, in 2021, income of €4.91 million was recognized under "Income from other activities" in respect of the Check Image Exchange fine following the favorable decision issued by the Court of Appeal. Given the uncertainty and history of the case (see Legal risks in the Risk Management section), a provision for an equivalent amount has been recognized under "Expenses from other activities." On June 28, 2023, the Court of Cassation dismissed the French Competition Authority's appeal. The case is therefore definitively closed, as any possible means of recourse seems highly unlikely. The provision for disputes, fines and penalties established in 2021 has therefore been reversed (for the institutions concerned).

Income and expenses from insurance activities are presented in Note 9.

4.7 Operating expenses

Accounting principles

Operating expenses include mainly payroll costs (wages and salaries net of rebilled amounts), social security charges, and employee benefit expenses such as pension costs. Operating expenses also include the full amount of administrative costs and external service costs.

Contributions to banking resolution mechanisms

The terms and conditions governing the establishment of the deposit and resolution guarantee fund were amended by the Ministerial Order of October 27, 2015. For the Deposit Guarantee Fund, the cumulative amount of contributions made to the fund by the Group for deposit, collateral and securities guarantee mechanisms amount to €69.02 million. Contributions (which are non-refundable in the event of a voluntary withdrawal of approval to operate) represent €14.97 million. Contributions paid in the form of partner or association certificates and cash security deposits recognized as assets on the balance sheet totaled €54.05 million at December 31, 2024.

Contributions to banking resolution mechanisms - National Resolution Fund (NRF)

The Bank Recovery and Resolution Directive (BRRD) 2014/59/ EU establishing a framework for the recovery and resolution of banks and investment firms, and Ordinance No. 2015-1024 transposing that directive, instituted the implementation of a resolution guarantee fund from 2015. The fund is a resolution financing mechanism available to the resolution authority (*Autorité de contrôle prudentiel et de résolution* [ACPR], the French prudential supervisory authority for the banking and insurance sector – for institutions located in France). The latter may call on the fund in connection with the implementation of resolution measures.

In accordance with Decisions 2019-CR-03 and 2019-CR-04 on *ex-ante* contributions to resolution financing mechanisms, the ACPR determined the contributions to the resolution fund for 2024.

The target in terms of the funds to be collected for the resolution fund was achieved at December 31, 2023. The amount of the contributions paid by the Group was zero in 2024 for both the portion recognized as an expense and the portion in the form of an irrevocable payment commitment (IPC) guaranteed by cash deposits entered as assets on the balance sheet. However, contributions may be called in the future depending, in particular, on the evolution of the covered deposits and the possible use of the funds. The share of the IPCs corresponded to 15% of the calls for funds until 2022 and 22.5% for the 2023 contribution. These deposits have been bearing interest at €ster -20 bps since May 1, 2023. The cumulative amount of contributions recognized as assets on the balance sheet totaled €34.6 million at December 31, 2024. It is recognized at amortized cost on the asset side of the balance sheet under “Accruals and other assets” and was not subject to impairment at December 31, 2024. In effect, the conditions for using the SRF resources, and therefore for calling on irrevocable payment commitments, are strictly governed by regulations. These resources may only be called up in the event of a resolution procedure by an institution and after intervention of at least 8% of total liabilities by shareholders and holders of relevant capital instruments and other commitments usable for bail-in purposes. In addition, the SRF contribution must not exceed 5% of the total liabilities of the institution subject to a resolution procedure.

4.

In thousands of euros

	2024 fiscal year	2023 fiscal year
Payroll costs	-551,705	-518,070
Taxes other than on income	-25,921	-57,768
External services and other operating expenses	-182,517	-173,957
Lease expenses	-8,348	-9,232
Other administrative costs	-216,786	-240,958
TOTAL OPERATING EXPENSES	-768,491	-759,029

The breakdown of personnel costs is presented in Note 8.1.

The rebilling of “central institution” activities (listed in the French Monetary and Financial Code) is presented in NBI and the rebilling of Group missions continues to be presented in management fees. The contributions in NBI amounted to €20 million in 2024 and the contributions in operating expenses amounted to €33 million in 2024, compared with €33 million in 2023.

4.8 Gains or losses on other assets

Accounting principles

Gains or losses on other assets record gains or losses on the disposal of property, plant and equipment and intangible assets used in operations as well as capital gains or losses on disposals and provisions for consolidated investments.

<i>In thousands of euros</i>	2024 fiscal year	2023 fiscal year
Gains or losses on disposals of property, plant and equipment and intangible assets used in operations	196	780
Gains or losses on disposals of consolidated investments	33,715	0
TOTAL GAINS OR LOSSES ON OTHER ASSETS	33,911	780

Note 5 Notes to the balance sheet

5.1 Central banks

Accounting principles

This line item mainly includes cash and assets held with the central bank at amortized cost.

<i>In thousands of euros</i>	12/31/2024	12/31/2023
Cash	366,257	310,009
Central banks	10,789,086	15,491,189
TOTAL CASH AND AMOUNTS DUE FROM CENTRAL BANKS	11,155,343	15,801,198

5.2 Financial liabilities at fair value through profit or loss

Accounting principles

Financial assets and liabilities at fair value through profit or loss comprise instruments held for trading, including derivatives; certain assets and liabilities that the Group chose to recognize at fair value at their date of acquisition or issue using the fair value option available under IFRS 9; and non-SPPI assets.

The criteria for classification as financial assets are described in Note 2.5.1.

Date of recognition

Securities are recorded in the balance sheet on the settlement-delivery date.

Temporary sales of securities are also recorded on the settlement-delivery date.

When such transactions are recorded under “Assets and liabilities at fair value through profit or loss”, the commitment is recorded as an interest rate derivative.

The first-in, first-out (FIFO) method is applied to any partial disposals of securities, except in special cases.

5.2.1 Financial assets at fair value through profit or loss

Accounting principles

Financial assets at fair value through profit or loss are:

- financial assets held for trading, i.e., securities acquired or issued principally for the purpose of selling them in the near term;
- financial assets that the Group has chosen to recognize at fair value through profit or loss at inception using the fair value option available under IFRS 9. The qualifying criteria used when applying this option are described above;
- non-SPPI debt instruments;
- equity instruments measured by default at fair value through profit or loss (which are not held for trading purposes).

These assets are measured at fair value at the date of initial recognition and at each closing date. Changes in fair value over the period, interest, dividends, and gains or losses on disposals on these instruments are recognized in “Gains (losses) on financial instruments at fair value through profit or loss”, with the exception of non-SPPI debt financial assets whose interest is recorded in “Interest income.”

Financial assets in the trading book mainly include proprietary securities transactions, repurchase agreements and derivative instruments contracted by the Group to manage its risk exposure.

Assets designated at fair value through profit or loss

IFRS 9 allows entities to designate financial assets at fair value through profit or loss on initial recognition. However, an entity's decision to do so may not be reversed.

Compliance with the criteria stipulated by the standard must be verified prior to any recognition of an instrument using the fair value option.

This option may only be applied to eliminate or significantly reduce an accounting mismatch. Applying the option eliminates accounting mismatches stemming from the application of different valuation rules to instruments managed under a single strategy.

4.

In thousands of euros	12/31/2024				12/31/2023			
	Financial assets mandatorily recognized at fair value through profit or loss				Financial assets mandatorily recognized at fair value through profit or loss			
	Financial assets considered part of a trading activity	Other financial assets ⁽³⁾	Financial assets designated at fair value on option ⁽¹⁾	Overall	Financial assets considered part of a trading activity	Other financial assets ⁽³⁾	Financial assets designated at fair value on option ⁽¹⁾	Overall
Treasury bills and equivalent	1,829,237	0	0	1,829,237	1,629,296	0	0	1,629,296
Bonds and other debt securities	1,196,818	584,564	0	1,781,382	1,058,698	612,488	0	1,671,186
Other			0		0	0	0	0
Debt securities	3,026,055	584,564	0	3,610,619	2,687,994	612,488	0	3,300,482
Loans due from banks excluding repurchase agreements	0	146,471	0	146,471	0	137,245	0	137,245
Loans due from customers excluding repurchase agreements	0		0		0	0	0	0
Repurchase agreements ⁽²⁾	0		0		0	0	0	0
Loans	0	146,471	0	146,471	0	137,245	0	137,245
Equity instruments	8,681,215	46,550	///	8,727,765	7,402,682	3,978	///	7,406,660
Trading derivatives⁽²⁾	2,494,745	///	///	2,494,745	2,593,146	///	///	2,593,146
Security deposits paid	0	///	///	///	0	///	///	0
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS	14,202,015	777,585	0	14,979,600	12,683,822	753,711	0	13,437,533

(1) Only in the case of an “accounting mismatch.”

(2) This information is presented after netting effects, in accordance with IAS 32 (see Note 5.23 or Note 5.15.1).

(3) Consisting of non-SPPI assets that fall outside the scope of a trading activity including units of UCITS and private equity investment funds (FCPR) presented in bonds and other debt securities (€3.08 million at December 31, 2024, versus €3.08 million at December 31, 2023). Loans to customers include, among others, certain structured loans to local authorities. This category also includes equity instruments the Group decided not to recognize through other comprehensive income for a total of €2.716 million at December 31, 2024, compared to €2.46 million at December 31, 2023. The criteria used by the Group to categorize financial assets at fair value through profit or loss if they do not meet the SPPI criterion are provided in Note 2.5.1.

The “Trading derivatives” line item includes derivatives whose fair value is positive and which are either:

- held for trading; or
- economic hedging derivatives that do not meet the restrictive hedge accounting criteria required by IAS 39.

The amount of this line item is also reduced by the amount of the value adjustments for the entire (trading and hedging) derivatives portfolio in respect of the CVA/DVA (credit value adjustment/debit valuation adjustment).

5.2.2 Financial liabilities at fair value through profit or loss

Accounting principles

These are financial liabilities held for trading or classified in this category on a voluntary basis at initial recognition using the fair value option available under IFRS 9. The trading book includes liabilities arising from short-selling transactions, repurchase agreements and derivative instruments. The qualifying criteria used when applying this option are described above.

These liabilities are measured at fair value at the date of initial recognition and at each closing date.

Changes in fair value for the period, interest, and gains or losses relating to these instruments are recorded under “Net gains or losses on financial instruments at fair value through profit or loss”, with the exception of changes in fair value attributable to changes in own credit risk for financial liabilities at fair value through profit or loss by option, which, since January 1, 2016, have been recorded under “Remeasurement of own credit risk on financial liabilities designed at fair value through profit or loss” within “Gains or losses recognized directly in equity.” If the liability is derecognized before its maturity (early redemption, for example), fair value gains or losses attributable to own credit risk are directly transferred to consolidated reserves.

Financial liabilities designated at fair value through profit or loss

IFRS 9 allows entities to designate financial liabilities at fair value through profit or loss on initial recognition. However, an entity's decision to do so may not be reversed.

Compliance with the criteria stipulated by the standard must be verified prior to any recognition of an instrument using the fair value option.

In practice, this option may be applied only under the specific circumstances described below:

- eliminating or significantly reducing an accounting mismatch.

Applying the option eliminates accounting mismatches stemming from the application of different valuation rules to instruments managed under a single strategy;

- harmonizing accounting treatment for management and performance measurement.

The option applies in the case of liabilities managed and measured at fair value, provided that such management is based on a documented risk management policy or investment strategy and that internal monitoring relies on fair value measurement;

- hybrid financial instruments containing one or more embedded derivatives.

An embedded derivative is a component of a financial or non-financial hybrid (combined) instrument that qualifies as a derivative. It must be separated from the host contract and accounted for as a derivative if the hybrid instrument is not measured at fair value through profit or loss, and if the economic characteristics and risks associated with the derivative are not closely related to those of the host contract.

The fair value option may be applied to a financial liability when the embedded derivative substantially modifies the cash flows of the host contract and when the separate recognition of the embedded derivative is not specifically prohibited by IFRS 9 (e.g., an early redemption option embedded in a debt instrument). The option allows the entire instrument to be measured at fair value and therefore avoids the need to extract, recognize or separately measure the embedded derivative.

This accounting treatment applies in particular to some structured debt issues containing material embedded derivatives.

	12/31/2024			12/31/2023		
	Financial liabilities issued for trading	Financial liabilities designated at fair value through profit or loss	Overall	Financial liabilities issued for trading	Financial liabilities designated at fair value through profit or loss	Overall
<i>In thousands of euros</i>						
Short sales	96,310	///	96,310	86,596	///	86,596
Trading derivatives	1,785,032	///	1,785,032	1,686,157	///	1,686,157
Interbank term accounts and loans	-	-	-	-	-	-
Customer term accounts and loans	-	-	-	-	-	-
Non-subordinated debt securities	-	-	-	-	-	-
Subordinated debt	///	-	-	///	-	-
Repurchase agreements	-	///	-	-	///	-
Guarantee deposits received	-	///	-	-	///	-
Other	///	93,555	93,555	///	97,993	97,993
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	1,881,342	93,555	1,974,897	1,772,753	97,993	1,870,746

The “Trading derivatives” line item includes derivatives whose fair value is negative and which are either:

- held for trading; or
- economic hedging derivatives that do not meet the restrictive hedge accounting criteria required by IFRS 9.

5.2.3 Trading derivatives

Accounting principles

A derivative is a financial instrument or other contract with all three of the following characteristics:

- its value changes in response to the change in a specific interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, this variable may not be specific to one of the parties to the contract;
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
- it is settled at a future date.

All derivative financial instruments are recognized on the balance sheet at the trade date and are measured at fair value at inception. They are remeasured at their fair value at each reporting period regardless of whether they were acquired for trading or hedging purposes.

Trading derivatives are recognized on the balance sheet under “Financial assets at fair value through profit or loss” and “Financial liabilities at fair value through profit or loss.” Realized and unrealized gains and losses are taken to income on the “Gains or losses on financial instruments at fair value through profit or loss” line.

The notional amounts of derivative instruments are merely an indication of the volume of the Group’s business in financial instruments and do not reflect the market risks associated with such instruments. Positive or negative fair values represent the replacement value of these instruments. These values may vary significantly depending on changes in market parameters.

	12/31/2024			12/31/2023		
	Notional amount	Positive fair value	Negative fair value	Notional amount	Positive fair value	Negative fair value
<i>In thousands of euros</i>						
Interest rate derivatives	96,351,018	854,946	921,266	83,006,735	1,128,222	1,119,030
Equity derivatives	23,431,014	103,843	160,265	38,311,232	69,771	143,580
Currency derivatives	52,081,422	633,201	657,385	37,473,095	355,361	345,049
Other instruments	0	0	0	0	0	0
Forward transactions	171,863,454	1,591,990	1,738,917	158,791,062	1,553,354	1,607,659
Interest rate derivatives	5,942,072	41,965	41,382	5,857,189	77,177	75,074
Equity derivatives	2,967,928	858,858	0	2,837,423	960,711	0
Currency derivatives	183,662	700	1,466	138,126	1,276	486
Other instruments	0	0	0	0	0	0
Options	9,093,662	901,523	42,848	8,832,738	1,039,164	75,560
Credit derivative	102,249	1,232	3,267	73,126	628	2,938
TOTAL TRADING DERIVATIVES	181,059,365	2,494,745	1,785,032	167,696,926	2,593,146	1,686,157
<i>o/w on organized markets</i>	16,776,964	858,858	0	35,166,835	960,711	0
<i>o/w over-the-counter transactions</i>	164,282,401	1,635,887	1,785,032	132,530,091	1,632,435	1,686,157

5.3 Hedging derivatives

Accounting principles

A derivative is a financial instrument or other contract with all three of the following characteristics:

- its value changes in response to the change in a specific interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, this variable may not be specific to one of the parties to the contract;
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
- it is settled at a future date.

All derivative financial instruments are recognized on the balance sheet at the trade date and are measured at fair value at inception. They are remeasured at their fair value at each reporting period regardless of whether they were acquired for trading or hedging purposes.

Changes in the fair value of derivatives are recognized in net income for the period, except for derivatives qualifying as cash flow hedges or as hedges of net investments in foreign operations for accounting purposes.

Derivatives may only be designated as hedges if they meet the criteria set out in IAS 39 at inception and throughout the term of the hedge. These criteria include formal documentation that the hedging relationship between the derivatives and the hedged items is both prospectively and retrospectively effective.

Fair value hedges mainly consist of interest rate swaps that protect fixed-rate financial instruments against changes in fair value attributable to changes in market interest rates. They transform fixed-rate assets or liabilities into floating-rate instruments. Fair value hedges include, in particular, hedges of loans, securities, deposits and fixed-rate subordinated debt.

Fair value hedging is also used to manage the overall interest rate risk position.

Cash flow hedges fix or control the variability of cash flows arising from floating-rate instruments. Cash flow hedging is also used to manage the overall interest rate risk position.

The notional amounts of derivative instruments are merely an indication of the volume of the Group's business in financial instruments and do not reflect the market risks associated with such instruments.

The hedging relationship qualifies for hedge accounting if, at the inception of the hedge, there is formal documentation of the hedging relationship identifying the hedging strategy, the type of risk hedged, the designation and characteristics of the hedged item and the hedging instrument. In addition, the effectiveness of the hedge must be demonstrated at inception and subsequently verified.

Derivatives contracted as part of a hedging relationship are designated according to the purpose of the hedge.

Groupe BPCE, and therefore BRED Group, has elected to use the option available under IFRS 9 not to apply the standard's hedge accounting provisions, but to continue to apply IAS 39 for the recognition of such transactions, as adopted by the European Union, i.e., excluding certain provisions concerning macro-hedging.

Fair value hedges

Fair value hedges are intended to reduce exposure to changes in the fair value of an asset or liability carried on the balance sheet, or of a firm commitment, in particular the interest rate risk on fixed-rate assets and liabilities.

The gain or loss on the revaluation of hedging instruments attributable to the risk being hedged is recognized in income in the same manner as the gain or loss on the hedged item. The ineffective portion of the hedge, if any, is recorded in the income statement under "Gains or losses on financial instruments at fair value through profit or loss."

Accrued interest on the hedging instrument is taken to income in the same manner as the accrued interest on the hedged item.

Where identified assets or liabilities are hedged, the revaluation of the hedged component is recognized on the same line of the balance sheet as the hedged item.

The ineffectiveness relating to dual-curve valuation of collateralized derivatives is taken into account in the effectiveness calculations.

If a hedging relationship ceases (investment decision, failure to fulfill effectiveness criteria, or because the hedged item is sold before maturity), the hedging instrument is transferred to the trading book. The revaluation difference recorded in the balance sheet in respect of the hedged item is amortized over the residual life of the initial hedge. If the hedged item is sold before maturity or redeemed early, the cumulative amount of the revaluation gain or loss is recognized in net income for the period.

Cash flow hedges

The purpose of cash flow hedges is to hedge the exposure to the variability of cash flow that is attributable to a particular risk associated with a recognized asset or liability or with a future transaction (hedge of interest rate risk on floating-rate assets or liabilities, hedge of conditions relating to future transactions such as future fixed interest rates, future prices, exchange rates, etc.).

The portion of the gain or loss on the hedging instrument that is deemed to be an effective hedge is recognized on a separate line of "Gains and losses recognized directly in equity." The ineffective portion of the gain or loss on the hedging instrument is recorded in the income statement under "Gains or losses on financial instruments at fair value through profit or loss."

Accrued interest on the hedging instrument is taken to income under interest income in the same manner as the accrued interest on the hedged item.

The hedged items are accounted for using the treatment applicable to their specific asset category.

If a hedging relationship ceases (because the hedge no longer meets the effectiveness criteria, the derivative is sold or the hedged item ceases to exist), the cumulative amounts recognized in other comprehensive income are transferred to the income statement as and when the hedged item impacts profit or loss, or immediately if the hedged item ceases to exist.

Special case: portfolio hedging (macro-hedging)

Documentation as cash flow hedges

Some Group institutions document their macro-hedging of interest rate risk as cash flow hedges (hedging of portfolios of loans or borrowings).

In this case, the portfolios of assets or liabilities that may be hedged are, for each maturity band:

- floating-rate assets and liabilities; the entity bears a risk of variability in future cash flows on floating-rate assets and liabilities insofar as future interest rate levels are not known in advance;
- future transactions deemed to be highly probable (forecasts): assuming total outstandings remain constant, the entity is exposed to the risk of variability in future cash flows on future fixed-rate loans insofar as the interest rate at which the loan will be granted is not yet known. Similarly, the Group may be exposed to the risk of variability in future cash flows on the funding that it will need to raise in the market.

IAS 39 does not permit the designation of a net position by maturity band. The hedged item is therefore deemed to be equivalent to a share of one or more portfolios of identified floating-rate instruments (portion of deposit outstandings or floating-rate loans); the effectiveness of the hedges is measured by creating a hypothetical instrument for each maturity band and comparing its changes in fair value from inception to those for the documented hedging derivatives.

The characteristics of this instrument model those of the hedged item. Effectiveness is then assessed by comparing the changes in value of the hypothetical instrument with the actual hedging instrument. This method requires the preparation of a maturity schedule.

The effectiveness of the hedge must be shown prospectively and retrospectively.

The hedge is effective prospectively if, for each target maturity band, the nominal amount of items to be hedged is higher than the notional amount of the hedging instruments.

The retrospective test calculates the retrospective effectiveness of a hedge initiated at various balance sheet dates.

At each balance sheet date, changes in the fair value of hedging instruments, excluding accrued interest, are compared with those of hypothetical instruments. The ratio of their respective changes should be between 80% and 125%.

If the hedged item is sold or the future transaction is no longer highly probable, the cumulative unrealized gain or loss recognized in other comprehensive income is transferred immediately to profit or loss.

When the hedging relationship ceases, if the hedged item is still shown on the balance sheet, or if it is still highly probable, unrealized cumulative gains and loss in comprehensive income are amortized on a straight-line basis. If the derivative has not been canceled, it is reclassified as a trading derivative, and subsequent changes in its fair value are recognized in income.

Documentation as fair value hedges

Some of the Group's institutions document their macro-hedging of interest rate risk as fair value hedges by applying the carve-out arrangements under IAS 39 as adopted by the European Union.

The version of IAS 39 adopted for use by the European Union does not include certain hedge accounting provisions that appear incompatible with the strategies implemented by European banks to reduce their overall exposure to interest rate risk. In particular, this carve-out allows the Group to make use of hedge accounting for interbank interest rate risk on customer transactions at fixed rates (loans, savings accounts and demand deposits). The Group mainly uses plain vanilla interest rate swaps designated at inception as fair value hedges of fixed-rate deposits or loans.

Macro-hedging derivatives are accounted for in the same manner as derivatives used to hedge the fair value of specific transactions (micro-hedging).

In a macro-hedging relationship, gains and losses on the revaluation of the hedged item are recorded in "Revaluation differences on interest rate risk, hedged portfolios, assets", under balance sheet assets for hedges of a portfolio of financial assets and under balance sheet liabilities for hedges of a portfolio of financial liabilities.

The hedges are deemed effective if the derivatives offset the interest rate risk on the underlying fixed-rate portfolio. The ineffectiveness relating to dual-curve valuation of collateralized derivatives is taken into account.

Effectiveness is tested in two ways:

- a base test: for plain vanilla swaps designated as hedges at inception, the Group verifies prospectively at the date the hedging relationship is designated, then retrospectively at each closing, that there is no over-hedging;
- quantitative testing: for other swaps, the change in the fair value of the actual swap must offset the changes in the fair value of a hypothetical instrument that exactly reflects the underlying hedged item. These tests are conducted prospectively at the date the instrument is designated as a hedge and retrospectively at each balance sheet date.

If a hedging relationship ceases, the revaluation adjustment is amortized on a straight-line basis over the remaining term of the initial hedge, if the hedged item has not been derecognized. It is taken directly to income if the hedged item is no longer recorded in the balance sheet. In particular, macro-hedging derivatives may be disqualified when the nominal amount of the hedged instruments falls below the notional amount of the hedges, mainly due to early repayments of loans or withdrawals of deposits.

Hedges of net investments in foreign operations

A net investment in a foreign operation is the amount of the investment held by the consolidating entity in the net assets of the operation.

The purpose of a hedge of a net investment in a foreign operation is to minimize the foreign exchange effect for a consolidating entity of an investment in an entity whose functional currency is different from the presentation currency of the consolidating entity's financial statements. Net investment hedges are accounted for in the same manner as cash flow hedges.

Unrealized gains and losses initially recognized in other comprehensive income are taken to income when the net investment is sold in full or in part (or when partially sold with loss of control).

The notional amounts of derivative instruments are merely an indication of the volume of the Group's business in financial instruments and do not reflect the market risks associated with such instruments.

In thousands of euros	12/31/2024			12/31/2023		
	Notional amount	Positive fair value	Negative fair value	Notional amount	Positive fair value	Negative fair value
Interest rate derivatives	36,415,987	322,681	268,613	25,951,313	387,811	293,350
Equity derivatives	0	0	0	0	0	0
Currency derivatives	1,253,416	36,180	488	1,221,786	0	30,035
Other instruments	0	0	0	0	0	0
Forward transactions	37,669,403	358,861	269,101	27,173,099	387,811	323,385
Interest rate derivatives	0	0	0	0	0	0
Equity derivatives	0	0	0	0	0	0
Currency derivatives	0	0	0	0	0	0
Other instruments	0	0	0	0	0	0
Options	0	0	0	0	0	0
Fair value hedges	37,669,403	358,861	269,101	27,173,099	387,811	323,385
Interest rate derivatives	5,523,820	37,936	67,074	3,830,492	63,705	63,529
Equity derivatives	0	0	0	0	0	0
Currency derivatives	96,565	0	5,725	259,295	9,092	0
Other instruments	0	0	0	0	0	0
Forward transactions	5,620,385	37,936	72,799	4,089,787	72,797	63,529
Interest rate derivatives	0	0	0	0	0	0
Equity derivatives	0	0	0	0	0	0
Currency derivatives	0	0	0	0	0	0
Other instruments	0	0	0	0	0	0
Options	0	0	0	0	0	0
Cash flow hedges	5,620,385	37,936	72,799	4,089,787	72,797	63,529
Credit derivative	0	0	0	0	0	0
Hedges of net investments in foreign operations	0	0	0	0	0	0
TOTAL HEDGING DERIVATIVES	43,289,788	396,797	341,900	31,262,886	460,608	386,914

All hedging derivatives are included in “Hedging derivatives” in balance sheet assets and liabilities.

Currency swaps are documented both as interest rate fair value hedges and as currency cash flow hedges. Total fair value is nevertheless recorded under currency derivatives. These derivatives were mainly recorded under currency fair value hedges and are recorded under currency cash flow hedges in order to better reflect the weight of the currency component (associated with the cash flow hedge) in total fair value.

Maturity of the notional amount of hedging derivatives at December 31, 2024

<i>In thousands of euros</i>	Less than 1 year	From 1 year to 5 years	From 6 to 10 years	More than 5 years
Interest rate risk hedging	4,925,067	32,244,020	4,640,720	130,000
Cash flow hedges	1,132,820	4,040,000	221,000	130,000
Fair value hedges	3,792,247	28,204,020	4,419,720	0
Currency risk hedging	96,565	1,253,416	0	0
Cash flow hedges	96,565	0	0	0
Fair value hedges	0	1,253,416	0	0
Hedging of other risks	0	0	0	0
Cash flow hedges	0	0	0	0
Fair value hedges	0	0	0	0
Hedges of net investments in foreign operations	0	0	0	0
OVERALL	5,021,632	33,497,436	4,640,720	130,000

Currency swaps are documented both as interest rate fair value hedges and as currency cash flow hedges. Total fair value is nevertheless recorded under currency derivatives. These derivatives are mainly presented as foreign exchange cash flow hedging instruments in order to better reflect the weight of the foreign exchange component (related to the cash flow hedge) in the overall fair value.

Hedged items

Fair value hedges

In thousands of euros	Fair value hedges								
	At December 31, 2024								
	Interest rate risk hedging			Currency risk hedging			Hedging of other risks (gold, commodities, etc.)		
	Carrying amount	o/w revaluation of the hedged component ⁽¹⁾	Hedged component remaining to be recognized ⁽²⁾	Carrying amount	o/w revaluation of the hedged component ⁽¹⁾	Hedged component remaining to be recognized ⁽²⁾	Carrying amount	o/w revaluation of the hedged component ⁽¹⁾	Hedged component remaining to be recognized ⁽²⁾
Assets									
Financial assets at fair value through other comprehensive income	19,270,480	-107,063	-	1,208,880	-19,082	-	-	-	-
Loans or advances to banks	-	-	-	-	-	-	-	-	-
Loans or advances to customers	-	-	-	-	-	-	-	-	-
Debt securities	19,270,480	-107,063	-	1,208,880	-19,082	-	-	-	-
Shares and other equity	-	-	-	-	-	-	-	-	-
Financial assets at amortized cost	17,000	-	-	-	-	-	-	-	-
Loans or advances to banks	17,000	-	-	-	-	-	-	-	-
Loans or advances to customers	-	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-	-
Liabilities									
Financial liabilities at amortized cost	200,000	-	-	-	-	-	-	-	-
Amounts due to banks	-	-	-	-	-	-	-	-	-
Amounts due to customers	200,000	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-	-	-	-
OVERALL	19,487,480	-107,063	-	1,208,880	-19,082	-	-	-	-

(1) Accrued interest excluded.

(2) Declassification, end of hedging relationship.

Fair value hedges								
At December 31, 2023								
	Interest rate risk hedging			Currency risk hedging			Hedging of other risks (gold, commodities, etc.)	
	Carrying amount	o/w revaluation of the hedged component (1)	Hedged component remaining to be recognized (2)	Carrying amount	o/w revaluation of the hedged component (1)	Hedged component remaining to be recognized (2)	Carrying amount	Hedged component remaining to be recognized (2)
<i>In thousands of euros</i>								
Assets								
Financial assets at fair value through other comprehensive income	12,554,701	-272,452	-	1,250,794	-3,804	-	-	-
Loans or advances to banks	-	-	-	-	-	-	-	-
Loans or advances to customers	-	-	-	-	-	-	-	-
Debt securities	12,554,701	-272,452	-	1,250,794	-3,804	-	-	-
Shares and other equity	-	-	-	-	-	-	-	-
Financial assets at amortized cost	17,000	-	-	348,248	-5,542	-	-	-
Loans or advances to banks	17,000	-	-	-	-	-	-	-
Loans or advances to customers	-	-	-	-	-	-	-	-
Debt securities	-	-	-	348,248	-5,542	-	-	-
Liabilities								
Financial liabilities at amortized cost	200,000	-	-	-	-	-	-	-
Amounts due to banks	-	-	-	-	-	-	-	-
Amounts due to customers	200,000	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-	-	-
OVERALL	12,771,701	-272,452	-	1,599,042	-9,346	-	-	-

(1) Accrued interest excluded.

(2) Declassification, end of hedging relationship.

As part of its capital markets activities and its asset-liability management, BRED Banque Populaire has securities in euros and dollars whose remuneration is indexed to inflation. To limit its exposure to the various risks generated by these securities, BRED has entered into derivatives contracts. These transactions follow the traditional rules for hedge accounting described in Note 5.3.

The ineffective portion of the hedge for the period is presented in Note 4.3 "Gains or losses on financial assets and financial liabilities at fair value through profit or loss."

Cash flow hedges – Hedges of net investments in foreign operations

12/31/2024

In thousands of euros	Fair value of the hedging derivative	o/w effective portion of hedges not due ⁽¹⁾	o/w ineffective portion	Balance of hedges due and remaining to be recognized ⁽²⁾	Fair value of the hedged item (hypothetical derivative)
Interest rate risk hedging	-29,144	-29,144	-	-	10,522
Currency risk hedging	-5,725	-5,725	-	-	-135
Hedging of other risks		-	-	-	-
TOTAL – CASH FLOW HEDGING AND HEDGING OF NET INVESTMENTS IN FOREIGN OPERATIONS	-34,869	-34,869	-	-	10,387

(1) Including accrued interest not yet due on cash flow hedges in the amount of €6.04 million.

Booked to other items recognized in other comprehensive income or to profit or loss for the recycled portion with a corresponding entry to hedged items.

(2) Declassification, end of hedging relationship.

12/31/2023

In thousands of euros	Fair value of the hedging derivative	o/w effective portion of hedges not due ⁽¹⁾	o/w ineffective portion	Balance of hedges due and remaining to be recognized ⁽²⁾	Fair value of the hedged item (hypothetical derivative)
Interest rate risk hedging	176	176	-	-	-16,297
Currency risk hedging	9,092	9,092	-	-	-281
Hedging of other risks		-	-	-	-
TOTAL – CASH FLOW HEDGING AND HEDGING OF NET INVESTMENTS IN FOREIGN OPERATIONS	9,268	9,268	-	-	-16,578

(1) Including accrued interest not yet due on cash flow hedges in the amount of €9.17 million.

Booked to other items recognized in other comprehensive income or to profit or loss for the recycled portion with a corresponding entry to hedged items.

(2) Declassification, end of hedging relationship.

The ineffective portion of the hedge is recorded in the income statement under “Gains or losses on financial assets and financial liabilities at fair value through profit or loss”, see Note 4.3.

The “Cash flow hedging” reserve corresponds to the effective portion of unmatured hedges and the balance of matured hedges still to be recognized, before tax, including the share of non-controlling interests.

Recycling from “Cash flow hedges” to profit or loss is included either in net interest income or in income on derecognition of the hedged item in the same way as the line impacted by the hedged item.

Cash flow hedges and hedges of net investments in foreign operations – Analysis of other items recognized in equity

OCI impact <i>In thousands of euros</i>	01/01/2024	Change in the effective portion	Reclassification of the effective portion in income	Basis adjustment – non-financial items	Hedged item partially or fully extinguished	12/31/2024
Amount of equity for CFH transactions	22,057	-27,771	-			-5,714
<i>o/w interest rate hedging</i>	22,338	-27,916				-5,578
<i>o/w foreign exchange hedging</i>	-281	146				-135
Amount of equity for NIH transactions						
OVERALL	22,057	-27,771	0	0	0	-5,714

OCI impact <i>In thousands of euros</i>	01/01/2023	Change in the effective portion	Reclassification of the effective portion in income	Basis adjustment – non-financial items	Hedged item partially or fully extinguished	12/31/2023
Amount of equity for CFH transactions	45,140	-23,083	0			22,057
<i>o/w interest rate hedging</i>	45,088	-22,750				22,338
<i>o/w foreign exchange hedging</i>	52	-333				-281
Amount of equity for NIH transactions						
OVERALL	45,140	-23,083	0			22,057

5.4 Financial assets at fair value through other comprehensive income

Accounting principles

Financial assets at fair value through other comprehensive income are initially recognized at fair value, plus any transaction costs.

Debt instruments measured at fair value through other comprehensive income recyclable to profit or loss

For each reporting period, these instruments are carried at their fair value and changes in fair value (excluding accrued interest) are recorded under "Gains and losses recognized directly in other comprehensive income recyclable to profit or loss" (as the foreign currency assets are monetary assets, changes in the fair value of the foreign currency component affect income). The principles used to determine fair value are described in Note 10.

These instruments are subject to IFRS 9 impairment requirements. Information about credit risk is provided in Note 7.1. If they are sold, these changes in fair value are taken to income.

Income accrued or received on debt instruments is recorded in "Interest and similar income" using the effective interest rate (EIR) method. This method is described in Note 5.5 "Assets at amortized cost."

Equity instruments measured at fair value through other comprehensive income not recyclable to profit or loss

For each reporting period, these instruments are carried at their fair value and changes in fair value are recorded under "Gains and losses recognized directly in other comprehensive income not recyclable to profit or loss" (as the foreign currency assets are not monetary assets, changes in the fair value of the foreign currency component do not affect income). The principles used to determine fair value are described in Note 10.

The designation at fair value through other comprehensive income not recyclable to profit or loss is an irrevocable option that is applied on an instrument-by-instrument basis only to equity instruments not held for trading purposes. Realized and unrealized losses continue to be recorded in other comprehensive income with no impact on income. These financial assets are not subject to impairment.

In the event of disposal, these changes in fair value are not transferred to profit or loss but directly to the consolidated reserves line item in equity.

Only dividends affect income when they correspond to a return on investment. They are recorded in "Net gains (losses) on financial instruments at fair value through other comprehensive income" (Note 4.4).

4.

In thousands of euros	12/31/2024	12/31/2023
Loans or advances to customers	0	0
Debt securities	21,640,176	15,218,902
Shares and other equity	1,262,476	1,222,332
Financial assets at fair value through other comprehensive income	22,902,652	16,441,234
<i>o/w impairment for expected credit losses⁽¹⁾</i>	-5,068	-7,933
<i>o/w gains and losses recognized directly in other comprehensive income (before tax)</i>	-70,420	-73,440
• Debt instruments	-60,439	-72,391
• Equity instruments	-9,981	-1,049

(1) Details presented in Note 7.1.2.2.

Equity instruments designated at fair value through other comprehensive income

Accounting principles

Equity instruments designated at fair value through other comprehensive income can include:

- equity interests;
- shares and other equity securities.

On initial recognition, equity instruments designated at fair value through other comprehensive income are carried at fair value plus any transaction costs. On subsequent closing dates, changes in the fair value of the instrument are recognized in other comprehensive income (OCI). These changes in fair value that accrue to other comprehensive income will not be reclassified to profit or loss in subsequent years (other comprehensive income not recyclable to profit or loss).

Dividends are only taken to income when they meet the required conditions.

In thousands of euros	12/31/2024				12/31/2023			
	Fair value	Dividends recognized over the period	Derecognition over the period		Fair value	Dividends recognized over the period	Derecognition over the period	
		Equity instruments held at the end of the period	Fair value at the disposal date	Total profit or loss at the disposal date		Equity instruments held at the end of the period	Fair value at the disposal date	Total profit or loss at the disposal date
Equity interests	971,455	45,000	-	-	923,747	42,148	-69,145	-5,421
Shares and other equity	291,021	13,391	-	-	298,585	12,512	-103,588	3,133
TOTAL	1,262,476	58,391	-	-	1,222,332	54,660	-172,733	-2,288

Equity interests include strategic holdings, “tool” entities (e.g., IT) and some long-term private equity securities. As these equity investments are not held for sale, their classification as equity instruments designated at fair value through other comprehensive income is appropriate.

The cumulative amount of changes in fair value reclassified to the “Consolidated reserves” component during the period mainly concerns disposals and amounts to +€2.4 million at December 31, 2024.

5.5 Assets at amortized cost

Accounting principles

Assets at amortized cost are SPPI financial assets managed under a hold to collect business model. Most loans originated by the Group are classified in this category. Information about credit risk is provided in Note 7.1.

Financial assets at amortized cost include loans and advances to banks and customers as well as securities at amortized cost such as treasury bills and bonds.

Loans and advances are initially recorded at fair value plus any costs and less any income directly related to the arrangement of the loan or to the issue.

When loans are extended under conditions that are less favorable than market conditions, a discount corresponding to the difference between the nominal value of the loan and the sum of future cash flows discounted at the market interest rate is deducted from the nominal value of the loan. The market interest rate is the rate applied by the vast majority of local financial institutions at a given time for instruments and counterparties with similar characteristics.

At subsequent reporting dates, these financial assets are measured at amortized cost using the effective interest rate (EIR) method.

The effective interest rate is the rate that exactly discounts estimated future cash flows to the carrying amount of the loan at inception. This rate includes any discounts recorded in respect of loans granted at below-market rates, as well as any external transaction income or costs directly related to the implementation of the loans, which are treated as an adjustment to the effective yield on the loan. No internal cost is included in the calculation of amortized cost.

State-guaranteed loans

State-guaranteed loans (*prêts garantis par l'État* - SGLs) are a support measure established pursuant to Article 6 of act No. 2020-289 of March 23, 2020, being the Amending Finance act for 2020, and the Minister of Economy and Finance's Ministerial Order of March 23, 2020, granting a government guarantee to banks and financing companies with effect from March 16, 2020, in order to meet the cash flow requirements of companies impacted by the COVID-19 health crisis. The scheme was extended until June 30, 2022 by Finance act No. 2021-1900 of December 30, 2021 for 2022. The SGL is subject to common eligibility criteria applicable by all institutions issuing the loan, as set out by law.

The SGL is a one-year loan with capital repayments deferred for this period. The beneficiary companies may decide, at the

end of the first year, to repay the SGLs over one to five additional years or to start repaying the capital only from the second year of the repayment period, paying only the interest and the cost of the State guarantee in the meantime.

For eligible companies, the amount of the SGL is generally capped at 25% of the company's revenues (excluding innovative and recently created companies, and excluding the Seasonal SGL for clients in the Tourism/Hotels/Catering sector, for example). The State provides a guarantee covering between 70% and 90% of the loan, depending on the size of the company. The issuing bank incurs the residual risk. The State guarantee covers a portion of the total amount due on the loan (principal, interest and incidental expenses) until it becomes due. The State guarantee may be enforced before the loan is due if a credit event should occur.

The prepayment penalty is set in the contract, at a reasonable level (2% of the principal amount outstanding during the initial loan period, then 3%-6% of the principal amount outstanding during the repayment period). The terms and conditions for extending the loan are not set in advance but are established two to three months before the extension option expires, in line with market conditions.

SGLs cannot be covered by another security interest or guarantee other than the government guarantee unless they are granted under a Minister of Economy and Finance Ministerial Order. The self-employed professional or business leader may request or be offered loan repayment Insurance, but such Insurance is not mandatory.

In view of these features, the SGLs meet the criteria of a basic lending arrangement (see Note 2.5.1). These loans are therefore recognized at amortized cost, because they are managed in a hold to collect business model (see Note 2.5.1). On subsequent closing dates, they will be measured at amortized cost using the effective interest method.

The State guarantee is considered to be an integral part of the terms of the loan and is taken into account when calculating impairment for expected credit losses. The guarantee fee paid to the government by Groupe BPCE on granting the loan is recorded in income over the initial term of the SGL, using the effective interest method. The impact is recognized in net interest income.

A State-guaranteed loan granted to a borrower considered to be non-performing on inception (Stage 3) is classified as a POCI (Purchased or Originated Credit-Impaired) asset.

However, the grant of a State-guaranteed loan to a given counterparty is not in itself evidence of deterioration in risk, requiring a downgrade to Stage 2 or 3 of the other outstandings of this counterparty.

The Resilience SGL, opened on April 6, 2022, is an additional SGL for companies impacted by the consequences of the conflict in Ukraine (in particular for companies that are at – or close to – the 25% ceiling of the SGL). The authorized ceiling is 15% of the average turnover for the last three fiscal years, or the last two fiscal years if they have only one fiscal year, or calculated as the annualized turnover using a linear projection based on the turnover achieved to date if they do not have a completed fiscal year. Except for its amount, subject to the new ceiling of 15% of turnover, this supplementary SGL will take the same form as the SGLs introduced at the start of the health crisis: same maximum duration (up to six years), same minimum repayment exemption period (12 months), and same guarantee percentage and guarantee premium. The Resilience SGL could be fully combined with any SGLs already obtained until June 30, 2022. This system was extended until December 31, 2023 as part of the amended French Finance act for 2023.

Loan renegotiations and restructuring

When contracts are modified, IFRS 9 requires the identification of financial assets that are renegotiated, restructured or otherwise modified (whether or not as a result of financial hardship), but not subsequently derecognized. Any profit or loss arising from the modification of a contract is recognized in

income. The gross carrying amount of the financial asset must be recalculated so it is equal to the present value of the renegotiated or amended contractual cash flows at the initial effective interest rate. The materiality of the modifications is, however, analyzed on a case by case basis.

“Restructured” amounts correspond to loans where an arrangement has been reached that represents a concession to debtors in financial hardship or in danger of being so. “Restructured” amounts therefore require a combination of two elements: a concession and financial difficulties.

The adjustments covered by a “restructuring” must result in a more advantageous situation for the debtor (e.g., suspension of interest or principal maturities, extension of maturity, etc.) and are documented by the addition of riders modifying the terms of an existing contract or by the total or partial refinancing of an existing loan.

Financial difficulty is measured by a number of criteria, such as payments more than 30 days past due or an at-risk classification. The arrangement of a restructuring does not necessarily mean the counterparty in question is classed as in default by Basel standards. Whether they are classed as in default depends on the viability test carried out during the counterparty's restructuring.

In the event of restructuring following a proven credit loss event, the loan is considered as an impaired loan (in Stage 3) and is subject to a discount equal to the difference between the present value of the initially expected contractual cash flows and the discounting of the future expected capital and interest flows following the restructuring. The discount rate used is the initial effective interest rate. This discount is expensed to “Cost of credit risk” in the income statement and offset against the corresponding item on the balance sheet. It is written back to net interest income in the income statement over the life of the loan using an actuarial method. If the discount is immaterial, the effective interest rate on the restructured loan is adjusted and no discount is recognized.

The restructured loan is reclassified as performing (not impaired, Stage 1 or Stage 2) when no uncertainty remains as to the borrower's capacity to honor the commitment.

For substantially restructured loans (for example, the conversion of all or part of a loan into an equity instrument), the new instruments are booked at fair value. The difference between the carrying amount of the derecognized loan (or portion of the loan) and the fair value of the assets received in exchange is taken to income under “Cost of credit risk.” Any previously established impairment loss on the loan is adjusted. It is fully reversed in the event of full conversion of the loan into new assets.

The moratoria granted to companies in general aimed at responding to temporary cash flow difficulties related to the COVID-19 crisis modify the repayment schedules of these receivables without substantially changing their characteristics. These loans were therefore amended without being derecognized. In addition, the granting of the moratorium is not in itself an indication of financial distress for the companies in question.

Fees and commissions

Costs directly attributable to the origination of loans are external costs that consist mainly of commissions paid to third parties, such as commissions paid to business introducers.

Income directly attributable to the issuance of new loans principally comprises set-up fees charged to customers, rebilled costs and loan commitment fees (if it is more probable than improbable that the loan will be drawn down). Loan commitment fees received that will not result in any drawdowns are apportioned on a straight-line basis over the life of the commitment.

Expenses and income arising on loans with a term of less than one year at inception are deferred on a pro rata basis with no recalculation of the effective interest rate. For floating or adjustable rate loans, the effective interest rate is adjusted at each rate resetting date.

Date of recognition

Securities are recorded in the balance sheet on the settlement-delivery date. Temporary sales of securities are also recorded on the settlement-delivery date. The first-in, first-out (FIFO) method is applied to any partial disposals of securities, except in special cases. For repurchase transactions, a loan commitment given is recorded between the transaction date and the settlement-delivery date.

5.5.1 Securities at amortized cost

<i>In thousands of euros</i>	12/31/2024	12/31/2023
Treasury bills and equivalent	375,527	388,353
Bonds and other debt securities	2,274,448	2,098,518
Impairment for expected credit losses	-839	-4,709
TOTAL SECURITIES AT AMORTIZED COST	2,649,136	2,482,162

The fair value of securities is presented in Note 10.

The classification of outstanding loans and impairment for credit losses by stage is detailed in Note 7.1.

5.5.2 Loans and advances to banks and similar at amortized cost

<i>In thousands of euros</i>	12/31/2024	12/31/2023
Current accounts with overdrafts	1,119,907	999,957
Repurchase agreements	670,256	929,446
Accounts and loans ⁽¹⁾	6,862,334	6,460,054
Other loans or receivables due from banks	714	718
Security deposits paid	864,334	578,049
Impairment for expected credit losses	-10,374	-10,100
TOTAL	9,507,171	8,958,124

(1) Livret A, LDD and LEP savings accounts centralized with Caisse des Dépôts et Consignations and recorded under "Accounts and loans" amounted to €2,162.19 million at December 31, 2024, versus €1,947.18 million at December 31, 2023.

The fair value of loans and receivables due from banks is presented in Note 10.

The classification of outstanding loans and impairment for credit losses by stage is detailed in Note 7.1.

Receivables arising from transactions with the network amounted to €5,814.85 million at December 31, 2024 (€5,507.96 million at December 31, 2023).

5.5.3 Loans and advances to customers at amortized cost

In thousands of euros	12/31/2024	12/31/2023
Current accounts with overdrafts	2,319,666	2,100,261
Other facilities granted to customers	41,871,896	40,325,575
• Loans to financial sector customers	35,356	38,990
• Credit facilities ⁽¹⁾	9,578,087	9,080,673
• Equipment loans	10,500,693	9,960,638
• Home loans	16,941,297	16,858,635
• Export loans	427,492	339,994
• Repurchase agreements	976,914	960,971
• Finance leases	383,557	334,146
• Subordinated loans ⁽²⁾	13,113	13,262
• Other loans	3,015,387	2,738,266
Other loans or advances to customers	31	4,565
Security deposits paid	624,813	440,892
Gross loans and advances to customers	44,816,406	42,871,293
Impairment for expected credit losses	-1,161,916	-1,051,000
TOTAL	43,654,490	41,820,293

(1) The State-guaranteed loans (SGL) are included in short-term credit facilities and totaled €0.623 billion at December 31, 2024 versus €1.048 billion at December 31, 2023.

(2) Since December 31, 2021, €0.70 million of Prêts Participatifs Relance (participating stimulus loans) have been recorded.

The fair value of loans and advances to customers is presented in Note 10.

The classification of outstanding loans and impairment for credit losses by stage is detailed in Note 7.1.

5.6 Reclassification of financial assets

Accounting principles

Reclassifications of financial assets under IFRS 9 are limited. It is not possible to reclassify a security at amortized cost in the case of simple market illiquidity. Reclassification is possible only in the event that the business model has changed due to a strategic decision by management. As a result, these cases are very limited (e.g., sale of a business sector resulting in a transition to run-off management of the assets concerned, business restructuring, etc.).

In this case, the reclassification is prospective and does not involve any requalification affecting prior periods.

5.7 Accrued income and other assets

In thousands of euros	12/31/2024	12/31/2023
Collection accounts	70,161	90,487
Prepaid expenses	155,933	135,718
Accrued income	29,267	31,292
Other accrued income	362,148	305,907
Accrued income – assets	617,509	563,404
Settlement accounts in debit on securities transactions	0	0
Security deposits paid	0	0
Other accounts receivable	700,265	516,226
Other assets	700,265	516,226
TOTAL ACCRUED INCOME AND OTHER ASSETS	1,317,774	1,079,630

5.8 Non-current assets held for sale and associated liabilities

Accounting principles

Where a decision is made to sell non-current assets and it is highly probable that the sale will occur within 12 months, these assets are shown separately on the balance sheet on the “Non-current assets held for sale” line. Any liabilities associated with these assets are also shown separately on the balance sheet on the “Liabilities associated with non-current assets held for sale” line.

Once classified in this category, non-current assets are no longer depreciated/amortized and are measured at the lowest of their carrying amount or fair value less sales costs. Financial instruments continue to be measured in accordance with IFRS 9.

A non-current asset (or group of assets) is held for sale when its carrying amount is recovered by its sale. The asset (or group of assets) must be immediately available for sale and it must be highly likely that the sale will be completed within the next 12 months.

BRED Group has no such assets.

5.9 Investment property

Accounting principles

In accordance with IAS 40, investment property is property held to earn rent and for capital appreciation.

The accounting treatment for investment property is identical to that used for property, plant and equipment for all Group entities except for certain Insurance entities, which recognize the property they hold as Insurance investments at fair value, with any adjustment to fair value recorded in income. The fair value is obtained using a multi-criteria approach based on the capitalization of rents at the market rate and a comparison with market transactions.

The fair value of the Group’s investment property is based on regular expert valuations, except in special cases significantly affecting the value of the relevant asset.

Investment property leased under an operating lease may have a residual value that will reduce the depreciable amount of the asset.

Gains or losses on the disposal of investment property are recognized in income on the “Net income or expenses on other activities” line, with the exception of insurance businesses, which are recognized in “Income from insurance businesses.”

	12/31/2024			12/31/2023		
	Gross amount	Accumulated depreciation and impairment	Net amount	Gross amount	Accumulated depreciation and impairment	Net amount
<i>In thousands of euros</i>						
Investment property recognized at fair value	///	///	///	///	///	112
Property recognized at historic cost	5,222	-3,008	2,214	5,135	-2,811	2,324
TOTAL INVESTMENT PROPERTY			2,214			2,436

BRED Group restructured the ownership of five companies carrying property assets, which are now held directly through Cofibred. The value of the assets held by these companies, non consolidated at 12.31.2024, represents a total of €89.7 million.

Investment property held by the insurance subsidiaries is reported with insurance investments (see Note 9).

5.10 Fixed assets

Accounting principles

This item includes property owned and used in the business, movable assets acquired under operating leases, property acquired under finance leases and temporarily unleased assets held under finance leases.

In accordance with IAS 16 and IAS 38, property, plant and equipment and intangible assets are recognized as assets only if they meet the following conditions:

- it is probable that the company will enjoy future economic benefits associated with the asset;
- the cost of the asset can be measured reliably.

Property, plant and equipment and intangible assets used in operations are initially recognized at cost plus any directly attributable acquisition costs. Software developed internally that fulfills the criteria for recognition as a non-current asset is recognized at its production cost, which includes external charges and the payroll costs of employees directly assigned to the project.

The component-based approach is applied to all buildings.

After initial recognition, property, plant and equipment and intangible assets are measured at cost less any accumulated depreciation, amortization or impairment. The depreciable amount of the asset takes account of its residual value where this is material and can be measured reliably.

Property, plant and equipment and intangible assets are depreciated or amortized in order to reflect the pattern in which the asset's future economic benefits are expected to be consumed by the entity, which generally corresponds to the asset's useful life. Where an asset consists of a number of components that have different uses or economic benefit patterns, each component is recognized separately and depreciated over a period that reflects the useful life of that component.

The following depreciation and amortization periods are used by the Banque Populaire banks:

- façades, roofing and waterproofing: 20 to 40 years;
- foundations and frameworks: 30 to 60 years;
- renovations: 10 to 20 years;
- technical equipment: 10 to 20 years;
- fixtures and fittings: 8 to 15 years.

The useful lives of other categories of non-current assets generally range from 5 to 15 years.

Property, plant and equipment and intangible assets are tested for impairment whenever there is any evidence that they may be impaired at the balance sheet date. If this is the case, the revised recoverable amount of the asset is compared to its net carrying amount. If the revised recoverable amount of the asset is lower than its carrying amount, an impairment loss is recognized in income.

This loss is reversed in the event of a change in the estimated recoverable amount or if there is no longer any evidence of impairment.

Equipment leased under operating leases (group as lessor) is recognized as an asset on the balance sheet under property, plant and equipment.

	12/31/2024			12/31/2023		
	Gross amount	Accumulated depreciation and impairment	Net amount	Gross amount	Accumulated depreciation and impairment	Net amount
<i>In thousands of euros</i>						
Property, plant and equipment	659,590	-380,762	278,828	588,005	-321,417	266,588
Real estate assets	268,225	-114,290	153,935	262,088	-104,717	157,371
Movable assets	391,365	-266,472	124,893	325,917	-216,699	109,217
Property, plant, and equipment leased under operating leases	0	0	0	0	0	0
Movable assets	0	0	0	0	0	0
Right-of-use assets for leases	159,386	-89,839	69,547	158,689	-83,655	75,034
Relating to property	159,386	-89,839	69,547	158,689	-83,655	75,034
<i>o/w contracted during the period</i>	<i>15,516</i>	<i>-2,401</i>	<i>13,115</i>	<i>10,000</i>	<i>-1,162</i>	<i>8,838</i>
Relating to movable assets	0	0	0	0	0	0
<i>o/w contracted during the period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
TOTAL PROPERTY, PLANT AND EQUIPMENT	818,976	-470,601	348,375	746,694	-405,072	341,622
Intangible assets	180,965	-119,149	61,816	144,452	-98,437	46,015
Lease rights	35,379	-11,598	23,781	28,203	-11,441	16,762
Software	129,185	-102,601	26,584	104,015	-82,112	21,903
Other intangible assets	16,401	-4,950	11,451	12,234	-4,884	7,350
TOTAL INTANGIBLE ASSETS	180,965	-119,149	61,816	144,452	-98,437	46,015

5.11 Debt securities

Accounting principles

Issues of debt securities not classified as financial liabilities at fair value through profit or loss or through other comprehensive income are initially recognized at fair value less any transaction costs. They are subsequently measured at amortized cost at each reporting date using the effective interest method.

These instruments are recognized on the balance sheet under “Amounts due to banks”, “Amounts due to customers” or “Debt securities.”

Debt securities are classified based on the nature of the underlying, with the exception of subordinated notes presented under “Subordinated debt.”

Securities are recorded in the balance sheet on the settlement-delivery date.

The first-in, first-out (FIFO) method is applied to any partial disposals of securities, except in special cases.

A new category of liabilities eligible for the numerator of the Total Loss Absorbing Capacity (TLAC) calculation has been introduced by French law and is commonly referred to as “Senior non-preferred debt.” These liabilities rank between own funds and “Other senior preferred debt.”

<i>In thousands of euros</i>	12/31/2024	12/31/2023
Bonds	34,731	0
Interbank market instruments and negotiable debt securities	7,675,029	9,123,071
Other debt securities that are neither preferred nor subordinated	17,899	17,660
Non-preferred debts	0	0
Overall	7,727,659	9,140,731
Accrued interest	33,252	44,472
TOTAL DEBT SECURITIES	7,760,911	9,185,203

The fair value of debt securities is presented in Note 10.

5.12 Amounts due to banks and similar and customers

Accounting principles

These liabilities, which are not classified as financial liabilities measured at fair value through profit or loss, are recorded on the balance sheet under “Amounts due to banks” or “Amounts due to customers.”

These debts issued are initially recognized at their fair value less transaction costs and are measured at the reporting date according to the amortized cost method using the effective interest method.

These instruments are recorded on the balance sheet under “Amounts due to banks”, “Amounts due to customers” or “Debt securities” (Note 5.11).

Temporary sales of securities are recorded on the settlement-delivery date.

For repurchase transactions, a loan commitment received is recorded between the transaction date and the settlement-delivery date when such transactions are recorded as “Liabilities.”

5.12.1 Amounts due to banks and similar

The fair value of amounts due to banks is presented in Note 10.

<i>In thousands of euros</i>	12/31/2024	12/31/2023
Demand deposits	2,022,243	1,848,119
Repurchase agreements	0	0
Accrued interest	142	455
Amounts due to banks and similar – repayable on demand	2,022,385	1,848,574
Term deposits and loans	16,107,611	15,318,593
Repurchase agreements	4,796,154	2,964,989
Accrued interest	94,163	84,732
Amounts due to banks and similar – repayable at agreed maturity dates	20,997,928	18,368,314
Guarantee deposits received	1,027,375	768,590
TOTAL AMOUNTS DUE TO BANKS AND SIMILAR	24,047,688	20,985,478

The fair value of amounts due to banks is presented in Note 10.

Payables arising from transactions with the network amounted to €18,207.47 million at December 31, 2024 (€17,245.22 million at December 31, 2023).

5.12.2 Amounts due to customers

<i>In thousands of euros</i>	12/31/2024	12/31/2023
Current accounts	27,623,439	29,735,235
Livret A savings accounts	2,434,503	2,185,556
Regulated home purchase savings plans and accounts	1,624,867	1,733,682
Other regulated savings accounts	4,179,851	4,038,664
Accrued interest	-195	-135
Regulated savings accounts	8,239,026	7,957,767
Demand deposits and loans	10,325,828	7,689,875
Term accounts and loans	16,919,422	15,568,224
Accrued interest	162,267	138,013
Other customer accounts	27,407,518	23,396,113
Demand	0	0
Term	2,326,910	418,207
Accrued interest	6,245	1,360
Repurchase agreements	2,333,155	419,567
Other amounts due to customers	0	0
Guarantee deposits received	9,431	79
TOTAL AMOUNTS DUE TO CUSTOMERS	65,612,569	61,508,761

The fair value of amounts due to customers is presented in Note 10.

5.13 Accrued expenses and other liabilities

In thousands of euros

	12/31/2024	12/31/2023
Collection accounts	216,803	166,940
Prepaid income	129,676	201,472
Accounts payable	342,289	202,353
Other accrued expenses	144,240	261,665
Accrued expenses – liabilities	833,007	832,429
Settlement accounts in credit on securities transactions	1	5
Other accounts payable	421,076	351,959
Lease liabilities	70,508	75,310
Other liabilities	491,585	427,274
TOTAL ACCRUED EXPENSES AND OTHER LIABILITIES	1,324,592	1,259,703

5.14 Provisions

Accounting principles

Provisions other than those relating to employee benefits and similar, regulated home purchase savings products, off-balance sheet commitments, and insurance contracts mainly consist of provisions for restructuring, claims and litigation, fines and penalties, and tax risks (excluding income tax).

The provisions are liabilities of uncertain timing or amount. A provision must be recognized when there is a present obligation (legal or implicit) resulting from past events, the settlement of which is likely to require an outflow of resources, and the amount of which can be reliably estimated.

The amount recognized in provisions is the best estimate of the expense required to extinguish the present commitment at the reporting date.

Provisions are discounted when the impact of discounting is material.

Changes in provisions are recognized in the income statement on the lines corresponding to the nature of the future expenditure.

Provisions on regulated home purchase savings products

Regulated home purchase savings accounts (*comptes épargne-logement* - CELs) and regulated home purchase savings plans (*plans épargne-logement* - PELs) are savings products offered to individuals in France. The characteristics of these products are defined by the 1965 act on home purchase savings schemes and subsequent implementing decrees.

Regulated home purchase savings schemes generate two types of commitments for establishments selling them:

- a commitment to provide a loan to the customer in the future at a rate set on inception of the contract (for PEL products) or at a rate contingent upon the savings phase (for CEL products);
- a commitment to pay interest on the savings in the future at a rate set on inception of the contract for an indefinite period (for PEL products) or at a rate set on a half-yearly basis according to an indexing formula regulated by law (for CEL products).

Commitments with potentially unfavorable consequences are measured for each generation of regulated home purchase savings plans and for all regulated home purchase savings accounts.

A provision is recognized for the associated risks by discounting future potential earnings from at-risk outstandings:

- at-risk savings correspond to the uncertain future level of savings for plans that exist at the date on which the provision is calculated. This is estimated on a statistical basis for each future period taking into account savers' behavior patterns, and corresponds to the difference between the probable savings and the expected minimum savings;
- at-risk loan outstandings correspond to the loan outstandings granted but not yet due at the calculation date plus statistically probable loan outstandings based on historical customer behavior patterns as well as earned and future rights relating to regulated home purchase savings accounts and plans.

Earnings of future periods over the savings phase are determined, for a given generation, as the difference between the regulated rate offered and the expected remuneration on a rival savings product.

The commitments are estimated using the Monte Carlo method in order to reflect the uncertainty of future interest rate trends and their impact on customer behavior models and at-risk outstandings.

On this basis, a provision is recorded for a given generation of contracts in the event of a situation liable to be detrimental for the Group, with no netting between generations.

The provision is recognized under liabilities in the balance sheet and changes are recorded in net interest income and expenses.

5.14.1 Summary of provisions

In thousands of euros	01/01/2024	Increase	Used	Reversals unused	Other changes ⁽¹⁾	12/31/2024
Provisions for employee benefits ⁽²⁾	38,093	4,087	0	-6,683	-443	35,055
Provisions for restructuring costs	0	0	0	0	0	0
Legal and tax risks	20,014	15,278	0	-11,240	3,045	27,098
Loan and guarantee commitments ⁽³⁾	48,923	14,911	0	-17,611	601	46,824
Provisions for regulated home purchase savings products	18,773	69	0	-2,313	0	16,529
Other operating provisions	17,942	5,966	0	-4,905	131	19,135
TOTAL PROVISIONS	143,746	40,312	0	-42,752	3,335	144,641

(1) Other movements comprise the remeasurement adjustment on defined benefit post-employment plans (€5,183 million before tax) as well as the impact of scope changes and currency translation.

(2) Of which €850 thousand for post-employment defined-benefit plans and other long-term employee benefits.

With regard to the right to paid leave, and following the decision of the Court of Cassation of September 13, 2023, it should be noted that Article 37 of the act of April 22, 2024 now defines the terms and conditions for aligning the French Labor Code with European law. These amendments concern in particular the reference period to be used, the possibility of deferring rights to paid leave, the retroactive period applicable to these provisions, and lastly the number of days of leave to which the employee is entitled in the event of accident or illness of professional or non-professional origin. Groupe BPCE has provisioned for the potential impact in its financial statements at December 31, 2024.

(3) The provisions for loan and guarantee commitments are detailed in Note 7.1.2.

5.14.2 Commitments on regulated home purchase savings contracts

5.14.2.1 Deposits collected for regulated home purchase savings products

In thousands of euros	12/31/2024	12/31/2023
Deposits held in regulated home purchase savings plans (PELs)		
• Plans less than 4 years old	85,486	201,764
• Plans more than 4 years but less than 10 years old	372,669	809,800
• Plans more than 10 years old	970,425	604,134
Outstandings collected for regulated home purchase savings plans	1,428,580	1,615,698
Deposits collected for regulated home purchase savings accounts (CEL)	218,615	211,560
TOTAL DEPOSITS FOR REGULATED HOME PURCHASE SAVINGS PRODUCTS	1,647,195	1,827,258

5.14.2.2. Loan outstandings granted on regulated home purchase saving schemes

In thousands of euros	12/31/2024	12/31/2023
Loan outstandings granted on regulated home purchase savings plans (PEL)	1,152	244
Loan outstandings granted on regulated home purchase savings accounts (CEL)	295	174
TOTAL LOAN OUTSTANDINGS GRANTED ON REGULATED HOME PURCHASE SAVINGS SCHEMES	1,447	418

5.14.2.3 Provisions for regulated home purchase savings schemes

In thousands of euros	12/31/2024	12/31/2023
Provisions for regulated home purchase savings plans (PEL)		
• Plans less than 4 years old	-	1,918
• Plans more than 4 years but less than 10 years old	-	1,624
• Plans more than 10 years old	12,758	9,722
Provisions for regulated home purchase savings plans	12,758	13,265
Provisions for regulated home purchase savings accounts	3,760	5,535
Provisions for regulated home purchase savings plan (PEL) loans	7	-25
Provisions for regulated home purchase savings account (CEL) loans	4	-2
Provisions for home savings products loans	11	-26
TOTAL PROVISIONS FOR REGULATED HOME PURCHASE SAVINGS SCHEMES	16,529	18,773

5.15 Subordinated debt

Accounting principles

Subordinated debt differs from other debt and bonds in that it will be repaid only after all the senior and unsecured creditors, but before the repayment of participating loans and securities and deeply subordinated notes.

Subordinated debt which the issuer is obliged to repay is classified as debt and initially recognized at fair value less any transaction costs. It is subsequently measured at amortized cost at each reporting date using the effective interest method.

<i>In thousands of euros</i>	12/31/2024	12/31/2023
Subordinated debt designated at fair value by option	0	0
Subordinated debt at fair value through profit or loss	0	0
Term subordinated debt	0	0
Perpetual subordinated debt	0	0
Perpetual deeply subordinated debt	0	0
Preferred shares	0	0
Mutual guarantee deposits	5,456	7,349
Subordinated debt and similar	5,456	7,349
Accrued interest	0	0
Revaluation of the hedged component	0	0
Subordinated debt at amortized cost	5,456	7,349
TOTAL SUBORDINATED DEBT	5,456	7,349

The fair value of subordinated debt is presented in Note 10.

Changes in subordinated and similar debt during the year

<i>In thousands of euros</i>	01/01/2024	Emission	Redemption ⁽¹⁾	Other changes	12/31/2024
Subordinated debt designated at fair value by option	0	0	0	0	
Subordinated debt at fair value through profit or loss	0	0	0	0	
Term subordinated debt	0	0	0	0	
Perpetual subordinated debt	0	0	0	0	
Perpetual deeply subordinated debt	0	0	0	0	
Preferred shares	0	0	0	0	
Mutual guarantee deposits	7,349	249	-2,142	0	5,456
Subordinated debt at amortized cost	7,349	249	-2,142	0	5,456
SUBORDINATED DEBT AND SIMILAR	7,349	249	-2,142	0	5,456

(1) Redemptions relate only to mutual guarantee deposits.

5.16 Ordinary shares and equity instruments issued

Accounting principles

Financial instruments issued by the Group qualify as debt or equity instruments depending on whether or not the issuer has a contractual obligation to deliver cash or another financial asset to the holder of the instrument, or to exchange the instrument under conditions that are potentially unfavorable to the Group. This obligation must arise from specific contractual terms and conditions, not merely economic constraints.

In addition, when an instrument qualifies as equity:

- its remuneration impacts equity. However, in accordance with the amendment to IAS 12 of December 2017, which applies from January 1, 2019, the tax consequences of dividend payments can be recognized in consolidated reserves, gains and losses recognized directly in equity, or in profit or loss, depending on the source of the amounts paid. Accordingly, when the payment corresponds to the notion of a dividend within the meaning of IFRS 9, the tax consequence is taken to income. This rule applies to interest on perpetual deeply subordinated notes, which is treated as a dividend for accounting purposes;
- it cannot be an underlying instrument eligible for hedge accounting;
- if the issue is in a foreign currency, the instrument is fixed at its historical value resulting from its conversion to euros at its initial date of transfer to equity.

Finally, when these instruments are issued by a subsidiary, they are included in "Non-controlling interests." When their remuneration is of a cumulative nature, it is charged to "Income attributable to equity holders of the parent" and increases the income of "Non-controlling interests." However, when their remuneration is not of a cumulative nature, it is drawn from consolidated reserves attributable to equity holders of the parent.

5.16.1 Cooperative shares

Accounting principles

IFRIC 2 "Members' Shares in Cooperative Entities and Similar Instruments" clarifies the provisions of IAS 32. In particular, it stipulates that the contractual right of the holder of cooperative shares in cooperative entities to request redemption does not, in itself, automatically give rise to an obligation for the issuer. Rather, the entity must consider all of the terms and conditions of the financial instrument in determining its classification as a debt or equity.

Based on this interpretation, cooperative shares are classified as equity if the entity has an unconditional right to refuse redemption of the cooperative shares or if local laws, regulations or the entity's articles of association unconditionally prohibit or curtail the redemption of cooperative shares.

Based on the existing provisions of the Group's articles of association relating to minimum capital requirements, cooperative shares issued by the Group are classified as equity.

In thousands of euros	12/31/2024			12/31/2023		
	Number	Nominal	Share capital	Number	Nominal	Share capital
Cooperative shares						
Value at the beginning of the period	178,841,760	10.59	1,893,934	159,680,143	10.53	1,681,432
Capital increase	5,588,805	10.59	59,185	19,161,617	10.53	201,771
Capital decrease						
Other changes		0.05	9,222		0.06	10,731
VALUE AT THE END OF THE PERIOD	184,430,565	10.64	1,962,341	178,841,760	10.59	1,893,934

5.16.2 Perpetual deeply subordinated notes classified as equity

Issuing entity	Issue date	Currency	Amount (in original currency)	Redemption option date	Interest step-up date ⁽²⁾	Rate	Nominal (in thousands of euros ⁽¹⁾)	
							12/31/2024	12/31/2023
OVERALL							0	0

(1) Nominal amount translated into euros at the exchange rate in force at the date of classification as equity.

(2) Date of increase in interest or date of transition from fixed rate to floating rate.

5.17 Non-controlling interests

Information relating to consolidated subsidiaries and structured entities for which non-controlling interests are material with regard to the Group's total equity is shown below:

In thousands of euros

				12/31/2024						
				Non-controlling interests			Financial information summarized at 100% ⁽¹⁾			
Entity name	Location	Percentage ownership of non-controlling interests	Percentage of control of non-controlling interests (if different)	Income attributed to holders of non-controlling interests during the period	Amount of non-controlling interests in the subsidiary	Dividends paid to holders of non-controlling interests	Assets	Liabilities	Net income attributable to equity holders of the parent	Comprehensive income attributable to equity holders of the parent
Subsidiaries										
BRED Vanuatu	Vanuatu	15.00%	15.00%	1,524	10,362	690	459,351	390,277	10,159	10,159
BCI Mer Rouge	Djibouti	49.00%	49.00%	6,382	25,260	3,600	735,113	683,562	13,411	13,411
Banque Franco-Lao	Laos	30.00%	30.00%	742	8,717	0	136,494	107,523	2,474	2,474
BRED Fiji	Fiji	10.00%	10.00%	773	8,726	0	979,912	892,653	7,730	7,730
BRED Madagasikara BP	Madagascar	30.00%	30.00%	-2,451	38,052	0	1,049,411	922,572	0	116
Other entities				-562	12,690					
Structured entities										
TOTAL AT 12/31/2024				6,408	103,807	4,290	3,360,281	2,996,587	33,774	33,890

(1) The financial information presents IFRS corporate amounts.

In thousands of euros

				12/31/2023						
				Non-controlling interests			Financial information summarized at 100% ⁽¹⁾			
Entity name	Location	Percentage ownership of non-controlling interests	Percentage of control of non-controlling interests (if different)	Income attributed to holders of non-controlling interests during the period	Amount of non-controlling interests in the subsidiary	Dividends paid to holders of non-controlling interests	Assets	Liabilities	Net income attributable to equity holders of the parent	Comprehensive income attributable to equity holders of the parent
Subsidiaries										
BRED Vanuatu	Vanuatu	15.00%	15.00%	-1,160	9,002	461	360,288	297,074	7,710	7,710
BCI Mer Rouge	Djibouti	49.00%	49.00%	-8,882	20,957	2,394	707,814	662,193	18,117	18,117
Banque Franco-Lao	Laos	30.00%	30.00%	-741	7,906		148,911	122,496	2,138	2,138
BRED Fiji	Fiji	10.00%	10.00%	-934	7,910		818,269	738,805	9,252	9,252
Other entities				-1,694	15,424					
Structured entities										
TOTAL AT 12/31/2023				-13,410	61,198	2,855	1,448,307	1,369,756	25,950	12,490

(1) The financial information presents IFRS parent company amounts.

5.18 Changes in gains and losses recognized directly in other comprehensive income

Accounting principles

In the event of disposal of equity financial assets recognized in other comprehensive income, changes in fair value are not transferred to profit or loss. These items are described as being not recyclable to profit or loss.

In thousands of euros	2024 fiscal year			2023 fiscal year		
	Gross	Tax	Net	Gross	Tax	Net
Foreign exchange rate adjustments	6,766	///	6,766	-6,683	///	-6,683
Revaluation of financial assets at fair value through other comprehensive income recyclable to profit or loss	11,952	-3,088	8,864	40,311	-10,438	29,873
Revaluation of derivative hedging items that can be recycled to profit or loss	-26,673	6,867	-19,806	-29,227	7,483	-21,744
Revaluation of financial assets at fair value through other comprehensive income recyclable to profit or loss (insurance activities)	27,901	3,019	30,920	159,207	-50,535	108,672
Revaluation of insurance contracts held in other comprehensive income recyclable to profit or loss	-50,200	13,051	-37,149	-143,179	36,916	-106,263
Revaluation of reinsurance contracts held in other comprehensive income recyclable to profit or	0	0	0	-116	0	-116
Share of gains and losses of associates recognized directly in other comprehensive income	4,636	534	5,170	-6,889	-1,442	-8,331
Other items recognized in equity of items that can be recycled in profit or loss			0			
Items recyclable to profit or loss	-25,618	20,383	-5,235	13,425	-18,017	-4,591
Remeasurement of non-current assets	0	0	0	0	0	0
Revaluation (or actuarial gains and losses) in respect of defined-benefit plans	8,625	-2,387	6,238	-13,311	3,136	-10,175
Revaluation of own credit risk on financial liabilities designated at fair value through profit or loss	0	0	0	0	0	0
Revaluation of equity financial assets recognized at fair value through other comprehensive income	-8,935	3,130	-5,805	36,654	293	36,947
Share of gains and losses of associates recognized directly in other comprehensive income	3	-41	-38	-477	-80	-557
Revaluation of equity financial assets recognized at fair value through other comprehensive income of the insurance activities	0	0	0	0	0	0
Remeasurement of direct participation insurance contracts – non recyclable	0	0	0	0	0	0
Other items recognized through other comprehensive income not recyclable to net income	0	0	0	0	0	0
Items not recyclable to profit or loss	-307	702	395	22,866	3,349	26,215
Gains and losses recognized directly in equity (net of taxes)	-25,925	21,085	-4,841	36,291	-14,668	21,623
Attributable to equity holders of the parent	-26,825	20,758	-6,067	42,946	-15,652	27,294
Non-controlling interests	899	327	1,226	-6,655	984	-5,671

5.19 Offsetting of financial assets and financial liabilities

Accounting principles

Financial assets and liabilities were offset on the balance sheet in accordance with IAS 32. Under this standard, a financial asset and financial liability are offset and a net balance is recorded in the balance sheet if and only if:

- the Group has a legally enforceable right to net the recognized amounts;
- it has the intention either to settle the net amount or to simultaneously realize the asset and settle the liability.

Within BRED Group, most of the netted amounts come from listed derivative transactions for which the IAS 32 criteria are met:

- for OTC derivatives, this concerns the currency netting of asset valuations and liability valuations of derivatives and margin calls (variation margin);
- for asset swap transactions with similar nominal values, as well as identical maturities and currencies, the Group presents these transactions in the form of a single financial asset or liability;
- for listed derivatives, the positions recorded under the respective asset and liability items for:
 - index options and futures options are offset by maturity and by currency,
 - equity options are offset by ISIN code and maturity date;
- for repurchase agreements, the amount recorded on the balance sheet corresponds to the net amount of repurchase and reverse repurchase agreements that:
 - are entered into with the same clearing house,
 - have the same maturity date,
 - have the same custodian (except if the custodian has joined the T2S platform),
 - are denominated in the same currency.

Financial assets and liabilities under netting agreements may only be offset if they meet the restrictive netting criteria set by IAS 32.

In the event that over-the-counter derivatives or repurchase agreements subject to master agreements do not meet the net settlement criteria, or if completion of simultaneous settlement of the asset and liability cannot be demonstrated, or if the netting right can be exercised only in the event of the default, insolvency or bankruptcy of either of the parties to the agreement, accounting netting cannot be carried out. However, the impact of such agreements in terms of reducing the exposure is presented in the second table.

For these instruments, the “Related financial assets and financial instruments received as collateral” and “Related financial liabilities and financial instruments pledged as collateral” columns include in particular:

- for repurchase agreements:
 - loans or borrowings resulting from reverse repurchase agreements with the same counterparty, and securities pledged or received as collateral (for the fair value of said securities),
 - margin calls in the form of securities (for the fair value of said securities);
- for derivatives, the fair values of reverse transactions with the same counterparty, as well as margin calls in the form of securities.

Margin calls received or paid in cash are shown in “Margin calls received (cash collateral)” and “Margin calls paid (cash collateral).”

5.19.1 Financial assets

Impact of offsetting on financial assets under netting agreements in the balance sheet

	12/31/2024			12/31/2023		
	Gross amount of financial assets ⁽¹⁾	Gross amount of financial liabilities offset in the balance sheet	Net amount of financial assets recognized in the balance sheet	Gross amount of financial assets	Gross amount of financial liabilities offset in the balance sheet	Net amount of financial assets recognized in the balance sheet
<i>In thousands of euros</i>						
Derivatives (trading and hedging)	2,902,710	11,168	2,891,542	3,056,585	2,831	3,053,754
Repurchase agreements	0	0	0	0	0	0
Financial assets at fair value	2,902,710	11,168	2,891,542	3,056,585	2,831	3,053,754
Repurchase agreements (loans and advances portfolio)	2,918,634	1,271,464	1,647,170	3,187,047	1,296,630	1,890,417
OVERALL	5,821,344	1,282,632	4,538,712	6,243,632	1,299,461	4,944,171

(1) Includes the gross amount of financial assets subject to netting or an enforceable master netting agreement or similar and financial assets not subject to any agreement.

Impact of netting agreements on financial assets not recognized in the financial statements

	12/31/2024				12/31/2023			
	Net amount of financial assets recognized in the balance sheet	Related financial liabilities and financial instruments received as collateral	Margin calls received (cash collateral)	Net exposure	Net amount of financial assets recognized in the balance sheet	Related financial liabilities and financial instruments received as collateral	Margin calls received (cash collateral)	Net exposure
<i>In thousands of euros</i>								
Derivatives	2,022,674	1,554,907	416,799	50,969	2,052,544	1,582,961	404,605	64,978
Repurchase agreements	1,593,211	1,563,314	0	29,897	1,682,803	1,672,332	6,982	3,489
Other assets	0	0	0	0	0	0	0	0
OVERALL	3,615,886	3,118,220	416,799	80,866	3,735,347	3,255,293	411,587	68,467

The net exposure does not reflect the accounting position, because it takes into account the reduced exposure arising from agreements that do not meet the restrictive netting criteria set by IAS 32.

5.19.2 Financial liabilities

Impact of offsetting on financial liabilities under netting agreements in the balance sheet

<i>In thousands of euros</i>	Gross amount of financial liabilities ⁽¹⁾	Gross amount of financial assets offset in the balance sheet	Net amount of financial liabilities recognized in the balance sheet	Gross amount of financial liabilities	Gross amount of financial assets offset in the balance sheet	Net amount of financial liabilities recognized in the balance sheet
Derivatives (trading and hedging)	2,138,100	11,168	2,126,932	2,075,902	2,831	2,073,071
Repurchase agreements	0	0	0	0	0	0
Financial liabilities at fair value	2,138,100	11,168	2,126,932	2,075,902	2,831	2,073,071
Repurchase agreements (debt portfolio)	8,430,733	1,271,464	7,159,269	4,698,381	1,296,630	3,401,751
OVERALL	10,568,832	1,282,632	9,286,201	6,774,283	1,299,461	5,474,822

(1) Includes the gross amount of financial liabilities subject to netting or an enforceable master netting agreement or similar and financial liabilities not subject to any agreement.

Impact of netting agreements on financial liabilities not recognized in the financial statements

	12/31/2024				12/31/2023			
<i>In thousands of euros</i>	Net amount of financial liabilities recognized in the balance sheet	Related financial assets and financial instruments pledged as collateral	Margin calls paid (cash collateral)	Net exposure	Net amount of financial liabilities recognized in the balance sheet	Related financial assets and financial instruments pledged as collateral	Margin calls paid (cash collateral)	Net exposure
Derivatives	2,069,378	1,554,907	409,193	105,278	1,903,809	1,582,961	191,576	129,272
Repurchase agreements	7,158,628	7,008,072	113,379	37,176	3,401,753	3,364,039	37,714	0
Other liabilities	0	0	0	0	0	0	0	0
OVERALL	9,228,005	8,562,979	522,572	142,454	5,305,562	4,947,000	229,290	129,272

The net exposure does not reflect the accounting position, because it takes into account the reduced exposure arising from agreements that do not meet the restrictive netting criteria set by IAS 32.

5.20 Transferred financial assets, other financial assets pledged as collateral and assets received as collateral that can be sold or repledged

Accounting principles

A financial asset (or group of similar financial assets) is derecognized when the contractual rights to the asset's future cash flows have expired or when such rights are transferred to a third party, together with virtually all of the risks and rewards associated with ownership of the asset. In such case, rights and obligations created or retained as a result of the transfer are recorded in a separate line under financial assets and liabilities.

When a financial asset is derecognized, a gain or loss on disposal is recorded in the income statement reflecting the difference between the carrying amount of the asset and the consideration received.

In the event that the Group has neither transferred nor retained virtually all of the risks and rewards, but has retained control of the asset, the asset continues to be recognized on the balance sheet to the extent of the Group's continuing involvement.

In the event that the Group has neither transferred nor retained virtually all of the risks and rewards and has not retained control of the asset, the asset is derecognized and all of the rights and obligations created or retained as a result of the transfer are recorded in a separate line under financial assets and liabilities.

If all the conditions for derecognizing a financial asset are not met, the Group keeps the asset in the balance sheet and records a liability representing the obligations arising when the asset is transferred.

The Group derecognizes a financial liability (or a part of a financial liability) only when it is extinguished, i.e., when the obligation specified in the contract is discharged, terminated or expires.

Repurchase agreements

Securities sold under repurchase agreements are not derecognized in the vendor's accounts. A liability representing the commitment to return the funds received is identified and recognized under "Securities sold under repurchase agreements." This debt is a financial liability recorded at amortized cost or at fair value through profit or loss when this liability is considered part of a trading business model.

The assets received are not recognized in the purchaser's books, but a receivable is recorded with respect to the vendor representing the funds loaned. The amount disbursed in respect of the asset is recognized under "Securities purchased under resale agreements." On subsequent balance sheet dates, the securities continue to be accounted for by the vendor in accordance with the rules applicable to the category in which they were initially classified. The receivable is valued according to methods specific to its category: at amortized cost when classified in "Loans and advances", or at fair value through profit or loss when it is considered part of a trading business model.

Outright securities lending

Securities loaned under outright securities lending transactions are not derecognized in the vendor's accounts. They continue to be recognized in their original accounting category and are valued accordingly. For the borrower, the securities borrowed are not recognized.

Transactions leading to substantial changes in financial assets

When an asset is subject to substantial changes (in particular following renegotiation or remodeling due to financial hardship) there is derecognition, since the rights to the initial cash flows have essentially expired. The Group considers that this is the case for:

- changes leading to a change of counterparty, especially if the new counterparty has a very different credit quality than the previous counterparty;
- changes intended to move from a very structured to basic indexing, as the two assets are not exposed to the same risks.

Transactions leading to substantial changes in financial liabilities

A substantial change to the terms of a lending instrument must be recorded as the extinguishment of the existing debt and its replacement with a new debt. The amendment to IFRS 9 of October 12, 2017 clarified the treatment under IFRS 9 of modifications of liabilities recognized at amortized cost if the modification does not result in derecognition: the profit or loss resulting from the difference between the original cash flows and the modified cash flows discounted at the original effective interest rate must be recognized in profit or loss. To assess the substantial nature of the change, IFRS 9 includes a threshold of 10% based on discounted cash flows, integrating potential costs and fees: when the difference is greater than or equal to 10%, all of the costs or fees incurred are recognized as profit or loss on debt extinguishment.

The Group considers that there are other modifications that can be considered substantial, such as a change of issuer (even within a same group) or a change of currency.

5.20.1 Transferred financial assets not fully derecognized and other financial assets pledged as collateral

	Net carrying amount				12/31/2024
	Securities lending	Repurchase agreements	Assets transferred or pledged as collateral	Securitizations	
<i>In thousands of euros</i>					
Financial assets at fair value through profit or loss – Held for trading	1,063,938	72,286	295,499	0	1,431,723
Financial assets at fair value through profit or loss – Under option	0	0	0	0	0
Financial assets at fair value through profit or loss – Non-SPPI	0	0	0	0	0
Financial assets at fair value through profit or loss – Excluding assets held for trading	0	0	0	0	0
Financial assets at fair value through other comprehensive income	13,578,336	3,727,369	1,305,606	0	18,611,311
Financial assets at amortized cost	0	98,575	234,972	4,759,757	5,093,304
TOTAL FINANCIAL ASSETS PLEDGED AS COLLATERAL	14,642,274	3,898,230	1,836,077	4,759,757	25,136,338
<i>o/w transferred financial assets not fully derecognized</i>	<i>14,642,274</i>	<i>3,898,230</i>	<i>44,157</i>	<i>4,759,757</i>	<i>23,344,418</i>

The amount of liabilities associated with financial assets pledged as collateral for repurchase agreements came to €3,856.6 million at December 31, 2024 (€1,464.6 million at December 31, 2023).

The fair value of assets pledged as collateral for non-deconsolidating securitization transactions was €4,759.8 million at December 31, 2024 (€3,257.2 million at December 31, 2023) and the amount of related liabilities came to €4,214.8 million at December 31, 2024.

	Net carrying amount				12/31/2023
	Securities lending	Repurchase agreements	Assets transferred or pledged as collateral	Securitizations	
<i>In thousands of euros</i>					
Financial assets at fair value through profit or loss – Held for trading	998,943	15,472	77,597	0	1,092,012
Financial assets at fair value through profit or loss – Under option	0	0	0	0	0
Financial assets at fair value through profit or loss – Non-SPPI	0	0	0	0	0
Financial assets at fair value through profit or loss – Excluding assets held for trading	0	0	0	0	0
Financial assets at fair value through other comprehensive income	8,398,041	1,229,482	921,742	0	10,549,265
Financial assets at amortized cost	0	257,013	42	3,257,233	3,514,288
TOTAL FINANCIAL ASSETS PLEDGED AS COLLATERAL	9,396,984	1,501,967	999,381	3,257,233	15,155,565
<i>o/w transferred financial assets not fully derecognized</i>	<i>9,396,984</i>	<i>1,501,967</i>	<i>42</i>	<i>3,257,233</i>	<i>14,156,226</i>

5.20.1.1 Comments on transferred financial assets

Securities repurchasing and lending

BRED Group carries out repurchase agreements and securities lending transactions.

Under the terms of the agreements, the securities may be sold on by the purchaser throughout the duration of the repurchase or lending agreement. The purchaser must nevertheless return them to the vendor at the end of the agreement. Cash flows generated by the securities are also transferred to the vendor.

The Group believes that it retains almost all of the risks and benefits of securities under repurchase or loan agreements. They are therefore not derecognized. Financing has been recorded in liabilities for the repurchasing or lending of financed securities.

Sales of receivables

BRED Group assigns receivables as collateral (Articles L.211-38 and L.313-23 et seq. of the French Monetary and Financial Code) in connection with guaranteed refinancing operations, particularly with the central bank. This type of disposal by way of guarantee involves the legal transfer of the

associated contractual rights, and therefore a “transfer of assets” within the meaning of the amendment to IFRS 7. The Group nevertheless remains exposed to virtually all the risks and benefits, and as such the receivables are maintained on the balance sheet.

Consolidated securitizations

Securitizations consolidated with outside investors constitute an asset transfer according to the amendment to IFRS 7.

The Group has an indirect contractual obligation to transfer to outside investors the cash flow from assets transferred to the securitization fund (although these assets are included in the Group's balance sheet through the consolidation of the fund).

5.20.1.2 Comments on financial assets pledged as collateral but not transferred

Financial assets provided as collateral but not transferred are generally pledged. The main arrangements concerned are securities pledged as collateral for refinancing obtained from the European Central Bank (ECB).

Moreover, in accordance with French law, the intrinsic guarantees attached to issues of covered bonds are not recognized under guarantee commitments given.

5.20.1.3 Financial assets received as collateral that can be sold or repledged

	Reusable financial instruments			
	Fair value of reusable financial instruments	Fair value of reused financial instruments		
In thousands of euros	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Debt securities	10,543,173	8,236,601	6,503,954	6,349,638
Equity instruments	7,340,097	3,821,547	0	164,858
Loans and advances				
Other				
TOTAL FINANCIAL ASSETS RECEIVED AS COLLATERAL THAT THE ENTITY CAN MAKE USE OF	17,883,270	12,058,148	6,503,954	6,514,496

The assets in question are mainly securities received under repurchase agreements and securities borrowings.

5.20.2 Fully derecognized financial assets for which the Group retains an ongoing commitment

None.

Note 6 Commitments

Accounting principles

Commitments are materialized by the existence of a contractual obligation and are binding.

It must not be possible for commitments included in this item to be deemed financial instruments falling within the scope of IFRS 9 for classification and measurement purposes. By contrast, financing commitments and guarantee commitments given are subject to the IFRS 9 impairment rules as presented in Note 7.

The effects of the rights and obligations covered by such commitments must be subject to the occurrence of conditions or subsequent transactions. Commitments are broken down into:

- loan commitments (confirmed credit facilities or refinancing agreements);
- guarantee commitments (off-balance sheet commitments or assets received as collateral).

The amounts shown correspond to the nominal value of commitments given.

6.1 Loan commitments

<i>In thousands of euros</i>	12/31/2024	12/31/2023
Loan commitments given to:		
Banks	205,666	232,187
Customers	6,924,238	6,896,146
Credit facilities granted	6,338,450	6,234,723
Other commitments	585,788	661,423
TOTAL LOAN COMMITMENTS GIVEN	7,129,904	7,128,333
Loan commitments received from:	0	0
Banks	4,540,086	3,551,348
Customers	1,127,199	565,567
TOTAL LOAN COMMITMENTS RECEIVED	5,667,285	4,116,915

6.2 Guarantee commitments

<i>In thousands of euros</i>	12/31/2024	12/31/2023
Guarantee commitments given to:		
Banks	594,492	488,640
Customers	3,292,830	2,902,770
TOTAL GUARANTEE COMMITMENTS GIVEN	3,887,323	3,391,410
Guarantee commitments received from:	0	0
Banks	8,277,224	7,957,144
Customers	1,847,076	2,779,430
TOTAL GUARANTEE COMMITMENTS RECEIVED	10,124,299	10,736,574

Guarantee commitments include commitments by signature as well as assets received as collateral, such as security interests, other than those linked to financial assets received as collateral and which the entity can make use of.

Note 7 Risk exposure

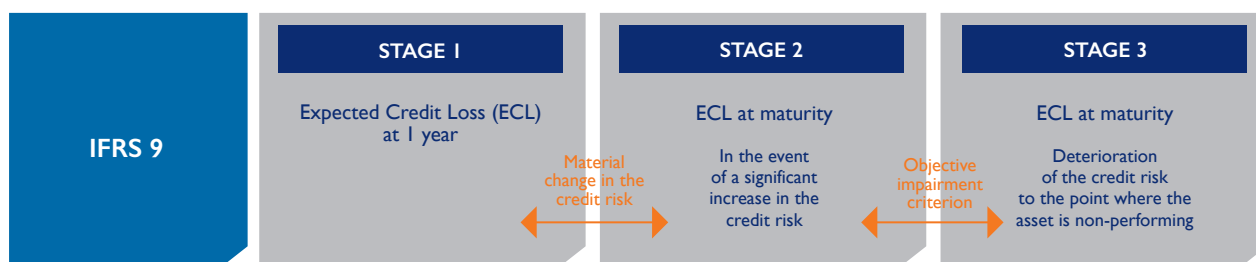
Exposures to risks are discussed below by type of risk: credit, market, overall interest rate, foreign exchange and liquidity risk.

Information relating to capital management and regulatory ratios is presented in the “Risk management” section.

7.1 Credit risk

Key points

Credit risk is the risk that one party to a financial transaction fails to fulfill its obligations, causing the other party to incur a financial loss.



Certain disclosures relating to risk management required by IFRS 7 are also provided in the risk management report. They include:

- the breakdown of gross exposures by category and approach (separation of credit and counterparty risk);

- the breakdown of gross exposure by geographic area;
- the concentration of credit risk by borrower (BPCE 14);
- breakdown of exposures by credit quality.

This information forms an integral part of the financial statements certified by the Statutory Auditors.

7.1.1 Cost of credit risk

Accounting principles

Cost of risk applies to debt instruments classified as financial assets at amortized cost or at fair value through other comprehensive income recyclable to profit or loss as well as to loan commitments and financial guarantees given that are not recognized at fair value through profit or loss. It also applies to receivables relating to leasing contracts, business loans and contract assets.

This item therefore covers net impairment and provision charges for credit risk.

Credit losses related to other types of instruments (derivatives or securities designated at fair value) recorded as a result of credit institution counterparty default are also included under this item.

Irrecoverable loans not covered by provisions for impairment are loans that have acquired the character of permanent loss before being provisioned in Stage 3.

Cost of credit risk for the period

<i>In thousands of euros</i>	2024 fiscal year	2023 fiscal year
Net charge to provisions and provisions for impairment	-187,748	-96,328
Recoveries of bad debts written off	3,096	2,528
Irrecoverable loans not covered by provisions for impairment	-10,846	-9,819
TOTAL COST OF CREDIT RISK	-195,498	-103,619

Cost of credit risk for the period by type of asset and stage

<i>In thousands of euros</i>	12/31/2024	12/31/2023
Central banks	0	1
Financial assets at fair value through profit or loss	0	0
Financial assets at fair value through other comprehensive income	-1,170	-15,957
Financial assets at amortized cost	-189,980	-92,604
<i>o/w loans and receivables</i>	-193,850	-89,947
<i>o/w debt securities</i>	3,870	-2,657
Other assets	-6,598	361
Loan and guarantee commitments	2,250	4,581
TOTAL COST OF CREDIT RISK	-195,498	-103,619
<i>o/w Stage 1</i>	-10,886	11,720
<i>o/w Stage 2</i>	-68,421	-8,972
<i>o/w Stage 3</i>	-116,191	-106,367

7.1.2 Change in gross carrying amounts and expected credit losses on financial assets and commitments**Accounting principles**

Expected credit losses are represented by impairments of assets classified at amortized cost and at fair value through other comprehensive income recyclable to profit or loss, and by provisions for loan and guarantee commitments.

The financial instruments concerned (see Note 7.1.1) are impaired or covered by a provision for expected credit losses (ECL) at the date of initial recognition.

When the financial instruments do not individually show objective evidence of loss, impairment, or provisions for expected credit losses are measured based on past losses and reasonable and justifiable discounted future cash flow forecasts.

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

Stage 1 (S1):

- performing loans for which there has been no significant increase in credit risk since the initial recognition of the financial instrument or certain assets for which the standard makes it possible to presume that they have a low credit risk at the reporting date;
- the impairment or the provision for credit risk corresponds to 12-month expected credit losses;
- interest income is recognized in income using the effective interest method applied to the gross carrying amount of the instrument before impairment.

Stage 2 (S2):

- performing loans for which credit risk has increased materially since the initial recognition of the financial instrument are transferred to this category;
- the impairment or the provision for credit risk is determined on the basis of the financial instrument's lifetime expected credit losses;
- interest income is recognized in income, as for Stage 1 assets, using the effective interest method applied to the gross carrying amount of the instrument before impairment.

Stage 3 (S3):

- these are loans for which there is objective evidence of impairment loss due to an event which represents a known credit risk occurring after the initial recognition of the instrument in question. This category covers receivables for which a default event has been identified, as defined in Article 178 of the EU Regulation No. 575/2013 of June 26, 2013 on prudential requirements for banks. Default situations are identified for outstandings with significant amounts past due (introduction of relative and an absolute threshold for past due payments) and the criteria for a return to non-defaulted status have been clarified with the introduction of a probation period and of explicit criteria for a classification as default of restructured loans;
- the impairment or the provision for credit risk is calculated based on the financial instrument's lifetime expected credit losses (expected credit losses at maturity) on the basis of the recoverable amount of the receivable, i.e., the present value of estimated recoverable future cash flows;
- interest income is recognized through profit or loss using the effective interest method applied to the net carrying amount of the instrument after impairment;
- the financial assets purchased or originated and impaired for credit risk on their initial recognition because the entity does not expect to recover all the contractual cash flows (Purchased or Originated Credit-Impaired financial instruments or POCL) also belong to Stage 3. These assets may be transferred to Stage 2 if their credit risk improves.

For receivables resulting from operating leases or financial leases, which fall under IFRS 16, the Group decided not to use the option to apply the simplified approach offered by §5.5.15 of IFRS 9.

The methodological changes carried out over the period and presented below constitute a change in estimates which translates into an impact on net income.

Method for measuring the increase in credit risk and expected credit losses

The principles for measuring the increase in credit risk and expected credit losses applicable to most of the Group's exposures are described below. Only a few portfolios held by Group entities, representing a limited volume of exposures, cannot be treated according to the methods described below and are subject to appropriate valuation techniques.

Significant increase in credit risk

A significant increase in credit risk is measured on an individual basis for each instrument by taking into account all reasonable and supportable information and by comparing the default risk on the financial instrument at the reporting date with the default risk on the financial instrument at the date of initial recognition. A counterparty-based approach (applying the contagion principle to all outstanding loans to the counterparty in question) is also possible, in particular with regard to the watchlist criterion.

What's more, in addition to this assessment carried out in the Group's central institution, institutions can, in order to take into account the specific risks of their portfolios, estimate the significant increase in credit risk on the basis of a given portfolio by tightening ratings assigned to the latter on a geographic or sectoral basis. This severity may lead to a downgrading from Stage 1 to Stage 2, while downgrading to Stage 3 remains based on an individual analysis.

In accordance with IFRS 9, a counterparty with a significant deterioration in credit risk (Stage 2) that has just been originated will be classified as Stage 1.

Assessment of increases in credit risk involves comparing the ratings on the initial recognition date with those applicable at the reporting date. The same principles as those used to classify an exposure in Stage 2 are applied in case of a decline in the material deterioration in credit risk.

The standard also includes a rebuttable presumption that credit risk has significantly increased since initial recognition if contractual payments are more than 30 days past due.

In most cases, a measurement showing an increase in risk leads to the asset's transfer to Stage 2 before it is individually impaired (Stage 3).

However, prior to the above analysis, the following general analysis criteria are applied:

- the standard provides that the credit risk of a financial instrument has not increased significantly since its initial recognition if this risk is considered to be low at the reporting date. This provision is applied to certain investment-grade debt securities that are managed as part of Groupe BPCE's liquidity reserve, as required by Basel III regulations, as well as debt securities classified as insurance activities financial investments. Investment grade ratings are those equal to or above BBB- or its equivalent by Standard & Poor's, Moody's or Fitch. In this case, these assets remain classified as Stage 1;
- a counterparty approach for a Stage 2 classification (with application of the contagion principle to all outstandings existing on the counterparty in question) is applied in particular with regard to the High Credit Risk qualitative criterion derived from the Group's internal rating engines. This criterion includes the counterparties placed on the watchlist, with a sensitive rating (particularly in cases where the notion of watchlist is not used), in a situation of restructuring or in the presence of financial difficulties if the criteria for downgrading to Stage 3 are not met;
- the standard also includes a rebuttable presumption that the credit risk has significantly increased since the initial recognition if the contractual payments are more than 30 days past due;
- lastly, an unfavorable change in country risk is a criterion for classifying all of the outstandings concerned as Stage 2.

Assessment of a material increase in credit risk is made at the level of each instrument, based on indicators and thresholds that vary according to the type of exposure and counterparty.

For the Individual customers, Professionals, SMEs, Public Sector and Social Housing portfolios:

The significant increase in credit risk is assessed on the basis of the following levels of rating downgrades since inception:

Score at origin	Individual customers	Professionals	SME, Public sector, Social housing
3 to 11 (AA to BB+)	3 notches	3 notches	3 notches
12 (BB)	2 notches	3 notches	3 notches
13 (BB-)	2 notches	3 notches	2 notches
14 to 15 (B+ to B)	1 notch	2 notches	1 notch
16 (B-)	1 notch	1 notch	1 notch
17 (CCC to C)	Sensitive notches classified as S2		

Moreover, additional qualitative criteria are used to classify as Stage 2 all contracts with payments more than 30 days past due (unless the 30-day presumption of non-payment is rebutted), rated at-risk or undergoing adjustments or financial hardship if the downgrade to Stage 3 criteria are not met.

For the Large Corporates, Banks and Sovereigns portfolios, the quantitative criterion is based on the rating changes since initial recognition. The same qualitative criteria apply as for Individual customers, Professionals and SMEs, as well as for contracts placed on the watchlist, along with additional criteria based on the level of country risk.

The downgrade thresholds **on the portfolios of Large Corporates and Banks** are the following:

Score at origin	Significant degradation
1 to 7 (AAA to A-)	3 notches
8 to 10 (BBB+ to BBB-)	2 notches
11 to 21 (BB+ to C)	1 notch

For Sovereigns, the downgrade thresholds on the eight-point rating scale are as follows:

Score at origin	Significant degradation
1	6 notches
2	5 notches
3	4 notches
4	3 notches
5	2 notches
6	1 notch
7	S2 directly (unless newly originated contract)
8	S2 directly (unless newly originated contract)

For Specialized Financing, the criteria applied vary according to the characteristics of the exposures and the related rating system. The exposures noted under the engine dedicated to large exposures are treated in the same way as Large Corporates; other exposures are treated in the same way as SMEs.

For all these portfolios, the ratings used to measure risk deterioration correspond to ratings from internal systems where available, as well as external ratings, particularly in the absence of internal ratings.

In accordance with IFRS 9, the recognition of guarantees and collateral does not influence the assessment of a material increase in credit risk, which depends on changes in credit risk relating to the debtor without taking into account such guarantees.

In order to assess the material increase in credit risk, the Group provides for a process based on two levels of analysis:

- a first level based on rules and criteria defined by the Group that are binding on the Group's institutions (known as the "central model");
- a second level linked to an expert assessment of the risk carried by each institution on its portfolios, which may lead

to an adjustment of the criteria defined by the Group for downgrading to Stage 2 (portfolio or sub-portfolio switch to ECL at maturity). These criteria are adapted for each closing to the current macro-economic context.

Measurement of expected credit losses

Expected credit losses are defined as being an estimate of credit losses (i.e., the present value of cash flow shortfalls) weighted by the probability of occurrence of these losses over the expected lifetime of the financial instrument in question. They are calculated individually for each exposure.

In practice, for Stage 1 and Stage 2 financial instruments, expected credit losses are calculated as the product of a number of inputs:

- cash flows expected over the lifetime of the financial instrument, discounted at the valuation date – these flows are determined according to the characteristics of the contract, its effective interest rate and, for real estate loans, the level of prepayment expected on the contract;
- Loss Given Default (LGD);
- the probability of default (PD) over the coming year for Stage 1 financial instruments and to maturity for Stage 2 financial instruments.

The Group's methodology draws on existing concepts and mechanisms to define these inputs, and in particular on internal models developed to calculate regulatory capital requirements (Basel framework) and projection models used in the stress test system. Certain adjustments are made to comply with the specifics of IFRS 9:

- IFRS 9 inputs aim to provide an accurate estimate of expected credit losses for accounting provision purposes, whereas prudential inputs are more cautious for regulatory framework purposes. Several of the safety buffers applied to prudential inputs are therefore restated;
- IFRS 9 inputs must allow expected credit losses to be estimated until the contract's maturity, whereas prudential inputs are defined to estimate 12-month expected losses. 12-month inputs are thus projected over long periods;
- IFRS 9 inputs must be forward-looking and take into account the expected economic environment over the projection period, whereas prudential inputs correspond to mid-cycle estimates (for PD) or bottom-of-the-cycle estimates (for LGD and the cash flows expected over the lifetime of the financial instrument). Prudential PD and LGD inputs are therefore also adjusted to reflect forecasts of future economic conditions.

Expected credit loss calculations take into account assets pledged as collateral and other credit enhancements that form an integral part of the instrument's contractual conditions and that the entity does not recognize separately. The estimate of expected cash flow shortfalls on secured financial instruments reflects the amount and the timing for enforcing the collateral, if such collateral is considered to be part of the contractual terms of the secured instrument.

The IFRS 9 model validation process is fully aligned with the Group's existing model validation process. Models are reviewed by an independent unit responsible for internal validation and the unit's conclusions are then examined by the Group Models Committee. Subsequent recommendations are monitored up by the validation unit.

Recognition of forward-looking information

Forward-looking macro-economic data are taken into account in a methodological framework applicable at two levels:

- at the Group level, in the determination of a shared framework for taking the forward looking into account in the projection of PD and LGD inputs over the amortization horizon of operations within the central model;
- at the level of each entity, with regard to its own portfolios.

The amount of expected credit losses is calculated using an average ECL by scenario, weighted by probability of occurrence, taking into consideration past events, current circumstances and reasonable and justifiable forecasts of the economic environment.

Groupe BPCE uses forward-looking data to estimate any significant increase in credit risk and to measure expected credit losses. To do this, Groupe BPCE uses the projections of macro-economic variables used to define its budget process, considered as the most probable, framed by optimistic and pessimistic scenarios in order to define alternative trajectories.

To determine a significant increase in credit risk, as well as applying rules based on the comparison of risk parameters between the initial recognition date and the reporting date, the calculation is supplemented by forward-looking information such as sector or geographical macro-economic scenarios.

To measure expected credit losses, the Group has chosen three macro-economic scenarios, which are detailed in the following paragraph.

Methodology for calculating expected losses in the central model

The parameters used to measure expected credit losses are adjusted to economic conditions by defining three economic scenarios (central/pessimist/optimist) over a three-year period.

The definition and review of these scenarios follows the same organization and governance as that defined for the budget process, with a quarterly review which may lead to a revision of macro-economic projections in the event of a significant deviation in the situation observed on the basis of proposals from economic research and validation by the Executive Management Committee.

The probability of occurrence of the Baseline scenario and the optimistic and pessimistic scenarios is reviewed on a quarterly basis by the Group Watchlist and Provisions Committee. The inputs thus defined allow expected credit losses for all exposures to be valued, regardless of whether they belong to a scope approved using an internal method or are processed using the standardized method for the calculation of risk-weighted assets.

The variables defined in each of these scenarios allow for the distortion of the PD and LGD parameters and the calculation of an expected credit loss for each economic scenario. Projections of inputs for periods longer than three years are based on the mean reversion principle. The economic scenarios are associated with probabilities of occurrence, making it possible to calculate the average probable loss, which is used as the amount of the IFRS 9 expected credit loss.

For December 31, 2024 closing:

The Group's central scenario was built in an uncertain geopolitical environment: elections in Western countries (European Parliament, US presidential election), armed conflicts (Russia/Ukraine, Middle East) and potential worsening of the situation in various geographic areas.

After the 2020-2021 pandemic and the two years of high inflation and subsequent rate hikes by central banks, various economic indicators are affected: some countries have entered a slight recession, real estate prices are trending down, sovereign debt peaks at unprecedented highs (recent downgrade of France's rating by S&P), and lastly the challenges related to the climate transition are beginning to change the historical paradigm in place for more than 50 years concerning the global organization of production and trade against a backdrop of geopolitical tensions between the United States and China.

The Group's central scenario is based on the following structuring assumptions: no change in the current pace of the climate transition (i.e., without a significant inflection in the transition or the frequency of extreme climate events compared to recent history), no escalation or major evolution in the geopolitical conflicts and finally no crisis of confidence concerning sovereign debt.

The main characteristics of the Group's central scenario, which is the one used to prepare its strategic plan, are therefore:

- a continuation of the decline in inflation, allowing the ECB to start lowering its interest rates in 2024 with a continuation of this decrease in 2025 just like the FED. In this scenario, oil prices decline slightly, remaining in the \$70-80 range;
- this positively affects the growth outlook, with GDP growth reaching the long-term average by 2025 in France and the Eurozone. The US economy is following a soft landing scenario after growing stronger than expected in 2023 with GDP growth of around 2% each year for the next four years;
- this return to a normalized growth outlook will lead to a decrease in the unemployment rate by 2026;
- on the other hand, uncertainties concerning sovereign debt will lead to a rise in long-term rates, while short-term interest rates are declining and curves are steepening;
- the current negative trend in real estate prices will continue over the next three years, although it will stabilize over time;
- weak but steady growth in the equity markets after 2024.

Due to the political uncertainties arising from the dissolution of the National Assembly in June 2024, the scenario was reviewed several times before being finally validated by the ALM Group Committee on September 18, 2024.

As for the central scenario, the slight changes in the economic situation observed since the last closing did not lead to an in-depth revision of the pessimistic and optimistic limits, determined when the macro-economic scenario was prepared in June 2024. As a result, the pessimistic scenario continues to assume a continuation of the trade war between the US and China against a backdrop of tension in Taiwan, while the optimistic scenario, based on a statistical deviation from the central scenario, results in a gradual return of the market, inflation to low levels and a more vigorous recovery in activity.

During 2024, the following methodological changes were implemented:

- all of the Retail risk parameters were recalibrated to take into account recent regulatory changes (IRB Repair in particular) relating to this portfolio;
- new forward-looking PD models (PDFL) were put into production in order to integrate several methodological improvements and to improve the performance of the system. The main changes include the increase in the granularity of the models (now distinguishing between customers with and without real estate loans in the Retail portfolio, and small businesses and other specific populations in the Non-Retail portfolio), the launch of the PDFL model for businesses between €10 million and €500 million ("High-Level Segment") and the updating of the PD anchoring point (which since the first application of IFRS 9 had been fixed at the default rate for the year 2017).

In addition, the Group supplements and adapts this approach by taking into account the specific characteristics of certain scopes. Each scenario is weighted according to how close it is to the market consensus forecast on the main economic variables of each scope or significant market of the Group.

The projections are broken down by means of key macroeconomic variables, such as GDP, the unemployment rate, 10-year interest rates on French sovereign debt and real estate.

The macroeconomic variables for France are as follows:

At December 31, 2024

Pessimistic 2024-Q4				
	GDP	Unempl.	RRE	10Y yld
2024	-0.42%	8.07%	-8.15%	4.04%
2025	-3.00%	9.12%	-8.00%	5.25%
2026	0.50%	9.05%	-6.00%	4.60%

Central 2024-Q4				
	GDP	Unempl.	RRE	10Y yld
2024	1.10%	7.50%	-6.00%	2.85%
2025	1.40%	7.64%	-1.50%	2.90%
2026	1.57%	7.40%	0.00%	2.70%

Optimistic 2024-Q4				
	GDP	Unempl.	RRE	10Y yld
2024	1.88%	7.22%	-4.93%	2.63%
2025	3.90%	6.54%	1.75%	2.10%
2026	2.64%	6.23%	3.00%	2.20%

At December 31, 2023

Pessimistic 2023				
	GDP	Unempl.	RRE	10Y yld
2023	0.10%	7.90%	-3.00%	3.93%
2024	-1.50%	8.50%	-5.50%	4.89%
2025	-0.75%	9.50%	-9.00%	4.70%

Central 2023				
	GDP	Unempl.	RRE	10Y yld
2023	0.60%	7.40%	-2.50%	3.03%
2024	0.90%	7.50%	-4.00%	3.09%
2025	1.60%	6.93%	-3.00%	3.19%

Optimistic 2023				
	GDP	Unempl.	RRE	10Y yld
2023	0.90%	7.03%	-2.13%	2.36%
2024	2.70%	6.75%	-2.88%	1.74%
2025	3.36%	5.00%	1.50%	2.05%

Weighting of scenarios at June 30, 2024

The expected credit losses are calculated by assigning to each of the scenarios a weighting determined according to the proximity of the consensus of the forecasters with each of the baseline, pessimistic and optimistic scenarios on the GDP growth variable.

Thus, the weightings used for the France zone are as follows:

- central scenario: 80% at December 31, 2024, compared with 50% at December 31, 2023;

- pessimistic scenario: 15% at December 31, 2024, compared with 20% at December 31, 2023;
- optimistic scenario: 5% at December 31, 2024 compared with 30% at December 31, 2023.

Environmental risks are not taken into account in the central models at this stage. However, they can be taken into account at the institution level (see below).

Expected credit losses built up in addition to the central model

Additional provisions have been recorded by the Group's institutions to cover the specific risks of their portfolios, in addition to the provisions described above and calculated by the Group's tools. These provisions were mainly allocated in 2020 and 2021 for the consequences of the Covid-19 crisis. In recent years, they were supplemented by additional documented provisions for sectors likely to be most affected by a worsening macroeconomic context (rising inflation, soaring energy prices, shortages, etc.).

In 2024, these provisions mainly concerned the real estate rental and services sectors as well as real estate professionals. In addition, several sectors have been the subject of reversals such as the tourism-hotel-catering industry and the construction industry.

In this context, the Group continued to strengthen the identification and monitoring of the most affected sectors. The sectoral monitoring approach is reflected in (i) a classification according to their level of risk of economic sectors and sub-sectors established centrally by Groupe BPCE's Risk division, updated regularly and communicated to all Group institutions, (ii) a tightening of LGD rates on a geographical or sectoral basis.

To a lesser extent and only for a limited number of institutions, expected credit losses due to climate risks were constituted by certain institutions. They are constituted in accordance with the general principles defined by the Group and mainly concern physical climate risk. These provisions are made in anticipation of direct losses, by sector or by geographic area, caused by extreme or chronic weather events resulting in an increased risk of default following a cessation or reduction in activity. They are not created individually because they cover an overall risk in certain sectors of the economy and on a local, regional or national scope, depending on the institution. Transition risks are also taken into account in these expected credit losses. They correspond to the economic and financial consequences of a societal transition to a low-carbon economy, aimed at limiting greenhouse gas emissions (regulations, market, technology, reputation), to which a business sector cannot align itself.

Climate risk is taken into account by applying a stress on the counterparty's rating level, or an overall provisioning rate depending on the customer segment according to its vulnerability to climate risks.

ECL sensitivity analysis

Sensitivity analyses are carried out on the impairment outstandings on all instruments classified as Stage 1 and Stage 2 in the Group's central institution. These analyses are based on a weighting of 100% of each of the scenarios used without impacting the status of these outstandings or any adjustments applied to the model.

The sensitivity of expected credit losses linked to the 100% probability of the occurrence of the pessimistic scenario would lead to an increase of €73.86 million in expected credit losses. Conversely, a 100% probability of the occurrence of the optimistic scenario would decrease ECL by €45.64 million. Finally, a 100% weighting of the central scenario would decrease ECL by €11 million.

Method for measuring assets classified as Stage 3

Financial assets for which there is objective evidence of impairment loss due to an event representing a counterparty risk and occurring after initial recognition are classified as Stage 3. The criteria for identifying assets are in line with the definition of default under Article 178 of European Regulation No. 575/2013, of June 26, 2013, on prudential requirements for banks, consistent with EBA guidelines (EBA/GL/2016/07) on the application of the definition of default, and Delegated Regulation (EU) 2018/1845 of the European Central Bank on the threshold for assessing the materiality of credit obligations past due.

Loans and advances are considered as impaired and are classified as Stage 3 if the following two conditions are met:

There is objective evidence of impairment on an individual or portfolio basis: there are "triggering events" or "loss events" identifying counterparty risk occurring after the initial recognition of the loans in question. Objective evidence of impairment includes:

- the occurrence of a payment past due for at least three consecutive months, the amount of which exceeds the absolute thresholds (of €100 for a retail exposure, otherwise €500) and the relative threshold of 1% of the counterparty's exposures; or
- the restructuring of loans if certain criteria are met, or regardless of whether any payment has been missed, the observation of financial hardship experienced by the counterparty leading to the expectation that some or all of the amounts owed may not be recovered. Restructured loans are classed as Stage 3 when the loss is greater than 1% of the difference between the net present value before restructuring and the net present value after restructuring;
- these events are liable to lead to the recognition of incurred credit losses, i.e., expected credit losses for which the probability of occurrence has become certain.

The Stage 3 classification is maintained for a probationary period of three months after the disappearance of all the above-mentioned default indicators. The probationary period in Stage 3 is extended to one year for restructured contracts that have been subject to a Stage 3 transfer.

When moving out of Stage 3, Groupe BPCE does not apply an additional probationary period of Stage 2 classification prior to any transfer to Stage 1 (if the asset concerned meets the conditions for such classification).

Debt securities such as bonds or securitized transactions (ABS, CMBS, RMBS, cash CDOs) are considered impaired and are classified as Stage 3 when there is a known counterparty risk.

The Group uses the same impairment indicators for Stage 3 debt securities as those used for individually assessing the impairment risk on loans and advances, irrespective of the portfolio to which the debt securities are ultimately designated. For perpetual deeply subordinated notes (TSSDI) that meet the definition of debt instruments within the meaning of IAS 32, particular attention is also paid if, under certain conditions, the issuer may be unable to pay the coupon or extend the issue beyond the scheduled redemption date.

Impairment for expected credit losses on Stage 3 financial assets is determined as the difference between the amortized cost and the recoverable amount of the receivable, i.e., the present value of estimated recoverable future cash flows, whether these cash flows come from the counterparty's activity or from the potential activation of guarantees (if these guarantee are considered as being part of the contractual terms and conditions of the guaranteed instrument). For short-term assets (maturity of less than one year), there is no discounting of future cash flows. Impairment is determined globally, without distinguishing between interest and principal. Expected credit losses arising from Stage 3 off-balance sheet commitments are taken into account through provisions recognized on the liability side of the balance sheet. They are calculated on the basis of the maturity schedules determined based on historic recoveries for each category of receivable.

For the purposes of measuring expected credit losses, pledged assets and other credit enhancements that form an integral part of the contractual conditions of the instrument and that the entity does not recognize separately are taken into account in the estimate of expected cash flow shortfalls.

The write-offs are based on individual analyses, taking into account the specific nature of each situation. In addition to the factors clearly attesting that all or part of the receivable will not be recovered (e.g., cessation of recovery actions, receipt of the certificate of non-recoverability), other groups of indicators are also likely to be taken into account (entry into

liquidation procedure, disappearance or insufficiency of residual assets and/or absence of collateral, absence of manifest desire of executives to respect their commitments and absence of shareholder support, chances of recovery based exclusively on legal recovery actions brought against third parties combined with a very low probability of success of these actions).

These factors must be considered as part of an overall analysis and do not constitute an automatic indicator of a write-off. When, in view of the situation of the case, it is reasonably certain that all or part of the receivable will not be recovered, the amount to be recognized as losses is determined on the basis of the most objective possible external and internal elements.

Subsequent recoveries of receivables already recorded as losses are also recognized in the cost of credit risk item.

Recognition of impairment of assets classified at amortized cost and at fair value through other comprehensive income, and of provisions for loan and guarantee commitments

For debt instruments recognized on the balance sheet in the financial assets at amortized cost category, impairment is recorded against the line on which the asset was initially shown for its net amount (regardless of whether the asset is S1, S2, S3 or POCI). Impairment charges and reversals are recognized in the income statement under "Cost of credit risk."

For debt instruments recognized as financial assets at fair value through other comprehensive income on the balance sheet, impairment is carried on the liabilities side of the balance sheet at the level of other comprehensive income recyclable to profit or loss, with a corresponding entry on the income statement under "Cost of credit risk" (regardless of whether the asset is classified S1, S2, S3 or POCI).

For loan and financial guarantee commitments given, provisions are recorded on the liabilities side of the balance sheet under "Provisions" (irrespective of whether the commitment given is classified S1, S2, S3 or POCI). Additions to/reversals from provisions are recognized in the income statement under "Cost of credit risk."

7.1.2.1 Change in S1 and S2 credit losses

In thousands of euros	12/31/2024	12/31/2023
Core model ⁽¹⁾ (2) (3)	190,479	196,509
Post-model adjustments	133,205	53,626
Complements to the central model	62,971	69,500
TOTAL EXPECTED CREDIT LOSSES S1/S2	386,655	319,635

(1) Including change in significant increase in credit risk if material.

(2) Including update of Corporate and SME LGDs if material.

(3) Including changes in scenarios and weightings if material.

7.1.2.2 Change in the gross carrying amount and credit losses on financial assets through other comprehensive income

In thousands of euros	Stage 1		Stage 2		Stage 3		Assets impaired on origination or acquisition (S2 POCI)		Assets impaired on origination or acquisition (S3 POCI)		OVERALL	
	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 12/31/2023	15,210,674	-806	9,159	-124	0	0	0	0	0	0	15,219,832	-930
Origination and acquisitions	8,690,723	-1,077	0	0	0	0	0	0	0	0	8,690,723	-1,077
Derecognition (redemptions, disposals and debt forgiveness)	-3,759,487	122	-10,059	35	0	0	0	0	0	0	-3,769,546	157
Impairment (write-off)	0	0	0	0	0	0	0	0	0	0	0	0
Transfers of financial assets	-6,336	103	6,336	-103	0	0	0	0	0	0	0	0
Transfers to S1	0	0	0	0	0	0	0	0	0	0	0	0
Transfers to S2	-6,336	103	6,336	-103	0	0	0	0	0	0	0	0
Transfers to S3	0	0	0	0	0	0	0	0	0	0	0	0
Other changes	1,498,500	-3	2,541	-22	0	0	0	0	0	0	1,501,041	-25
BALANCE AT 12/31/2024	21,634,074	-1,660	7,976	-214	0	0	0	0	0	0	21,642,050	-1,874

7.1.2.3 Change in the gross carrying amount and credit losses on debt securities at amortized cost

In thousands of euros	Stage 1		Stage 2		Stage 3		Assets impaired on origination or acquisition (S2 POCI)		Assets impaired on origination or acquisition (S3 POCI)		OVERALL	
	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 12/31/2023	2,481,333	-77	0	0	1,605	-700	0	0	3,932	-3,932	2,486,870	-4,709
Origination and acquisitions	1,350,968	-44	0	0	///	///	0	0	0	0	1,350,968	-44
Derecognition (redemptions, disposals and debt forgiveness)	-441,633	13	0	0	0	0	0	0	-3,933	3,932	-445,566	3,945
Impairment (write-off)	0	0	0	0	0	0	0	0	0	0	0	0
Transfers of financial assets	0	0	0	0	0	0	0	0	0	0	0	0
Transfers to S1	0	0	0	0	0	0	///	///	///	///	0	0
Transfers to S2	0	0	0	0	0	0	0	0	0	0	0	0
Transfers to S3	0	0	0	0	0	0	0	0	0	0	0	0
Other changes	-742,058	-31	0	0	-240	0	0	0	1	0	-742,297	-31
BALANCE AT 12/31/2024	2,648,610	-139	0	0	1,365	-700	0	0	0	0	2,649,975	-839

7.1.2.4 Change in gross carrying amount and credit losses on loans and receivables due from banks at amortized cost

Loans and advances to banks registered in Stage I include funds centralized at the Caisse des Dépôts et Consignations; €2,303 million at December 31, 2024, compared to €2,061 million at December 31, 2023.

In thousands of euros	Stage I		Stage 2		Stage 3		Assets impaired on origination or acquisition (S2 POCI)		Assets impaired on origination or acquisition (S3 POCI)		OVERALL	
	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 12/31/2023	8,917,199	-4,217	46,156	-1,016	4,868	-4,868	0	0	0	0	8,968,223	-10,100
Origination and acquisitions	6,052,103	-643	9	0	///	///	0	0	0	0	6,052,112	-643
Derecognition (redemptions, disposals and debt forgiveness)	-5,466,623	587	-361	0	0	0	0	0	0	0	-5,466,984	587
Impairment (write-off)	///	///	///	///	-3,156	3,156	0	0	0	0	-3,156	3,156
Transfers of financial assets	-11,184	177	11,184	-486	0	0	0	0	0	0	0	-309
Transfers to S1	1,326	-2	-1,326	57	0	0	///	///	///	///	0	55
Transfers to S2	-12,510	179	12,510	-543	0	0	0	0	0	0	0	-364
Transfers to S3	0	0	0	0	0	0	0	0	0	0	0	0
Other changes	-22,950	252	-13,190	174	3,490	-3,491	0	0	0	0	-32,650	-3,065
BALANCE AT 12/31/2024	9,468,544	-3,843	43,799	-1,328	5,202	-5,202	0	0	0	0	9,517,545	-10,374

7.1.2.5 Change in the gross carrying amount and credit losses on loans and advances to customers at amortized cost

Financial instruments are divided into three categories (Stages) depending on the increase in credit risk observed since initial recognition. This deterioration is measured on the basis of the rating at the reporting date.

	Stage 1		Stage 2		Stage 3		Assets impaired on origination or acquisition (S2 POCI)		Assets impaired on origination or acquisition (S3 POCI)		OVERALL	
In thousands of euros	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 12/31/2023	34,916,954	-76,861	6,118,052	-210,344	1,820,830	-763,411	6,001	-3	9,454	-380	42,871,290	-1,051,000
Origination and acquisitions	6,890,583	-10,187	550,568	-16,929	///	///	0	0	0	0	7,441,151	-27,117
Derecognition (redemptions, disposals and debt forgiveness)	-4,375,805	10,204	-410,314	24,063	-199,084	36,094	0	0	0	0	-4,985,203	70,361
Impairment (write-off)	///	///	///	///	-120,231	113,904	0	0	0	0	-120,231	113,904
Transfers of financial assets	-1,944,782	14,992	1,619,077	-72,240	325,705	-41,082	2,656	-26	-2,656	34	0	-98,322
Transfers to S1	1,607,796	-3,295	-1,555,891	37,741	-51,905	4,189	///	///	///	///	0	38,635
Transfers to S2	-3,253,853	14,281	3,441,824	-124,308	-187,971	17,885	2,656	-26	-2,656	34	0	-92,134
Transfers to S3	-298,725	4,006	-266,856	14,327	565,581	-63,156	0	0	0	0	0	-44,823
Other changes	-194,410	-15,945	-342,513	-1,754	148,575	-151,988	-633	-7	-1,622	-48	-390,603	-169,742
BALANCE AT 12/31/2024⁽¹⁾	35,292,540	-77,797	7,534,871	-277,204	1,975,796	-806,484	8,024	-36	5,176	-395	44,816,406	-1,161,916

(1) Following the acquisition of BRED Madagasikara BP at the end of December 2024, an amount of €61.8 million was classified as S3 outstandings, provisioned at €45.0 million, i.e., a net amount of €16.8 million. Under IFRS 3, these outstandings should have been classified as POCI.

7.1.2.6 Change in the gross carrying amount and credit losses on loan commitments given

	Stage 1		Stage 2		Stage 3		Assets impaired on origination or acquisition (S2 POCI)		Assets impaired on origination or acquisition (S3 POCI)		OVERALL	
	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
<i>In thousands of euros</i>												
BALANCE AT 12/31/2023	6,805,025	-8,411	304,617	-6,806	17,158	-13,087	0	0	1,534	0	7,128,334	-28,304
Origination and acquisitions	4,050,912	-6,751	209,718	-2,449	///	///	0	0	0	0	4,260,630	-9,200
Derecognition (redemptions, disposals and debt forgiveness)	-3,362,276	3,280	-139,916	2,306	-4,716	16	0	0	0	0	-3,506,908	5,601
Impairment (write-off)	0	0	0	0	0	0	0	0	0	0	0	0
Transfers of financial assets	-124,622	559	137,145	-2,360	-12,523	133	0	0	0	0	0	-1,668
Transfers to S1	100,294	-115	-76,100	1,108	-24,193	10	///	///	///	///	1	1,003
Transfers to S2	-212,576	634	214,491	-3,471	-1,916	132	0	0	0	0	-1	-2,705
Transfers to S3	-12,340	40	-1,246	3	13,586	-9	0	0	0	0	0	34
Other changes	-769,231	5,118	-35,014	1,496	51,456	1,249	0	0	637	0	-752,152	7,862
BALANCE AT 12/31/2024	6,599,808	-6,205	476,550	-7,813	51,375	-11,690	0	0	2,171	0	7,129,904	-25,708

7.1.2.7 Change in the gross carrying amount and credit losses on guarantee commitments given

	Stage 1		Stage 2		Stage 3		Assets impaired on origination or acquisition (S2 POCI)		Assets impaired on origination or acquisition (S3 POCI)		OVERALL	
	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
<i>In thousands of euros</i>												
BALANCE AT 12/31/2023	2,918,313	-7,502	421,383	-3,447	30,609	-9,459	3	0	216	-210	3,370,524	-20,620
Origination and acquisitions	1,137,088	-2,510	159,431	-1,482	///	///	0	0	0	0	1,296,519	-3,992
Derecognition (redemptions, disposals and debt forgiveness)	-790,415	2,961	-69,492	932	-9,590	18	0	0	-1	0	-869,498	3,911
Impairment (write-off)	///	///	///	///	0	0	0	0	0	0	0	0
Transfers of financial assets	-189,797	343	179,028	-1,339	10,766	58	0	0	0	0	-3	-938
Transfers to S1	143,107	-489	-142,608	1,313	-500	4	///	///	///	///	-1	828
Transfers to S2	-320,015	770	326,368	-2,656	-6,354	54	0	0	0	0	-1	-1,832
Transfers to S3	-12,889	62	-4,732	4	17,620	0	0	0	0	0	-1	66
Other changes	79,067	-139	-39,789	1,770	-1,177	-1,319	-1	0	-5	210	38,095	522
BALANCE AT 12/31/2024	3,154,256	-6,848	650,561	-3,567	30,608	-10,702	2	0	210	0	3,835,637	-21,117

7.1.3 Measurement and management of credit risk

Credit risk arises whenever a counterparty is unable to meet its payment obligations and may result from a reduction in credit quality or default by the counterparty.

Commitments exposed to credit risk consist of existing or potential receivables and particularly loans, debt securities, equities, performance swaps, performance bonds, or confirmed or undrawn facilities.

Credit risk management procedures and assessment methods, risk concentration, the quality of performing financial assets, and the analysis and breakdown of outstandings are described in the risk management report.

7.1.4 Guarantees received on IFRS 9 impaired instruments

The table below shows the credit and counterparty risk exposure of all BRED Group's financial assets. This exposure to credit risk (determined without taking into account the impact of any unrecognized netting or collateral agreements) and to counterparty risk is based on the net carrying amount of the financial assets.

<i>In thousands of euros</i>	Maximum risk exposure ⁽²⁾	Impairment	Maximum exposure net of impairment ⁽³⁾	Guarantees
Debt securities at amortized cost	1,365	-700	665	0
Loans and advances due from banks at amortized cost	5,202	-5,202	0	0
Loans and advances to customers at amortized cost	1,980,972	-806,879	1,174,093	973,321
Debt securities – Fair value through other comprehensive income recyclable to profit or loss	0	0	0	0
Loans and receivables due from banks - FVOCI R	0	0	0	0
Customer loans and advances – FVOCI R	0	0	0	0
Loan commitments	53,546	-11,690	41,856	0
Guarantee commitments	30,816	-10,702	20,114	14,625
TOTAL IMPAIRED FINANCIAL INSTRUMENTS (S3)⁽¹⁾	2,071,901	-835,173	1,236,728	987,946

(1) Assets impaired after their origination or acquisition (Stage 3) or from their origination/acquisition (POCI).

(2) Gross carrying amount.

(3) Carrying amount on the balance sheet.

7.1.5 Guarantees received on instruments not subject to the IFRS 9 impairment rules

<i>In thousands of euros</i>	Maximum risk exposure	Guarantees
Financial assets at fair value through profit or loss		
Debt securities	3,610,619	
Loans	146,471	
Trading derivatives	2,494,745	
OVERALL	6,251,835	

7.1.6 Credit risk mitigation mechanisms: assets obtained by taking possession of collateral

The following table shows, by type, the carrying amount of assets (securities, property, etc.) acquired during the period by taking collateral or using other forms of credit enhancement.

<i>In thousands of euros</i>	12/31/2024	12/31/2023
Non-current assets held for sale	0	0
Property, plant and equipment	0	0
Investment property	0	0
Equity and debt instruments	0	0
Other	0	0
TOTAL ASSETS ACQUIRED BY TAKING POSSESSION OF COLLATERAL	0	0

7.2 Market risk

Market risk refers to the possibility of financial loss due to market trends, such as:

- interest rates: interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market rates of interest;
- exchange rates;
- prices: market price risk is the risk of a potential loss resulting from changes in market prices, whether they are caused by factors specific to the instrument or its issuer, or by factors affecting all market traded instruments. Variable-income securities, equity derivatives and commodity derivatives are exposed to this type of risk; and
- more generally, any market parameter involved in the valuation of portfolios.

Systems for the measurement and monitoring of market risks are presented in the risk management report.

7.3 Overall interest rate risk and exchange rate risk

Interest rate risk is the risk that unfavorable changes in interest rates will adversely impact the Group's annual results and net worth. Foreign exchange risk is the risk of losses resulting from changes in exchange rates.

Overall interest rate risk management and currency risk management are presented in the risk management section entitled "Liquidity risk, interest rate risk and currency risk."

7.4 Liquidity risk

Liquidity risk is the risk that the bank will not be able to meet its commitments or maturities at any given time.

The funding procedures and liquidity risk management arrangements are disclosed in the risk management report.

The disclosures relating to liquidity risk management required by IFRS 7 are presented in the risk management section entitled "Liquidity risk, interest rate risk and currency risk."

The table below shows the amounts by contractual maturity date.

Financial instruments marked to market on the income statement and held in the trading book, variable-income available-for-sale financial assets, non-performing loans, hedging derivatives and revaluation differences on interest rate risk-hedged portfolios are placed in the "Not determined" column. These financial instruments are:

- either held for sale or redeemed prior to their contractual maturity;
- or held for sale or redeemed at an indeterminable date (particularly where they have no contractual maturity);
- or measured on the balance sheet for an amount impacted by revaluation effects.

Accrued interest not yet due is shown in the "Less than 1 month" column.

The amounts shown are contractual amounts excluding projected interest.

Technical provisions of insurance companies, which are mostly treated as demand deposits, are not included in the table below.

<i>In thousands of euros</i>	Less than 1 month	From 1 month to 3 months	From 3 months at 1 year	From 1 year to 5 years	More than 5 years	Not determined	Total at 12/31/2024
Cash and amounts due from central banks	11,155,343						11,155,343
Financial assets at fair value through profit or loss						14,979,600	14,979,600
Financial assets at fair value through other comprehensive income	1,769,286	150,626	27,632	16,520,396	3,170,925	1,263,787	22,902,652
Hedging derivatives						396,797	396,797
Securities at amortized cost	268,228	84,443	168,205	2,015,017	113,243		2,649,136
Loans and advances to banks and similar at amortized cost	4,789,845	910,615	3,540,476	241,458	21,327	3,450	9,507,172
Loans and advances to customers at amortized cost	7,416,683	1,746,808	2,595,385	13,576,415	17,645,922	673,277	43,654,490
Revaluation differences on interest rate risk-hedged portfolios, liabilities						2,118	2,118
FINANCIAL ASSETS BY MATURITY	25,399,385	2,892,492	6,331,698	32,353,286	20,951,417	17,319,029	105,247,308
Central banks	7	326					333
Financial liabilities at fair value through profit or loss	1,881,342					93,555	1,974,897
Hedging derivatives						341,900	341,900
Debt securities	4,297,246	2,418,477	914,857	54,998	75,333		7,760,911
Amounts due to banks and similar	12,564,202	2,992,743	1,187,174	6,958,290	345,279		24,047,688
Amounts due to customers	60,450,567	2,082,438	1,535,834	945,457	598,273		65,612,569
Subordinated debt	349	1,253	549	3,053	252		5,456
Revaluation differences on interest rate risk-hedged portfolios, liabilities							0
FINANCIAL LIABILITIES BY MATURITY	79,193,713	7,495,237	3,638,414	7,961,798	1,019,136	435,455	99,743,753
Loan commitments given to banks	8,786	10,880		112,000	74,000		205,666
Loan commitments given to customers	1,383,614	204,885	517,969	3,004,759	1,813,011		6,924,238
TOTAL LOAN COMMITMENTS GIVEN	1,392,400	215,765	517,969	3,116,759	1,887,011	0	
Guarantee commitments given to banks	263,070	153,444	108,683	40,850	26,157	2,288	594,492
Guarantee commitments given to customers	507,439	92,471	380,313	909,774	1,402,668	165	3,292,830
TOTAL GUARANTEE COMMITMENTS GIVEN	770,509	245,915	488,995	950,624	1,428,825	2,453	3,887,322

Note 8 Employee benefits

Accounting principles

There are four categories of employee benefits:

- **short-term employee benefits** such as wages, salaries, paid annual leave, bonuses, and profit sharing and incentive schemes which are expected to be paid within 12 months of the end of the period in which the employee renders the service are recognized in expenses;
- **post-employment benefits** paid to retired staff break down into two categories: defined-contribution plans and defined-benefit plans.

Defined-contribution plans, such as the French national plans, are those for which BRED Group's obligation is limited solely to payment of a contribution and does not include any obligation for the employer as to the level of benefits. Contributions paid under these plans are recorded as expenses for the year.

Defined benefit post-employment benefits refer to plans for which BRED Group has committed to an amount or a level of benefits.

Defined-benefit plans are subject to provisions calculated based on an actuarial assessment of the amount of the obligation, taking into account demographic and financial assumptions. When these plans are funded by external funds meeting the definition of plan assets, the amount of the provision is reduced by the fair value of these assets.

The cost of defined-benefit plans recognized as an expense for the period comprises: current service cost (representing the rights earned by beneficiaries during the period), past service cost (remeasurement adjustment of the actuarial liability following a plan modification or curtailment), net financial cost (accretion of the commitment net of interest income generated by plan assets) and the effect of plan liquidations.

Revaluation differences on actuarial liabilities caused by changes in demographic and financial assumptions and past-experience effects are recorded in gains and losses recognized directly in other comprehensive income not recyclable to net income.

- **other long-term employee benefits** include awards accruing to current employees and payable twelve months or more after the end of the period in which the employee renders the related service. They consist mainly of long-service awards.

These benefits are calculated using the same actuarial method as that applied for defined-benefit pension plans. The accounting method differs in terms of revaluation differences on actuarial liabilities, which are recorded under expenses;

- **termination benefits** are granted to employees on termination of their employment contract before the normal retirement date, either as a result of a decision by the Group to terminate a contract or a decision by an employee to terminate a contract in exchange for a severance package. They are covered by a provision. Termination benefits that are not expected to be paid within the 12 months following the balance sheet date are discounted to present value.

8.1 Payroll costs

Payroll costs include all personnel expenses and the associated social security charges and payroll-based taxes.

Information on the workforce broken down by category is presented in Chapter 2 "Sustainability Report."

<i>In thousands of euros</i>	2024 fiscal year	2023 fiscal year
Wages and salaries	-326,229	-312,578
Costs of defined contribution plans	0	-969
Costs of defined benefit plans	-54,634	-46,441
Other social security charges and payroll-based taxes	-122,403	-119,991
Profit sharing and incentive schemes	-68,141	-57,249
TOTAL PAYROLL COSTS	-571,407	-537,228

There remains an immaterial amount of tax credit for competitiveness and employment (*crédit d'impôt pour la compétitivité et l'emploi* - CICE) in respect of employees based in Mayotte.

8.2 Employee benefits

BRED Group grants its staff a variety of employee benefits.

The Banque Populaire private supplementary pension plan, managed by Caisse Autonome de Retraite des Banques Populaires (CAR-BP), covers the pension benefits deriving from the closure of the former banking pension plan at December 31, 1993.

The pension plans managed by CAR-BP are partially covered by Insurance for annuities paid to beneficiaries over a certain age, and for obligations in respect of beneficiaries below this age.

Annuities paid to beneficiaries having passed the reference age are managed as part of the insurer's general pension assets. The assets in this general plan are reserved for the insurer's pension obligations and their composition is adjusted in line with foreseeable payment trends. They mostly comprise fixed income instruments so as to enable the insurer to apply the capital guarantee that it is obliged to provide for this type of assets. The insurer is responsible for the fund's Asset/Liability management.

Other obligations are managed in a diversified fund managed as a unit-linked policy and are not covered by any particular guarantee from the insurer. The fund is managed according to a strategic allocation approach, always with a bias towards fixed-income products (60%, of which more than 95% are government bonds), but also with exposure to equities (40%, of which 20% in the eurozone). The allocation is adjusted to optimize the portfolio's expected performance, subject to a risk constraint comprising many criteria. The asset/liability studies are renewed every year and presented to the CAR-BP Technical, Financial and Risk Commission, and for information to Groupe BPCE's Employee Benefit Liabilities Monitoring Committee. The relatively aggressive asset allocation is made possible by the long-term investment horizon and by the regulation mechanisms integrated in the plan's financial management system.

Other employee benefits include:

- pensions and other post-employment benefits such as end-of-career awards and other benefits granted to retirees;
- other benefits such as long-service awards and other long-term employee benefits.

8.2.1 Analysis of employee-related assets and liabilities recorded in the balance sheet

In thousands of euros	Post-employment defined-benefit plans					Other long-term employee benefits		12/31/2024	12/31/2023
	CAR supplementary pensions	CGP supplementary pensions	Other supplementary pensions and plans	Supplementary pensions and other plans	End -of-career awards	Long-service awards	Other benefits		
Actuarial liabilities	78,523	0	49,713	128,236	37,597	4,160	1,362	171,354	168,871
Fair value of plan assets	-64,491	0	-39,346	-103,837	-40,851	0	0	-144,688	-134,608
Fair value of reimbursement rights	0	0	0	0	0	0	0	0	0
Effect of ceiling on plan assets	0	0	0	0	0	0	0	0	0
NET AMOUNT REPORTED ON THE BALANCE SHEET	14,032	0	10,367	24,399	-3,254	4,160	1,362	26,667	34,263
Passive employee benefits	14,032	0	10,367	24,399	-3,254	4,160	1,362	26,667	34,263
Active employee benefits ⁽¹⁾									

(1) Presented on the assets side of the balance sheet under "Accrued income and other assets."

The actuarial liability represents the commitment made by the Group to beneficiaries. They are calculated by independent actuaries using the projected unit credit method based on demographic and financial assumptions that are reviewed on a regular basis and at least once a year.

When these plans are funded by assets meeting the definition of plan assets, the amount of the provision corresponds to actuarial liabilities less the fair value of these assets.

Hedging assets no longer meeting the definition of plan assets are recorded under assets.

8.2.2 Changes in amounts recognized on the balance sheet

Changes in actuarial liabilities

In thousands of euros	Post-employment defined-benefit plans					Other long-term employee benefits		2024 fiscal year	2023 fiscal year
	CAR supplementary pensions	CGP supplementary pensions	Other supplementary pensions and plans	Supplementary pensions and other plans	End-of-career awards	Long-service awards	Other benefits		
ACTUARIAL LIABILITIES AT THE START OF THE YEAR	85,186	0	40,729	125,915	38,175	4,232	549	168,871	146,110
Service cost	0	0	2,597	2,597	2,108	269	0	4,974	4,173
Past service cost	0	0	-1,037	-1,037	36	0	-9	-1,010	-418
Interest cost	2,961	0	589	3,550	1,187	131	0	4,868	4,744
Benefits paid	-4,363	0	614	-3,749	-2,202	-108	0	-6,059	-6,774
Other	0	0	584	584	307	-365	0	526	761
Revaluation adjustments – Demographic assumptions	0	0	24	24	-129	0	0	-105	-264
Revaluation adjustments – Financial assumptions	-2,726	0	2,436	-290	-1,342	0	0	-1,632	16,296
Revaluation adjustments – Past-experience effect	-2,535	0	402	-2,133	-617	0	0	-2,750	2,177
Foreign exchange rate adjustments	0	0	-204	-204	42	0	28	-135	1,871
Other	0	0	2,980	2,980	32	1	794	3,806	194
ACTUARIAL LIABILITIES AT END OF YEAR	78,523	0	49,713	128,236	37,597	4,160	1,362	171,354	168,871

The pension reform in France (act 2023-270 of April 14, 2023 on the rectifying financing of social security for 2023 and application decrees 2023-435 and 2023-436 of June 3, 2023) has been taken into account for the valuation of the actuarial debt as of December 31, 2023. Considered as a modification of a plan recognized in past service cost, the impact is therefore recognized in the income statement.

Change in plan assets

In thousands of euros	Post-employment defined-benefit plans					Other long-term employee benefits		2024 fiscal year	2023 fiscal year
	CAR supplementary pensions	CGP supplementary pensions	Other supplementary pensions and plans	Supplementary pensions and other plans	End-of-career awards	Long-service awards	Other benefits		
FAIR VALUE OF PLAN ASSETS AT THE START OF THE YEAR	63,350	0	33,902	97,252	37,356	0	0	134,608	120,027
Interest income	1,997	0	533	2,530	1,195	0	0	3,725	4,140
Plan participant contributions	0	0	2,712	2,712	0	0	0	2,712	2,577
Benefits paid	-778	0	628	-150	0	0	0	-150	1,480
Other	0	0	-43	-43	0	0	0	-43	-29
Revaluation adjustments – Return on plan assets	-78	0	1,834	1,756	2,301	0	0	4,057	4,783
Foreign exchange rate adjustments	0	0	-191	-191	0	0	0	-191	1,629
Other	1	0	1	2	0	0	0	2	0
FAIR VALUE OF PLAN ASSETS AT END OF YEAR	64,492	0	39,375	103,867	40,852	0	0	144,719	134,608

Interest income on plan assets is calculated by applying the same discount rate as that used to discount commitments. The difference between the actual return at the balance sheet date and this interest income is a revaluation difference recorded in equity not recyclable to profit or loss for post-employment benefits.

8.2.3 Expenses for defined-benefit pension plans and other long-term employee benefits

Expenses for defined-benefit pension plans and other long-term employee benefits

The various components of the expense recorded in respect of defined benefit plans and other long-term benefits are recognized under "Payroll costs."

In thousands of euros	Post-employment defined-benefit plans				Other long-term employee benefits		2024 fiscal year	2023 fiscal year
	CAR supplementary pensions	Other supplementary pensions and plans	Supplementary pensions and other plans	End-of-career awards	Long-service awards	Other benefits		
Service cost	0	-1,560	-1,560	-2,144	-269	9	-3,964	-3,755
Net interest cost	-964	-56	-1,020	8	-131	0	-1,143	-604
Other	0	-541	-541	-307	365	0	-483	-794
Expense for the period	-964	-2,157	-3,121	-2,443	-35	9	-5,590	-5,153
Benefits paid	3,585	14	3,599	2,202	108	0	5,909	8,254
Plan participant contributions	0	2,712	2,712	0	0	0	2,712	2,577
Change in provision after payments	3,585	2,726	6,311	2,202	108	0	8,621	10,831
OVERALL	2,621	569	3,190	-241	73	9	3,031	5,678

Gains and losses on defined-benefit plans recorded directly in other comprehensive income

In thousands of euros	CAR-BP supplementary pensions and other plans	CGPCE supplementary pensions and other plans	Other supplementary pensions and plans	End-of-career awards	2024 fiscal year	2023 fiscal year
ACCUMULATED REVALUATION DIFFERENCES AT START OF PERIOD	9,684	0	-1,198	-11,728	-3,242	-16,553
Revaluation differences over the period	-5,183	0	1,029	-4,389	-8,543	13,426
Adjustments to asset ceiling	0		101	0	101	-115
ACCUMULATED REVALUATION DIFFERENCES AT END OF PERIOD	4,503	0	-144	-16,083	-11,724	-3,242

8.2.4 Other information

Main actuarial assumptions

	12/31/2024		12/31/2023	
	CAR-BP	Lump-sum retirement benefits	CAR-BP	Lump-sum retirement benefits
Discount rate	3.39%	3.41%	3.17%	3.20%
Inflation rate	2.30%	2.40%	2.40%	2.40%
Life tables used	TGH05/TGF05	TGH05/TGF05	TGH05/TGF05	TGH05/TGF05
Duration	11 years	12 years	12 years	12 years

Sensitivity of actuarial liabilities to changes in the principal assumptions

At December 31, 2024, a 0.5% change in the discount rate and the inflation rate would have the following impact on the actuarial liability:

	12/31/2024		12/31/2023	
	CAR-BP		CAR-BP	
	%	Amount	%	Amount
<i>In % and thousands of euros</i>				
+0.5% change in the discount rate	-5.22%	-4,095	-5.11%	-4,350
-0.5% change in the discount rate	5.68%	4,457	5.60%	4,767
+0.5% change in the inflation rate	5.54%	4,354	5.46%	4,649
-0.5% change in the inflation rate	-5.06%	-3,973	-5.01%	-4,270

Payment schedule – (undiscounted) benefits paid to beneficiaries

	12/31/2024	12/31/2023
	CAR-BP	CAR-BP
<i>In thousands of euros</i>		
N+1 to N+5	24,507	25,007
N+6 to N+10	23,407	24,259
N+11 to N+15	21,337	22,538
N+16 to N+20	17,981	19,428
> N+20	32,522	37,353

Breakdown of the fair value of the assets of the CAR-BP plans (including redemption rights)

	12/31/2024		12/31/2023	
	CAR-BP		CAR-BP	
	Weight by category	Fair value of plan assets	Weight by category	Fair value of plan assets
<i>In % and thousands of euros</i>				
Short-term credit facilities	5.67%	3,655	5.67%	3,590
Equities	35.92%	23,165	35.92%	22,755
Bonds	49.81%	32,125	49.81%	31,556
Residential mortgages	0.00%	0	0.00%	0
Derivatives	0.00%	0	0.00%	0
Investment funds	8.60%	5,547	8.60%	5,449
OVERALL	100.00%	64,492	100.00%	63,350

Note 9 Insurance activities

General principles

Insurance activities cover personal insurance and non-life insurance activities. These activities are carried out within BRED Group by dedicated subsidiaries that are subject to the specific regulations of the insurance sector.

The entities concerned by these measures are mainly CEGC, BPCE Assurances, NA, BPCE Vie and its consolidated funds, BPCE Life, BPCE Assurances IARD, BPCE IARD, Surassur, Oney Insurance, Oney Life, Prépar Vie and Prépar IARD.

Financial assets and liabilities of insurance companies are therefore recognized in accordance with the provisions of IFRS 9. They are classified in the categories defined by this standard and follow its measurement rules (Note 2.5.1).

Insurance assets and liabilities are measured and presented in accordance with the principles of IFRS 17.

Scope of application

IFRS 17 applies to:

- issued insurance contracts (including issued reinsurance treaties);
- held reinsurance treaties;
- investment contracts issued with discretionary participation features, provided that the entity also issues insurance contracts.

BRED Group has these three types of contracts.

However, the financial guarantees given by entities in the banking sector within BRED Group, although meeting the accounting definition of an insurance contract, are still treated under IFRS 9 on financial instruments.

Measurement models

In accordance with IFRS 17, insurance assets and liabilities are recognized at present value.

Insurance assets and liabilities are valued using a so-called building blocks approach (general approach), applicable by default to all contracts falling within the scope of IFRS 17, with an adaptation for direct participating contracts (see below). This approach requires the measurement of technical provisions comprising the following three blocks:

- a first block equal to the present value of the estimate of future cash flows (Best Estimate – BE);
- a risk adjustment for non-financial risk, to take into account the uncertainty of these estimates of future cash flows (Risk Adjustment – RA);
- a Contractual Service Margin (CSM).

In BRED Group, the general approach is used in the case of direct business, particularly for payment protection contracts.

The Best Estimate corresponds to the present value, measured at each reporting date, of estimated future cash flows (to be received and paid, including future premiums on contracts in force and acquisition cash flows) attributable to the performance of contracts included within a time frame defined in accordance with the requirements of IFRS 17, weighted by

their probability of occurrence. Only the flows from current contracts are subject to measurement (a group of contracts may nevertheless be recognized in advance when facts and circumstances indicate that it is onerous [see below]). These flows are discounted using the discount rate described below. The carrying amount of the Best Estimate is broken down into a liability (or asset) for remaining coverage (materializing the commitment for insurance services not yet provided) and a liability (or asset) for incurred claims (materializing the commitment for incurred claims that have not yet been paid in full). When options and guarantees are granted to policyholders, the Best Estimate includes an assessment of their cost. Lastly, receivables and payables arising from insurance or reinsurance operations issued are now included in the value of the Best Estimate.

The risk adjustment for non-financial risk corresponds to the consideration of the uncertainty of the estimates of future cash flows included in the Best Estimate measurement. It is also measured at the end of each reporting period. The level of the risk adjustment for non-financial risk is not standardized. BRED Group has defined its methodologies for risk adjustment for non-financial risk based on the types of insurance liabilities, which present different risks. The risk adjustment for non-financial risk of the liabilities for remaining coverage is mainly based on a VaR (Value at Risk)-type confidence level methodology, capitalizing on the prudential requirements and based on a multi-year vision of risk with an ultimate corresponding to the extinction of the risk. Intra-entity diversification is also taken into account. The risk adjustment for non-financial risk in respect of liabilities for incurred claims is based mainly on BRED Group's level of risk appetite and corresponds to a confidence level determined using actuarial calculation methods.

The CSM represents, when the contracts were issued, the expected profit on contracts, not yet earned, measured for each group of insurance contracts. This is measured at the contract inception date and then adjusted over time, notably to take into account any changes in future assumptions of non-financial origin (at each reporting date, changes in future assumptions impact the measurement of the Best Estimate and Risk Adjustment, with a corresponding adjustment to the CSM when they are of non-financial origin, and to income or OCI when they are of financial origin). It is recognized on the balance sheet and then in income in line with the services provided to policyholders, over the duration of the remaining coverage of the contracts. If a loss is expected at inception or during the coverage period (onerous contracts, representing an expected net cash outflow for the entity), this is not subject to a negative CSM, but is immediately recognized in income. The allocation to profit or loss of the share of CSM representing the service rendered over the period is made through coverage units, which represent the duration of the contracts' coverage, the quantity of services provided and the service rendered by BRED Group's insurance entities to policyholders. As part of the application of the general approach to payment protection contracts, coverage units are defined on the basis of the principal amount outstanding.

The discount rates applied to the estimate of future cash flows must reflect the time value of money, the cash flow characteristics, and the liquidity characteristics of the insurance contracts, and be consistent with observable current market prices. Under the general approach, the Best Estimate and the risk adjustment for non-financial risk are measured on the basis of current rates (at the reporting date) while the CSM remains adjusted on the basis of the discount rates determined at the date of initial recognition of the group of contracts. BRED Group adopts a bottom-up method for determining these discount rates, using a risk-free yield curve (based on interbank swap rates) to which an illiquidity premium is added, depending on the characteristics and liquidity of the insurance contracts concerned. The risk-free rate curve used is adapted from the applicable rate curve in the context of prudential requirements (adjustments mainly concern liquid parameters and extrapolation beyond the last liquidity point).

A Variable fee approach (VFA) model, adapted from the general approach, is mandatory for insurance contracts with direct participation features, which meet the following three criteria:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the insurer expects to pay to the insured an amount equal to a substantial share of the fair value returns on the identified pool of underlying items;
- a substantial proportion of the benefits that the entity expects to pay to the policyholder must vary with the fair value of the identified pool of underlying items.

In BRED Group, this model is used in the case of direct business to measure savings and retirement contracts.

In the case of insurance contracts with direct participation features, the service provided to the policyholder corresponds mainly to the financial management of the underlying items. The cash flows of these contracts vary depending on the performance of the underlying items. An increase in the value of the underlying items entails an increase in the value of the contracts. Conversely, a decrease in the value of the underlying items entails a decrease in the value of the contracts. Changes in the underlying items adjust the CSM for the insurer's share and impact the Best Estimate for the policyholder's share. The CSM in the VFA approach also takes into account changes in future financial assumptions and the effects on the Best Estimate and the risk adjustment for non-financial risk of the accretion.

Underlying items include, in particular, items allocated to policyholders as part of the profit-sharing feature (including, in particular, the share of financial assets and investment property representing with-profits savings commitments) and unit-linked products.

In BRED Group, the majority of the underlying financial assets of VFA contracts are measured at fair value through profit or loss or through equity under IFRS 9. Investment property is

also measured at fair value through profit or loss as permitted by IAS 40.

In the VFA approach, the Best Estimate includes the valuation of the cost of options and guarantees granted to policyholders. Insurance liabilities also reflect the pooling of contracts portfolios for flow of insurance contracts with direct participation features backed by the general fund. Future flexible premiums under current contracts are included in the Best Estimate measurement.

Finally, the general approach is supplemented by a simpler optional model based on the allocation of premiums (Premium allocation approach – PAA). It applies to:

- all contracts except contracts with direct participation features, insofar as this method leads to a result close to the general approach;
- contracts with a short coverage period (i.e., over a period of less than 12 months).

In BRED Group, this model is used in the case of direct business for annual individual protection contracts.

The initial liability for remaining coverage recognized is equal to the premiums received (i.e., no CSM is recognized). The premiums are then spread out and recognized in the income statement as time passes. Acquisition costs incurred may be recognized immediately as expenses when they occur or over the coverage period. The liabilities for incurred claims not yet disbursed and for groups of onerous contracts nevertheless remain measured according to the provisions of the general model. Insurance liabilities are discounted only if the effect of the passage of time is significant, particularly in respect of provisions for incurred claims (Best Estimate and risk adjustment for non-financial risk). The provisions concerning the measurement of the risk adjustment for liabilities for incurred claims are similar to those applicable under the general model.

Contract boundaries (horizon)

Under IFRS 17, cash flows lie within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the entity can compel the policyholder to pay the premiums or in which the entity has a substantive obligation to provide the policyholder with services. A substantive obligation to provide services set out in an insurance contract ceases notably when the entity has the practical ability to reassess the insured risks and can therefore set a price or a level of services that fully reflects these risks.

Groupe BPCE analyzed in depth the characteristics of its contracts in order to compute the cash flows included in the scope of its insurance contracts and thus to determine the horizon or "boundary" of these contracts. In this respect, based on the requirements of IFRS 17, the group includes, in particular within the boundary of investment contracts, future flexible premiums in respect of contracts in force at the reporting date.

Contract recognition and derecognition dates

A group of issued insurance contracts must be recognized at the first of the following dates:

- the start-date of the coverage period for the group of contracts;
- the date at which the first payment by a policyholder becomes due or, in the absence of a due date, the date at which the first payment is received; and
- in the event of a group of onerous contracts, the date at which the group becomes onerous.

Only contracts that satisfy individually the above recognition criteria at the end of the reporting period are included in the group of contracts. If this is not the case, the contracts are included in the group of contracts during later accounting periods.

An insurance contract is derecognized in the following cases:

- when it is extinguished, i.e., when the obligation specified in it expires, or when it is discharged or canceled;
- when it is subject to an outgoing transfer (transfer to a third party);
- when the conditions of a contract are substantially modified, triggering a change in the recognition of the contract if these new conditions had always existed (different classification, different valuation model, etc.). In this case, a new contract based on the modified conditions is then recognized as a replacement for the initial contract (which is then derecognized).

The first of the three cases mentioned above is the one that most commonly occurs within the framework of the activities of Groupe BPCE's insurance entities. In this case, derecognition of the insurance contract entails eliminating the Best Estimate and the risk adjustment for non-financial risk, as a counterpart to the CSM of the group of contracts, without having any direct and immediate effect on income.

Level of aggregation of contracts

The standard defines the level of aggregation of contracts to be used to assess insurance contract liabilities and their CSM.

The first step is to identify the portfolios of insurance contracts, i.e., contracts subject to similar risks and managed together.

Each portfolio is then divided into three parts according to their profitability profile:

- contracts that are onerous at initial recognition;
- contracts which, at initial recognition, have no significant possibility of becoming onerous;
- the remaining contracts in the portfolio.

In addition, the standard as published by the IASB introduces the principle of "annual cohorts" prohibiting the inclusion in the same group of contracts issued more than one year apart.

A group of contracts is therefore a grouping of contracts from the same portfolio, the same profitability profile and the same cohort.

Nevertheless, the standard as adopted by the European Union provides for an optional exemption from the application of this rule for the following contracts:

- groups of insurance contracts with direct participation features and groups of investment contracts with discretionary participation features whose cash flows affect or are affected by cash flows to policyholders of other contracts;
- groups of insurance contracts which are managed across generations of contracts and meet certain conditions and for which the application of the matching adjustment has been approved by the supervisory authorities.

This exemption will be reviewed before the end of 2027, based on the results of the IASB's post implementation review of IFRS 17.

BRED Group applies the exemption option for the application of annual cohorts to retirement savings contracts.

The classification by portfolio used by BRED Group was performed in accordance with the requirements of IFRS 17, as well as with internal segmentation and how the contracts are managed. BRED Group uses the contract as the basic level under IFRS 17. Thus, no disaggregation for the various guarantees included in a contract has been made. Grouping by homogeneous profitability levels was completed following studies carried out on the basis of information and criteria available internally, such as products, contracts and policyholders.

Specific provisions for held reinsurance treaties

IFRS 17 requires a separate analysis, measurement and accounting of direct insurance contracts (and issued reinsurance treaties) from held reinsurance treaties. These requirements entail the assessment of a Best Estimate, a risk adjustment for non-financial risk and a CSM specific to held reinsurance treaties.

The assumptions used to assess the Best Estimate of held reinsurance treaties must be consistent with those used to assess the Best Estimate of the underlying groups of direct insurance contracts. The latter must also reflect the effect of the risk of non-performance by the issuer of reinsurance contracts held, relating mainly to the reinsurer's credit risk and litigation risk.

The risk adjustment for non-financial risk must correspond to the amount of risk transferred by the held reinsurance treaty policyholder to the issuer of the latter.

Under held reinsurance treaties, the CSM may represent a reinsurance loss or gain (thus, the provisions relating to onerous contracts do not apply in the case of held reinsurance treaties). However, when the contracts underlying the reinsurance treaties are onerous, an income is recognized in the income statement in respect of the held reinsurance contracts (referred to as the "loss recovery component"), representing the reinsurer's participation in the losses. CSM held (whether representing a reinsurance cost or gain) is recognized in the income statement over the term of the held reinsurance treaties (and not over the term of the underlying contracts) and on the basis of coverage units which must reflect the services received.

As the VFA model is not applicable to reinsurance treaties, only the general model and the PAA model can be applied. The accounting models applicable to held reinsurance treaties may differ from those used for the underlying direct insurance contracts. The provisions relating to the level of aggregation of contracts remain identical to those applicable to direct insurance contracts, however references made to onerous contracts (in respect of direct insurance contracts) are replaced by references to contracts on which there is a net gain on initial recognition.

IFRS 17 provides for the entity to recognize a group of held reinsurance contracts according to the following rules:

- the general case in which the initial recognition date is the start of the coverage period for the group of held reinsurance contracts;
- for proportionate treaties, the initial recognition date is deferred until the recognition date for the underlying contracts if this date is later than the start of the coverage period for the group of held reinsurance contracts;
- lastly, if the underlying insurance contracts are onerous, initial recognition date is the recognition date for the loss component, provided that the held reinsurance contract is signed by this date.

Lastly, payables and receivables arising from held reinsurance operations (including debts for cash deposits and reinsurance current accounts) are now included in the value of the Best Estimate.

In terms of discount rates, the risk-free rate curve used by Groupe BPCE to discount insurance contract cash flows is presented in the table below:

Currency	12/31/2024					12/31/2023				
	1 year	5 years	10 years	20 years	30 years	1 year	5 years	10 years	20 years	30 years
Euro	2.23%	2.15%	2.27%	2.26%	2.26%	3.36%	2.35%	2.39%	2.42%	2.44%

The illiquidity premium for contracts with direct participation features measured under the VFA approach was between 0.94% and 1.25% at December 31, 2024, and between 0.80% and 1.12% at December 31, 2023, depending on the insurance subsidiaries.

The restatement of margins between banking entities distributing insurance products and insurance entities (see below) also involves estimates.

Transition valuation methods

IFRS 17 is applied retrospectively. Current insurance contracts have been remeasured on the transition date according to the three methods below:

Full Retrospective Approach (FRA)

The Full Retrospective Approach (FRA) provides for the definition, recognition and measurement of each of the groups of insurance contracts as if IFRS 17 had always been applied since the inception of the contracts.

Groupe BPCE has adopted this approach mainly for portfolios of contracts and reinsurance treaties eligible for the PAA approach, and for the most recent years for portfolios of payment protection insurance and guarantee contracts.

BRED Group's reinsurance treaties have been measured using the general model (notably for the main treaty for retirement savings activities) or the PAA model, based on their time horizon determined in accordance with IFRS 17. Under the main held reinsurance treaty, the coverage units are based on changes in the outstandings of held contracts.

Key assumptions and judgments

For the purposes of applying IFRS 17, insurance liabilities are measured using estimation techniques, judgments and assumptions (notably claims and mortality laws, generally based on historical data, and assumptions concerning expenses and fees and commissions). More specifically, for the valuation of investment and pension contracts, lapse and future flexible premiums laws are also taken into account.

IFRS 17 does not prescribe the coverage units to be applied. Judgment and estimates must be used to best reflect the service provided during the period. Certain criteria must nevertheless be taken into account when determining coverage units: the probable duration of coverage for each contract, the quantity of services measured in relation to the service provided from the insured's point of view, and the service provided, which is defined as the insurer's readiness to cover an insured event.

The assumptions and judgements applied concerning calculation of the risk adjustment for non-financial risk result in a confidence level of 80% for BRED Group at December 31, 2024, identical to that at December 31, 2023.

If it is not possible to apply this method based on the available data, the following two methods can be used:

Modified Retrospective Approach (MRA)

The Modified Retrospective Approach (MRA) is a retrospective method that aims to obtain a result as close as possible to that obtained by the FRA approach, based on the use of reasonable and justifiable information obtained without excessive cost or effort. The MRA approach allows the following calculation simplifications:

- measurement of groups of contracts on initial recognition: in particular, IFRS 17 make it possible to dispense with the annual cohorts to define the level of aggregation of groups of contracts in stock at the transition date. Groupe BPCE has adopted this simplification for portfolios of contracts for which the MRA approach has been adopted;
- measurement of the CSM at the transition date for contracts measured under the general approach: a CSM at the date of initial recognition is first valued on the basis of estimated future cash flows at transition, adjusted for actual cash flows between the date of initial recognition and transition. The CSM at the transition date results from the CSM at the date of initial recognition, amortized using coverage units between the date of initial recognition and the transition date. Discount rates at the initial recognition date may be determined based on an observable yield curve for at least three years prior to the transition date, or based on an

average spread between an observable yield curve and an estimated curve. Finally, the risk adjustment for non-financial risk at the date of initial recognition must be determined by adjusting the risk adjustment for non-financial risk at the transition date with the release of risk expected prior to the transition date. Groupe BPCE has retained these simplifications for portfolios of contracts eligible for the general approach for which the MRA approach in transition has been adopted. The provisions concerning coverage units and have been applied consistently to current contracts at the transition date and those post-transition;

- measurement of the CSM at the transition date for contracts measured under the VFA approach: a CSM at the date of initial recognition is first measured on the basis of the fair value of the items underlying the contracts at transition, net of the estimated future cash flows at transition, adjusted for fees and levies and the change in the risk adjustment for non-financial risk relating to the period between the date of initial recognition and transition. The CSM at the transition date results from the CSM at the date of initial recognition, amortized using coverage units between the date of initial recognition and the transition date. Groupe BPCE has adopted this simplification for portfolios of contracts eligible for the VFA approach for which the MRA approach in transition has been adopted. The provisions concerning coverage units and mutualization have been applied consistently to contracts in force at the transition date and those post-transition;
- measurement of insurance finance income or expenses: the MRA approach simplifies the task of determining discount rates for groups of contracts and calculating other comprehensive income (OCI), where a breakdown of finance income or expenses is used. As permitted by IFRS 17, Groupe BPCE has mainly retained an OCI equivalent to that of the underlying items for investment and pension contract portfolios and zero for other portfolios valued using the MRA approach in transition.

In particular, BRED Group has adopted this approach for its investment, pension, payment protection insurance portfolios (with the exception of the most recent years for certain portfolios) and for its main issued reinsurance treaty.

Fair Value Approach (FVA)

The Fair Value Approach (FVA) is based only on the data available at the transition date without taking into account past financial flows.

In the Fair Value Approach, the contractual service margin is measured at the transition date as the difference between the fair value of the group of insurance contracts at that date and the fulfilment cash flows measured at that same date.

BRED Group has adopted this approach for certain multi-year personal protection and non-significant payment protection insurance portfolios as well as for one of its main held reinsurance treaties.

Groupe BPCE has mainly applied the modified retrospective (MRA) and fair value (FVA) approaches to measure insurance and held reinsurance liabilities at the transition date, given operational constraints (e.g., historical data availability).

Presentation of the financial statements

The requirements of IFRS 17 in terms of presentation of the financial statements are detailed in Notes 9.2 and 9.3.

BRED Group applies ANC recommendation No. 2022-01 of April 8, 2022 on the format of consolidated financial statements of banking sector institutions prepared in accordance with international accounting standards.

Internal margins between banking entities distributing insurance products and insurance entities are restated. On the balance sheet, this results in a reclassification between the CSM and BE aggregates within the insurance contracts issued line item. In the income statement, fees and commissions income from banks is eliminated against fees and commissions expense from insurers, and overheads attributable to insurance contracts (non-margined) are reclassified to insurance expenses, presented as a deduction from NBI. The effect of these restatements is presented for the segment reporting in the retail banking networks concerned, mainly the Banques Populaires and Caisses d'Epargne sub-divisions of the Retail Banking and Insurance business line.

BRED Group has chosen to review the calculations related to insurance contracts on an annual basis without taking into account the results of the calculations at the interim closing date (within the meaning of IAS 34) as permitted by IFRS 17.

9.1 Notes to the income statement for the insurance activities

Accounting principles

IFRS 17 introduces the distinction between insurance service result and insurance finance income and expenses.

The standard also requires a separate presentation of these aggregates under held reinsurance treaties.

Expenses directly attributable to insurance contracts are presented in NBI.

IFRS 17 requires the distinction between cash flows directly attributable to the fulfillment of contracts and non-attributable cash flows. Only cash flows attributable to the fulfillment of contracts are included in the measurement of liabilities and presented in the aggregates required by IFRS 17. The problem of distinguishing between attributable and non-attributable cash flows mainly concerns overheads. As the attributable nature of overheads is not defined in IFRS 17, it has been determined on the basis of an allocation of expenses according to a systematic and rational method. A portion of the attributable costs is classified as acquisition costs under IFRS 17.

The investment component (which corresponds to the amounts that the entity is required to repay to the policyholder under an insurance contract in all circumstances, whether or not the insured event occurs) is excluded from the income statement. The investment component mainly concerns contracts measured using the VFA in BRED Group.

The standard offers the option of breaking down insurance finance income or expenses for the period between finance income or expenses and equity (disaggregation option or OCI option), in order to ensure greater consistency in the income statement between the impact of financial assets and insurance liabilities. For contracts measured using the general approach or the PAA, this results in the recognition in profit or loss of the accretion at the inception rate (or on the basis of the effective interest rate for participation reinsurance contracts and treaties not eligible for the VFA model) and the recognition in equity of changes in current discount rates. For insurance contracts with direct participation features (VFA), this means that an amount equal to but opposite to the finance income amount of the underlying items of the contracts can be recorded under insurance financial expenses. The remaining financial expense is recognized directly in other comprehensive income. This option applies by portfolio.

For insurance contracts issued, BRED Group systematically applies this option under the VFA and in the majority of cases under the general approach and the PAA. It also applies it to certain held reinsurance treaties.

For insurance contracts with direct participation features measured using the VFA approach, the standard allows on option (risk mitigation option) to:

- reduce mismatches between the valuation of derivatives and non-derivative financial instruments measured at fair value through profit or loss used as hedging instruments and the valuation of hedged financial items that would be allocated to the CSM if this option did not exist; or
- reduce mismatches between changes of financial origin affecting held reinsurance treaties which impact income statement or OCI (impossibility of applying the VFA approach to reinsurance), while changes of financial origin affecting VFA contracts covered are allocated to CSM.

BRED Group applies this option to the savings scope in respect of the coverage provided by the main cession treaties.

BRED Group has opted to break down the change in the risk adjustment for non-financial risk between profit or loss on insurance activities and insurance financial income or expenses, as permitted by IFRS 17.

ANC recommendation No. 2022-01 of April 8, 2022 on the format of the consolidated financial statements of banking sector institutions prepared in accordance with international accounting standards allows optionally to present insurance activities financial investments on a separate asset line in the balance sheet subject to also presenting the net investment income from insurance activities as a separate item on the income statement. BRED Group has used this presentation, which is in line with the presentation it previously applied.

ANC recommendation No. 2022-01 of April 8, 2022, also calls for the cost of credit risk on insurance activities financial investments to be isolated on a separate line and presented after the items "Finance income or expenses from insurance contracts issued" and "Finance income or expenses from reinsurance contracts held", in order to reflect the financial performance of insurance activities within a financial conglomerate with separate banking and insurance activities.

9.1.1 Revenue from insurance contracts issued

Accounting principles

Revenue from insurance contracts issued (including reinsurance treaties issued) reflect the provision of insurance and investment services during the year. As a result, with the exception of the PAA approach, premiums no longer appear in the income statement.

For contracts measured using the general approach and the VFA, this aggregate includes:

- the release of estimated benefits and expenses for the period (excluding investment components);
- reversal of the risk adjustment for non-financial risk;
- the amortization of the contractual service margin in respect of current services provided over the period;
- amortization of acquisition cash flows;
- other income items, including in particular experience adjustments on premium receipts relating to current and past services.

The aggregate includes, for contracts valued according to the PAA approach, the amount of expected premiums allocated to the period.

<i>In thousands of euros</i>	12/31/2024	12/31/2023
Changes in liabilities for future coverage		
Release of estimated benefits and expenses for the period	56,418	68,000
Reversal of the risk adjustment for non-financial risk	16,440	13,914
Amortization of the contractual service margin	37,543	38,874
Amortization of acquisition cash flows	-1,502	-1,792
Other income items	3,063	-1,055
Revenue from insurance contracts issued (excluding PAA)	111,962	117,941
Revenue from insurance contracts issued - PAA	233,609	222,994
TOTAL REVENUE FROM INSURANCE CONTRACTS ISSUED	345,571	340,935

9.1.2 Service expenses from insurance contracts issued

Accounting principles

Service expenses from insurance contracts issued (including reinsurance treaties issued) include:

- services and expenses incurred (excluding repayments of investment components). They include in particular claims expenses, attributable management fees and commissions, the portion attributable to insurance contracts issued of operating expenses or depreciation, amortization and impairment, which are presented in NBI under IFRS 17;
- recognition and reversal of onerous components, i.e., losses on onerous groups of contracts and reversals of such losses;
- amortization of acquisition costs and experience adjustments (difference between estimated and actual amounts) on current and past service acquisition costs.

<i>In thousands of euros</i>	12/31/2024	12/31/2023
Services and expenses incurred	-208,615	-221,057
Recognition and recovery of onerous components	-1,103	140
Acquisition costs	-60,355	-58,230
TOTAL EXPENSES FROM INSURANCE CONTRACTS ISSUED	-270,073	-279,147

9.1.3 Income and expenses relating to ceded reinsurance activities

Accounting principles

IFRS 17 requires that the aggregates in respect of held reinsurance treaties be presented separately from the income and expenses from insurance contracts issued.

Income and expenses from reinsurance contracts held therefore includes:

- on the one hand, cession expenses (cost of reinsurance);
- on the other hand, cession income (amounts recoverable from reinsurers).

<i>In thousands of euros</i>	12/31/2024	12/31/2023
Cession expenses	-195,344	-197,365
Cession income	173,793	189,780
TOTAL INCOME OR EXPENSES FROM REINSURANCE CONTRACTS HELD	-21,551	-7,585

9.1.4 Net investment income from insurance activities

<i>In thousands of euros</i>	12/31/2024	12/31/2023
Interest and similar income	9,435	962
Interest and similar expenses	-813	-1,042
Gains (losses) on financial instruments at fair value through profit or loss	332,951	410,492
Net gains (losses) on financial instruments at fair value through other comprehensive income	0	0
Gains (losses) arising from derecognition of financial assets measured at amortized cost	0	0
Net income from investment property	5,185	-9,494
TOTAL NET INVESTMENT INCOME FROM INSURANCE ACTIVITIES	346,758	400,918

9.1.5 Finance income or expenses from insurance contracts issued**Accounting principles**

Finance income or expenses from insurance contracts issued recognized in net income includes:

- the accretion effect, which corresponds to the unwinding of the discount on contracts at the current rate at the beginning of the period for contracts measured using the general approach and the PAA approach;
- the effect of the change in the current discount rate and the economic environment for contracts measured using the general approach and the PAA approach;
- finance income or expenses from contracts with direct participation features (VFA), which correspond to the change in fair value of the underlying items;
- the effect of the risk mitigation option (see Note 9.2 “Accounting principles”), which under VFA results in the recognition in income of an item that would otherwise be allocated to CSM;
- reclassifications of items recognized in net income to equity in respect of the application of the disaggregation option or OCI option (see Note 9.2 “Accounting principles”).

Finance income or expenses from insurance contracts issued and recognized in equity reflect the application of the disaggregation option.

<i>In thousands of euros</i>	12/31/2024	12/31/2023
Accretion effect	167	1,208
Change in interest rates and economic environment recognized in net income	-846	-369
Finance income or expenses from insurance contracts with direct profit-sharing	-380,810	-515,525
Effect of risk mitigation option	0	0
Reclassification of items recognized in net income to equity ⁽¹⁾	50,905	134,121
Currency exchange differences	0	0
Other changes	0	0
Finance income or expenses from insurance contracts issued recognized in net income	-330,584	-380,565
Finance income or expenses from insurance contracts issued recognized in equity	8,141	45,366
TOTAL FINANCE INCOME OR EXPENSES FROM INSURANCE CONTRACTS ISSUED RECOGNIZED IN EQUITY AND NET INCOME	-322,443	-335,199

⁽¹⁾ Including reclassification of risk mitigation to equity.

9.1.6 Finance income or expenses from reinsurance contracts held

Accounting principles

This item includes, for held reinsurance treaties, aggregates identical to those appearing in finance income or expenses from insurance contracts issued, except for those concerning the VFA approach, which is not applicable to reinsurance.

<i>In thousands of euros</i>	12/31/2024	12/31/2023
Accretion effect	115	-58
Change in interest rates and economic environment recognized in net income	383	254
Reclassification of items recognized in net income to equity	-73	121
Currency exchange differences	0	0
Finance income or expenses from reinsurance contracts held recognized in net income	425	317
Finance income or expenses from reinsurance contracts held recognized in equity	-1,122	-1,197
TOTAL FINANCIAL INCOME OR EXPENSES RELATING TO CEDED REINSURANCE CONTRACTS RECOGNIZED IN EQUITY AND NET INCOME	-697	-880

9.1.7 Cost of credit risk on insurance activities financial investments

Accounting principles

The cost of risk relates to debt instruments classified as financial assets at amortized cost or financial assets at fair value through other comprehensive income recyclable to profit or loss.

This item therefore covers net impairment and provision charges for credit risk.

Irrecoverable loans not covered by provisions for impairment are loans that have acquired the character of permanent loss before being provisioned in Stage 3.

<i>In thousands of euros</i>	12/31/2024	12/31/2023
Net charge to provisions and provisions for impairment	3,809	-272
Irrecoverable loans not covered by provisions for impairment		0
TOTAL COST OF CREDIT RISK ON FINANCIAL INVESTMENTS OF INSURANCE ACTIVITIES⁽¹⁾	3,809	-272

(1) Investments at amortized cost and at fair value through equity.

9.1.8 Overheads from insurance activities by nature and function

Accounting principles

IFRS 17 requires expenses directly attributable to insurance contracts to be presented within NBI. Non-attributable overheads are as operating expenses or as depreciation, amortization and impairment.

Overheads attributable to acquisition costs are spread over the life of the contracts according to criteria that reflect the passage of time. In BRED Group, acquisition costs are mainly amortized at the same rate as the CSM and therefore according to the same coverage units.

In thousands of euros	12/31/2024	12/31/2023
Breakdown of overheads by nature		
Payroll costs	-19,702	-18,170
Taxes other than on income	-4,123	-5,281
External services and other operating expenses	-13,631	-10,463
Other administrative costs	-17,754	0
TOTAL OPERATING EXPENSES	-37,456	-33,914
Depreciation, amortization and impairment for property, plant and equipment and intangible assets	-4,416	-1,989
Amounts attributed to acquisition costs net of amortization	-915	-508
TOTAL INSURANCE ACTIVITY OVERHEADS BY NATURE	-42,787	-36,411
Breakdown of overheads by function		
Attributable acquisition costs	-1,530	-1,316
Attributable claims management expenses	-5,007	-3,422
Attributable administrative costs	-10,760	-9,414
Attributable financial management expenses	-6,184	-7,916
Other attributable overheads	-19,306	-14,343
Non-attributable overheads		0
TOTAL INSURANCE ACTIVITY OVERHEADS BY DESTINATION	-42,787	-36,411

9.2 Notes to the balance sheet for the insurance activities

Accounting principles

On the balance sheet, commitments relating to IFRS 17 contracts are presented according to the asset or liability position of the carrying amount of IFRS 17 portfolios and the type of contract (separate presentation of the carrying amount of IFRS 17 portfolios of direct insurance contracts and issued reinsurance from that of held reinsurance treaties).

The carrying amount of commitments relating to IFRS 17 contracts also includes amounts of receivables and payables relating to insurance operations and held reinsurance operations.

BRED Group applies the option to present the financial investments of insurance activities in a separate line item on the assets side of the balance sheet, the corollary being presentation of the net income from investments related to insurance activities in a separate line in the income statement, as permitted by ANC Recommendation No. 2022-01 of April 8, 2022 (Note 9.2).

The accounting principles applicable to insurance financial investments (other than investment property) are governed by IFRS 9 and are presented in Note 2.5.1 for general accounting principles and in Note 5 for specific accounting principles.

The accounting principles applicable to insurance investment property, which are covered by IAS 40, are described in Note 9.2.4.

9.2.1 Financial investments of insurance activities

<i>In thousands of euros</i>	12/31/2024	12/31/2023
Financial assets at fair value through profit or loss	6,379,165	6,083,371
Hedging derivatives		0
Financial assets at fair value through other comprehensive income	3,174,724	2,854,919
Investment property	64,919	73,196
Loans and advances at amortized cost	33,569	35,991
Debt instruments in the form of securities at amortized cost	0	0
TOTAL INSURANCE ACTIVITY FINANCIAL INVESTMENTS	9,652,377	9,047,477

The table below provides a maturity analysis of the financial investments of insurance activities

At December 31, 2024

<i>In thousands of euros</i>	Less than 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Not determined	Total at 12/31/2024
Financial assets at fair value through profit or loss						6,379,165	6,379,165
Hedging derivatives	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	-	18,156	72,685	1,133,948	1,949,935	-	3,174,724
Loans and advances at amortized cost	-	-	-	996	-	32,573	33,569
Debt instruments in the form of securities at amortized cost	-	-	-	-	-	-	-
TOTAL FINANCIAL INVESTMENTS OF INSURANCE ACTIVITIES (EXCLUDING INVESTMENT PROPERTY)	-	18,156	72,685	1,134,944	1,949,935	6,411,738	9,587,458

At December 31, 2023

<i>In thousands of euros</i>	Less than 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Not determined	Total at 12/31/2023
Financial assets at fair value through profit or loss						6,083,371	6,083,371
Hedging derivatives	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	-	50,850	240,302	930,428	1,615,128	18,211	2,854,919
Loans and advances at amortized cost	-	-	11,143			24,848	35,991
Debt instruments in the form of securities at amortized cost	-	-	-	-	-	-	-
TOTAL FINANCIAL INVESTMENTS OF INSURANCE ACTIVITIES (EXCLUDING INVESTMENT PROPERTY)	-	50,850	251,445	930,428	1,615,128	6,126,430	8,974,281

9.2.2 Investment property

In thousands of euros	12/31/2024			12/31/2023		
	Gross amount	Accumulated depreciation and impairment	Net amount	Gross amount	Accumulated depreciation and impairment	Net amount
Investment property recognized at historic cost						
Investment property recognized at fair value	64,919		64,919	73,196		73,196
<i>o/w unit-linked investment property</i>						
TOTAL INVESTMENT PROPERTY	64,919		64,919	73,196		73,196

The fair value of investment property came to €64.9 million at December 31, 2024, versus €73.2 million at December 31, 2023.

The fair value of the underlying items representing contracts with direct participation features amounted to €0 million at December 31, 2024, compared with €0 million at December 31, 2023.

9.2.3 Financial assets at fair value through other comprehensive income

Accounting principles

See Note 5.4.

In thousands of euros	12/31/2024			12/31/2023		
	Basic debt financial instruments held in a hold-to-collect-and-sell model	Equity instruments designated at fair value through other comprehensive income	Overall	Basic debt financial instruments held in a hold-to-collect-and-sell model	Equity instruments designated at fair value through other comprehensive income	Overall
Loans or advances	0	///	0	0	///	0
Debt securities	3,174,724	///	3,174,724	2,854,919	///	2,854,919
Investments in associates	///	0	0	///	0	0
Shares and other equity	///	0	0	///	0	0
Fair value of financial assets at fair value through other comprehensive income	3,174,724	0	3,174,724	2,854,919	0	2,854,919
<i>o/w impairment for expected credit losses</i>	3,194	///	3,194	7,004	///	7,004
<i>o/w gains and losses recognized directly in equity on financial assets at fair value through other comprehensive income (before tax)</i>	-66,971	0	-66,971	-167,263	-2,682	-169,945

Equity instruments designated at fair value through other comprehensive income

	12/31/2024					12/31/2023				
	Dividends recognized over the period		Derecognition over the period			Dividends recognized over the period		Derecognition over the period		
	Fair value	Equity instruments held at the end of the period	Equity instruments derecognized during the period	Fair value at the disposal date	Total profit or loss at the disposal date	Fair value	Equity instruments held at the end of the period	Equity instruments derecognized during the period	Fair value at the disposal date	Total profit or loss at the disposal date
<i>In thousands of euros</i>										
Unlisted and unconsolidated investments in associates	0	0	0	0	0	0	0	0	0	0
Other equity instruments	0	0	0	0	0	0	0	0	0	0
OVERALL	0	0	0	0	0	0	0	0	0	0

The cumulative amount of changes in fair value reclassified to the “Consolidated reserves” component during the period mainly concerns disposals and amounts to €0 million at December 31, 2024.

9.2.4 Financial assets at fair value through profit or loss

Accounting principles

See Note 5.2.1.

	12/31/2024				12/31/2023			
	Financial assets considered part of a trading activity and similar ⁽³⁾	Financial assets to be measured at fair value through net income ^{(1) (2)}	Financial assets designated at fair value under option ⁽⁴⁾	Overall	Financial assets considered part of a trading activity and similar ⁽³⁾	Financial assets to be measured at fair value through net income ^{(1) (2)}	Financial assets designated at fair value under option ⁽⁴⁾	Overall
<i>In thousands of euros</i>								
Securities	3,083,388	3,283,385	12,392	6,379,165	2,982,462	3,091,979	8,930	6,083,371
Debt instruments	3,083,388	567,754	12,392	3,663,534	2,982,462	632,213	8,930	3,623,605
Equity instruments	0	2,715,631	0	2,715,631	0	2,459,766	0	2,459,766
Loans or advances	0	0	0	0	0	0	0	0
Due from banks	0	0	0	0	0	0	0	0
Due from customers	0	0	0	0	0	0	0	0
Non-hedging derivatives	0	0	0	0	0	0	0	0
OVERALL	3,083,388	3,283,385	12,392	6,379,165	2,982,462	3,091,979	8,930	6,083,371

(1) The criteria used by BRED Group for classifying financial assets at fair value through profit or loss due to non-compliance with the SPPI criterion are provided in Note 2.5.1.

(2) Financial instruments mandatorily measured at fair value through profit or loss include basic (non-SPPI) debt instruments for €0 million as well as equity instruments for which it has not been chosen to measure them through equity.

(3) Including unit-linked investments in the amount of €3.083 million.

(4) Only in the case of an “accounting mismatch.”

At December 31, 2024, financial assets classified at fair value through profit or loss consist mainly of securities.

Non-basic (non-SPPI) assets are mainly securities.

Financial assets designated at fair value through profit or loss under option and credit risk

In thousands of euros	12/31/2024						12/31/2023					
	Maximum exposure to credit risk	Fair value of related credit derivatives	Financial assets designated at fair value under option		Related credit derivatives		Maximum exposure to credit risk	Fair value of related credit derivatives	Financial assets designated at fair value under option		Related credit derivatives	
			Change in fair value attributable to credit risk of the financial asset		Change in fair value of related credit derivatives				Change in fair value attributable to credit risk of the financial asset		Change in fair value of related credit derivatives	
			N	Cumul.	N	Cumul.			N-I	Cumul.	N-I	Cumul.
	Debt instruments in the form of securities	12,392	0	0	0	0	0	8,930	0	0	0	0
Loans or advances	0	0	0	0	0	0	0	0	0	0	0	0
Due from banks	0	0	0	0	0	0	0	0	0	0	0	0
Due from customers	0	0	0	0	0	0	0	0	0	0	0	0
Financial assets at fair value under option through profit or loss	12,392	0	0	0	0	0	8,930	0	0	0	0	0

9.2.5 Assets at amortized cost

Accounting principles

See Note 5.5.

In thousands of euros	12/31/2024	12/31/2023
Loans and advances due from banks at amortized cost	996	11,143
Loans and advances to customers at amortized cost	32,573	24,848
Securities at amortized cost		
Impairment		
TOTAL ASSETS AT AMORTIZED COST	33,569	35,991

9.2.6 Fair value hierarchy of insurance business investments at fair value

Accounting principles

See Note 10.1.

In thousands of euros	12/31/2024				12/31/2023			
	Listing on an active market	Measurement techniques using observable data	Measurement techniques using unobservable data	OVERALL	Listing on an active market	Measurement techniques using observable data	Measurement techniques using unobservable data	OVERALL
	(Level 1)	(Level 2)	(Level 3)		(Level 1)	(Level 2)	(Level 3)	
FINANCIAL ASSETS								
Debt instruments	0	0	0	0	0	0	0	0
Loans due from banks	0	0	0	0	0	0	0	0
Loans due from customers	0	0	0	0	0	0	0	0
Debt securities	0	0	0	0	0	0	0	0
Equity instruments	0	0	0	0	0	0	0	0
Shares and other equity	0	0	0	0	0	0	0	0
Derivatives	0	0	0	0	0	0	0	0
Interest rate derivatives	0	0	0	0	0	0	0	0
Equity derivatives	0	0	0	0	0	0	0	0
Currency derivatives	0	0	0	0	0	0	0	0

In thousands of euros	12/31/2024				12/31/2023			
	Listing on an active market	Measurement techniques using observable data	Measurement techniques using unobservable data	OVERALL	Listing on an active market	Measurement techniques using observable data	Measurement techniques using unobservable data	OVERALL
	(Level 1)	(Level 2)	(Level 3)		(Level 1)	(Level 2)	(Level 3)	
Credit derivatives	0	0	0	0	0	0	0	0
Other derivatives	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Financial assets at fair value through profit or loss – Held for trading⁽¹⁾	0	0	0	0	0	0	0	0
Derivatives	0	0	0	0	0	0	0	0
Interest rate derivatives	0	0	0	0	0	0	0	0
Equity derivatives	0	0	0	0	0	0	0	0
Currency derivatives	0	0	0	0	0	0	0	0
Credit derivatives	0	0	0	0	0	0	0	0
Other derivatives	0	0	0	0	0	0	0	0
Debt instruments	12,327	65	0	12,392	8,809	121	0	8,930
Loans due from banks	0	0	0	0	0	0	0	0
Loans due from customers	0	0	0	0	0	0	0	0
Debt securities	12,327	65	0	12,392	8,809	121	0	8,930
Other financial assets	0	0	0	0	0	0	0	0
Financial assets at fair value through profit or loss – Under option⁽²⁾	12,327	65	0	12,392	8,809	121	0	8,930
Debt instruments	441,171	106,410	20,173	567,754	503,989	101,871	26,353	632,213
Loans due from banks	0	0	0	0	0	0	0	0
Loans due from customers	0	0	0	0	0	0	0	0
Debt securities	441,171	106,410	20,173	567,754	503,989	101,871	26,353	632,213
Financial assets at fair value through profit or loss – Non-SPPi⁽³⁾	441,171	106,410	20,173	567,754	503,989	101,871	26,353	632,213
Equity instruments	1,196,741	616,814	902,076	2,715,631	2,916,464	992,239	1,533,525	5,442,228
Shares and other equity	1,196,741	616,814	902,076	2,715,631	2,916,464	992,239	1,533,525	5,442,228
Financial assets at fair value through profit or loss – Excluding assets held for trading⁽⁴⁾	1,196,741	616,814	902,076	2,715,631	2,916,464	992,239	1,533,525	5,442,228
Debt instruments	2,879,370	88,523	206,831	3,174,724	2,448,027	164,368	242,524	2,854,919
Loans	0	0	0	0	0	0	0	0
Debt securities	2,879,370	88,523	206,831	3,174,724	2,448,027	164,368	242,524	2,854,919
Equity instruments	3	0	0	0	0	0	0	0
Shares and other equity	3	0	0	0	0	0	0	0
Financial assets at fair value through other comprehensive income⁽⁵⁾	2,879,373	88,523	206,831	3,174,724	2,448,027	164,368	242,524	2,854,919
Interest rate derivatives	0	0	0	0	0	0	0	0
Equity derivatives	0	0	0	0	0	0	0	0
Currency derivatives	0	0	0	0	0	0	0	0
Credit derivatives	0	0	0	0	0	0	0	0
Other derivatives	0	0	0	0	0	0	0	0
Hedging derivatives	0	0	0	0	0	0	0	0
TOTAL INSURANCE ACTIVITY INVESTMENTS AT FAIR VALUE	4,529,612	811,812	1,129,080	6,470,501	5,877,289	1,258,599	1,802,402	8,938,290

(1) Of which €0 million in the fair value of the underlying items representing insurance contracts with direct participation features.

(2) Of which €0 million in the fair value of the underlying items representing insurance contracts with direct participation features.

(3) Of which €0 million in the fair value of the underlying items representing insurance contracts with direct participation features.

(4) Of which €0 million in the fair value of the underlying items representing insurance contracts with direct participation features.

(5) Of which €0 million in the fair value of the underlying items representing insurance contracts with direct participation features.

The level of fair value of financial liabilities of insurance subsidiaries is included in the table in Note 10.I.I.

9.2.6.1 Analysis of insurance business investments classified in Level 3 of the fair value hierarchy

At December 31, 2024

In thousands of euros	01/01/2024	Reclassifications	Gains and losses recognized during the period	Transactions carried out during the period	Transfers during the period	Other changes	12/31/2024			
			In the income statement							
			On transactions in progress at the reporting date	On transactions removed from the balance sheet at the reporting date	In other comprehensive income					
					Purchases/Issues					
					Sales/Redemptions					
				To another reporting category	From and to another level					
LEVEL 3 FINANCIAL ASSETS										
Debt instruments										
Loans due from banks										
Loans due from customers										
Debt securities										
Equity instruments										
Shares and other equity										
Derivatives										
Interest rate derivatives										
Equity derivatives										
Currency derivatives										
Credit derivatives										
Other derivatives										
Other										
Financial assets at fair value through profit or loss – Held for trading										
Derivatives										
Interest rate derivatives										
Equity derivatives										
Currency derivatives										
Credit derivatives										
Other derivatives										
Debt instruments										
Loans due from banks										
Loans due from customers										
Debt securities										
Other financial assets										
Financial assets at fair value through profit or loss – Under option										
Debt instruments	26,353	-	-6,180	-	-	-	-	-	-	20,173
Loans due from banks										
Loans due from customers										
Debt securities	26,353		-6,180	-	-	-	-	-	-	20,173
Financial assets at fair value through profit or loss – Non-SPPI	26,353	-	-6,180	-	-	-	-	-	-	20,173
Equity instruments	882,001	-	-23,957	-	-	153,657	-109,625	-	-	902,076
Shares and other equity	882,001	-	-23,957	-	-	153,657	-109,625	-	-	902,076
Financial assets at fair value through profit or loss – Excluding assets held for trading										
	882,001	-	-23,957	-	-	153,657	-109,625	-	-	902,076

		Gains and losses recognized during the period			Transactions carried out during the period			Transfers during the period		Other changes	12/31/2024	
		01/01/2024	Reclassifications	On transactions in progress at the reporting date	On transactions removed from the balance sheet at the reporting date	In other comprehensive income	Purchases/Issues	Sales/Redemptions	To another reporting category			From and to another level
<i>In thousands of euros</i>												
Debt instruments	242,524	-	-	-	4,032	-	-39,900	-	175	-	206,831	
Loans												
Debt securities	242,524	-	-		4,032		-39,900	-	175	-	206,831	
Equity instruments												
Shares and other equity												
Financial assets at fair value through other comprehensive income	242,524	-	-	-	4,032	-	-39,900	-	175	-	206,831	
Interest rate derivatives												
Equity derivatives												
Currency derivatives												
Credit derivatives												
Other derivatives												
Hedging derivatives												
TOTAL INSURANCE ACTIVITY INVESTMENTS AT FAIR VALUE	1,150,878	-	-30,137	-	4,032	153,657	-149,525	-	175	-	1,129,080	

The financial liabilities of Level 3 insurance subsidiaries are included in the table in Note 10.1.2.

At December 31, 2023

			Gains and losses recognized during the period		Transactions carried out during the period		Transfers during the period				12/31/2023		
			In the income statement		In other comprehensive income	Purchases/ Issues	Sales/ Redemptions	To another reporting category				From and to another level	Other changes
			On transactions in progress at the reporting date	On transactions removed from the balance sheet at the reporting date									
In thousands of euros													
LEVEL 3 FINANCIAL ASSETS													
Debt instruments													
Loans due from banks													
Loans due from customers													
Debt securities													
Equity instruments													
Shares and other equity													
Derivatives													
Interest rate derivatives													
Equity derivatives													
Currency derivatives													
Credit derivatives													
Other derivatives													
Other													
Financial assets at fair value through profit or loss – Held for trading													
	01/01/2023 restated	Reclas- sifications											
Derivatives													
Interest rate derivatives													
Equity derivatives													
Currency derivatives													
Credit derivatives													
Other derivatives													
Debt instruments													
Loans due from banks													
Loans due from customers													
Debt securities													
Other financial assets													
Financial assets at fair value through profit or loss – Under option													
Debt instruments													
Loans due from banks													
Loans due from customers													
Debt securities													
Financial assets at fair value through profit or loss – Non-SPPI													
Equity instruments													
Shares and other equity													
Financial assets at fair value through profit or loss – Excluding assets held for trading													

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			Gains and losses recognized during the period			Transactions carried out during the period		Transfers during the period					
			In the income statement			In other comprehensive income	Purchases/Issues	Sales/Redemptions	To another reporting category	From and to another level			Other changes
			On transactions in progress at the reporting date	On transactions removed from the balance sheet at the reporting date									
<i>In thousands of euros</i>	01/01/2023 restated	Reclassifications										12/31/2023	
Debt instruments	240,774					-32,462	50,000	-15,788				242,524	
Loans													
Debt securities	240,774					-32,462	50,000	-15,788				242,524	
Equity instruments													
Shares and other equity													
Financial assets at fair value through other comprehensive income	240,774	-	-	-	-32,462	50,000	-15,788		-	-	-	242,524	
Interest rate derivatives													
Equity derivatives													
Currency derivatives													
Credit derivatives													
Other derivatives													
Hedging derivatives	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL INSURANCE ACTIVITY INVESTMENTS AT FAIR VALUE	723,842	-	-91,462		-32,462	302,454	-101,058		-	1,001,088	-	1,802,402	

9.2.6.2 Breakdown of fair value hierarchy transfers

The amounts of transfers indicated in this statement are those of the last valuation preceding the transfer.

At December 31, 2024

In thousands of euros	From	Level 1	Level 1	Level 2	Level 2	Level 3	Level 3
	To	Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
FINANCIAL ASSETS							
Debt instruments							
Loans due from banks							
Loans due from customers							
Debt securities							
Equity instruments							
Shares and other equity							
Derivatives							
Interest rate derivatives							
Equity derivatives							
Currency derivatives							
Credit derivatives							
Other derivatives							
Other							
Financial assets at fair value through profit or loss – Held for trading							
Derivatives							
Interest rate derivatives							
Equity derivatives							
Currency derivatives							
Credit derivatives							
Other derivatives							
Debt instruments							
Loans due from banks							
Loans due from customers							
Debt securities							
Other financial assets							
Financial assets at fair value through profit or loss – Under option							
Debt instruments			175	2,851			
Loans due from banks							
Loans due from customers			175	2,851			
Debt securities							
Financial assets at fair value through profit or loss – Non-SPPI							
Equity instruments							
Shares and other equity							
Financial assets at fair value through profit or loss – Excluding assets held for trading							
Debt instruments							
Loans							
Debt securities							
Equity instruments							
Shares and other equity							
Financial assets at fair value through other comprehensive income							
Interest rate derivatives							
Equity derivatives							
Currency derivatives							
Credit derivatives							
Other derivatives							
Hedging derivatives							
TOTAL INSURANCE ACTIVITY INVESTMENTS AT FAIR VALUE			175	2,851			

Transfers between levels of the fair value hierarchy of financial liabilities of insurance subsidiaries are included in the table in Note 10.1.3.

At December 31, 2023

In thousands of euros	From To	Level 1 Level 2	Level 1 Level 3	Level 2 Level 1	Level 2 Level 3	Level 3 Level 1	Level 3 Level 2
FINANCIAL ASSETS							
Debt instruments		-	-	-	-	-	-
Loans due from banks		-	-	-	-	-	-
Loans due from customers		-	-	-	-	-	-
Debt securities		-	-	-	-	-	-
Equity instruments		-	-	-	-	-	-
Shares and other equity		-	-	-	-	-	-
Derivatives		-	-	-	-	-	-
Interest rate derivatives		-	-	-	-	-	-
Equity derivatives		-	-	-	-	-	-
Currency derivatives		-	-	-	-	-	-
Credit derivatives		-	-	-	-	-	-
Other derivatives		-	-	-	-	-	-
Other		-	-	-	-	-	-
Financial assets at fair value through profit or loss – Held for trading		-	-	-	-	-	-
Derivatives		-	-	-	-	-	-
Interest rate derivatives		-	-	-	-	-	-
Equity derivatives		-	-	-	-	-	-
Currency derivatives		-	-	-	-	-	-
Credit derivatives		-	-	-	-	-	-
Other derivatives		-	-	-	-	-	-
Debt instruments		-	-	-	-	-	-
Loans due from banks		-	-	-	-	-	-
Loans due from customers		-	-	-	-	-	-
Debt securities		-	-	-	-	-	-
Other financial assets		-	-	-	-	-	-
Financial assets at fair value through profit or loss – Under option		-	-	-	-	-	-
Debt instruments		-	-	-	-	-	-
Loans due from banks		-	-	-	-	-	-
Loans due from customers		-	-	-	-	-	-
Debt securities		-	-	-	-	-	-
Financial assets at fair value through profit or loss – Non-SPPI		-	-	-	-	-	-
Equity instruments		116,294	-	-	1,001,088	-	-
Shares and other equity		116,294	-	-	1,001,088	-	-
Financial assets at fair value through profit or loss – Excluding assets held for trading		116,294	-	-	1,001,088	-	-
Debt instruments		-	-	-	-	-	-
Loans		-	-	-	-	-	-
Debt securities		-	-	-	-	-	-
Equity instruments		-	-	-	-	-	-
Shares and other equity		-	-	-	-	-	-
Financial assets at fair value through other comprehensive income		-	-	-	-	-	-
Interest rate derivatives		-	-	-	-	-	-
Equity derivatives		-	-	-	-	-	-
Currency derivatives		-	-	-	-	-	-
Credit derivatives		-	-	-	-	-	-
Other derivatives		-	-	-	-	-	-
Hedging derivatives		-	-	-	-	-	-
TOTAL INSURANCE ACTIVITY INVESTMENTS AT FAIR VALUE		116,294	-	-	1,001,088	-	-

9.2.6.3 Fair value of insurance business investments carried in the balance sheet at amortized cost

Accounting principles

See Note 10.2.

In thousands of euros	12/31/2024				12/31/2023			
	Fair value	Listing on an active market (Level 1)	Measurement techniques using observable data (Level 2)	Measurement techniques using unobservable data (Level 3)	Fair value	Listing on an active market (Level 1)	Measurement techniques using observable data (Level 2)	Measurement techniques using unobservable data (Level 3)
Loans and advances to banks	996	0	996	0	11,143	0	11,143	0
Loans and advances to customers	32,573	0	32,573	0	24,848	0	24,848	0
Debt securities	0	0	0	0	0	0	0	0
TOTAL INSURANCE ACTIVITY INVESTMENTS AT AMORTIZED COST	33,569	0	33,569	0	35,991	0	35,991	0

Of which €0 million in the fair value of the underlying items representing insurance contracts with direct participation features.

9.2.7 Insurance assets and liabilities

In thousands of euros	12/31/2024	12/31/2023
Insurance assets	151,509	157,740
Insurance contracts issued - General approach		
Insurance contracts issued - VFA		
Insurance contracts issued - Excluding PAA		
Insurance contracts issued - PAA	35,231	43,028
Reinsurance contracts held - PAA	116,278	114,712
Reinsurance contracts held - General approach		
Insurance liabilities	9,172,424	8,614,059
Insurance contracts issued - General approach	73,313	60,148
Insurance contracts issued - VFA	8,913,597	8,352,589
Insurance contracts issued - Excluding PAA	8,989,910	8,412,737
Insurance contracts issued - PAA	153,754	147,475
Reinsurance contracts held - PAA	22,850	12,797
Reinsurance contracts held - General approach	8,910	41,050
OVERALL	9,020,915	8,456,319

9.2.7.1 Table of changes in net carrying amounts of insurance contracts issued by component - General approach and Variable fee approach (VFA)

	Reconciliation by component: General approach and Variable fee approach (VFA)			Overall
	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	
<i>In thousands of euros</i>				
NET CARRYING AMOUNT OF INSURANCE CONTRACTS AT 01/01/2024	7,948,924	142,825	260,840	8,352,589
Insurance assets - Insurance contracts issued - General approach and VFA approach				
Insurance liabilities - Insurance contracts issued - General approach and VFA approach	7,948,924	142,825	260,840	8,352,589
Net carrying amount of insurance contracts at the beginning of the period excluding items recognized in respect of pre-hedging acquisition cash flows	7,948,924	142,825	260,840	8,352,589
Change related to current service	-16,028	-8,624	-18,885	-43,537
Amortization of the contractual service margin			-15,822	-15,822
Reversal of the risk adjustment for non-financial risk		-8,624		-8,624
Experience adjustments	-16,028		-3,063	-19,091
Changes related to future services	38,926		-37,823	1,103
New contracts recognized during the year	-43,773		44,876	1,103
Effect of changes in assumptions allocated to the contractual service margin	82,699		(82,699)	0
Effect of changes in assumptions leading to losses and reversals of losses on onerous contracts				
Changes related to past services	27,200			27,200
Insurance service result	50,098	-8,624	(56,708)	-15,234
Insurance financial income or expenses	380,810			380,810
Insurance financial income or expenses recognized in profit or loss	330,175			330,175
Insurance financial income or expenses recognized in equity	50,635			50,635
Total changes recognized in comprehensive income (including in equity)	430,908	-8,624	-56,708	365,576
Cash flows⁽¹⁾	280,159			280,159
Changes in receivables and payables arising from insurance operations and other movements⁽²⁾	-77,913	(6,813)	(1)	-84,727
Net carrying amount of insurance contracts at the end of the period excluding items recognized in respect of pre-hedging acquisition cash flows	8,582,078	127,388	204,131	8,913,597
Insurance assets - Insurance contracts issued - General approach and VFA approach				
Insurance liabilities - Insurance contracts issued - General approach and VFA approach	8,582,078	127,388	204,131	8,913,597
NET CARRYING AMOUNT OF INSURANCE CONTRACTS AT 12/31/2024	8,582,078	127,388	204,131	8,913,597

(1) Excluding changes in receivables and payables arising from insurance operations.

(2) Of which -€77.9 million in respect of changes in receivables and payables arising from insurance operations and €0 million for other movements.

In thousands of euros	Reconciliation by component: General approach and Variable fee approach (VFA)			
	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Overall
NET CARRYING AMOUNT OF INSURANCE CONTRACTS AT 01/01/2023	7,572,781	123,687	202,657	7,899,125
Insurance assets - Insurance contracts issued - General approach and VFA approach	0	0	0	0
Insurance liabilities - Insurance contracts issued - General approach and VFA approach	7,572,781	123,687	202,657	7,899,125
Net carrying amount of insurance contracts at the beginning of the period excluding items recognized in respect of pre-hedging acquisition cash flows	7,572,781	123,687	202,657	7,899,125
Change related to current service	-13,886	-6,241	-16,885	-37,012
Amortization of the contractual service margin			-17,940	-17,940
Reversal of the risk adjustment for non-financial risk		-6,241		-6,241
Experience adjustments	-13,886		-1,055	-12,831
Changes related to future services	-75,207		75,067	-140
New contracts recognized during the year	-59,894		59,894	0
Effect of changes in assumptions allocated to the contractual service margin	-15,173		15,173	0
Effect of changes in assumptions leading to losses and reversals of losses on onerous contracts	-140			-140
Changes related to past services	25,178			25,178
Insurance service result	-63,915	-6,241	58,183	-11,974
Insurance financial income or expenses	515,525			515,525
Insurance financial income or expenses recognized in profit or loss	380,955			380,955
Insurance financial income or expenses recognized in equity	134,570			134,570
Total changes recognized in comprehensive income (including in equity)	451,610	-6,241	58,183	503,551
Cash flows⁽¹⁾	-69,650			-69,650
Changes in receivables and payables arising from insurance operations and other movements⁽²⁾	-6,384	25,379		18,995
Net carrying amount of insurance contracts at the end of the period excluding items recognized in respect of pre-hedging acquisition cash flows	7,948,356	142,825	260,840	8,352,021
Insurance assets - Insurance contracts issued - General approach and VFA approach				
Insurance liabilities - Insurance contracts issued - General approach and VFA approach	7,948,356	142,825	260,840	8,352,021
NET CARRYING AMOUNT OF INSURANCE CONTRACTS AT 12/31/2023	7,948,356	142,825	260,840	8,352,021

(1) Excluding changes in receivables and payables arising from insurance operations.

(2) Of which -€6.4 million in respect of changes in receivables and payables arising from insurance operations and €0 million for other movements.

9.2.7.2 Table of changes in net carrying amounts of reinsurance contracts held by component

In thousands of euros	Reconciliation by component: General approach			
	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Overall
NET CARRYING AMOUNT OF REINSURANCE CONTRACTS HELD AT 01/01/2024	-41,050	0	0	-41,050
Insurance assets - Reinsurance contracts held - General approach	0	0	0	0
Insurance liabilities - Reinsurance contracts held - General approach	-41,050	0	0	-41,050
Change related to current service	-5,761	-1,741	-3,544	-11,046
Amortization of the contractual service margin	0	0	-3,544	-3,544
Reversal of the risk adjustment for non-financial risk	0	-1,741	0	-1,741
Experience adjustments	-5,761	0	0	-5,761
Changes related to future services	-6,775	1,989	4,786	0
New contracts recognized during the year	-2,263	1,390	873	0
Effect of changes in assumptions allocated to the contractual service margin	-4,512	599	3,913	0
Impact of underlying insurance contracts that are loss-making - excluding the impact of new contracts recognized during the fiscal year	0	0	0	0
Changes related to past services	5,975	0	0	5,975
Impact of changes in the risk of non-performance on the part of the issuer of ceded reinsurance contracts	0	0	0	0
Income and expenses from reinsurance contracts held	-6,561	248	1,242	-5,071
Finance income or expenses from reinsurance contracts held	-409	182	60	-167
Finance income or expenses from reinsurance contracts held recognized in net income	-471	171	60	-240
o/w currency exchange differences	0	0	0	0
Finance income or expenses from reinsurance contracts held recognized in equity	62	11	0	73
Total changes recognized in comprehensive income (including in equity)	-6,970	430	1,302	-5,238
Cash flows⁽¹⁾	42,504	0	0	42,504
Changes in receivables and payables arising from held reinsurance operations and other movements⁽²⁾	-3,394	-430	-1,302	-5,126
NET CARRYING AMOUNT OF REINSURANCE CONTRACTS HELD AT 12/31/2024	-8,910	0	0	-8,910
Insurance assets - Reinsurance contracts held - General approach	0	0	0	0
Insurance liabilities - Reinsurance contracts held - General approach	-8,910	0	0	-8,190

(1) Excluding changes in receivables and payables arising from ceded reinsurance transactions.

(2) Of which -€34 million in respect of changes in receivables and payables arising from held reinsurance operations and €0 million for other movements.

In thousands of euros	Reconciliation by component: General approach			
	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Overall
NET CARRYING AMOUNT OF REINSURANCE CONTRACTS HELD AT 01/01/2023	4,651		22,737	27,388
Insurance assets - Reinsurance contracts held - General approach	22,699		22,737	45,436
Insurance liabilities - Reinsurance contracts held - General approach	-18,048			-18,048
Change related to current service	-28,808	-1,675	-3,239	-33,722
Amortization of the contractual service margin			-3,239	-3,239
Reversal of the risk adjustment for non-financial risk		-1,675		-1,675
Experience adjustments	-28,808			-28,808
Changes related to future services	-6,546	1,229	5,316	-1
New contracts recognized during the year	-3,168	1,441	1,726	-1
Effect of changes in assumptions allocated to the contractual service margin	-3,378	-212	3,590	0
Impact of underlying insurance contracts that are loss-making - excluding the impact of new contracts recognized during the fiscal year			0	0
Changes related to past services	19,713			19,713
Impact of changes in the risk of non-performance on the part of the issuer of ceded reinsurance contracts	0			0
Income and expenses from reinsurance contracts held	-15,641	-446	2,077	-14,010
Finance income or expenses from reinsurance contracts held	-312	-49	-10	-371
Finance income or expenses from reinsurance contracts held recognized in net income	-405	165	-10	-250
o/w currency exchange differences				
Finance income or expenses from reinsurance contracts held recognized in equity	93	-214		-121
Total changes recognized in comprehensive income (including in equity)	-15,953	-495	2,067	-14,381
Cash flows⁽¹⁾	44,665			44,665
Changes in receivables and payables arising from held reinsurance operations and other movements⁽²⁾	-74,413	495	-24,804	-98,722
NET CARRYING AMOUNT OF REINSURANCE CONTRACTS HELD AT 12/31/2023	-41,050	0	0	-41,050
Insurance assets - Reinsurance contracts held - General approach				
Insurance liabilities - Reinsurance contracts held - General approach	-41,050			-41,050

(1) Excluding changes in receivables and payables arising from ceded reinsurance transactions.

(2) Of which -€74.4 million in respect of changes in receivables and payables arising from held reinsurance operations and €0 million for other movements.

9.2.7.3 Table of changes in net carrying amounts of insurance contracts issued by coverage - General approach and Variable fee approach (VFA)

	Reconciliation by coverage: General approach and Variable fee approach (VFA)			
	Liabilities for remaining coverage			Overall
	Liabilities for future coverage excluding onerous contracts	Loss component of onerous contracts	Liabilities for incurred claims	
<i>In thousands of euros</i>				
NET CARRYING AMOUNT OF INSURANCE CONTRACTS AT 01/01/2024	8,260,440	0	92,149	8,352,589
Insurance assets - Insurance contracts issued - General approach and VFA approach				
Insurance liabilities - Insurance contracts issued - General approach and VFA approach	8,260,440	0	92,149	8,352,589
Net carrying amount of insurance contracts at the opening of the period, excluding items recognized as pre-coverage acquisition cash flows	8,260,440	0	92,149	8,352,589
Revenue from insurance activities	-62,427			-62,427
Insurance service expenses from insurance activities	915	1,103	45,175	47,193
Services and expenses incurred - current service			17,975	17,975
Acquisition expenses	915			915
Services and expenses incurred - past service			27,200	27,200
Recognition and reversal of loss component of onerous contracts		1,103		1,103
Insurance service result	-61,512	1,103	45,175	-15,234
Finance income or expenses from insurance issued	381,913	-1,103		380,810
Finance income or expenses from insurance contracts issued recognized in net income	331,278	-1,103		330,175
Finance income or expenses from insurance contracts issued recognized in equity	50,635			50,635
Total changes recognized in comprehensive income (including in equity)	320,401	0	45,175	365,576
Investment components (combined with redemptions of additional paid-in capital)	-516,639		516,639	0
Cash flows⁽¹⁾	834,825	0	-554,666	280,159
Premiums received	841,634			841,634
Acquisition cash flows paid in respect of existing groups of contracts during the period	-6,809			-6,809
Services and expenses paid excluding acquisition cash flows, including investment components			-554,666	-554,666
Changes in receivables and payables arising from insurance operations and other movements ⁽²⁾	-87,951		-1,714	-89,665
Net carrying amount of insurance contracts issued at the closing of the period, excluding items recognized as pre-coverage acquisition cash flows	8,811,076	0	97,583	8,908,659
Insurance assets - Insurance contracts issued - General approach and VFA approach				
Insurance liabilities - Insurance contracts issued - General approach and VFA approach	8,811,076		97,583	8,908,659
NET CARRYING AMOUNT OF INSURANCE CONTRACTS ISSUED AT 12/31/2024	8,811,076	0	97,583	8,908,659

(1) Excluding changes in receivables and payables arising from insurance operations.

(2) Of which -€880 million in respect of changes in receivables and payables arising from insurance operations and €0 million for other movements.

	Reconciliation by coverage: General approach and Variable fee approach (VFA)			
	Liabilities for remaining coverage			Overall
	Liabilities for future coverage excluding onerous contracts	Loss component of onerous contracts	Liabilities for incurred claims	
<i>In thousands of euros</i>				
NET CARRYING AMOUNT OF INSURANCE CONTRACTS AT 01/01/2023	7,800,552	0	98,573	7,899,125
Insurance assets - Insurance contracts issued - General approach and VFA approach				
Insurance liabilities - Insurance contracts issued - General approach and VFA approach	7,800,552	0	98,573	7,899,125
Net carrying amount of insurance contracts at the opening of the period, excluding items recognized as pre-coverage acquisition cash flows	7,800,552	0	98,573	7,899,125
Revenue from insurance activities	-52,216			-52,216
Insurance service expenses from insurance activities	508	-140	39,874	40,242
Services and expenses incurred - current service		0	14,696	14,696
Acquisition expenses	508			508
Services and expenses incurred - past service			25,178	25,178
Recognition and reversal of loss component of onerous contracts		-140		-140
Insurance service result	-51,708	-140	39,874	-11,974
Finance income or expenses from insurance issued	515,385	140	0	515,525
Finance income or expenses from insurance contracts issued recognized in net income	380,815	140	0	380,955
Finance income or expenses from insurance contracts issued recognized in equity	134,570		0	134,570
Total changes recognized in comprehensive income (including in equity)	463,677	0	39,874	503,551
Investment components (combined with redemptions of additional paid-in capital)	-688,569		688,569	0
Cash flows⁽¹⁾	665,785	0	-735,435	-69,650
Premiums received	661,349			661,349
Acquisition cash flows paid in respect of existing groups of contracts during the period	4,436			4,436
Services and expenses paid excluding acquisition cash flows, including investment components			-735,435	-735,435
Changes in receivables and payables arising from insurance operations and other movements⁽²⁾	18,995	0	568	19,563
Net carrying amount of insurance contracts issued at the closing of the period, excluding items recognized as pre-coverage acquisition cash flows	8,260,440	0	92,149	8,352,589
Insurance assets - Insurance contracts issued - General approach and VFA approach				
Insurance liabilities - Insurance contracts issued - General approach and VFA approach	8,260,440	0	92,149	8,352,589
NET CARRYING AMOUNT OF INSURANCE CONTRACTS ISSUED AT 12/31/2023	8,260,440	0	92,149	8,352,589

(1) Excluding changes in receivables and payables arising from insurance operations.

(2) Of which €19.0 million in respect of changes in receivables and payables arising from insurance operations and €0 million for other movements.

9.2.7.4 Table of changes in net carrying amount of insurance contracts issued by coverage - PAA Approach (simplified approach)

	Reconciliation by coverage: Premium allocation approach (PAA)				Overall
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Liabilities for remaining coverage excluding loss component of onerous contracts	Loss component of onerous contracts	Risk adjustment for non-financial risk	Best estimate of future cash flows	
In thousands of euros					
NET CARRYING AMOUNT OF INSURANCE CONTRACTS AT 01/01/2024	-39,344		126,915	16,876	104,447
Insurance assets - Insurance contracts issued - PAA	-43,028				-43,028
Insurance liabilities - Insurance contracts issued - PAA	3,684		126,915	16,876	147,475
Net carrying amount of insurance contracts at the beginning of the period excluding items recognized in respect of pre-hedging acquisition cash flows	-35,785	0	126,915	16,876	108,006
Revenue from insurance activities	-233,609				-233,609
Insurance service expenses from insurance activities	62,472	0	136,815	-1,107	198,180
Services and expenses incurred - current service			87,749	-275	87,474
Acquisition expenses	62,472	0	0	0	62,472
Services and expenses incurred - past service			49,066	(832)	48,234
Recognition and reversal of loss component of onerous contracts					0
Insurance service result	-171,137	0	136,815	-1,107	-35,429
Finance income or expenses from insurance			1,371		1,371
Finance income or expenses from insurance recognized in net income			1,371		1,371
Finance income or expenses from insurance recognized in equity					
Total changes recognized in comprehensive income (including in equity)	-171,137	0	138,186	-1,107	-34,058
Investment component					0
Cash flows ⁽¹⁾	175,526	0	-128,608	0	46,918
Premiums received	233,609				233,609
Acquisition cash flows paid in respect of existing groups of contracts during on the period	-58,083				-58,083
Services and expenses paid excluding acquisition cash flows, including investment components			-128,608		-128,608
Changes in receivables and payables arising from insurance operations and other movements ⁽²⁾	-5,665		6,882		1,216
Net carrying amount of insurance contracts at the end of the period excluding items recognized in respect of pre-hedging acquisition cash flows	-37,363	0	141,158	15,769	119,565
Insurance assets - Insurance contracts issued - PAA	-35,231				-35,231
Insurance liabilities - Insurance contracts issued - PAA	-5,389		143,375	15,768	153,754
NET CARRYING AMOUNT OF INSURANCE CONTRACTS AT 12/31/2024	-40,620		143,375	15,768	118,523

(1) Excluding changes in receivables and payables arising from insurance operations.

(2) Of which -€5.7 million in respect of changes in receivables and payables arising from insurance operations and €0 million for other movements.

Reconciliation by coverage: Premium allocation approach (PAA)

	Liabilities for remaining coverage		Liabilities for incurred claims		Overall
	Liabilities for remaining coverage excluding loss component of onerous contracts	Loss component of onerous contracts	Risk adjustment for non-financial risk	Best estimate of future cash flows	
In thousands of euros					
NET CARRYING AMOUNT OF INSURANCE CONTRACTS AT 01/01/2023	-10,748		98,528	10,138	97,918
Insurance assets - Insurance contracts issued - PAA	-27,795				-27,795
Insurance liabilities - Insurance contracts issued - PAA	17,047		197,056	20,276	234,379
Net carrying amount of insurance contracts at the beginning of the period excluding items recognized in respect of pre-hedging acquisition cash flows	17,047	0	98,528	10,138	125,713
Revenue from insurance activities	-222,994				-222,994
Insurance service expenses from insurance activities	60,830	0	142,441	5,841	209,112
Services and expenses incurred - current service			5,251		5,251
Acquisition expenses	60,830	0	0	0	60,830
Services and expenses incurred - past service			137,190	5,841	143,031
Recognition and reversal of loss component of onerous contracts					0
Insurance service result	-162,164	0	142,441	5,841	-13,882
Insurance financial income or expenses			2,662		2,662
Insurance financial income or expenses recognized in profit or loss			1,331		1,331
Insurance financial income or expenses recognized in equity					
Total changes recognized in comprehensive income (including in equity)	-162,164	0	143,772	5,841	-12,551
Investment component			2,465		2,465
Cash flows ⁽¹⁾	193,775	0	-131,825	0	61,950
Premiums received	222,994				222,994
Acquisition cash flows paid in respect of existing groups of contracts during on the period	-29,219				-29,219
Services and expenses paid excluding acquisition cash flows, including investment components			-131,825		-131,825
Changes in receivables and payables arising from insurance operations and other movements ⁽²⁾	-63,944		13,975	897	-49,072
Net carrying amount of insurance contracts at the end of the period excluding items recognized in respect of pre-hedging acquisition cash flows	-15,286	0	126,915	16,876	128,505
Insurance assets - Insurance contracts issued - PAA	-43,028				-43,028
Insurance liabilities - Insurance contracts issued - PAA	3,684		126,915	16,876	147,475
NET CARRYING AMOUNT OF INSURANCE CONTRACTS AT 12/31/2023	-39,344	0	126,915	16,876	104,447

(1) Excluding changes in receivables and payables arising from insurance operations.

(2) Of which -€63.9 million in respect of changes in receivables and payables arising from insurance operations and €0 million for other movements.

9.2.7.5 Table of changes in net carrying amount of reinsurance contracts held by coverage - General approach

In thousands of euros	Reconciliation by coverage: General approach		
	Assets for remaining coverage	Assets for incurred claims	Overall
NET CARRYING AMOUNT OF REINSURANCE CONTRACTS HELD AT 01/01/2024	-61,356	20,307	-41,049
Insurance assets - Reinsurance contracts held - General approach			
Insurance liabilities - Reinsurance contracts held - General approach	-61,357	20,307	-41,050
Cession income		16,477	16,477
Cession income - current service		10,502	10,502
Cession income - past service		5,975	5,975
Cession income - Effect of underlying onerous insurance contracts			0
Cession expenses	-21,548		-21,548
Income and expenses from reinsurance contracts held	-21,548	16,477	-5,071
Finance income or expenses from reinsurance contracts held	-376	209	-167
Finance income or expenses from reinsurance contracts held recognized in net income	-422	182	-240
Finance income or expenses from reinsurance contracts held recognized in equity	46	27	73
Total changes recognized in comprehensive income (including in equity)	-21,924	16,68	-5,238
Investment component			
Cash flows⁽¹⁾	42,504		42,504
Amounts recovered from the reinsurer including investment components			0
Premiums paid on reinsurance contracts held	42,504		42,504
Changes in insurance receivables and payables arising from reinsurance operations and other movements⁽²⁾	8,638	-13,765	-5,127
NET CARRYING AMOUNT OF REINSURANCE CONTRACTS HELD AT 12/31/2024	-32,138	23,228	-8,910
Insurance assets - Reinsurance contracts held - General approach			
Insurance liabilities - Reinsurance contracts held - General approach	-32,138	23,228	-8,910

(1) Excluding changes in receivables and payables arising from ceded reinsurance transactions.

(2) Of which €8.6 million in respect of changes in receivables and payables arising from held reinsurance operations and €0 million for other movements.

Reconciliation by coverage: General approach

In thousands of euros

	Assets for remaining coverage	Assets for incurred claims	Overall
NET CARRYING AMOUNT OF REINSURANCE CONTRACTS HELD AT 01/01/2023	12,102	15,286	27,388
Insurance assets - Reinsurance contracts held - General approach	30,150	15,286	45,436
Insurance liabilities - Reinsurance contracts held - General approach	-18,048		-18,048
Cession income		19,713	19,713
Cession income - current service			
Cession income - past service		19,713	19,713
Cession income - Effect of underlying onerous insurance contracts			0
Cession expenses	-33,722		-33,722
Income and expenses from reinsurance contracts held	-33,722	19,713	-14,009
Finance income or expenses from reinsurance contracts held	-1,084	713	-371
Finance income or expenses from reinsurance contracts held recognized in net income	-543	293	-250
Finance income or expenses from reinsurance contracts held recognized in equity	-541	420	-121
Total changes recognized in comprehensive income (including in equity)	-34,806	20,426	-14,380
Investment component			
Cash flows⁽¹⁾	44,665		44,665
Amounts recovered from the reinsurer including investment components			0
Premiums paid on reinsurance contracts held	44,665		44,665
Changes in insurance receivables and payables arising from reinsurance operations and other movements⁽²⁾	-83,317	-15,405	-98,722
NET CARRYING AMOUNT OF REINSURANCE CONTRACTS HELD AT 12/31/2023	-61,356	20,307	-41,049
Insurance assets - Reinsurance contracts held - General approach			
Insurance liabilities - Reinsurance contracts held - General approach	-61,356	20,307	-41,049

(1) Excluding changes in receivables and payables arising from ceded reinsurance transactions.

(2) Of which -€83.3 million in respect of changes in receivables and payables arising from held reinsurance operations and €0 million for other movements.

9.2.7.6 Table of changes in net carrying amount of reinsurance contracts held by coverage - PAA Approach (simplified approach)

	Reconciliation by coverage: Premium allocation approach (PAA)			
	Assets for incurred claims			
	Assets for remaining coverage	Best estimate of future cash flows	Risk adjustment for non-financial risk	Overall
In thousands of euros				
NET CARRYING AMOUNT OF REINSURANCE CONTRACTS HELD AT 01/01/2024	-12,261	101,818	12,358	101,915
Insurance assets - Reinsurance contracts held - PAA	536	101,818	12,358	114,712
Insurance liabilities - Reinsurance contracts held - PAA	-12,797			-12,797
Cession income		157,961	-641	157,316
Cession income - current service		86,116	-343	85,773
Cession income - past service		71,845	(302)	71,543
Cession income - Effect of underlying onerous insurance contracts				0
Cession expenses	-173,796			-173,796
o/w effect of changes in the risk of non-performance by the issuer of held reinsurance contracts				0
Income and expenses from reinsurance contracts held	-173,796	157,961	-645	-16,480
Insurance finance income or expenses from reinsurance contracts held		665		665
Finance income or expenses from reinsurance contracts held recognized in net income		665		665
Finance income or expenses from reinsurance contracts held recognized in equity				
Total changes recognized in comprehensive income (including in equity)	-173,796	158,626	-645	-15,815
Investment component				
Cash flows ⁽¹⁾	173,796	-146,713		27,083
Amounts recovered from the reinsurer including investment components		-146,713		-143,713
Premiums paid on reinsurance contracts held	173,796			173,796
Changes in insurance receivables and payables arising from reinsurance operations and other movements ⁽²⁾	-10,589	-9,165		-19,754
NET CARRYING AMOUNT OF REINSURANCE CONTRACTS HELD AT 12/31/2024	-22,850	104,566	11,713	93,429
Insurance assets - Reinsurance contracts held - PAA		104,566	11,712	116,278
Insurance liabilities - Reinsurance contracts held - PAA	-22,850			-22,850

(1) Excluding changes in receivables and payables arising from ceded reinsurance transactions.

(2) Of which -€10.6 million in respect of changes in receivables and payables arising from held reinsurance operations and €0 million for other movements.

Reconciliation by coverage: Premium allocation approach (PAA)

In thousands of euros

	Assets for remaining coverage	Assets for incurred claims		Overall
		Best estimate of future cash flows	Risk adjustment for non-financial risk	
NET CARRYING AMOUNT OF REINSURANCE CONTRACTS HELD AT 01/01/2023	22,430	72,011	8,664	103,105
Insurance assets - Reinsurance contracts held - PAA	26,700	72,011	8,664	107,375
Insurance liabilities - Reinsurance contracts held - PAA	-4,270			-4,270
Cession income		166,373	3,694	170,067
Cession income – current service				
Cession income – past service		166,373	3,694	170,067
Cession income - Effect of underlying onerous insurance contracts				0
Cession expenses	-163,643			-163,643
o/w effect of changes in the risk of non-performance by the issuer of held reinsurance contracts				0
Income and expenses from reinsurance contracts held	-163,643	166,373	3,694	6,424
Insurance finance income or expenses from reinsurance contracts held		567		567
Finance income or expenses from reinsurance contracts held recognized in net income		567		567
Finance income or expenses from reinsurance contracts held recognized in equity				
Total changes recognized in comprehensive income (including in equity)	-163,643	166,940	3,694	6,991
Investment component				
Cash flows⁽¹⁾	163,643	-154,740		8,903
Amounts recovered from the reinsurer including investment components		-154,740		-154,740
Premiums paid on reinsurance contracts held	163,643			163,643
Changes in insurance receivables and payables arising from reinsurance operations and other movements⁽²⁾	-34,691	17,607		-17,084
NET CARRYING AMOUNT OF REINSURANCE CONTRACTS HELD AT 12/31/2023	-12,261	101,818	12,358	101,915
Insurance assets - Reinsurance contracts held - PAA	536	101,818	12,358	114,712
Insurance liabilities - Reinsurance contracts held - PAA	-12,797			-12,797

(1) Excluding changes in receivables and payables arising from ceded reinsurance transactions.

(2) Of which -€34.7 million in respect of changes in receivables and payables arising from held reinsurance operations and €0 million for other movements.

9.2.7.7 Transitional amounts of insurance contracts issued

	Insurance contracts issued: General approach and Variable fee approach (VFA)			
	Contracts under full retrospective approach at transition date and other contracts	Contracts under modified retrospective approach at transition date	Contracts under fair value approach at transition date	Overall
<i>In thousands of euros</i>				
Revenue from insurance activities		-62,427		-62,427
Carrying amount of contractual service margin at January 1, 2024		260,840		260,840
Changes related to future services		-37,823		-37,823
New contracts recognized during the year		44,876		44,876
Effect of changes in assumptions allocated to the contractual service margin		-82,699		-82,699
Change related to current service		-18,885		-18,885
Contractual service margin amortized in profit or loss		-15,822		-15,822
Other income items		-3,063		-3,063
Insurance service result		-56,708		-56,708
Finance income or expenses from insurance contracts issued of which currency exchange differences				
Total changes recognized in comprehensive income		-56,708		-56,708
Other changes		-1		-1
Carrying amount of contractual service margin at December 31, 2024		204,131		204,131

Insurance contracts issued: General approach and Variable fee approach (VFA)

	Contracts under full retrospective approach at transition date and other contracts	Contracts under modified retrospective approach at transition date	Contracts under fair value approach at transition date	Overall
<i>In thousands of euros</i>				
Revenue from insurance activities		-52,216	0	-52,216
Carrying amount of contractual service margin at January 1, 2023		202,657	0	202,657
Changes related to future services		75,067	0	75,067
New contracts recognized during the year		59,894	0	59,894
Effect of changes in assumptions allocated to the contractual service margin		15,173	0	15,173
Change related to current service		-16,885	0	-16,885
Contractual service margin amortized in profit or loss		-17,940	0	-17,940
Other income items		1,055	0	1,055
Insurance service result		58,183	0	58,183
Finance income or expenses from insurance contracts issued of which currency exchange differences		0	0	0
Total changes recognized in comprehensive income		58,183	0	58,183
Other changes		0	0	0
Carrying amount of contractual service margin at December 31, 2023		260,840	0	260,840

9.2.7.8 Transitional amounts of reinsurance contracts held

	Reinsurance contracts held - General approach			
	Contracts under full retrospective approach at transition date and other contracts	Contracts under modified retrospective approach at transition date	Contracts under fair value approach at transition date	Overall
<i>In thousands of euros</i>				
Cession expenses		-49,535		-49,535
Carrying amount of contractual service margin at January 1, 2024		147,160		147,160
Changes related to future services		24,068		24,068
New contracts recognized during the year		6,037		6,037
Effect of changes in assumptions allocated to the contractual service margin		18,031		18,031
Impact of underlying insurance contracts that are loss-making - excluding the impact of new contracts recognized during the fiscal year				
Changes related to services received during the period		-21,721		-21,721
Contractual service margin amortized in profit or loss		-21,721		-21,721
Income and expenses from reinsurance contracts held		2,347		2,347
Finance income or expenses from reinsurance contracts held of which currency exchange differences		323		323
Total changes recognized in comprehensive income		2,670		2,670
Other changes		9,944		9,944
Carrying amount of contractual service margin at December 31, 2024		159,774		159,774

Reinsurance contracts held - General approach

<i>In thousands of euros</i>	Contracts under full retrospective approach at transition date and other contracts	Contracts under modified retrospective approach at transition date	Contracts under fair value approach at transition date	Overall
Cession expenses		-65,725		-65,725
Carrying amount of contractual service margin at January 1, 2023		153,472		153,472
Changes related to future services		11,379		11,379
New contracts recognized during the year		10,525		10,525
Effect of changes in assumptions allocated to the contractual service margin		854		854
Impact of underlying insurance contracts that are loss-making - excluding the impact of new contracts recognized during the fiscal year				
Changes related to services received during the period		-20,935		-20,935
Contractual service margin amortized in profit or loss		-20,935		-20,935
Income and expenses from reinsurance contracts held		-9,556		-9,556
Finance income or expenses from reinsurance contracts held of which currency exchange differences		26		26
Total changes recognized in comprehensive income		-9,530		-9,530
Other changes		3,218		3,218
Carrying amount of contractual service margin at December 31, 2023		147,160		147,160

9.2.7.9 Recognition of the contractual service margin in profit or loss

	12/31/2024				12/31/2023			
	From 1 year to 5 years	From 6 to 10 years	> 10 years	Overall	From 1 year to 5 years	From 6 to 10 years	> 10 years	Overall
<i>In thousands of euros</i>								
Insurance contracts issued								
General approach and Variable fee approach (VFA)	43,753	27,322	133,056	204,131	54,607	38,291	167,942	260,840
Reinsurance contracts held								
General approach								
OVERALL	43,753	27,322	133,056	204,131	54,607	38,291	167,942	260,840

This is a net total that takes into account the CSM of insurance contracts issued, which represents a gain, and the CSM of reinsurance contracts held, which may represent a cost or a reinsurance gain.

9.2.8 Financial liabilities at fair value through profit or loss

The disclosures on financial liabilities at fair value through profit or loss of insurance subsidiaries required by IFRS 7 are included in Note 5.2.2.

9.2.9 Amounts due to banks and similar and customers

The disclosures on amounts due to banks and customers of insurance subsidiaries required by IFRS 7 are included in Note 5.12.

9.2.10 Debt securities

The disclosures on debt securities of insurance subsidiaries required by IFRS 7 are included in Note 5.11.

9.2.11 Subordinated debt

The disclosures on subordinated debt of insurance subsidiaries required by IFRS 7 are included in Note 5.15.

9.3 Risk exposures

Certain credit risk management disclosures required by IFRS 17 are presented in Chapter 6 "Risk factors and risk management - Insurance, asset management, financial conglomerate risks." Likewise for certain disclosures relating to concentration, market and liquidity risks required by IFRS 7.

This information forms an integral part of the financial statements certified by the Statutory Auditors.

9.3.1 Impairment for credit risk

Impairment charges for credit risk are presented in Note 9.2.7 and Note 7.

9.3.2 Change in gross carrying amounts and expected credit losses on financial assets and commitments**9.3.2.1 Change in the gross carrying amount and credit losses on financial assets through other comprehensive income**

In thousands of euros	Stage 1		Stage 2		Stage 3		Assets impaired on origination or acquisition (S2 POCI)		Assets impaired on origination or acquisition (S3 POCI)		OVERALL	
	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 12/31/2023	2,805,136	3,789	46,287	2,870	37,764	36,502	0	0	0	0	2,889,187	43,161
New contracts originated or acquired	14,194	2,466	0	0	0	0	0	0	0	0	14,194	2,466
Modifications of contractual flows not giving rise to derecognition	0	0	0	0	0	0	0	0	0	0	0	0
Changes related to changes in credit risk parameters (excluding transfers)	37,921	0	516	0	0	0	0	0	0	0	38,437	0
Contracts fully redeemed or assigned during the period	0	0	-43,365	-2,121	-36,457	-36,429	0	0	0	0	-79,822	-38,550
Impairment (write-off)	0	0	0	0	-73	-73	0	0	0	0	-73	-73
Transfers of financial assets	1,234	0	0	0	-1,234	0	0	0	0	0	0	0
Transfers to S1	0	0	0	0	0	0	0	0	0	0	0	0
Transfers to S2	0	0	0	0	0	0	0	0	0	0	0	0
Transfers to S3	1,234	0	0	0	-1,234	0	0	0	0	0	0	0
Model changes	0	0	0	0	0	0	0	0	0	0	0	0
Changes related to exchange rate fluctuations	0	0	0	0	0	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0	0	0	0	0	0
BALANCE AT 12/31/2024	2,858,485	6,255	3,438	749	0	0	0	0	0	0	2,861,923	7,004

9.3.2.2 Change in the gross carrying amount and credit losses on debt securities at amortized cost

None.

9.3.2.3 Change in the gross carrying amount and credit losses on loans and advances to banks at amortized cost

In thousands of euros	Stage 1		Stage 2		Stage 3		Assets impaired on origination or acquisition (S2 POCI)		Assets impaired on origination or acquisition (S3 POCI)		OVERALL	
	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 12/31/2023	0	0	0	0	0	0	0	0	0	0	0	0
New contracts originated or acquired	11,143	0									11,143	0
Changes related to changes in credit risk parameters (excluding transfers)												
Contracts fully redeemed or assigned during the period												
Impairment (write-off)												
Transfers of financial assets												
Transfers to S1												
Transfers to S2												
Transfers to S3												
Model changes												
Changes related to exchange rate fluctuations												
Other changes												
BALANCE AT 12/31/2024	11,143	0	0	0	0	0	0	0	0	0	11,143	0

9.3.2.4 Change in the gross carrying amount and credit losses on loans and advances to customers at amortized cost

	Stage 1		Stage 2		Stage 3		Assets impaired on origination or acquisition (POCI)		Assets impaired on origination or acquisition (POCI)		OVERALL	
	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
<i>In thousands of euros</i>												
BALANCE AT 12/31/2022 RESTATED	9,377	0	0	0	0	0	0	0	0	0	9,377	0
New contracts originated or acquired	15,471	0	0		0	0	0	0	0	0	15,471	0
Modifications of contractual flows not giving rise to derecognition												
Changes related to changes in credit risk parameters (excluding transfers)												
Contracts fully redeemed or assigned during the period												
Impairment (write-off)												
Transfers of financial assets												
Transfers to S1												
Transfers to S2												
Transfers to S3												
Model changes												
Changes related to exchange rate fluctuations												
Other changes												
BALANCE AT 12/31/2024	24,848	0	0	0	0	0	0	0	0	0	24,848	0

9.3.3 Liquidity risk

Maturity of cash flows from liabilities related to insurance and held reinsurance contracts

At December 31, 2024

In thousands of euros	12/31/2024 ⁽¹⁾						Overall
	<1 year	From 1 year to 2 years	From 2 years to 3 years	From 3 years to 4 years	From 4 year to 5 years	>5 years	
Insurance contracts issued - Liabilities	0	0	0	0	0	0	0
Reinsurance contracts held - Liabilities	0	0	0	0	0	0	0

(1) This table presents, for all insurance contracts issued and reinsurance contracts held, which are liabilities, the projected maturity of the present value of future cash flows (Best Estimate).

At December 31, 2023

In thousands of euros	12/31/2023 ⁽¹⁾			Overall
	<1 year	From 1 year to 5 years	> 5 years	
Liabilities arising from insurance contracts issued	49	35	32	117
Liabilities arising from reinsurance contracts held	-30,320	27,749	2,583	13

(1) This schedule includes all of the Insurance contracts issued – Liabilities and Reinsurance contracts held – Liabilities included in the balance sheet.

The amounts payable on demand correspond to the total outstandings of insurance contracts, in the build up phase, for which policyholders have a surrender option or which are transferable to a third-party insurer, as well as the value of receivables and liabilities arising from these contracts. The contracts concerned correspond to investment pension contracts and funeral contracts. At December 31, 2024, the

amounts payable on demand under these contracts amounted to €0 million, compared to 0 million at December 31, 2023. The IFRS carrying amount of the contracts to which these amounts payable on demand relate was €0 million at December 31, 2024, compared to €0 million at December 31, 2023.

Note 10 Fair value of financial assets and liabilities

Key points

The purpose of this note is to present the principles for measuring the fair value of financial instruments as defined by IFRS 13 “Fair value measurement” and to specify certain valuation methods used within BRED Group entities for the purposes of valuing their financial instruments.

Financial assets and liabilities are recorded in the balance sheet either at fair value or at amortized cost. An indication of the fair value of items measured at amortized cost is provided in the notes.

For instruments traded on an active market with a quoted price, the fair value is equal to the quoted price, corresponding to Level 1 in the fair value hierarchy.

The fair value of other financial instruments not traded on an active market, including in particular loans, borrowings and derivatives traded over the counter, is calculated using valuation techniques that rely on widely used models and observable data, corresponding to Level 2 in the fair value hierarchy. When internal data or proprietary models are used (Level 3 in the fair value hierarchy), independent controls are used to validate the value obtained.

Determination of fair value

General principles

Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in an arm's length transaction between market participants at the measurement date.

The Group measures the fair value of an asset or liability using assumptions that market operators would use to set the price of the asset or liability. These assumptions include, particularly in the case of derivatives, an assessment of the counterparty risk (credit valuation adjustment – CVA), the non-performance risk (debit valuation adjustment – DVA) and the cost of liquidity (funding valuation adjustment – FVA). Measurement of these valuation adjustments is based on market inputs.

Moreover, the valuations of derivatives traded with a counterparty that is a member of Groupe BPCE's shared support mechanism (see Note 1.2) are not subject to CVA or DVA calculations in the Group's financial statements.

Fair value at the initial recognition date

For the majority of the transactions entered into by the Group, the transaction price, i.e., the value of the consideration paid or received, provides the best measurement of the fair value of the transaction at the initial recognition date. If this is not the case, the Group adjusts the transaction price. The accounting method used for this adjustment is described in the section headed "Recognition of day-one profit."

Fair value hierarchy

Level 1 fair value and concept of an active market

For financial instruments, quoted prices on an active market (Level 1 fair value) are the most reliable indication of fair value. To the extent that such prices exist, they must be used without adjustment to measure fair value.

An active market is a market in which trading in the asset or liability takes place with sufficient frequency and volume.

A decline in the level of market activity may be revealed by indicators such as:

- a significant decline in the primary market for the financial asset or liability (or similar instruments) concerned;
- a significant decrease in transaction volumes;
- infrequent updating of quotations;
- a wide dispersion of prices available over time between the various players in the market;
- loss of correlation with indices that previously showed a high correlation with the fair value of the asset or liability;
- a significant rise in prices or in implied liquidity risk premiums, yields or performance indicators (e.g., probabilities of default and implied expected losses) compared with the Group's estimate of expected cash flows, taking into account all the available market data on credit risk or non-performance risk in respect of the asset or liability;
- very wide bid/ask spreads.

Instruments measured based on (unadjusted) quoted prices on an active market (Level 1)

These instruments consist mainly of equities, government bonds, bonds of large corporates and certain derivatives traded on organized markets (e.g., plain vanilla options on the CAC 40 and Eurostoxx indices).

Also, for UCITS, fair value will be considered as Level 1 if the net asset value is calculated daily and is a value that can be used to place an order.

Level 2 fair value

Where there is no quoted market price on an active market, fair value may be determined using an appropriate methodology, consistent with valuation methods commonly accepted in financial markets, using valuation inputs that are observable on markets where possible (Level 2 fair value).

If the asset or liability has a specified (contractual) maturity, a Level 2 input must be observable for substantially all the duration of the asset or liability. The main Level 2 inputs are:

- prices on markets, active or not, for similar assets or liabilities;
- observable inputs for the asset or liability other than market price, such as:
 - interest rates and yield curves observable at standard intervals,
 - implied volatilities,
 - credit spreads;
- inputs corroborated by the market, i.e., obtained primarily from observable market data or corroborated using such data, by correlation or otherwise.

Instruments measured using recognized models using directly or indirectly observable inputs (Level 2)

Level 2 derivatives

In particular, the following will be classified in this category:

- plain vanilla interest rate swaps or CMSs;
- forward rate agreements (FRAs);
- plain vanilla swaptions;
- plain vanilla caps and floors;
- forward purchases and sales of liquid currencies;
- foreign exchange swaps and options in liquid currencies;
- liquid credit derivatives on an individual issuer (single name) or on indices such as iTraax or iBoxx.

Level 2 non-derivative instruments

Certain complex and/or long-dated financial instruments are measured using a recognized model and use market inputs calibrated on observable data (such as yield curves or implied volatility surfaces of options), on market consensus data, or data from active over-the-counter markets.

For all these instruments, the observable nature of the inputs has been demonstrated. From a methodological standpoint, the observability of inputs is based on four indissociable criteria:

- the input comes from external sources (via a recognized contributor);
- the input is updated periodically;
- the input is representative of recent transactions;
- the characteristics of the input are identical to those of the transaction.

The margin generated when these instruments begin trading is immediately taken to profit or loss.

Level 2 instruments include:

- securities not listed on an active market whose fair value is determined using observable market data (e.g., using market data for listed peers or the earnings multiple method);
- shares or units of UCITS whose NAV is not determined and published on a daily basis but is reported regularly, or in which recent observable transactions have taken place.

Level 3 fair value

Lastly, when there is insufficient observable market data, the fair value can be determined by a valuation methodology based on an internal model that uses unobservable data (Level 3 fair value). The model used must be recalibrated periodically by comparing its results with the prices of recent transactions.

Over-the-counter instruments measured using infrequently used models or largely unobservable inputs (Level 3)

When the valuations obtained do not rely on either observable inputs or models recognized as market standards, such valuations will be regarded as unobservable.

Instruments measured using specific models or based on unobservable inputs include:

- unlisted shares, usually corresponding to equity interests: BPCE, BP Développement;
- some UCITSs, where the net asset value is an indicative value (in the case of illiquidity, liquidation, etc.) and there is no price to support this value;
- venture capital funds: the net asset value is frequently an indicative value as it is often not possible to exit the fund;
- structured equity products with multiple underlyings, fund options, hybrid interest rate products, securitization swaps, structured credit derivatives and interest rate options;
- securitization instruments for which there is no price quoted on an active market. These instruments are frequently valued on the basis of contributor prices (e.g., structurers).

Transfers between fair value levels

Information on transfers between fair value levels is provided in Note 10.1.3. The amounts appearing in this note are the values calculated on the last valuation date preceding the change of level.

Recognition of day-one profit

Day-one profit generated on initial recognition of a financial instrument can only be recognized in profit or loss if the financial instrument can be reliably measured at inception. This condition is considered to be met by instruments traded on an active market and by instruments measured using recognized models based solely on observable market data.

For other instruments, measured using unobservable data or proprietary models, the profit generated at inception (day-one profit) is deferred and taken to profit or loss over the period during which the valuation inputs are expected to remain unobservable.

When the valuation inputs used become observable, or the valuation technique used becomes widely recognized and used, the portion of day-one profit eliminated on inception of the transaction and not yet recognized is then recognized in profit or loss.

In exceptional cases resulting in a day-one loss, the loss is immediately taken to profit or loss, whether or not the inputs are observable.

At December 31, 2024, the Group has no day-one profit to be taken to profit or loss.

Special cases

Fair value of BPCE securities

The value of the central institution's securities, classified as equity interests at fair value through non-recyclable equity, was determined by calculating a revalued net asset value that includes the revaluation of BPCE's main subsidiaries.

BPCE's subsidiaries are primarily valued using discounted multi-year forecasts of expected dividend flows (dividend discount model). The forecasts of expected dividend flows are based on the business plans of the entities concerned and on technical inputs for the risk level, margin and growth rate that are deemed reasonable. Individual prudential constraints applicable to the activities in question were taken into consideration in the valuation exercise.

BPCE's revalued net asset value incorporates the intangible assets held by BPCE, which were valued by an independent expert, as well as the structural expenses of the central institution.

This fair value is classified in level 3 of the hierarchy.

At December 31, 2024, the net carrying amount of BPCE's securities in BRED SA's financial statements was €934.483,283.1.

Fair value of financial instruments recognized at amortized cost (securities)

For financial instruments not measured at fair value on the balance sheet, the fair value calculations are provided for information only and should be understood to be merely estimates.

In most cases, the values indicated are not liable to be realized and generally may not be realized in practice.

These fair values are thus only provided for information purposes in the notes to the financial statements. They are not indicators used to steer the commercial banking activities, for which the business model is based mainly on the receipt of contractual cash flows.

Consequently, the following simplified assumptions were used:

In certain cases, the carrying amount is deemed to be representative of the fair value

These notably include:

- short-term financial assets and liabilities (whose initial term is one year or less) provided that sensitivity to interest-rate risk and credit risk is not material during the period;
- demand liabilities;
- floating-rate loans and borrowings;
- transactions in a regulated market (particularly regulated savings products), whose prices are set by the public authorities.

Fair value of customer loan portfolio

The fair value of loans is measured using internal valuation models that discount future payments of recoverable capital and interest over the remaining loan term. Except in special cases, only the interest rate component is remeasured, the credit margin being fixed at inception and not subsequently remeasured. Prepayment options are factored into the model via an adjustment to loan repayment schedules.

Fair value of debts

The fair value of fixed-rate debt owed to banks and customers with a term of over one year is deemed to be equal to the present value of future cash flows discounted at the interest rate observed at the reporting date.

10.1 Fair value of financial assets and liabilities

10.1.1 Fair value hierarchy of financial assets and liabilities

The following statement provides a breakdown of financial instruments by type of price and valuation model:

At December 31, 2024

<i>In thousands of euros</i>	Listing on an active market (Level 1)	Measurement techniques using observable data (Level 2)	Measurement techniques using unobservable data (Level 3)	OVERALL
FINANCIAL ASSETS				
Debt instruments	2,249,799	633,202	143,054	3,026,055
Loans to banks and customers	0	0	0	0
Debt securities	2,249,799	633,202	143,054	3,026,055
Equity instruments	8,673,388	7,499	328	8,681,215
Shares and other equity	8,673,388	7,499	328	8,681,215
Derivatives	859,023	1,623,743	11,423	2,494,189
Interest rate derivatives	0	887,058	9,297	896,355
Equity derivatives	858,859	102,021	1,821	962,701
Currency derivatives	164	633,432	305	633,901
Credit derivatives	0	1,232	0	1,232
Other derivatives	0	0	0	0
Other	0	0	0	0
Financial assets at fair value through profit or loss – Held for trading⁽¹⁾	11,782,210	2,264,444	154,805	14,201,459
Derivatives	0	556	0	556
Interest rate derivatives	0	556	0	556
Equity derivatives	0	0	0	0
Currency derivatives	0	0	0	0
Credit derivatives	0	0	0	0
Other derivatives	0	0	0	0
Financial assets at fair value through profit or loss – Economic hedges	0	556	0	556
Debt instruments	0	0	0	0
Loans to banks and customers	0	0	0	0
Debt securities	0	0	0	0
Financial assets at fair value through profit or loss – Under option	0	0	0	0
Debt instruments	37	146,550	584,448	731,035
Loans to banks and customers	0	146,471	0	146,471
Debt securities	37	79	584,448	584,564
Financial assets at fair value through profit or loss – Non-standard	37	146,550	584,448	731,035
Equity instruments	44	0	46,506	46,550
Shares and other equity	44	0	46,506	46,550
Financial assets at fair value through profit or loss – Excluding assets held for trading	44	0	46,506	46,550
Debt instruments	20,428,020	656,930	555,226	21,640,176
Loans to banks and customers	0	0	0	0
Debt securities	20,428,020	656,930	555,226	21,640,176
Equity instruments	0	32,044	1,230,432	1,262,476
Shares and other equity	0	32,044	1,230,432	1,262,476
Financial assets at fair value through other comprehensive income	20,428,020	688,974	1,785,658	22,902,652
Interest rate derivatives	0	358,211	2,406	360,617
Equity derivatives	0	0	0	0
Currency derivatives	0	36,180	0	36,180
Credit derivatives	0	0	0	0
Other derivatives	0	0	0	0
Hedging derivatives	0	394,391	2,406	396,797
TOTAL FINANCIAL ASSETS AT FAIR VALUE	32,210,311	3,494,915	2,573,823	38,279,049

In thousands of euros

	Listing on an active market (Level 1)	Measurement techniques using observable data (Level 2)	Measurement techniques using unobservable data (Level 3)	OVERALL
FINANCIAL LIABILITIES				
Debt securities	96,310	0	0	96,310
Derivatives	833	1,767,919	16,177	1,784,930
Interest rate derivatives	0	946,399	16,147	962,546
Equity derivatives	0	160,265	0	160,265
Currency derivatives	833	657,988	30	658,851
Credit derivatives	0	3,267	0	3,267
Other derivatives	0	0	0	0
Other financial liabilities	0	0	0	0
Financial liabilities at fair value through profit or loss – Held for trading⁽¹⁾	97,143	1,767,919	16,177	1,881,240
Derivatives	0	102	0	102
Interest rate derivatives	0	102	0	102
Equity derivatives	0	0	0	0
Currency derivatives	0	0	0	0
Credit derivatives	0	0	0	0
Other derivatives	0	0	0	0
Financial liabilities at fair value through profit or loss – Economic hedges	0	102	0	102
Debt securities	0	0	0	0
Other financial liabilities	93,555	0	0	93,555
Financial liabilities at fair value through profit or loss – Under option	93,555	0	0	93,555
Interest rate derivatives	0	335,686	1	335,687
Equity derivatives	0	0	0	0
Currency derivatives	0	6,213	0	6,213
Credit derivatives	0	0	0	0
Other derivatives	0	0	0	0
Hedging derivatives	0	341,899	1	341,900
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE	190,698	2,109,920	16,178	2,316,797

⁽¹⁾ Excluding economic hedges.

At December 31, 2023

In thousands of euros	Listing on an active market (Level 1)	Measurement techniques using observable data (Level 2)	Measurement techniques using unobservable data (Level 3)	OVERALL
FINANCIAL ASSETS				
Debt instruments	1,888,491	712,277	87,226	2,687,994
Loans to banks and customers	0	0	0	0
Debt securities	1,888,491	712,277	87,226	2,687,994
Equity instruments	7,398,105	4,249	328	7,402,682
Shares and other equity	7,398,105	4,249	328	7,402,682
Derivatives	961,433	1,527,268	77,424	2,566,125
Interest rate derivatives	0	1,171,912	6,466	1,178,378
Equity derivatives	960,712	0	69,770	1,030,482
Currency derivatives	721	354,728	1,188	356,637
Credit derivatives	0	628	0	628
Other derivatives	0	0	0	0
Other	0	0	0	0
Financial assets at fair value through profit or loss – Held for trading⁽¹⁾	10,248,029	2,243,794	164,978	12,656,801
Derivatives	0	27,021	0	27,021
Interest rate derivatives	0	27,021	0	27,021
Equity derivatives	0	0	0	0
Currency derivatives	0	0	0	0
Credit derivatives	0	0	0	0
Other derivatives	0	0	0	0
Financial assets at fair value through profit or loss – Economic hedges	0	27,021	0	27,021
Debt instruments	0	0	0	0
Loans to banks and customers	0	0	0	0
Debt securities	0	0	0	0
Financial assets at fair value through profit or loss – Under option	0	0	0	0
Debt instruments	36	137,319	612,378	749,733
Loans to banks and customers	0	137,245	0	137,245
Debt securities	36	74	612,378	612,488
Financial assets at fair value through profit or loss – Non-standard	36	137,319	612,378	749,733
Equity instruments	0	0	3,978	3,978
Shares and other equity	0	0	3,978	3,978
Financial assets at fair value through profit or loss – Excluding assets held for trading	0	0	3,978	3,978
Debt instruments	13,903,011	727,894	587,996	15,218,902
Loans to banks and customers	0	0	0	0
Debt securities	13,903,011	727,894	587,996	15,218,902
Equity instruments	18,326	27,277	1,176,729	1,222,332
Shares and other equity	18,326	27,277	1,176,729	1,222,332
Financial assets at fair value through other comprehensive income	13,921,337	755,171	1,764,725	16,441,234
Interest rate derivatives	0	451,516	0	451,516
Equity derivatives	0	0	0	0
Currency derivatives	0	9,092	0	9,092
Credit derivatives	0	0	0	0
Other derivatives	0	0	0	0
Hedging derivatives	0	460,608	0	460,608
TOTAL FINANCIAL ASSETS AT FAIR VALUE	24,169,402	3,623,913	2,546,059	30,339,375

In thousands of euros

	Listing on an active market (Level 1)	Measurement techniques using observable data (Level 2)	Measurement techniques using unobservable data (Level 3)	OVERALL
FINANCIAL LIABILITIES				
Debt securities	86,596	0	0	86,596
Derivatives	85	1,514,405	154,735	1,669,225
Interest rate derivatives	0	1,161,025	16,147	1,177,172
Equity derivatives	0	5,771	137,809	143,580
Currency derivatives	85	344,793	657	345,535
Credit derivatives	0	2,816	122	2,938
Other derivatives	0	0	0	0
Other financial liabilities	0	0	0	0
Financial liabilities at fair value through profit or loss – Held for trading⁽¹⁾	86,681	1,514,405	154,735	1,755,821
Derivatives	0	16,932	0	16,932
Interest rate derivatives	0	16,932	0	16,932
Equity derivatives	0	0	0	0
Currency derivatives	0	0	0	0
Credit derivatives	0	0	0	0
Other derivatives	0	0	0	0
Financial liabilities at fair value through profit or loss – Economic hedges	0	16,932	0	16,932
Debt securities	0	0	0	0
Other financial liabilities	97,993	0	0	97,993
Financial liabilities at fair value through profit or loss – Under option	97,993	0	0	97,993
Interest rate derivatives	0	356,879	0	356,879
Equity derivatives	0	0	0	0
Currency derivatives	0	30,035	0	30,035
Credit derivatives	0	0	0	0
Other derivatives	0	0	0	0
Hedging derivatives	0	386,914	0	386,914
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE	184,674	1,918,251	154,735	2,257,660

(1) Excluding economic hedges.

10.1.2 Breakdown of financial assets and liabilities classified in Level 3 of the fair value hierarchy

At December 31, 2024

In thousands of euros	12/31/2023	Gains and losses recognized during the period			Transactions carried out during the period		Transfers during the period			12/31/2024	
		In the income statement			In other comprehensive income	Purchases/Issues	Redemptions	To another reporting category	From and to another level		Other changes
		On transactions in progress at the reporting date	On transactions removed from the balance sheet at the reporting date								
FINANCIAL ASSETS											
Debt instruments	87,226	588	-47	0	137,221	-70,054	0	-11,880	0	143,054	
Loans to banks and customers	0	0	0	0	0	0	0	0	0	0	
Debt securities	87,226	588	-47	0	137,221	-70,054	0	-11,880	0	143,054	
Equity instruments	328	0	0	0	0	0	0	0	0	328	
Shares and other equity	328	0	0	0	0	0	0	0	0	328	
Derivatives	77,424	5,537	78,613	0	0	-150,022	-129	0	0	11,423	
Interest rate derivatives	6,466	3,411	50	0	0	501	-129	0	0	9,297	
Equity derivatives	69,770	1,821	79,765	0	0	-149,535	0	0	0	1,821	
Currency derivatives	1,188	305	-1,202	0	0	14	0	0	0	305	
Credit derivatives	0	0	0	0	0	0	0	0	0	0	
Other derivatives	0	0	0	0	0	0	0	0	0	0	
Other	0	0	0	0	0	0	0	0	0	0	
Financial assets at fair value through profit or loss – Held for trading ⁽¹⁾	164,978	6,125	78,566	0	137,221	-220,076	-129	-11,880	0	154,805	
Derivatives	0	0	0	0	0	0	0	0	0	0	
Interest rate derivatives	0	0	0	0	0	0	0	0	0	0	
Equity derivatives	0	0	0	0	0	0	0	0	0	0	
Currency derivatives	0	0	0	0	0	0	0	0	0	0	
Credit derivatives	0	0	0	0	0	0	0	0	0	0	
Other derivatives	0	0	0	0	0	0	0	0	0	0	
Financial assets at fair value through profit or loss – Economic hedges	0	0	0	0	0	0	0	0	0	0	
Debt instruments	0	0	0	0	0	0	0	0	0	0	
Loans to banks and customers	0	0	0	0	0	0	0	0	0	0	
Debt securities	0	0	0	0	0	0	0	0	0	0	
Financial assets at fair value through profit or loss – Under option	0	0	0	0	0	0	0	0	0	0	
Debt instruments	612,378	21,459	6,659	0	8,216	-64,264	0	0	0	584,448	
Loans to banks and customers	0	0	0	0	0	0	0	0	0	0	
Debt securities	612,378	21,459	6,659	0	8,216	-64,264	0	0	0	584,448	
Financial assets at fair value through profit or loss – Non-standard	612,378	21,459	6,659	0	8,216	-64,264	0	0	0	584,448	
Equity instruments	3,978	1,361	0	0	40,910	-247	0	0	504	46,506	
Shares and other equity	3,978	1,361	0	0	40,910	-247	0	0	504	46,506	
Financial assets at fair value through profit or loss – Excluding assets held for trading	3,978	1,361	0	0	40,910	-247	0	0	504	46,506	
Debt instruments	587,996	-2,766	351	4,317	245,746	-280,417	0	0	-1	555,226	
Loans to banks and customers	0	0	0	0	0	0	0	0	0	0	
Debt securities	587,996	-2,766	351	4,317	245,746	-280,417	0	0	-1	555,226	
Equity instruments	1,176,729	1,495	3	26,429	43,460	-21,190	-1	0	3,507	1,230,432	
Shares and other equity	1,176,729	1,495	3	26,429	43,460	-21,190	-1	0	3,507	1,230,432	
Financial assets at fair value through other comprehensive income	1,764,725	-1,271	354	30,746	289,206	-301,607	-1	0	3,506	1,785,658	
Interest rate derivatives	0	1,018	0	0	0	1,388	0	0	0	2,406	
Equity derivatives	0	0	0	0	0	0	0	0	0	0	
Currency derivatives	0	0	0	0	0	0	0	0	0	0	
Credit derivatives	0	0	0	0	0	0	0	0	0	0	
Other derivatives	0	0	0	0	0	0	0	0	0	0	
Hedging derivatives	0	1,018	0	0	0	1,388	0	0	0	2,406	

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	Gains and losses recognized during the period			Transactions carried out during the period			Transfers during the period			
	In the income statement			In other comprehensive income	Purchases/Issues	Redemptions	To another reporting category	From and to another level	Other changes	
	12/31/2023	On transactions in progress at the reporting date	On transactions removed from the balance sheet at the reporting date							
<i>In thousands of euros</i>	12/31/2023									12/31/2024
FINANCIAL LIABILITIES										
Debt securities	0	0	0	0	0	0	0	0	0	0
Derivatives	154,735	2,395	-153,431	0	0	12,607	-129	0	0	16,177
Interest rate derivatives	16,147	2,365	118	0	0	-2,354	-129	0	0	16,147
Equity derivatives	137,809	0	-152,919	0	0	15,110	0	0	0	0
Currency derivatives	657	30	-657	0	0	0	0	0	0	30
Credit derivatives	122	0	27	0	0	-149	0	0	0	0
Other derivatives	0	0	0	0	0	0	0	0	0	0
Other financial liabilities	0	0	0	0	0	0	0	0	0	0
Financial liabilities at fair value through profit or loss – Held for trading ⁽¹⁾	154,735	2,395	-153,431	0	0	12,607	-129	0	0	16,177
Derivatives	0	0	0	0	0	0	0	0	0	0
Interest rate derivatives	0	0	0	0	0	0	0	0	0	0
Equity derivatives	0	0	0	0	0	0	0	0	0	0
Currency derivatives	0	0	0	0	0	0	0	0	0	0
Credit derivatives	0	0	0	0	0	0	0	0	0	0
Other derivatives	0	0	0	0	0	0	0	0	0	0
Financial liabilities at fair value through profit or loss – Economic hedges	0	0	0	0	0	0	0	0	0	0
Debt securities	0	0	0	0	0	0	0	0	0	0
Other financial liabilities	0	0	0	0	0	0	0	0	0	0
Financial liabilities at fair value through profit or loss – Under option	0	0	0	0	0	0	0	0	0	0
Interest rate derivatives	0	1	0	0	0	0	0	0	0	1
Equity derivatives	0	0	0	0	0	0	0	0	0	0
Currency derivatives	0	0	0	0	0	0	0	0	0	0
Credit derivatives	0	0	0	0	0	0	0	0	0	0
Other derivatives	0	0	0	0	0	0	0	0	0	0
Hedging derivatives	0	1	0	0	0	0	0	0	0	1

(1) Excluding technical hedging.

At December 31, 2023

In thousands of euros	12/31/2022	Gains and losses recognized during the period			Transactions carried out during the period		Transfers during the period			12/31/2023	
		In the income statement			In other comprehensive income	Purchases/ Issues	Sales/ Redemptions	To another reporting category	From and to another level		Other changes
		On transactions in progress at the reporting date	On transactions removed from the balance sheet at the reporting date								
FINANCIAL ASSETS											
Debt instruments	30,660	71	1,987	0	87,052	-31,685	0	-859	0	87,226	
Loans to banks and customers	0	0	0	0	0	0	0	0	0	0	
Debt securities	30,660	71	1,987	0	87,052	-31,685	0	-859	0	87,226	
Equity instruments	2,839	-2	1,061	0	330	-1,061	0	-2,839	0	328	
Shares and other equity	2,839	-2	1,061	0	330	-1,061	0	-2,839	0	328	
Derivatives	13,370	78,804	214,375	0	0	-225,745	-3,380	0	0	77,424	
Interest rate derivatives	12,892	5,859	395	0	0	-9,300	-3,380	0	0	6,466	
Equity derivatives	0	71,756	213,761	0	0	-215,747	0	0	0	69,770	
Currency derivatives	478	1,189	-479	0	0	0	0	0	0	1,188	
Credit derivatives	0	0	0	0	0	0	0	0	0	0	
Other derivatives	0	0	698	0	0	-698	0	0	0	0	
Other	0	0	0	0	0	0	0	0	0	0	
Financial assets at fair value through profit or loss – Held for trading⁽¹⁾	46,869	78,873	217,423	0	87,382	-258,491	-3,380	-3,698	0	164,978	
Derivatives	117	-197	-123	0	0	203	0	0	0	0	
Interest rate derivatives	0	0	0	0	0	0	0	0	0	0	
Equity derivatives	0	0	0	0	0	0	0	0	0	0	
Currency derivatives	117	-197	-123	0	0	203	0	0	0	0	
Credit derivatives	0	0	0	0	0	0	0	0	0	0	
Other derivatives	0	0	0	0	0	0	0	0	0	0	
Financial assets at fair value through profit or loss – Economic hedges	117	-197	-123	0	0	203	0	0	0	0	
Debt instruments	0	0	0	0	0	0	0	0	0	0	
Loans to banks and customers	0	0	0	0	0	0	0	0	0	0	
Debt securities	0	0	0	0	0	0	0	0	0	0	
Financial assets at fair value through profit or loss – Under option	0	0	0	0	0	0	0	0	0	0	
Debt instruments	665,432	-56,751	-4,315	0	36,988	-28,977	0	0	1	612,378	
Loans to banks and customers	0	0	0	0	0	0	0	0	0	0	
Debt securities	665,432	-56,751	-4,315	0	36,988	-28,977	0	0	1	612,378	
Financial assets at fair value through profit or loss – Non-standard	665,432	-56,751	-4,315	0	36,988	-28,977	0	0	1	612,378	
Equity instruments	3,443	0	637	0	0	-50	0	0	-52	3,978	
Shares and other equity	3,443	0	637	0	0	-50	0	0	-52	3,978	
Financial assets at fair value through profit or loss – Excluding assets held for trading	3,443	0	637	0	0	-50	0	0	-52	3,978	
Debt instruments	811,259	-37,661	21,510	7,746	121,790	-336,617	0	0	-31	587,996	
Loans to banks and customers	0	0	0	0	0	0	0	0	0	0	
Debt securities	811,259	-37,661	21,510	7,746	121,790	-336,617	0	0	-31	587,996	
Equity instruments	1,098,565	164	0	44,298	44,265	-6,223	0	0	-4,340	1,176,729	
Shares and other equity	1,098,565	164	0	44,298	44,265	-6,223	0	0	-4,340	1,176,729	
Financial assets at fair value through other comprehensive income	1,909,824	-37,497	21,510	52,044	166,055	-342,840	0	0	-4,371	1,764,725	
Interest rate derivatives	0	0	0	0	0	0	0	0	0	0	
Equity derivatives	0	0	0	0	0	0	0	0	0	0	
Currency derivatives	0	0	0	0	0	0	0	0	0	0	
Credit derivatives	0	0	0	0	0	0	0	0	0	0	
Other derivatives	0	0	0	0	0	0	0	0	0	0	
Hedging derivatives	0	0	0	0	0	0	0	0	0	0	

4.

In thousands of euros	12/31/2022	Gains and losses recognized during the period			Transactions carried out during the period			Transfers during the period			12/31/2023		
		In the income statement				In other comprehensive income	Purchases/Issues	Redemptions	Sales/	To another reporting category		From and to another level	Other changes
		On transactions in progress at the reporting date	On transactions removed from the balance sheet at the reporting date										
FINANCIAL LIABILITIES													
Debt securities	0	0	0	0	0	0	0	0	0	0	0		
Derivatives	22,146	92,699	123,124	0	0	-79,854	-3,380	0	0	0	154,735		
Interest rate derivatives	21,157	6,702	430	0	0	-8,762	-3,380	0	0	0	16,147		
Equity derivatives	0	85,303	123,031	0	0	-70,525	0	0	0	0	137,809		
Currency derivatives	989	657	-989	0	0	0	0	0	0	0	657		
Credit derivatives	0	37	0	0	0	85	0	0	0	0	122		
Other derivatives	0	0	652	0	0	-652	0	0	0	0	0		
Other financial liabilities	0	0	0	0	0	0	0	0	0	0	0		
Financial liabilities at fair value through profit or loss – Held for trading⁽¹⁾	22,146	92,699	123,124	0	0	-79,854	-3,380	0	0	0	154,735		
Derivatives	2	0	-301	0	0	299	0	0	0	0	0		
Interest rate derivatives	2	0	-301	0	0	299	0	0	0	0	0		
Equity derivatives	0	0	0	0	0	0	0	0	0	0	0		
Currency derivatives	0	0	0	0	0	0	0	0	0	0	0		
Credit derivatives	0	0	0	0	0	0	0	0	0	0	0		
Other derivatives	0	0	0	0	0	0	0	0	0	0	0		
Financial liabilities at fair value through profit or loss – Economic hedges	2	0	-301	0	0	299	0	0	0	0	0		
Debt securities	0	0	0	0	0	0	0	0	0	0	0		
Other financial liabilities	0	0	0	0	0	0	0	0	0	0	0		
Financial liabilities at fair value through profit or loss – Under option	0	0	0	0	0	0	0	0	0	0	0		
Interest rate derivatives	0	0	0	0	0	0	0	0	0	0	0		
Equity derivatives	0	0	0	0	0	0	0	0	0	0	0		
Currency derivatives	0	0	0	0	0	0	0	0	0	0	0		
Credit derivatives	0	0	0	0	0	0	0	0	0	0	0		
Other derivatives	0	0	0	0	0	0	0	0	0	0	0		
Hedging derivatives	0	0	0	0	0	0	0	0	0	0	0		

(1) Excluding technical hedging.

At December 31, 2024, financial instruments measured using a technique that uses unobservable data included:

At December 31, 2024, the valuation of BPCE's securities recognized at fair value through equity amounted to €934,483,283.1.

During the fiscal year, €264.3 million of gains and losses were recognized in profit or loss in respect of financial assets and liabilities classified in Level 3, including €25.3 million in respect of transactions not settled at December 31, 2024.

During the fiscal year, €30.7 million of gains and losses were recognized directly in equity in respect of financial assets classified in Level 3, including €30.7 million in respect of transactions not settled at December 31, 2024.

10.1.3 Breakdown of fair value hierarchy transfers

The amounts of transfers indicated in this statement are those of the last valuation preceding the transfer.

	2024 fiscal year					
	From	Level 1	Level 1	Level 2	Level 2	Level 3
	To	Level 2	Level 3	Level 1	Level 3	Level 1
<i>In thousands of euros</i>						
FINANCIAL ASSETS						
Debt instruments		0	0	783	0	11,880
Loans to banks and customers		0	0	0	0	0
Debt securities		0	0	783	0	11,880
Equity instruments		0	0	0	0	0
Shares and other equity		0	0	0	0	0
Derivatives		0	0	0	0	0
Interest rate derivatives		0	0	0	0	0
Equity derivatives		0	0	0	0	0
Currency derivatives		0	0	0	0	0
Credit derivatives		0	0	0	0	0
Other derivatives		0	0	0	0	0
Other		0	0	0	0	0
Financial assets at fair value through profit or loss – Held for trading⁽¹⁾		0	0	783	0	11,880
Derivatives		0	0	0	0	0
Interest rate derivatives		0	0	0	0	0
Equity derivatives		0	0	0	0	0
Currency derivatives		0	0	0	0	0
Credit derivatives		0	0	0	0	0
Other derivatives		0	0	0	0	0
Financial assets at fair value through profit or loss – Economic hedges		0	0	0	0	0
Debt instruments		0	0	0	0	0
Loans to banks and customers		0	0	0	0	0
Debt securities		0	0	0	0	0
Financial assets at fair value through profit or loss – Under option		0	0	0	0	0
Debt instruments		0	0	0	0	0
Loans to banks and customers		0	0	0	0	0
Debt securities		0	0	0	0	0
Financial assets at fair value through profit or loss – Non-standard		0	0	0	0	0
Equity instruments		0	0	0	0	0
Shares and other equity		0	0	0	0	0
Financial assets at fair value through profit or loss – Excluding assets held for trading		0	0	0	0	0
Debt instruments		57,629	0	36,691	0	0
Loans to banks and customers		0	0	0	0	0
Debt securities		57,629	0	36,691	0	0
Equity instruments		0	5,038	0	0	0
Shares and other equity		0	5,038	0	0	0
Financial assets at fair value through other comprehensive income		57,629	5,038	36,691	0	0
Interest rate derivatives		0	0	0	0	0
Equity derivatives		0	0	0	0	0
Currency derivatives		0	0	0	0	0
Credit derivatives		0	0	0	0	0
Other derivatives		0	0	0	0	0
Hedging derivatives		0	0	0	0	0

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	2024 fiscal year					
	From	Level 1	Level 1	Level 2	Level 2	Level 3
	To	Level 2	Level 3	Level 1	Level 3	Level 1
<i>In thousands of euros</i>						
FINANCIAL LIABILITIES						
Debt securities		0	0	0	0	0
Derivatives		0	0	0	0	0
Interest rate derivatives		0	0	0	0	0
Equity derivatives		0	0	0	0	0
Currency derivatives		0	0	0	0	0
Credit derivatives		0	0	0	0	0
Other derivatives		0	0	0	0	0
Other financial liabilities		0	0	0	0	0
Financial liabilities at fair value through profit or loss – Held for trading⁽¹⁾		0	0	0	0	0
Derivatives		0	0	0	0	0
Interest rate derivatives		0	0	0	0	0
Equity derivatives		0	0	0	0	0
Currency derivatives		0	0	0	0	0
Credit derivatives		0	0	0	0	0
Other derivatives		0	0	0	0	0
Financial liabilities at fair value through profit or loss – Economic hedges		0	0	0	0	0
Debt securities		0	0	0	0	0
Other financial liabilities		0	0	0	0	0
Financial liabilities at fair value through profit or loss – Under option		0	0	0	0	0
Interest rate derivatives		0	0	0	0	0
Equity derivatives		0	0	0	0	0
Currency derivatives		0	0	0	0	0
Credit derivatives		0	0	0	0	0
Other derivatives		0	0	0	0	0
Hedging derivatives		0	0	0	0	0

(1) Excluding technical hedging.

	2023 fiscal year					
	From To	Level 1 Level 2	Level 1 Level 3	Level 2 Level 1	Level 2 Level 3	Level 3 Level 2
<i>In thousands of euros</i>						
FINANCIAL ASSETS						
Debt instruments		14,059	0	12,153	0	859
Loans to banks and customers		0	0	0	0	0
Debt securities		14,059	0	12,153	0	859
Equity instruments		17	0	0	0	2,839
Shares and other equity		17	0	0	0	2,839
Derivatives		0	0	0	0	0
Interest rate derivatives		0	0	0	0	0
Equity derivatives		0	0	0	0	0
Currency derivatives		0	0	0	0	0
Credit derivatives		0	0	0	0	0
Other derivatives		0	0	0	0	0
Other		0	0	0	0	0
Financial assets at fair value through profit or loss – Held for trading⁽¹⁾		14,076	0	12,153	0	3,698
Derivatives		0	0	0	0	0
Interest rate derivatives		0	0	0	0	0
Equity derivatives		0	0	0	0	0
Currency derivatives		0	0	0	0	0
Credit derivatives		0	0	0	0	0
Other derivatives		0	0	0	0	0
Financial assets at fair value through profit or loss – Economic hedges		0	0	0	0	0
Debt instruments		0	0	0	0	0
Loans to banks and customers		0	0	0	0	0
Debt securities		0	0	0	0	0
Financial assets at fair value through profit or loss – Under option		0	0	0	0	0
Debt instruments		0	0	0	0	0
Loans to banks and customers		0	0	0	0	0
Debt securities		0	0	0	0	0
Financial assets at fair value through profit or loss – Non-standard		0	0	0	0	0
Equity instruments		0	0	0	0	0
Shares and other equity		0	0	0	0	0
Financial assets at fair value through profit or loss – Excluding assets held for trading		0	0	0	0	0
Debt instruments		8,223	0	49,767	0	0
Loans to banks and customers		0	0	0	0	0
Debt securities		8,223	0	49,767	0	0
Equity instruments		0	0	0	0	0
Shares and other equity		0	0	0	0	0
Financial assets at fair value through other comprehensive income		8,223	0	49,767	0	0
Interest rate derivatives		0	0	0	0	0
Equity derivatives		0	0	0	0	0
Currency derivatives		0	0	0	0	0
Credit derivatives		0	0	0	0	0
Other derivatives		0	0	0	0	0
Hedging derivatives		0	0	0	0	0

In thousands of euros	2023 fiscal year						
	From	Level 1	Level 1	Level 2	Level 2	Level 3	Level 3
	To	Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
FINANCIAL LIABILITIES							
Debt securities		0	0	0	0	0	0
Derivatives		0	0	0	0	0	0
Interest rate derivatives		0	0	0	0	0	0
Equity derivatives		0	0	0	0	0	0
Currency derivatives		0	0	0	0	0	0
Credit derivatives		0	0	0	0	0	0
Other derivatives		0	0	0	0	0	0
Other financial liabilities		0	0	0	0	0	0
Financial liabilities at fair value through profit or loss – Held for trading⁽¹⁾		0	0	0	0	0	0
Derivatives		0	0	0	0	0	0
Interest rate derivatives		0	0	0	0	0	0
Equity derivatives		0	0	0	0	0	0
Currency derivatives		0	0	0	0	0	0
Credit derivatives		0	0	0	0	0	0
Other derivatives		0	0	0	0	0	0
Financial liabilities at fair value through profit or loss – Economic hedges		0	0	0	0	0	0
Debt securities		0	0	0	0	0	0
Other financial liabilities		0	0	0	0	0	0
Financial liabilities at fair value through profit or loss – Under option		0	0	0	0	0	0
Interest rate derivatives		0	0	0	0	0	0
Equity derivatives		0	0	0	0	0	0
Currency derivatives		0	0	0	0	0	0
Credit derivatives		0	0	0	0	0	0
Other derivatives		0	0	0	0	0	0
Hedging derivatives		0	0	0	0	0	0

(1) Excluding technical hedging.

The amounts of transfers indicated in this statement are those of the last valuation preceding the transfer.

10.1.4 Sensitivity of Level 3 assets and liabilities to changes in the principal assumptions

The main instrument measured at Level 3 fair value on BRED Group's balance sheet is its investment in BPCE's central institution.

This investment is classified in "fair value through non-recyclable equity."

The methods used for measuring the fair value of BPCE SA's security are described in Note 10 relating to the determination of fair value. The measurement method used is the revalued net assets method, which incorporates the remeasurement of BPCE's main subsidiaries.

This measurement model is based on internal inputs. The discount rate is one of the most significant inputs. By contrast, the growth rate to infinity has no material impact on the fair value at December 31, 2024.

A 0.25% decrease in the discount rate would lead to an increase in the fair value of BPCE's security of €618 million, all

other things being equal. This amount would have a positive impact on "Gains and losses recognized directly in equity" to the extent of BRED Banque Populaire's percentage holding.

A 0.25% increase in the discount rate would lead to a decrease in the fair value of BPCE's security of €581 million, all other things being equal. This amount would have a negative impact on "Gains and losses recognized directly in equity" to the extent of BRED Banque Populaire's percentage holding. BRED Group's assets classified in Level 3 fair value are sensitive to changes in economic conditions in France and Europe as a whole. Excluding BPCE securities, this sensitivity is estimated at €151 million.

The cumulative preponderant sensitivity (interest rates, inflation, equities, etc.) of derivatives classified in Level 3 amounts to -€71 million in the event of a 100 basis point increase in the underlying factors and €80 million in the event of a 100 basis point decrease in the underlying factors.

10.2 Fair value of financial assets and liabilities at amortized cost

For financial instruments not measured at fair value on the balance sheet, fair value calculations are provided for information purposes and must only be interpreted as estimates.

In most cases, the values indicated are not liable to be realized and generally may not be realized in practice.

These fair values are thus only provided for information purposes in the notes to the financial statements. They are not indicators used for management purposes in retail banking, whose business model is based on the collection of expected cash flows.

The simplified assumptions used to measure the fair value of instruments at amortized costs are presented in Note 10.1.

In thousands of euros	12/31/2024				12/31/2023			
	Fair value	Level 1	Level 2	Level 3	Fair value	Level 1	Level 2	Level 3
FINANCIAL ASSETS AT AMORTIZED COST	55,815,102	268,567	20,174,417	35,372,119	53,180,062	393,858	20,758,753	32,027,451
Loans and advances to banks	9,539,505	0	6,996,581	2,542,924	8,987,058	0	6,804,328	2,182,731
Loans and advances to customers	43,626,510	0	11,223,967	32,402,543	41,710,890	0	12,188,032	29,522,858
Debt securities	2,649,088	268,567	1,953,869	426,652	2,482,115	393,858	1,766,394	321,863
Other								
FINANCIAL LIABILITIES AT AMORTIZED COST	97,787,171	0	82,857,054	14,930,117	91,437,390	0	78,011,671	13,425,719
Amounts due to banks	24,245,641	0	23,902,292	343,349	20,818,511	0	20,466,962	351,549
Amounts due to customers	65,690,541	0	51,156,403	14,534,138	61,426,328	0	48,369,817	13,056,510
Debt securities	7,845,533	0	7,792,903	52,630	9,185,203	0	9,167,543	17,660
Subordinated debt	5,456	0	5,456	0	7,349	0	7,349	0

Note 11 Tax

11.1 Income tax

Accounting principles

Income taxes include all domestic and foreign taxes payable on the basis of taxable profits. Income tax also includes taxes, such as withholding taxes, which are payable by a subsidiary, an associate or a joint arrangement on distributions of dividends to the entity that draws up financial statements. The CVAE (Business Added Value Tax) is not considered an income tax.

Income taxes include:

- current taxes, which are the amount of income taxes payable on taxable profit or recoverable on a tax loss over a given period. They are calculated on the basis of the tax results of a period of each consolidated tax entity by applying the prevailing tax rates and rules established by the tax authorities and on the basis of which the tax must be paid (recovered);
- deferred taxes (see Note 11.2).

Where it is probable that one of the Group's tax positions will not be accepted by the tax authorities, this situation is reflected in the financial statements when calculating current tax (due or recoverable) and deferred tax (asset or liability).

IAS 12 "Income Taxes" gave no particular details on how to account for uncertainties in income taxes, and was clarified by IFRIC 23 "Uncertainty over Income Tax Treatments", which was adopted by the European Commission on October 23, 2018 with effect from January 1, 2019.

This interpretation clarifies how to apply the deferred income tax recognition and measurement requirements when there is uncertainty over income tax treatments. If there is doubt as to the acceptability of the income tax treatment by the tax authority under tax law, then this tax treatment is an uncertain tax treatment. Assuming it is likely that the tax authority will not accept the income tax treatment used, IFRIC 23 states that the amount of the uncertainty to be reflected in the financial statements shall be estimated using the method that will better predict the resolution of the uncertainty. To determine this amount, two approaches may be used: the most likely amount or the expected value of the tax treatment (that is, the weighted average of the different scenarios possible). Furthermore, IFRIC 23 requires the measurement of tax uncertainties to be reassessed if facts and circumstances change or new information arises.

The Group reflects uncertainties regarding its tax treatment for income tax in its financial statements when it deems it probable that the tax authority will not accept its treatment. To ascertain whether a tax position is uncertain and to assess its effect on the amount of tax, the Group assumes that the tax authority will examine all amounts reported and have full knowledge of all related information. It bases its judgment on administrative policy, case-law and on the existence of any corrections made by the administration relating to similar tax uncertainties. The Group revises the estimate of the amount it expects to pay or recover from the tax authority due to tax uncertainties in the event of changes in the associated facts and circumstances, as these changes may result from (including, but not limited to) changes in tax law, the expiry of a statutory limitation period, or the outcome of audits and measures conducted by the tax authorities.

Tax uncertainties are reported as assets or liabilities and according to whether they relate to a current or deferred tax under the balance sheet headings "Deferred tax assets", "Current tax assets", "Deferred tax liabilities" and "Current tax liabilities."

Breakdown of tax expense between current and deferred taxes

In thousands of euros	2024 fiscal year	2023 fiscal year
Current taxes	-137,555	-164,036
Deferred taxes	46,774	54,598
INCOME TAXES	-90,781	-109,438

The rules of the OECD Pillar II aiming at the implementation of a minimum global corporate tax rate of 15%, transposed into French law by the Finance act for 2024, are now applicable to fiscal years beginning from January 1, 2024. In this context, Groupe BPCE applies the exception provided by the amendment to IAS 12 of May 2023 on the recognition of deferred taxes, subject to the provision of additional information. BPCE, as the ultimate parent entity of Groupe BPCE, will be liable for this additional tax. In view of current

legal and contractual provisions, BRED Group is therefore not subject to this additional tax, which will be borne by BPCE.

Note, however, the specific cases of jurisdictions where entities are established where local tax regulations provide for the payment to the tax authorities of any top-up tax due in respect of that jurisdiction. In such a case, the relevant Groupe BPCE entity could be required to pay and therefore recognize the additional tax in respect of that jurisdiction (tax legislation still to be adopted).

Reconciliation between the tax expense in the financial statements and the theoretical tax expense

	2024 fiscal year		2023 fiscal year	
	In thousands of euros	Tax rate	In thousands of euros	Tax rate
Net income (attributable to equity holders of the parent)	391,003		319,102	
Value adjustments on goodwill	0		0	
Non-controlling interests	6,408		13,410	
Share in net income of associates	-17,056		-31,027	
Income taxes	90,781		109,439	
INCOME FOR ACCOUNTING PURPOSES BEFORE TAXES AND CHANGES IN THE VALUE OF GOODWILL (A)	471,135		410,923	
Effects of permanent differences ⁽¹⁾	46,675		62,911	
Consolidated taxable income (A)	517,810		473,834	
Standard income tax rate in France (B)		25.83%		25.83%
Theoretical tax expense (income) at the tax rate applicable in France (AxB)	-133,750		-122,391	
Impact of the change in unrecognized deferred tax assets and liabilities				
Reduced rate of tax and tax-exempt activities	41		-243	
Difference in tax rates on income taxed outside France	5,603		4,646	
Tax on prior periods, tax credits and other taxes	16,459		-1,881	
Impact of changes in the tax rate				
Other items	20,867		10,430	
INCOME TAX EXPENSE (INCOME) RECOGNIZED	-90,781		-109,439	
EFFECTIVE TAX RATE (INCOME TAX EXPENSE DIVIDED BY TAXABLE INCOME)		-17.53%		-23.10%

(1) Permanent differences are presented in the base and restated in consolidated taxable income. Their effect is, therefore, excluded from the difference between the effective tax rate and the theoretical tax rate.

11.2 Deferred taxes

Accounting principles

Deferred tax assets and liabilities are recognized when temporary differences arise between the carrying amount of assets and liabilities on the balance sheet and their tax base, irrespective of when the tax is expected to be recovered or settled.

The tax rate and tax rules used to calculate deferred taxes are those resulting from current tax legislation, and which will be applicable when the tax becomes payable or recoverable.

Deferred tax liabilities and assets are offset at the level of each tax entity. The tax entity may either be a single entity or a tax consolidation group. Deferred tax assets are recognized only to the extent that it is probable that the entity will be able to recover them in the foreseeable future.

Deferred tax assets and liabilities are recognized as tax income or expense in the income statement, except for those related to:

- revaluation differences on post-employment benefits;
- unrealized gains and losses on financial assets at fair value through other comprehensive income;
- changes in the fair value of derivatives used as cash flow hedges;

for which the corresponding deferred tax assets and liabilities are recognized as unrealized gains and losses directly in other comprehensive income.

Deferred tax assets and liabilities are not discounted to their present value.

On May 23, 2023, the International Accounting Standards Board (IASB), in charge of preparing IFRS, published the final version of the amendment to IAS 12 on tax accounting. It specifically deals with the expected accounting impacts of the application of the entry into force of the OECD's so-called "Pillar II" tax rules aimed at implementing a set minimum global corporate tax rate at 15%. The proposed amendments to the standard seek an exemption from the recognition of deferred taxes associated with this additional tax with, in return, information to be provided in the notes to the financial statements. This text applies to annual financial statements for periods beginning on or after January 1, 2023, i.e., for BRED Group, to the consolidated financial statements for the year ended December 31, 2023.

BRED Group is included in the work of Groupe BPCE, which established a project structure to monitor the various associated regulations and ensure compliance with Pillar II rules and the additional information requirements introduced by these amendments to IAS 12. At this stage of the project, it appears that the number of jurisdictions that would be affected by the application of a top-up-tax should be limited and the financial stakes not significant. Given the insignificant nature of its potential exposure, the Group will not publish data on exposure to this additional tax in the context of this closing.

Deferred tax assets and liabilities on temporary differences arise from the recognition of the items listed in the statement below (positive figures indicate deferred tax assets, while negative figures in brackets represent deferred tax liabilities):

<i>In thousands of euros</i>	12/31/2024	12/31/2023
Deferred taxes resulting from accounting-tax timing differences	231,972	174,303
Provisions for employee-related liabilities	21,151	14,292
Provisions for regulated home purchase savings products	4,266	4,845
Provisions on a portfolio basis	43,427	47,114
Other non-deductible provisions	80,891	57,446
Deferred tax on tax loss carryforwards	4,309	7,102
Unrecognized deferred tax assets and liabilities	-4,309	-5,268
Other sources of temporary differences	82,237	48,772
Deferred taxes on unrealized reserves	-7,181	-9,369
Financial assets at fair value through OCI NR ⁽¹⁾	-235	-294
Financial assets at fair value through OCI R ⁽¹⁾	-6,746	-4,360
Cash flow hedges	2,713	-4,156
Actuarial gains and losses on employee benefits	-2,913	-559
Own credit risk	0	0
Unrecognized deferred tax assets and liabilities	0	0
Deferred income taxes	-30,517	-44,558
NET DEFERRED TAX ASSETS AND LIABILITIES	194,274	120,376
Recognized		
• As assets in the balance sheet	204,434	307,858
• As liabilities in the balance sheet	-10,161	-187,482

(1) Deferred taxes associated with these instruments are presented net of deferred taxes corresponding to the cancellation of provisions for impairment under French GAAP.

Deferred tax assets are only recognized at the reporting date if it is probable that the tax entity concerned will recover the tax savings over a specified period. BRED Group applies the following principle: tax business plans are based on the first three years of the strategic plan.

These savings will be realized by deducting tax differences and losses carried forward against profits estimated future taxable liabilities within this horizon.

Note 12 Other information

12.1 Segment reporting

12.1.1 Segment analysis of the consolidated income statement

BRED Banque Populaire's operations are organized into four business divisions:

- commercial banking in France, which includes all the activities of the branches, wealth management centers, business centers, Corporate & Investment Banking and the subsidiaries associated with these business lines, as well asset/liability management (ALM);
- international commercial banking;
- Capital Markets Department;
- Consolidated Investment Management division.

	Commercial Banking France* & ALM			International Banking			Corporate & Investment Banking			Consolidated Investment Management		
In thousands of euros	2024	2023	Change 2024/2023	2024	2023	Change 2024/2023	2024	2023	Change 2024/2023	2024	2023	Change 2024/2023
NET BANKING INCOME	684,459	751,533	-8.9%	208,942	192,779	8.4%	395,374	308,040	28.4%	179,183	83,945	113.5%
Operating expense	-501,589	-495,064	1.3%	-117,177	-112,966	3.7%	-159,675	-160,826	-0.7%	-56,794	-53,677	5.8%
Gross operating income	182,870	256,469	-28.7%	91,764	79,813	15.0%	235,698	147,214	60.1%	122,389	30,267	304.4%
Cost/income ratio	73.3%	65.9%	+7.4 pts	56.1%	58.6%	-2.5 pts	40.4%	52.2%	-11.8 pts	31.7%	63.9%	-32.2 pts
Cost of risk on performing outstandings (Stages 1 and 2)	-75,363	8,164	///	-3,881	7,750	///	0	0	///	-63	-13,167	-99.5%
Cost of risk on impaired outstandings (Stage 3)	-85,566	-71,016	20.5%	-9,742	-7,862	23.9%	-14,511	-27,643	///	-6,372	154	///
Cost of risk	-160,929	-62,852	x 2.6	-13,623	-112	x 121.9	-14,511	-27,643	///	-6,435	-13,013	x 0.5
Net operating income	21,940	193,617	-88.7%	78,142	79,701	-2.0%	221,188	119,572	85.0%	115,954	17,254	572.0%
Income of companies accounted for using the equity method	0	0	///	17,056	30,912	-44.8%	0	0	///	0	115	-100.0%
Gains or losses on other assets	0	0	///	0	0	///	52,970	0	///	-19,059	780	///
Value adjustments on goodwill	0	0	///	0	0	///	0	0	///	0	0	///
Income before tax	21,940	193,617	-88.7%	95,198	110,613	-13.9%	274,158	119,572	129.3%	96,895	18,150	433.9%

(*) Excluding CIB and subsidiaries, now included in the new FIB.

The 2023 data are presented on a pro forma basis, taking into account the FIB newly created at the end of 2024, for reasons of consistency and comparability.

12.1.2 Segment reporting by geographic region

The geographic analysis of segment profits or losses is based on the location in which the activities are recorded for accounting purposes.

| Net banking income⁽¹⁾

In thousands of euros	2024 fiscal year	2023 fiscal year
France	1,274,019	1,158,263
Rest of Europe	69,387	62,889
North America	0	0
Rest of world	124,552	115,144
TOTAL ASSETS	1,467,957	1,336,296

(1) The presentation of these appendices has been revised for better readability.

Total segment assets⁽¹⁾

In thousands of euros	2024 fiscal year	2023 fiscal year
France	109,860,771	105,059,540
Rest of Europe	3,828,213	3,324,729
North America	0	0
Rest of world	3,834,153	2,444,663
TOTAL ASSETS	117,523,136	110,828,932

(1) The presentation of these appendices has been revised for better readability.

12.2 Information on leases

12.2.1 Leases as lessor

Accounting principles

Leases are analyzed to determine whether in substance and economic reality they are operating leases or finance leases.

Finance leases

A finance lease is a lease that transfers to the lessee most of the risks and rewards incidental to ownership of an asset.

IFRS 16 standard for Leases gives in particular five examples of situations that, individually or collectively, permit to distinguish finance lease to operating lease:

- the lease transfers ownership of the asset to the lessee at the end of the lease term;
- the lease provides the lessee with the option to purchase the asset at a price that is expected to be sufficiently below the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised;
- the lease term covers most of the economic life of the asset even if there is no transfer of ownership;
- at inception of the lease, the present value of the lease payments amounts to at least substantially all of the fair value of the underlying asset;
- the leased assets are of such a specialized nature that only the lessee can use them without major modifications.

IFRS 16 also describes three indicators that may also individually or collectively lead to a lease being classified as a finance lease:

- if the lessee can cancel the lease, the lessor's losses associated with the cancellation are borne by the lessee;
- gains or losses from the change in the fair value of the residual value accrue to the lessee;
- the lessee has the ability to extend the lease at a rent that is significantly lower than the market rent.

At the start of the contract, assets under finance leases are recorded in the lessor's balance sheet in the form of a receivable amount equal to the net investment in the lease contract. The net investment corresponds to the amount of lease payments receivable from the lessee, discounted at the interest rate implicit in the lease plus any unguaranteed residual value of the asset accruing to the lessor. More specifically, the lease payments used to calculate the net investment include fixed payments less any lease incentives payable and variable payments that depend on an index or rate.

IFRS 16 requires unguaranteed residual values to be reviewed on a regular basis. A reduction in the estimated unguaranteed residual value modifies the income allocation over the lease term. In this case, a new amortization schedule is established and an expense is recorded to correct the amount of financial income already recognized.

Any impairment losses for counterparty risk on finance lease receivables are determined in accordance with IFRS 9 and using the same method as for financial assets at amortized cost (Note 4.1.10). This impairment is recorded on the income statement under "Cost of credit risk."

Finance lease income is considered to be interest and is recognized in the income statement under "Interest and similar income." This income is recognized using the interest rate implicit in the lease, which reflects a constant periodic rate of return on the lessor's net investment. The implicit interest rate is the discount rate that makes the following two items equal:

- the net investment; and
- the initial value of the asset (the fair value at the inception of the lease, plus any initial direct costs comprising expenses incurred specifically by the lessor to set up the lease).

Operating leases

A lease which is not considered to be a finance lease is classified as an operating lease.

Assets provided under operating leases are shown in the balance sheet under property, plant and equipment or intangible assets in the case of equipment leases, and investment property in the case of property leases. Lease income from operating leases is recognized in the income statement on a straight-line basis over the lease term, under "Income and expenses from other activities."

Income from leases – lessor

<i>In thousands of euros</i>	2024 fiscal year	2023 fiscal year
Interest and similar income	0	0
Variable lease payments not included in the measurement of the net investment	0	0
Capital gains or losses on disposals of assets made available under finance leases	0	0
Finance lease income	0	0
Lease income	853	933
Variable lease payments that are not based on an index or rate	0	0
Operating lease income	853	933

Schedule of finance lease receivables

<i>In thousands of euros</i>	12/31/2024							12/31/2023						
	Residual maturity							Residual maturity						
	< 1 year	1 year < 2 years	2 years < 3 years	3 years < 4 years	4 years < 5 years	> 5 years	Overall	< 1 year	1 year < 2 years	2 years < 3 years	3 years < 4 years	4 years < 5 years	> 5 years	Overall
Finance leases														
Undiscounted lease payments (gross investment)	110,500	92,724	70,823	46,267	27,180	8,491	355,985	122,086	82,288	60,329	42,508	20,760	8,395	336,366
Discounted lease payments (net investment)	110,430	92,666	70,779	46,238	27,163	8,486	355,762	115,963	78,161	57,303	40,376	19,719	7,974	319,496
o/w discounted amount of the unguaranteed residual value	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial income not received	70	58	44	29	17	5	223	6,123	4,127	3,026	2,132	1,041	421	16,870
Operating leases														
Lease payments	849	777	693	684	-	-	3,003	952	845	713	693	171	-	3,374

12.2.2 Leases as lessee

Accounting principles

IFRS 16 applies to contracts that, irrespective of their legal form, meet the definition of a lease as laid down by the standard. The standard requires the identification of an asset, and that the lessee controls the right to use this asset for a period of time. Control is established if the lessee holds the following two rights throughout the period of use:

- the right to obtain almost all of the economic benefits arising from use of the asset;
- the right to decide how the asset is used.

The existence of an identified asset requires that the lessor has no substantive rights to substitute alternative assets, with this requirement being assessed according to facts and circumstances in place at the start of the contract. If the lessor can freely substitute the leased asset, the contract becomes a non-lease contract whose purpose is to provide capacity rather than an asset.

The asset can be comprised of a portion of a larger asset, such as a floor within a building. However, a portion of an asset that is not physically distinct within a grouping without a pre-determined location is not an identified asset.

With certain exceptions, lessees are required under IFRS 16 to record leases in the balance sheet as a right-of-use asset under "Property, plant and equipment" or "Investment property", and as lease liabilities under "Other liabilities."

On the date of initial recognition, no deferred tax is reported if the value of the asset is equal to the value of the liability. Deferred tax is recorded for subsequent net temporary differences arising from changes in amounts recognized as right-of-use assets and lease liabilities.

At the commencement date, the lessee measures the lease liability at the present value of the lease payments that are not paid at that date.

These payments include fixed or substantially fixed lease payments, variable lease payments based on an index or rate used based on the last index or rate in force, any residual value guarantees and, where applicable, any sums to be paid to the lessor in respect of options that are reasonably certain to be exercised.

Lease payments used to determine the lease liability exclude variable payments that are not based on an index or a rate, taxes such as VAT, whether recoverable or not, and the housing tax.

Right-of-use is recognized as an asset on the commencement date of the lease for an amount equal to the lease liability on that date, adjusted for any payments made to the lessor at or before that date and not taken into account for the measurement of the lease liability, less any lease incentives received. Where applicable, this amount is adjusted for initial direct costs incurred by the lessee and an estimate of decommissioning and restoration costs, insofar as this is required by the terms and conditions of the lease and the outflow of resources is likely and can be determined with sufficient reliability.

The right of use will be amortized on a straight-line basis and the lease liability on an actuarial basis over the lease term, using the lessee's incremental borrowing rate at the mid-point of the lease as the discount rate.

The amount of lease liabilities is subsequently readjusted to take into account variations in the indices or rates to which the leases are indexed. As this adjustment reflects the right of use, it has no impact on the income statement.

For entities covered by the shared financial support mechanism that centralize their refinancing with Group Treasury, this rate is determined at Group level and adjusted, where appropriate, in the currency applicable to the lessee.

The lease term is the non-cancellable period for which a lessee has the right to use an underlying asset, together with the periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and the periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

For French "3/6/9" commercial leases, the term used is usually nine years. The reasonable certainty of whether the options relating to the lease term will be exercised is assessed by considering Group entities' real estate management strategy.

At the end of the lease, the contract is no longer enforceable and the lessee and the lessor each has the right to terminate the lease without permission from the other party with no more than an insignificant penalty.

Leases that are neither renewed nor terminated at the end, known as "tacitly extended", are considered to have a residual term of nine months, corresponding to the current period plus the termination notice period.

The term of leases that are not extended or canceled at the end of the term (leases with automatic renewal) is determined by expert appraisal and, in the absence of specific information, assigned a reasonable term of three years.

For leases recognized in the balance sheet, the expense relating to the lease liability is reported as an interest expense under net banking income while the depreciation expense on the right-of-use asset is recognized as a depreciation expense under gross operating income.

Leases not recognized in the balance sheet and variable payments that are excluded from lease liabilities are recorded as an expense for the period under operating expenses.

Impact of leases on the lessee income statement

<i>In thousands of euros</i>	2024 fiscal year	2023 fiscal year
Interest expense on lease liabilities	-936	-661
Depreciation of right-of-use assets	-22,811	-21,637
Variable lease payments not taken into account in the measurement of lease liabilities	-	-231
LEASE EXPENSES RELATING TO LEASES RECOGNIZED ON THE BALANCE SHEET	-23,747	-22,529

<i>In thousands of euros</i>	2024 fiscal year	2023 fiscal year
Expenses on short-term leases	-358	-618
Lease expenses relating to low-value assets	-936	-805
LEASE EXPENSES RELATING TO LEASES NOT RECOGNIZED ON THE BALANCE SHEET	-1,294	-1,423

Schedule of lease liabilities

<i>In thousands of euros</i>	12/31/2024					12/31/2023				
	Amounts of non-discounted future payments					Amounts of non-discounted future payments				
	6 months to < 1 year					6 months to < 1 year				
	<6 months	6 months to < 1 year	1 year < 5 years	> 5 years	Overall	<6 months	6 months to < 1 year	1 year < 5 years	> 5 years	Overall
Lease liabilities	9,241	8,340	46,274	8,045	71,900	10,189	9,653	43,593	11,000	74,435

Commitments on leases not yet recognized in the balance sheet

<i>In thousands of euros</i>	12/31/2024				12/31/2023			
	Amounts of non-discounted future payments				Amounts of non-discounted future payments			
	<1 year	1 year < 5 years	> 5 years	Overall	<1 year	1 year < 5 years	> 5 years	Overall
Leases for which the underlying assets are not yet made available	-	-	-	-	-	-	-	-

In accordance with IFRS 16, future minimum payments relating to leases to which the Group is committed but whose underlying assets have not yet been made available are not recognized on the balance sheet prior to their commencement date. The following table shows the minimum payments expected on these contracts.

Income from leases recognized on the balance sheet

<i>In thousands of euros</i>	2024 fiscal year	2023 fiscal year
Income from sub-leasing/operating leases	72	70
Income from sub-leases/finance leases	0	0

When the Group decides to sub-let all or part of an asset that is itself leased, the sub-lease is analyzed using substantially the same approach as that used by the lessors.

Income from such leases is presented using the same approach as lessors: as income from other activities for operating leases and as interest income for finance leases.

Profit or loss on sale and leaseback transactions

<i>In thousands of euros</i>	2024 fiscal year	2023 fiscal year
Profits (or losses) arising from sale and leaseback transactions	0	0

12.3 Related party transactions

Related parties are all companies consolidated by the Group, including companies consolidated using the equity method and BPCE.

12.3.1 Transactions with consolidated companies

All intercompany transactions carried out during the period and balances outstanding at the end of the period with fully consolidated companies are eliminated in full on consolidation without exception (see 3.3.2).

The statement below only provides data on intercompany transactions concerning:

- BPCE's central institution;
- joint ventures accounted for using the equity method;
- entities over which the Group exercises significant influence and which are equity-accounted (associates).

<i>In thousands of euros</i>	12/31/2024				12/31/2023			
	Parent company	Entities exercising joint control or significant influence	Joint ventures and other related parties	Associates	Parent company	Entities exercising joint control or significant influence	Joint ventures and other related parties	Associates
Loans	4,315,269			238,668	4,225,917			295,780
Other financial assets	1,186,443			-	1,141,228			-
Other assets	313			-	640			24,892
Total assets with related entities	5,502,025			238,668	5,367,785			320,672
Liabilities	5,808,628			22,191	6,714,524			33,356
Other financial liabilities								
Other liabilities								
Total liabilities towards related entities	5,808,628			22,191	6,714,524			33,356
Interest and similar income and expenses	-103,962			10,790	-95,753			9,037
Commissions	-7,570			-	-9,047			-
Net profit or loss on financial transactions	54,970			-	52,238			-
Net income from other activities								
Total net banking income with related entities	-56,562			10,790	-52,562			9,037
Commitments given								
Commitments received	28,029			0	126,000			0
Commitments in respect of forward financial instruments								
Total commitments involving related entities	28,029			0	126,000			0

A list of fully consolidated subsidiaries is provided in Note 14 "Scope of consolidation."

12.4 Partnerships and associates

Accounting principles

See Note 3.

12.4.1 Investments accounted for using equity method

12.4.1.1 Partnerships and other associates

The Group's main equity-accounted investments are the following joint ventures and associates:

<i>In thousands of euros</i>	12/31/2024	12/31/2023
ACLEDA Bank Plc	196,172	171,338
BCEL Public	7,644	6,168
Banque Calédonienne d'Investissement	190,802	197,111
SOCREDO Banque Polynésienne	43,287	41,685
Other	0	0
Financial companies	437,904	416,302
Aurora		4,658
Other	1	0
Non-financial companies	1	4,658
TOTAL EQUITY INTERESTS IN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD	437,905	420,960

12.4.1.2 Financial data for the main joint arrangements and associates

Summarized financial data (drawn up on the basis of the latest available data published by the entities concerned) for joint ventures and companies under significant influence is provided in the table below:

<i>In thousands of euros</i>	Associates		
	Banque Calédonienne d'Investissement (BCI)	ACLEDA Bank Plc	SOCREDO Banque Polynésienne
DIVIDENDS RECEIVED	3,576	1,544	369
MAIN AGGREGATES			
Total assets	3,528,436	9,647,843	3,501,408
Total liabilities	3,146,067	8,177,209	3,143,163
Income statement	-	-	-
NBI	81,217	488,235	94,333
Net operating income	-7,286	161,985	24,877
Income tax	1,677	-33,262	-7,067
Net income	-3,894	128,724	13,569
RECONCILIATION WITH THE VALUE ON THE BALANCE SHEET OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD			
Equity of associates	382,369	1,470,634	358,245
Percentage ownership	49.90%	12.13%	15.00%
VALUE OF INVESTMENTS IN ASSOCIATES	190,802	178,346	53,737
Goodwill	0	17,826	0
Other	0		-10,450
VALUE OF INVESTMENTS IN ASSOCIATES	190,802	196,172	43,287

Summarized financial data for immaterial joint ventures and companies under significant influence at December 31, 2024, is provided in the table below:

At December 31, 2024

Immaterial companies

<i>In thousands of euros</i>	Joint ventures	Associates
Carrying amount of equity interests accounted for using the equity method	0	7,645
Total share in:		
Net income (A)	0	1,722
o/w, discontinued operations		
Gains and losses recognized directly in equity (B)	0	-13,720
Comprehensive income (A) + (B)	0	-11,998

At December 31, 2023

Immaterial companies

<i>In thousands of euros</i>	Joint ventures	Associates
Carrying amount of equity interests accounted for using the equity method	0	10,826
Total share in:		
Net income (A)	0	2,171
o/w, discontinued operations		
Gains and losses recognized directly in equity (B)	0	-13,902
Comprehensive income (A) + (B)	0	-11,731

4.

12.4.1.3 Nature and scope of significant restrictions

BRED Group has not experienced significant restrictions associated with the interests held in associates and joint ventures.

12.4.2 Share of net income of associates accounted for using the equity method

<i>In thousands of euros</i>	12/31/2024	12/31/2023
ACLEDA Bank Plc	15,495	15,948
BCEL Public	1,722	2,056
Banque Calédonienne d'Investissement	-2,131	10,797
SOCREDO Banque Polynésienne	1,970	2,111
Other		0
Financial companies	17,056	30,912
Other	0	115
Non-financial companies	0	115
SHARE OF NET INCOME OF ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD	17,056	31,027

12.5 Interests in non-consolidated structured entities

12.5.1 Nature of interests in non-consolidated structured entities

A non-consolidated structured entity is a structured entity that is not controlled and is therefore not accounted for using the full consolidation method. Consequently, the interests held in a joint venture or associate classified as a structured entity fall within the scope of this note.

The same is true of controlled structured entities that are not consolidated due to holding threshold reasons.

These include all structured entities in which BRED Group holds an interest and is involved with in one or more of the following capacities:

- originator/structurer/arranger;
- placement agent;
- manager; and
- in any other capacity that has a major impact on the structuring or management of the transaction (e.g., provision of financing, guarantees or structuring derivatives, tax investor, major investor, etc.).

In the specific case of asset management, investments in private equity, venture capital and real estate funds are disclosed, unless they are immaterial for BRED Group.

An interest in an entity corresponds to any type of contractual or non-contractual relationship that exposes BRED Group to a risk of fluctuating returns linked to the entity's performance. Interests in another entity may be evidenced by, among others, the holding of equity instruments or debt securities, as well as, by other types of relationships, such as financing, short-term credit facilities, credit enhancement, the provision of guarantees or structured derivatives.

In Note 14.3, BRED Group discloses all transactions recorded on its balance sheet in respect of risks associated with interests held in the structured entities included in the scope described above.

The structured entities with which the Group has a relationship can be divided into four categories: entities involved in asset management, securitization vehicles, entities created for structured financing purposes, and entities created for other types of transactions.

Asset Management

Financial asset management (also known as portfolio management) consists of managing equity or funds entrusted by investors by investing in equities, bonds, mutual funds or hedge funds, etc.

The Asset Management line of business which uses structured entities is represented by collective investment management or fund management. More specifically, it encompasses collective investment vehicles within the meaning of the French Monetary and Financial Code (other than securitization structures) as well as equivalent bodies governed by foreign law. These notably include entities such as UCITS, real estate funds and private equity funds.

Securitization

Securitization transactions are generally established as structured entities in which assets or derivatives representing credit risk are isolated.

These entities serve to diversify the underlying credit risks and to split them into various levels of subordination (tranches) with a view, generally, to sell them to investors seeking a certain level of return, according to the degree of risk accepted.

These vehicles' assets and the liabilities that they issue are rated by the rating agencies, which monitor that the level of risk associated with each tranche of risk sold is commensurate with the attributed rating.

The kind of securitization transactions used and which require the intervention of structured entities are as follows:

- transactions where the Group (or a subsidiary) sells on its own behalf to a dedicated vehicle, in cash or synthetic form, the credit risk associated with one of its asset portfolios;
- securitization transactions performed on behalf of third parties. These transactions consist of housing assets belonging to a third-party company in a dedicated structure, generally a securitization fund. The SPE issues shares that can, in certain cases, be subscribed for directly by investors, or subscribed for by a multi-seller conduit which refinances the acquisition of these shares through the issue of short-term notes (commercial paper).

Structured financing (of assets)

Structured financing covers the range of activities and products set up to provide financing to economic players while reducing risks through the use of complex structures. These include the financing of movable assets (pertaining to aeronautic, marine or terrestrial transport, telecommunications, etc.), real estate assets and the acquisition of targeted companies (LBO financing).

The Group may need to create a structured entity that houses a specific financing transaction on behalf of a customer. This is a contractual and structural organization. The particularities of these types of financing are related to risk management, with the use of notions such as limited recourse or waivers of recourse, standard and/or structural subordination and the use of dedicated legal vehicles used in particular to carry a single-contract finance lease representing the financing granted.

Other activities

"Other activities" covers all remaining activities.

12.5.2 Nature of risks associated with interests held in non-consolidated structured entities

Assets and liabilities recognized in the Group's various balance sheet accounts relating to interests in non-consolidated structured entities contribute to determining the risks associated with these entities.

The values recorded under the balance sheet assets, along with financing and guarantee commitments given less guarantee commitments received and provisions recorded in liabilities, are used to assess the maximum exposure to risk of losses. It should be noted that the maximum exposure to the risk of loss does not take into account financial liabilities at fair value through profit or loss. This exposure is limited, in the specific case of optional derivatives, to the sale of options.

The "notional amounts" line corresponds to the notional amount of options sold to structured entities.

The data are presented below, aggregated based on their activity classification.

At December 31, 2024

Excluding insurance business investments		Asset	Structured	Other
<i>In thousands of euros</i>	Securitization	Management	Financing	activities
Financial assets at fair value through profit or loss	0	445,644	4,460	0
Trading derivatives			4,460	
Trading financial instruments (excluding derivatives)				
Financial assets at fair value through profit or loss – Non-SPPI		445,644		
Financial instruments designated at fair value through profit or loss under option				
Equity instruments not held for trading				
Financial assets at fair value through other comprehensive income				16,530
Financial assets at amortized cost		34,892	625,144	
Other assets				
Total assets	0	480,536	629,604	16,530
Financial liabilities at fair value through profit or loss				
Provisions				
Total liabilities				
Loan commitments given		87,745	404,444	
Guarantee commitments given			241,667	
Guarantee received				
Notional amount of derivatives				
Maximum loss exposure		87,745	646,111	0
Insurance business investments				
<i>In thousands of euros</i>	Securitization	Asset	Structured	Other
Financial assets at fair value through profit or loss	0	2,516,345	0	0
Trading derivatives				
Trading financial instruments (excluding derivatives)			2,516,345	
Financial instruments designated at fair value through profit or loss under option				
Available-for-sale financial assets				
Loans and advances				
Held-to-maturity financial assets				
Other assets				
Total assets	0	2,516,345	0	0
Financial liabilities at fair value through profit or loss				
Liabilities related to insurance policies				
Provisions				
Total liabilities				
Loan commitments given				
Guarantee commitments given				
Guarantee received				
Notional amount of derivatives				
Maximum loss exposure	0	0	0	0
<i>In thousands of euros</i>	Securitization	Asset	Structured	Other
Size of structured entities	0	193,522,306	1,275,715	1,069,466

At December 31, 2023

Excluding insurance business investments <i>In thousands of euros</i>	Securitization	Asset Management	Structured Financing	Other activities
Financial assets at fair value through profit or loss	0	465,659	4,609	0
Trading derivatives	0	0	4,609	0
Trading financial instruments (excluding derivatives)	0		0	0
Financial assets at fair value through profit or loss – Non-SPPI	0	465,659	0	0
Financial instruments designated at fair value through profit or loss under option	0	0	0	0
Equity instruments not held for trading	0	0	0	0
Financial assets at fair value through other comprehensive income	0	0	0	18,157
Financial assets at amortized cost	0	38,357	473,395	0
Other assets	0	0	0	0
Total assets	0	504,016	478,004	18,157
Financial liabilities at fair value through profit or loss	0	0	0	0
Provisions	0	0	0	0
Total liabilities	0	0	0	0
Loan commitments given	0	4,410	346,128	0
Guarantee commitments given	0	0	269,566	0
Guarantee received	0	0	0	0
Notional amount of derivatives	0	0	0	0
Maximum loss exposure	0	508,426	1,093,698	18,157

Insurance business investments <i>In thousands of euros</i>	Securitization	Asset Management	Other activities
Financial assets at fair value through profit or loss	0	1,781,332	0
Trading derivatives	0	0	0
Trading financial instruments (excluding derivatives)	0	1,781,332	0
Financial instruments designated at fair value through profit or loss under option	0	0	0
Available-for-sale financial assets	0	0	0
Loans and advances	0	0	0
Held-to-maturity financial assets	0	0	0
Other assets	0	0	0
Total assets	0	1,781,332	0
Financial liabilities at fair value through profit or loss	0	0	0
Liabilities related to insurance policies	0	0	0
Provisions	0	0	0
Total liabilities	0	0	0
Loan commitments given	0	0	0
Guarantee commitments given	0	0	0
Guarantee received	0	0	0
Notional amount of derivatives	0	0	0
Maximum loss exposure	0	1,781,332	0

<i>In thousands of euros</i>	Securitization	Asset Management	Structured Financing	Other activities
Size of structured entities	0	145,134,118	1,093,698	1,069,466

The size criterion used varies according to the types of structured entities:

- securitization: the total amount of issues recorded in the entities' liabilities;
- asset management: the net assets of collective investment vehicles (other than securitization vehicles);
- structured financing: the total amount of financing outstandings remaining due by the entities to all banks;
- other activities: total assets.

During the period, the Group did not grant any financial support to non-consolidated structured entities in which it holds interests.

12.5.3 Income and carrying amount of assets transferred to sponsored non-consolidated structured entities

A structured entity is sponsored by a group entity when the following two indicators are both satisfied:

- it is involved in the creation and structuring of the structured entity;
- it contributes to the success of the entity by transferring assets to it or by managing relevant activities.

When the Group entity's role is limited to one of advisor, arranger, custodian or placement agent, the structured entity is not considered to be sponsored.

BRED Group is not the sponsor of any structured entities.

12.6 Locations by country

BRED Group is not required to present this information, which is contained in BPCE's report.

12.7 Statutory Auditors' fees

The fees recognized in 2023 and 2024 in respect of assignments performed by the Statutory Auditors belonging to the same network as the Statutory Auditors responsible for auditing BRED's financial statements are as follows:

Amounts <i>In thousands of euros</i>	KPMG				DELOITTE				OVERALL			
	Amount		%		Amount		%		Amount		%	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Certification of financial statements⁽¹⁾	1,369	1,269	85.2%	85.5%	755	868	63.8%	88.1%	2,124	2,137	76.1%	86.5%
• Issuer	333	262			316	250			649	512		
• Fully consolidated subsidiaries	1,036	1,007			439	618			1,475	1,625		
Services other than financial statement certification	238	216	14.8%	14.5%	428	117	36.2%	11.9%	666	333	23.9%	13.5%
• Issuer	176	76			414	75			590	151		
• Fully consolidated subsidiaries	62	140			14	42			76	182		
OVERALL	1,607	1,484	100%	100%	1,183	985	100%	100%	2,790	2,470	100%	100%
<i>Change (as a %)</i>			8.2%				20.0%				13.0%	

(1) Including the services of independent experts or members of the Statutory Auditors' network, which the Statutory Auditor uses in the context of the certification of the accounts.

The increase in fees for the certification of the financial statements for BRED SA in 2024 is due, on the one hand, to the impact of the new IAS 600 procedures required of the Statutory Auditors and, on the other hand, to non-recurring complex matters that took place in 2024: disposal of Vialink, restructuring of Aurora and acquisition of Madagascar.

The decrease in fees for assignments for certification of the financial statements of Deloitte's subsidiaries is mainly due to the one-off increase in fees for Prépar Vie and Prépar IARD linked to the implementation of IFRS 17, which took place in 2023.

Services other than certifying the financial statements consist mainly of regulatory reporting, review of sustainability reports, compliance reviews, and advisory assignments on regulatory issues.

The increase in these amounts for BRED SA is due, on the one hand, to the work on the new CSRD report relating to the publication of information on sustainability for which the fees will be recurring and, on the other hand, to assignments on regulatory subjects entrusted to the Statutory Auditors.

The amounts relate to the services included in the income statement for the fiscal year, including irrecoverable VAT.

Note 13 Conditions for drawing up comparative data

Not applicable for BRED Group in 2024.

Note 14 Exclusion from the scope of consolidation

14.1 Securitization transactions

Accounting principles

Securitization is a financial engineering technique that aims to enhance balance sheet liquidity. From a technical perspective, assets to be securitized are grouped according to the quality of the associated collateral or guarantees and sold to special purpose entities that finance their acquisition by issuing securities underwritten by investors.

Entities created specifically for this purpose are consolidated if the Group exercises control over them. Control is assessed with regard to the criteria of IFRS 10 and is covered in Note 3.2.1.

Securitization transactions within BRED Group

<i>In millions of euros</i>	Type of assets	Inception date	Expected maturity	Nominal at inception	Balance at 12/31/2024
ELIDE 2017_1	Residential home loans	02/02/2017	Dec.-37	1,842	313
Elide 2017-2	Residential home loans	04/27/2017	Oct.-41	1,051	254
ELIDE 2018	Residential home loans	05/29/2018	Sept.-46	1,390	496
ELIDE 2021	Residential home loans	03/25/2021	Mar.-49	2,920	1,803
ELIDE 2022	Residential home loans	11/24/2022	Nov.-50	2,500	1,955
ELIDE 2024	Residential home loans	05/23/2024	Jan.-52	2,000	1,892
ELIDE sub-total				11,703	6,713

14.2 Guaranteed UCITS

Guaranteed UCITS are funds designed to reach a specific amount at the end of a given period, determined by applying a predefined calculation formula based on financial market indicators and, where appropriate, to distribute revenues derived from the investments as determined using the same methods. The portfolio management targets of these funds are guaranteed by a bank.

Based on an analysis of the substance of these funds in accordance with IFRS 10, the Group does not control relevant activities (as management flexibility is limited) and is not exposed to variable returns (as a solid risk monitoring system has been implemented) and therefore does not consolidate these structures.

14.3 Other interests in consolidated subsidiaries and structured entities

BRED Group does not grant any financial support to consolidated structured entities.

14.4 Scope of consolidation at December 31, 2024

Only those entities providing a material contribution are consolidated. For entities meeting the definition of financial sector entities pursuant to Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013 (the Capital Requirements Regulation - CRR), the accounting consolidation thresholds are aligned with the thresholds used for the prudential scope of consolidation with effect from December 31, 2017. Article 19 of the CRR sets a threshold of €10 million in total balance sheet and off-balance sheet assets. For non-financial sector entities, materiality is assessed at the level of the consolidated entities. Based on the principle of ascending materiality, any entity included at a sub-consolidation level is included at all higher consolidation levels, even if it is not material at those levels.

The ownership percentage is indicated for each entity within the scope. The percentage of interest describes the share of equity held by the Group, either directly or indirectly, in companies within the scope. The percentage of interest can be used to determine the share attributable to equity holders of the parent in the net assets of the company held.

	Nationality	Voting interest %	Ownership interest %
Full consolidation			
Parent company			
BRED Banque Populaire, 18, quai de la Rapée, 75012 Paris	F		
Financial undertakings – Banks			
Banque Franco Lao, 11 Lane Xang avenue, Hatsady Village, Chantabouly District Ventiana Capital, Lao PDR, Laos	E	70.00	70.00
BCI Mer Rouge, Avenue Mahamoud HAID, Plateau de Marabou, BP 2122, Djibouti	E	51.00	51.00
BIC BRED, 18, quai de la Rapée, 75012 Paris	F	100.00	100.00
BIC BRED Suisse, Place de Longemalle 8, 1204 Geneva, Switzerland	E	100.00	100.00
BRED Bank Fiji Ltd, Tapoo city Building 5 th Floor, Suva, Fiji Islands	E	90.00	90.00
BRED Bank Cambodia, 30 Norodom bld, SANGRAT PHSAR THMEY 3 KHAN DAUN PENH, Phnom Penh, Cambodia	E	100.00	100.00
BRED Cofilease, 18, quai de la Rapée, 75012 Paris	F	100.00	100.00
BRED Gestion, 18, quai de la Rapée, 75012 Paris	F	100.00	100.00
BRED Vanuatu Lini Highway, PMB 9 088 Port Vila, Republic of Vanuatu	E	85.00	85.00
EPBF, 181, Chaussée de la Hulpe, 1170 Brussels, Belgium	E	100.00	100.00
SBE, Immeuble Village 1, 33 Place Ronde, 92800 Puteaux la Defense	F	90.00	50.00
Socama BRED, 18, quai de la Rapée, 75012 Paris	F	100.00	6.20
Sofider, 3 rue Labourdonnaix, 97400 Saint-Denis de la Réunion	F	100.00	100.00
BRED Salomon Island, Kukum Highway Plaza, PO Box 1639, Honiara, Solomon Islands	E	85.00	85.00
BRED Madagasikara Banque Populaire, 14 rue Général Rabehevitra, 101 Antananarivo, Madagascar	E	70.00	70.00
Financial institutions other than banks			
Cofibred, 18 quai de la Rapée, 75012 Paris	F	100.00	100.00
NJR Invest, 181 Chaussée de la Hulpe, 1170 Brussels, Belgium	E	100.00	100.00
Promepar Asset Management, 18, quai de la Rapée, 75012 Paris	F	100.00	100.00
Soredom, 12 bd du Général de Gaulle, 97200 Fort-de-France	F	100.00	100.00
Other financial undertakings			
Adaxtra Capital, 18, quai de la Rapée, 75012 Paris	F	100.00	100.00
BRED IT, 44, Smooth Life Tower 20 th and 21 st Floor, North Sathorn Road, Silom Sub District, Bang Rak District, Bangkok, Thailand	E	100.00	100.00
Cofeg, 18, quai de la Rapée, 75012 Paris	F	100.00	100.00
FCC Elide, 41, avenue de l'Opéra, 75002 Paris	F	100.00	100.00
Foncière du Vanuatu, 1 st Floor Kumul Highway, Port Vila, Republic of Vanuatu	E	100.00	100.00
IRR Invest, 181 Chaussée de la Hulpe, Boîte 10, 1170 Brussels, Belgium	E	100.00	100.00
Perspectives Entreprises, 18, quai de la Rapée, 75012 Paris	F	100.00	100.00
Prepar Courtage, 33 place Ronde Imm village, 1 Quartier Valmy, CS 90241 92981 Paris la Defense Cedex	F	100.00	100.00
SPIG, 18, quai de la Rapée, 75012 Paris	F	100.00	100.00
Ingépar, Imm.Village 1, Quartier Valmy, 33 Place Ronde, CS 40245, 92981 Paris la Defense Cedex	F	100.00	100.00
Non-financial undertakings – Insurance			
Prépar IARD, Imm.Village 1, Quartier Valmy, 33 Place Ronde, CS 90241, 92981 Paris la Defense Cedex	F	100.00	100.00
Prépar Vie, Imm.Village 1, Quartier Valmy, 33 Place Ronde, CS 90241, 92981 Paris la Defense Cedex	F	99.98	99.98
Consolidation using the equity method			
Banks			
ACLEDA, 61 Preah Monivong Blvd, Kahn Daun Penh, Phnom Penh, Cambodia	E	12.13	12.13
BCEL, 1, Pangkam street, Bang Xiengneun, Vientiane, Laos	E	10.00	10.00
BCI, 54, avenue de la Victoire BP K 5, 98849 Nouméa	F	49.90	49.90
Socredo, 115 rue Dumont d'Urville, BP 130, 98713 Papeete, Tahiti, Polynesia	F	15.00	15.00

14.5 Non-consolidated companies at December 31, 2024

ANC Regulation No. 2016-09 of December 2, 2016, requires companies that prepare their consolidated financial statements in accordance with international standards as adopted by the European Union to publish additional information relating to companies not included in their scope of consolidation as well as equity interests of a significant nature.

Non-consolidated companies include:

- significant equity interests that do not fall within the scope of consolidation;
- companies excluded from the consolidation due to their immaterial interest.

The main significant interests that do not fall within the scope of consolidation, and details of the share of equity held either directly or indirectly by the Group, are as follows:

Company	Location ⁽¹⁾	Share of equity held	Reason for non-consolidation ⁽²⁾	Amount of equity ⁽³⁾ (in thousands of euros)	Amount of income ⁽³⁾ (in thousands of euros)
BPCE	France	5.0%	Lack of control	18,522,613	1,455,069
BP Développement	France	2.2%	Lack of control	208,494	193,483

(1) Country of location.

(2) Absence of control, joint control or significant influence (outside the scope: OS), post-employment benefit plan or employee long-term benefit plan excluded from the scope of IFRS 10 (Empl.), interest acquired with a view to its subsequent disposal in the short term classified in assets held for sale (IFRS 5), etc.

(3) Amount of shareholders' equity and income for the last fiscal year known at the reporting date and based on applicable accounting standards according to the country of location.

The companies excluded from the scope of consolidation due to immaterial nature are shown below, with an indication of the share of capital held by the Group, directly and indirectly, for each:

Company	Location ⁽¹⁾	Share of equity held	Reason for non-consolidation ⁽²⁾
Cofibred 8 SAS	FRANCE	100%	Immaterial entity
VINCEM	FRANCE	17%	Immaterial entity
I2F New Caledonia Nouméa	NEW CALEDONIA	34%	Immaterial entity
Cofibred 6	SWITZERLAND	100%	Immaterial entity
BRD (Cambodia) Ltd	CAMBODIA	100%	Immaterial entity
BRD Laos	LAOS	100%	Immaterial entity
EURL Labourdonnais	FRANCE	100%	Immaterial entity
Iliade I	BELGIUM	100%	Immaterial entity
Bay Dvpt Ltd	VANUATU	50%	Immaterial entity
ATLANTIQ	FRANCE	25%	Immaterial entity
Ingeparticipation 1	FRANCE	100%	Immaterial entity
Ingeparticipation 2	FRANCE	100%	Immaterial entity
SAS Foncière Hérouville	FRANCE	100%	Immaterial entity
FRP II SAS	FRANCE	100%	Immaterial entity
FRPV SAS	FRANCE	100%	Immaterial entity
FRPVI SAS	FRANCE	100%	Immaterial entity
FRPVII SAS	FRANCE	100%	Immaterial entity

(1) Country of location.

(2) Absence of control, joint control or significant influence (outside the scope: OS), not significant (NS), post-employment benefit plan or employee long-term benefit plan excluded from the scope of IFRS 10 (Empl.), interest acquired with a view to its subsequent disposal in the short term classified in assets held for sale (IFRS 5), etc.

4.7 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

This is a translation into English of the statutory auditors' report on the financial statements of the BRED BANQUE POPULAIRE issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Members,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of BRED Banque Populaire for the year ended 31 December 2024.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2024 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from 1st January 2024 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L. 821-53 and R.821-180 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Credit Risk - Impairment of loans and receivables (Statutes 1, 2 and 3)

Identified risk	Our response
BRED Banque Populaire Group is exposed to credit risks. These risks, resulting from the inability of its clients or counterparties to meet their financial commitments, particularly affect its customer lending activities. In accordance with the 'impairment' component of IFRS 9 standard, your Group establishes impairments and provisions intended to cover the risks of expected losses (outstandings in statuses 1 and 2) or incurred losses (outstandings in status 3). The impairment rules for expected loss risks require the establishment of a first impairment status representing an expected loss at 1 year from the origination of a new financial asset classified at amortized cost or fair value through equity and on off-balance sheet commitments; and a second status representing an expected loss at maturity, in case of a significant deterioration in credit risk. Determining these expected credit losses requires exercising judgment, especially to determine: - the criteria for significant increase in credit risk; - the measures of expected losses based on probability of default (PD) and loss given default (LGD); - the methods for incorporating macroeconomic projections both in deterioration criteria and in the measure of expected losses. These configuration elements are integrated into various models developed by the BPCE group for each type of credit portfolio to determine the amount of expected credit losses that your Bank records in its consolidated accounts. These impairments for expected losses (statuses 1 and 2) are determined mainly based on models, developed by the BPCE Group, incorporating various parameters (default probabilities, loss given default, forward-looking information...). These expected loss impairments are supplemented, if necessary, by additional impairments based on sectoral factors considering local specificities identified by the BRED BANQUE POPULAIRE Group. Outstandings of credits bearing a proven counterparty risk (status 3) are subject to impairments determined essentially on an individual basis. These impairments are assessed by management of your bank based on recoverable future cash flows considering the estimated available guarantees for each of the credits concerned. We considered the identification and evaluation of credit risk to be a key audit matter given that the induced provisions constitute a significant estimate for the preparation of the financial statements, and call upon management's judgment both in the attachment of credit outstandings to the different statuses and in the determination of the parameters and calculation modalities of the impairments for outstandings in statuses 1 and 2, as well as in the assessment of the level of individual provisioning of credit outstandings in status 3.	Impairment of outstanding loans under status 1 and 2: Our work mainly consisted of: - verifying the existence of an internal control system allowing an appropriate frequency update of the ratings of the different counterparties; - a critical review of the work performed by the auditors of the BPCE Group's consolidation, who, with their experts and specialists: - verified the existence of governance reviewing at an appropriate frequency the adequacy of impairment models, the parameters used for the calculation of impairments, and analyzing the developments of impairments with respect to IFRS 9; - conducted recalculations on the main types of credit exposures; - carried out controls on the overall IT system implemented by the BPCE Group, including a review of general IT controls, interfaces, and automated controls specific to processing information related to IFRS 9; - conducted controls on the tool provided by the BPCE Group to evaluate the impact on expected credit losses due to sectoral degradations. Furthermore, we have ensured the correct documentation and justification of sectoral provisions recorded in the BRED BANQUE POPULAIRE group. In this regard, we have (i) assessed the criteria used by the group to identify sectors considered, in light of its environment, as being more subject to the impacts of the current economic context, and (ii) conducted a critical review of the provisions thus estimated. Impairment of credit outstandings in status 3 In the context of our audit procedures, we have, in general, examined the control system related to the census of exposures classified in status 3, the monitoring of credit and counterparty risks, the assessment of non-recovery risks, and the determination of impairments and provisions on an individual basis. Our work consisted of assessing the quality of the monitoring system for sensitive, dubious, and litigious counterparties, as well as the credit review process and the framework for valuing collateral. Furthermore, based on a sample of files selected on materiality and risk criteria, we have carried out contradictory analyses of the amounts of impairments and provisions. We also appreciated the detailed information required by IFRS 9 standard under the 'Impairments' component as of 31 December 2024.

The stock of impairments for credit losses on outstanding loans and similar amounted to €1,162 million, of which €355 million under status S1/S2 and 808 M€ under status S3.

The cost of risk for the 2024 financial year amounted to -€195,5 million, compared to -€103,8 million for the 2023 financial year.

For further details on accounting policies and exposures, refer to notes 5.5.3 and 7 which also mention the impacts of the ever-uncertain economic context on credit risk

Valuation of BPCE Shares

Identified risk

The BPCE Group is a cooperative group whose members own the two retail banking networks: the 14 Banques Populaires and the 15 Caisses d'Épargne. Each network holds an equal stake in BPCE, the group's central institution.

The value of the central institution's shares, classified as fair value through non-recyclable OCI, was determined by calculating a revalued net asset that includes the revaluation of BPCE's main subsidiaries.

Their valuation is primarily based on discounted multi-year forecasts of expected dividend flows (DDM) determined from the business plans of the main subsidiaries. These valuations are based on technical parameters such as the discount rate, long-term growth rate, and the return on equity rate.

The revalued net asset of BPCE also includes intangible assets held by BPCE, which are subject to periodic valuation by an independent expert, as well as the central institution's forecast structural expenses. This fair value is classified as level 3 in the hierarchy.

We considered the value of BPCE S.A. shares to be a key audit matter due to:

- the classification of this financial instrument as level 3 fair value;
- the significance of this accounting estimate in the consolidated financial statements of BRED Banque Populaire Group.

The fair value of BPCE shares in the consolidated financial statements amounts to €934.5 million as of 31 December 2024. For more details on the accounting principles, refer to Note 10.

Our response

The valuation work for BPCE shares is carried out by the central institution's evaluation teams. Consequently, audit procedures related to this work are conducted at our request by the central institution's auditors, whose conclusions we review for the purposes of our audit.

Thus, upon receiving their conclusions, we ensure the audit approach they have implemented and critically review these conclusions. As part of the work carried out, the central institution's auditors also call on the expertise of valuation expert teams from each firm.

The work conducted mainly consisted in:

- gaining an understanding of the valuation methods according to the revalued net asset approach as presented opposite;
- comparing the results of this approach with those derived from an analysis of listed comparables based on data concerning listed French banks.

Level 2 and Level 3 Financial Instruments as defined in IFRS 13

Identified risk	Our response
Other securities or derivative instruments are financial assets or liabilities recognized on the balance sheet at their fair value. The counterpart to the revaluation on the balance sheet at the closing date of these financial instruments is accounted for in Profit & Loss or in Equity, depending on their accounting category. Furthermore, the BRED BANQUE POPULAIRE group may undertake hedging operations using various financial instruments. We considered the valuation of derivative instruments, as well as the valuation of unlisted securities, to be a key audit matter given the significance of judgment in their valuation, which notably includes: - the use of internal valuation models - developed by BRED BANQUE POPULAIRE or the BPCE group; - the determination of valuation parameters not necessarily observable in the market for forward financial instruments or parameters such as discount rates and long-term growth rates for unlisted securities; - the consideration of financial trajectories; - the estimation of valuation adjustments to account for counterparty or liquidity risks, or risks related to the activity, for example; - conducting effectiveness tests on hedging relationships.	We assessed the processes and controls implemented by the Group to identify and value financial instruments, particularly the governance of valuation models and the control of the profits and losses accounted for these operations. In collaboration with our risk modeling and quantitative techniques specialists, we conducted the following: - performed independent valuations on a sample of derivative instruments and analyzed any discrepancies; - analyzed the internal processes for identifying and validating the main valuation adjustments applied to financial instruments and their changes over time. Our analyses focused on governance and the methodologies adopted for market reserves and valuation adjustments; - analyzed the internal processes and documentation procedures of hedging relationships and conducted independent tests on a selection of hedging relationships.

The methods for determining the fair value of financial instruments are described in Note 10, as well as in Note 10.1, which presents the breakdown of the fair value of assets and liabilities according to the complexity of the valuation models used.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the management report of the Board.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Other Legal and Regulatory Verifications or Information

Appointment of the Statutory Auditors

We were appointed as statutory auditors of BRED BANQUE POPULAIRE by the annual general meeting held 21 May 1999 for KPMG SA and on 31 May 2023 for Deloitte & Associés.

As at 31 December 2024, KPMG SA was in the 26th year of total uninterrupted engagement and Deloitte & Associés in the 2nd year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.821-55 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, the 28 April 2025

The Statutory Auditors

French original signed by

KPMG SA

Sophie Meddouri

Partner

Deloitte & Associés

Charlotte Vandeputte

Partner

CHAPTER

5.

PARENT COMPANY ANNUAL FINANCIAL STATEMENTS

INCOME STATEMENT

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**BALANCE SHEET AND
OFF-BALANCE SHEET ITEMS**

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INCOME STATEMENT

<i>In thousands of euros</i>	Notes	2024 fiscal year	2023 fiscal year
Interest and similar income	3.1	3,514,270	3,244,135
Interest and similar expenses	3.1	-3,482,343	-2,988,230
Income from finance leases and operating leases	3.2	0	0
Expenses on finance leases and operating leases	3.2	0	0
Income from variable-income securities	3.3	49,846	348,222
Commission income	3.4	650,383	612,334
Commission expenses	3.4	-153,941	-153,262
Net gains or losses on trading book transactions	3.5	646,082	514,584
Net gains or losses on available-for-sale securities and equivalent	3.6	-38,485	-134,280
Other banking income	3.7	140,878	103,023
Other banking expenses	3.7	-144,760	-104,260
NET BANKING INCOME		1,181,930	1,442,268
Operating expenses	3.8	-693,694	-679,665
Depreciation, amortization and impairment of property, plant and equipment and intangible assets		-33,349	-33,099
GROSS OPERATING INCOME		454,887	729,503
Cost of risk	3.9	-165,278	-40,850
NET OPERATING INCOME		289,608	688,653
Gains or losses on long-term investments	3.10	-36,145	-34,478
INCOME BEFORE TAX		253,464	654,175
Non-recurring income	3.11	0	0
Income tax	3.12	-55,603	-105,871
Allocations to and reversals from the fund for general banking risks and regulated provisions		0	0
NET INCOME		197,861	548,303

BALANCE SHEET AND OFF-BALANCE SHEET ITEMS

Assets

<i>In thousands of euros</i>	Notes	12/31/2024	12/31/2023
Cash and amounts due from central banks		10,290,382	15,194,972
Treasury bills and equivalent	4.3	20,561,025	15,188,370
Loans and advances due from banks	4.1	8,775,867	8,455,247
Customer transactions	4.2	32,915,316	33,077,198
Bonds and other fixed-income securities	4.3	11,264,595	9,071,492
Equities and other variable-income securities	4.3	9,018,693	7,751,995
Equity interests and other long-term investments	4.4	1,220,968	1,177,932
Investments in affiliates	4.4	1,125,845	1,117,080
Finance and lease and operating lease transactions	4.5	0	0
Intangible assets	4.6	27,949	18,168
Property, plant and equipment	4.6	184,248	194,867
Other assets	4.8	3,011,039	2,486,003
Accrual accounts	4.9	1,602,899	2,462,492
TOTAL ASSETS		99,998,826	96,195,816

Off-balance sheet items

<i>In thousands of euros</i>	Notes	12/31/2024	12/31/2023
Commitments given			
Loan commitments	5.1	6,374,631	6,312,010
Guarantee commitments	5.1	3,721,228	3,403,769
Securities commitments		5,641,430	3,305,554

5.

Liabilities*In thousands of euros*

	Notes	12/31/2024	12/31/2023
Central banks		0	0
Amounts due to banks	4.1	23,042,663	20,439,241
Customer transactions	4.2	59,841,062	57,003,425
Debt securities	4.7	7,950,358	9,228,288
Other liabilities	4.8	1,486,514	1,185,061
Accrual accounts	4.9	1,917,528	2,850,959
Provisions	4.10	362,674	290,076
Subordinated debt	4.11	226	2,368
Fund for general banking risks (FGBR)	4.12	212,908	212,908
Equity excluding fund for general banking risks	4.13	5,184,893	4,983,490
Subscribed capital		1,962,341	1,893,934
Additional paid-in capital		7,101	7,482
Reserves		2,907,583	2,420,502
Revaluation difference		0	0
Regulated provisions and investment subsidies		7	3,269
Retained earnings		110,000	110,000
Net income for the fiscal year (+/-)		197,861	548,303
TOTAL LIABILITIES AND EQUITY		99,998,826	96,195,816

Off-balance sheet items*In thousands of euros*

	Notes	12/31/2024	12/31/2023
Commitments received			
Loan commitments	5.1	4,536,964	3,429,054
Guarantee commitments	5.1	4,627,230	5,006,503
Securities commitments		3,320,029	1,381,409

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Note I General framework

I.1 Significant events

Increase in the capital of BRED Banque Populaire

In December 2024, BRED Banque Populaire raised its share capital to €1,962,341,211.60 through both a cash capital increase and the capitalization of reserves.

Cash subscriptions amounted to €59,185,444.95. The capitalization of reserves amounted to €9,221,528.25.

The share capital is divided into one hundred and eighty-four million four hundred and thirty thousand five hundred and sixty-five (184,430,565) shares with a nominal value of ten euros and sixty-four cents (€10.64) each, fully paid up and all of the same category.

I.2 Groupe BPCE and the guarantee mechanism

Groupe BPCE⁽¹⁾, of which BRED Banque Populaire is part, comprises the Banque Populaire network, the Caisse d'Épargne network, the BPCE central institution and its subsidiaries.

Two banking networks: the Banques Populaires and the Caisses d'Épargne

Groupe BPCE is a cooperative group whose shareholders own the two retail banking networks: the 14 Banques Populaires and the 15 Caisses d'Épargne. Each of the two networks owns an equal share in BPCE, the Group's central institution.

The Banque Populaire network consists of the Banques Populaires and the mutual guarantee companies which grant them the exclusive benefit of their guarantees.

The Caisse d'Épargne network consists of the Caisses d'Épargne and local savings companies (LSCs).

The Banques Populaires are wholly-owned by their cooperative shareholders.

The capital of the Caisses d'Épargne is wholly-owned by the LSCs. Local savings companies are cooperative structures with open-ended share capital owned by cooperative shareholders. The LSCs are tasked with coordinating the cooperative shareholder base, in line with the general objectives defined by the individual Caisse d'Épargne with which they are affiliated, and cannot perform banking transactions.

BPCE

BPCE, a central institution as defined by French banking law and a credit institution approved to operate as a bank, was created pursuant to act No. 2009-715 of June 18, 2009. BPCE was incorporated as a French limited liability company (*société anonyme*) governed by a Management Board and a Supervisory Board, whose share capital is owned jointly and equally by the 14 Banques Populaires and the 15 Caisses d'Épargne.

BPCE's corporate mission embodies the continuity of the cooperative principles underlying the Banques Populaires and the Caisses d'Épargne.

Specifically, BPCE represents the interests of its various affiliates in dealings with the supervisory authorities, defines the range of products and services offered by them, organizes depositor protection, approves key appointments of company directors and oversees the smooth operation of the Group's institutions.

As a holding company, BPCE is the head entity of the Group and holds the joint ventures between the two networks in retail banking and insurance, corporate banking and financial services, and their production units. It defines the Group's corporate strategy and growth and expansion policies.

The network and BPCE's main subsidiaries are organized around two core business lines:

- Retail Banking and Insurance, which includes the Banque Populaire network, the Caisse d'Épargne network, the Financial Solutions & Expertise division (including factoring, consumer loans, leasing, sureties & financial guarantees, and the "retail securities" business), Digital and Payments (integrating the payments subsidiaries and the Oney group) and Insurance divisions, and Other networks;
- Global Financial Services combining Asset & Wealth Management (Natixis Investment Managers and Natixis Wealth Management) and Corporate & Investment Banking (Natixis Corporate & Investment Banking).

In respect of the Group's financial functions, BPCE is responsible, in particular, for the centralized management of surplus funds, for the execution of any financial transactions required to develop and fund the Group, and for choosing the most appropriate counterparty for these transactions in the broader interests of the Group. BPCE also provides banking services to the other Group entities.

(1) The institution is included in Groupe BPCE's consolidated financial statements, which are available at the registered office of BPCE's central institution at BPCE 7, promenade Germaine Sablon – 75013 Paris, as well as on BPCE's institutional website. The central institution is registered in the Paris Trade and Companies Register under number 493455042.

Guarantee mechanism

Pursuant to Articles L.511-31, L.512-107-5 and L.512-107-6 of the French Monetary and Financial Code, the guarantee and solidarity mechanism was set up to ensure the liquidity and capital adequacy of the Group and its associates, and to organize financial support within the Group.

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

In the event of difficulties, BPCE will have to do everything necessary to restore the financial situation and may in particular make unlimited use of the resources of any, several or all affiliates, or implement the appropriate mechanisms of internal solidarity of the Group and by calling on the guarantee fund common to the two networks of which it determines the rules of operation, the triggering conditions, in addition to the funds of the two networks as well as the contributions of the affiliated institutions for its endowment and reconstitution.

BPCE manages the Banque Populaire Network Fund, the Caisse d'Épargne Network Fund and the Mutual Guarantee Fund.

The **Banque Populaire Network Fund** was formed by a deposit made by the Banques Populaires of €450 million that was booked by BPCE in the form of a 10-year term account which is indefinitely renewable.

The deposit made to the **Caisse d'Épargne Network Fund** by the Caisses d'Épargne of €450 million was booked by BPCE in the form of a 10-year term account which is indefinitely renewable.

The **Mutual Guarantee Fund** was formed by deposits made by the Banques Populaires and the Caisses d'Épargne. These deposits were booked by BPCE in the form of 10-year term accounts which are indefinitely renewable. The amount of the deposits by network was €197 million at December 31, 2024.

The total amount of deposits made to BPCE in respect of the Banque Populaire Network Fund, the Caisse d'Épargne Network Fund and the Mutual Guarantee Fund may not be less than 0.15% and may not exceed 0.3% of the Group's total risk-weighted assets.

The booking of deposits in the institutions' individual accounts under the guarantee and solidarity system results in the recording of an item of an equivalent amount under a dedicated capital heading.

Mutual guarantee companies granting the exclusivity of their guarantees to a Banque Populaire benefit from a liquidity and capital adequacy guarantee in their capacity as affiliates of the central institution.

The liquidity and capital adequacy of the local savings companies are secured, firstly, at the level of each individual local savings company by the Caisse d'Épargne of which the local savings company in question is a shareholder.

The Management Board of BPCE holds all the requisite powers to mobilize the resources of the various contributors without delay and in accordance with the agreed order, on the basis of prior authorizations given to BPCE by the contributors.

1.3 Events after the reporting period

There are no events after the end of the reporting period.

Note 2 General accounting policies and methods

2.1 Valuation methods, presentation of the parent company financial statements and reporting date

BRED Banque Populaire's parent company annual financial statements are prepared and presented in accordance with the rules set by BPCE and in compliance with Regulation No. 2014-07 of the French National Accounting Standards Authority (ANC).

The parent company annual financial statements for the fiscal year ended December 31, 2024, were approved by the Board of Directors on February 24, 2025. They will be submitted for the approval of the General Meeting of May 27, 2025.

The amounts presented in the financial statements and in the notes thereto are expressed in thousands of euros, unless otherwise stated. Rounding may lead to differences between the amounts shown in the financial statements and those referred to in the notes.

2.2 Changes in accounting methods

Regulation No. 2023-05 of November 10, 2023, of the French National Accounting Standards Authority (ANC) relating to IT solutions, amending ANC Regulation No. 2014-03 of June 5, 2014, relating to the French general chart of accounts, was mandatory as of January 1, 2024. It has had no significant impact on the institution's parent company annual financial statements.

The other texts adopted by the French National Accounting Standards Authority (ANC) that had mandatory application in 2024 also did not have a significant impact on the parent company annual financial statements.

Unless otherwise stated, BPCE did not elect to apply in advance the texts adopted by the ANC for which application is optional.

2.3 General accounting policies

The financial statements for the fiscal year are presented in identical format to those for the previous fiscal year. Generally accepted accounting principles have been applied in compliance with the principle of prudence based on the following principles:

- the going-concern principle;
- consistency of accounting methods from one period to the next;
- independence of fiscal years;
- and observance of the general rules governing the preparation and presentation of annual financial statements.

The basic method for valuing accounting entries is the historical cost method and all balance sheet items are presented, as appropriate, net of amortization, provisions, and allowances for impairment.

Specific accounting principles are presented in the notes to which they refer.

2.4 Principles applicable to banking resolution mechanisms

The terms and conditions governing the establishment of the deposit and resolution guarantee fund ("FGDR") are governed by the Ministerial Order of October 27, 2015.

For the guarantee funds for the cash, guarantees and securities mechanisms, the cumulative amount of the contributions paid by BRED Banque Populaire was €65.9 million. Contributions (which are non-refundable in the event of a voluntary withdrawal of approval to operate) represented €15 million. Contributions paid in the form of partner or association certificates and cash security deposits recognized as assets on the balance sheet totaled €51 million.

The resolution fund was set up in 2015 pursuant to Directive 2014/59/EU (Bank Recovery and Resolution Directive - BRRD), which establishes a framework for the recovery and resolution of banks and investment firms, and Regulation (EU) No. 806/2014 (Single Resolution Mechanism regulation - SRM). From 2016, it became a Single Resolution Fund (SRF) created by the Member States party to the Single Supervision Mechanism (SSM). The SRF is a funding mechanism available to the resolution authority (Single Resolution Board) dedicated to the implementation of resolution procedures.

Pursuant to Delegated Regulation 2015/63 and Implementing Regulation 2015/81, supplementing the BRRD with regard to ex-ante contributions to resolution financing arrangements, the Single Resolution Board has determined the contributions to the Single Resolution Fund for 2024. The target in terms of the funds to be collected for the resolution fund was achieved at December 31, 2023. However, contributions may be called in the future depending in particular on the evolution of the covered deposits and the possible use of the funds. The share of the IPCs corresponds to 15% of the calls for funds guaranteed by cash deposits until 2022 and 22.5% for the 2023 contribution. These deposits have been bearing interest at €ster -20 bps since May 1, 2023. The cumulative amount of contributions recognized as assets on the balance sheet totaled €34.3 million at December 31, 2024. It is recognized on the asset side of the balance sheet under "Other assets" and was not subject to impairment at December 31, 2024. The conditions for using the SRF resources, and therefore for calling on irrevocable payment commitments, are strictly governed by regulations. These resources may only be called up in the event of a resolution procedure by an institution and after intervention of at least 8% of total liabilities by shareholders and holders of relevant capital instruments and other commitments usable for bail-in purposes. In addition, the SRF contribution must not exceed 5% of the total liabilities of the institution subject to a resolution procedure.

Note 3 Information on the income statement

3.1 Interest and similar income and expenses

Accounting principles

Interest and similar commission income is recognized on a pro rata basis.

Negative interest is presented as follows:

- a negative interest on an asset is presented as an interest expense in NBI;
- a negative interest on a liability is presented as interest income in NBI.

Commissions and fees related to granting or acquiring a loan are treated as additional interest amortized over the effective life of the loan, on a pro rata basis according to the outstanding amount due.

The portion of income received during the year from bonds or negotiable debt securities is also recognized. The same applies to perpetual deeply subordinated notes that meet the definition of a Tier-I regulatory capital instrument. BRED Banque Populaire considers such income as being in the nature of interest.

In thousands of euros	2024 fiscal year			2023 fiscal year		
	Income	Expense	Net	Income	Expense	Net
Transactions with banks ⁽¹⁾	802,234	-1,222,292	-420,058	805,404	-1,034,760	-229,356
Customer transactions	967,186	-1,607,021	-639,835	839,671	-1,196,900	-357,229
Bonds and other fixed-income securities	1,730,785	-653,030	1,077,755	1,586,594	-756,570	830,024
Subordinated debt	14,065	0	14,065	12,466	0	12,466
Other						
OVERALL	3,514,270	-3,482,343	31,927	3,244,135	-2,988,230	255,905

(1) Includes €241.79 million in expenses and €73.67 million in income in respect of macro-hedging transactions.

The “Transactions with banks” item includes a catch-up on the interest on the current account for €19,183,787.

Interest income on transactions with banks includes the remuneration on Livret A savings accounts and LDD funds centralized with Caisse des Dépôts et Consignations and on LEP funds.

The reversal of the provision for home savings amounted to €2.2 million for the 2024 fiscal year, compared with a reversal of €0.92 million for the previous year.

3.2 Income and expenses on finance leases and operating leases

Not applicable.

3.3 Income from variable-income securities

Accounting principles

Income from variable-income securities includes dividends and other income from shares and other variable-income securities, equity interests, other long-term investments and investments in associates.

Dividends are recognized when the right to receive payment has been decided by the competent body.

<i>In thousands of euros</i>	2024 fiscal year	2023 fiscal year
Equities and other variable-income securities	6,379	5,624
Equity interests and other long-term investments		
Investments in affiliates	43,467	342,598
TOTAL	49,846	348,222

In 2023, BRED SA received €300.7 million in non-recurring dividends from Cofibred.

3.4 Commissions

Accounting principles

Commissions that are similar in nature to interest are recognized under “Interest and similar income and expenses” (see Note 3.1).

Other commission income is recognized according to the type of service provided as follows:

- fees and commissions remunerating a one-off service are recognized as soon as the service has been rendered;
- commissions received for an ongoing or discontinued service paid for in several installments are recognized over the period in which the service is provided.

<i>In thousands of euros</i>	2024 fiscal year			2023 fiscal year		
	Income	Expense	Net	Income	Expense	Net
Cash and interbank transactions	6,632	-236	6,396	7,698	-264	7,434
Customer transactions	175,827	0	175,827	167,734	0	167,734
Securities transactions	12,477	0	12,477	14,112	0	14,112
Payment services	269,177	-128,278	140,899	255,649	-128,864	126,785
Foreign exchange transactions	1,010	-79	931	1,013	-66	947
Off-balance sheet commitments	58,741	-9,343	49,398	50,143	-9,054	41,089
Financial services	117,392	-16,005	101,387	108,110	-15,014	93,096
Consulting services						
Other fee and commission income/(expense)	9,127	0	9,127	7,875	0	7,875
OVERALL	650,383	-153,941	496,442	612,334	-153,262	459,072

3.5 Net gains or losses on trading book transactions

Accounting principles

Net gains or losses on trading book transactions include:

- net gains or losses on balance sheet and off-balance sheet securities transactions;
- net gains or losses on outright forward currency exchange transactions, arising from currency purchases and sales and the periodic valuation of foreign currency and precious metal transactions;
- net gains or losses arising from transactions in forward financial instruments, in particular interest rate, currency exchange and stock market index futures, whether firm or conditional, including those used to hedge trading book transactions.

<i>In thousands of euros</i>	2024 fiscal year	2023 fiscal year
Trading securities	1,283,464	1,285,274
Foreign exchange transactions	53,158	73,272
Forward transactions	-690,540	-843,962
OVERALL	646,082	514,584

The change in gains or losses for the various asset categories is due to the trading room strategy, which is adapted to market conditions.

3.6 Net gains or losses on available-for-sale securities and equivalent

Accounting principles

This line item corresponds to the gains or losses on transactions involving available-for-sale securities and portfolio securities, resulting from the difference between reversals of provisions and capital gains on disposals and charges to provisions and capital losses on disposals.

<i>In thousands of euros</i>	2024 fiscal year			2023 fiscal year		
	Available-for-sale securities	Portfolio securities	Overall	Available-for-sale securities	Portfolio securities	Overall
Impairment	-1,686		-1,686	7,073		7,073
Charges	-52,837		-52,837	-70,674		-70,674
Reversals	51,151		51,151	77,747		77,747
Net gain/(loss) on disposal	-36,799		-36,799	-141,352		-141,352
Other items						
OVERALL	-38,485		-38,485	-134,280		-134,280

3.7 Other banking income and expenses**Accounting principles**

Other banking income and expenses cover primarily the share in joint operations, the rebilling of banking income and expenses, income and expenses from real estate business and IT services.

This line item also includes expenses and income on finance leasing and operating leasing activities not carried out as a primary business and for which the leased items are included in assets under tangible assets.

This category of income and expenses mainly includes:

- lease payments and capital gains and losses on disposals relating to assets given under leasing or leased with an option to purchase, or under operating leases;
- charges and reversals for impairment, losses on irrecoverable receivables and recoveries on receivables written off relating to the fraction of non-performing lease payments for which impairment is mandatory, as well as those relating to compensation for termination of agreements;
- depreciation and amortization charges for the assets concerned.

In thousands of euros	2024 fiscal year			2023 fiscal year		
	Income	Expense	Overall	Income	Expense	Overall
Share in joint operations	11,107	0	11,107	11,334	0	11,334
Rebiling of banking income and expenses	-22	-20,064	-20,086	-122	-19,992	-20,114
Real estate activities						
IT services						
Other activities	120,403	-118,401	2,002	82,437	-80,562	1,875
Other related income and expenses	9,390	-6,295	3,095	9,374	-3,706	5,668
OVERALL	140,878	-144,760	-3,882	103,023	-104,260	-1,237

Recharges of banking income and expenses:

Since 2021, rebilling of “central institution” activities (listed in the French Monetary and Financial Code) has been presented in NBI, while rebilling of Group missions continues to be presented in management fees. The contributions in NBI amounted to €19.98 million in 2024 and the contributions in operating expenses amounted to €33.39 million in 2024, compared with €32.88 million in 2023.

3.8 Operating expenses

Accounting principles

Operating expenses include payroll costs (wages and salaries), employee profit-sharing and incentive schemes, social security charges and payroll taxes. Other administrative costs are also recorded, including other taxes and fees paid for external services.

<i>In thousands of euros</i>	2024 fiscal year	2023 fiscal year
Payroll costs		
Wages and salaries	-244,583	-233,207
Pension costs and similar obligations	-53,009	-50,097
Other social security charges	-76,571	-68,401
Employee incentive scheme	-20,902	-18,587
Employee profit-sharing scheme	-43,118	-33,341
Payroll taxes	-29,029	-33,010
Total payroll costs	-467,212	-436,643
Other operating expenses		
Taxes and duties	-11,556	-22,090
Other operating expenses	-214,926	-220,931
Total other operating expenses	-226,482	-243,022
OVERALL	-693,694	-679,665

The average active workforce during the fiscal year, broken down by occupational category was as follows: 2,516 management staff and 1,181 non-management staff, making a total of 3,697 employees.

Rebilling of “central institution” activities (listed in the French Monetary and Financial Code) paid to BPCE has been presented in NBI, while rebilling of Group missions paid by BPCE has been presented in general operating expenses.

3.9 Cost of risk

Accounting principles

Cost of risk includes only the cost related to credit risk (or counterparty risk). Credit risk is the existence of a potential loss related to the possibility of the counterparty defaulting on its obligations. Counterparty means any legal entity that is the beneficiary of a loan or commitment by signature, which is party to a forward financial instrument or is an issuer of a debt security.

Cost of credit risk is calculated when the loan is classified as non-performing, i.e., when it is probable that the Group will not collect all or part of the sums owed under the terms of the commitments made by the counterparty in accordance with the initial contractual provisions, notwithstanding any guarantees or collateral.

Credit risk is also measured when the credit risk is identified, on outstandings that are not non-performing but present a significant increase in credit risk since initial recognition (see Notes 4.1 and 4.2.1).

Cost of credit risk therefore consists of all charges to and reversals of impairment of amounts due from customers, banks, investment fixed-income securities (in the event of an incurred default risk of the issuer), provisions for off-balance sheet commitments (excluding off-balance sheet financial instruments) as well as losses on irrecoverable receivables and recoveries on receivables written off.

However, charges to and reversals of provisions, losses on irrecoverable receivables or recoveries on receivables written off relating to interest on non-performing receivables, that are subject to mandatory provisioning are recorded in the Interest and similar income and Other income from banking operations line items in the income statement. In the case of trading securities, available-for-sale securities, portfolio securities and forward financial instruments, cost of counterparty risk is recognized directly in the line items recording the gains and losses on those portfolios, except in the case of an incurred default risk of the counterparty, where this component can be effectively isolated and where the movements in provisions for counterparty risk are then recorded under the Cost of risk line item.

	2024 fiscal year					2023 fiscal year				
	Charges	Net reversals	Losses not covered by provisions	Recoveries of receivables written off	Overall	Charges	Net reversals	Losses not covered by provisions	Recoveries of receivables written off	Overall
<i>In thousands of euros</i>										
Impairment of assets										
Interbank	0	0	0	0	0	0	0	0	0	0
Customers	-173,807	90,182	-5,497	318	-88,804	-157,276	86,780	-1,623	338	-71,781
Securities and other debtors	-1	798	0	0	797	-138	32,696	0	0	32,558
Provisions										
Off-balance sheet commitments	-4,982	3,264			-1,718	-2,399	3,955			1,556
Provisions for customer risks	-98,130	22,173			-75,957	-26,504	22,988			-3,516
Other	0	404			404	0	333			333
OVERALL	-276,920	116,821	-5,497	318	-165,278	-186,317	146,752	-1,623	338	-40,850
of which:										
• Reversals of obsolete impairment charges		116,821					146,752			
• Reversals of utilized impairment charges		61,224					34,329			
Total reversals:		178,045					181,081			
• Losses covered by provisions		-61,224					-34,329			
TOTAL NET REVERSALS		116,821					146,752			

3.10 Gains or losses on long-term investments

Accounting principles

Gains or losses on long-term investments include:

- gains or losses on disposals of property, plant and equipment and intangible assets used for the bank's operations, arising from the difference between capital gains and losses on disposals, and charges to and reversals of provisions;
- gains or losses on transactions in equity interests, other long-term investments, investments in associates and held-to-maturity securities, arising from the difference between reversals of provisions and capital gains on disposals and charges to provisions and capital losses on disposals.

	2024 fiscal year				2023 fiscal year			
	Equity interests and other long-term investments	Held-to-maturity securities	Property, plant and equipment and intangible assets	Overall	Equity interests and other long-term investments	Held-to-maturity securities	Property, plant and equipment and intangible assets	Overall
<i>In thousands of euros</i>								
Impairment	-18,985	0		-18,985	-22,965	0		-22,965
Charges	-36,379	0		-36,379	-31,884	0		-31,884
Reversals	17,394	0		17,394	8,919	0		8,919
Net gain/(loss) on disposal	-17,397	262	-24	-17,159	-12,202	0	689	-11,513
OVERALL	-36,382	262	-24	-36,145	-35,167	0	689	-34,478

In 2023, as part of tax exemption transactions, BRED recorded provisions of €17.3 million, out of a total of €31.9 million, for the securities of Jaspe 7 and Cofibred 8. This charge was offset by reversal of a provision for income taxes. The liquidation of Pakousi, Jaspe 5 and Jaspe 6 generated a capital loss of €12.2 million. This loss was offset by the reversal of a provision for securities.

In 2024, as part of tax exemption transactions, BRED recorded provisions of €36.3 million for the securities of Cofibred 8, Diderot Financement 30 and Diderot 31. This charge was offset by reversal of a provision for income taxes. The liquidation of Jaspe 7 and the cancellation by Cofibred 8 of its own shares following the end of the "ICP Mobilier" tax exemption transaction, generated a capital loss of €17.3 million. This loss was offset by the reversal of a provision for securities.

3.11 Non-recurring income

Accounting principles

This item only includes income and expenses before tax, which are generated or occur on a non-recurring basis and are not related to the Group's regular activities.

No non-recurring income was recognized in 2024.

3.12 Income tax

Accounting principles

Since the 2009 fiscal year, the Caisses d'Épargne and Banques Populaires networks have decided to take advantage of the provisions of Article 91 of the Amending Finance act for 2008, which extends the tax consolidation mechanism to mutual banking networks. This option is modeled on the tax consolidation for mutual insurers and takes into account consolidation criteria not based on ownership interest (the scheme is usually available if at least 95% of the share capital of a subsidiary is owned by a parent company).

Under a tax consolidation agreement signed with its parent company, BRED Banque Populaire is able to recognize in its accounts the tax liability that it would have owed in the absence of the mutual tax consolidation.

The tax charge for the fiscal year corresponds to the corporate tax payable in respect of the fiscal year.

It also includes charges to and reversals of tax provisions on tax financing arrangements and taxes recorded in advance in respect of tax credits received for the remuneration of interest-free loans.

The rules of the OECD Pillar II aiming at the implementation of a minimum global corporate tax rate of 15%, transposed into French law by the Finance act for 2024, are now applicable to fiscal years beginning from January 1, 2024. BPCE, as the ultimate parent entity of Groupe BPCE as a whole, will be liable for this additional tax. In view of the legal and contractual provisions to date, BRED Banque Populaire is not subject to this additional tax, which will be borne by BPCE.

Note, however, the specific cases of jurisdictions where entities are established whose local tax regulations provide for the payment to the tax authorities of any top-up tax due in respect of that jurisdiction. In such a case, the entity could be required to pay, and therefore recognize, the additional tax in respect of this jurisdiction (tax legislation still in the process of being enacted).

Breakdown of income tax for 2024

BRED Banque Populaire is a member of the BPCE tax consolidation group.

Corporate tax paid to the head company of the tax group, which is broken down between tax on income on ordinary activities and tax on non-recurring income, is analyzed as follows:

In thousands of euros

Taxable bases at the following rates	25.00%	19.00%	15.00%	Overall
Tax on current income	305,084	0	0	
Tax on non-recurring income				
	305,084	0	0	
Allocation of tax losses				
Taxable bases	305,084	0	0	
Applicable tax	76,271	0	0	76,271
+ 3.3% supplementary corporate tax				2,492
- deductions in respect of tax credits				-35,343
Reported income tax				43,420
Overseas territories tax				242
Corporate tax provisions for subsidiaries consolidated under BRED Group				-15,092
Foreign tax credits				34,557
Provisions for taxes and other				-7,524
TOTAL				55,603

The provision for taxes and other relates to the difference arising on settlement of the 2023 corporate tax and a deferred tax provision relating to the tax exemption transactions, which are recognized for accounting purposes on a prudent basis as the transactions occur.

3.13 Change in the funds for general banking risks

The FGBR stood at €101.9 million at December 31, 2024.

Note 4 Balance sheet information

Unless otherwise indicated, explanatory notes for balance sheet items are presented net of depreciation, amortization, impairment, and provisions.

Some of the information relating to credit risk required under Regulation No. 2014-07 of the French National Accounting Standards Authority (ANC) is presented in the risk management report.

4.1 Interbank transactions

Accounting principles

Loans and advances to banks cover all loans and advances made in connection with banking transactions with the exception of those represented by a security. They also include securities purchased under resale agreements, regardless of the type of underlying asset, and loans and advances relating to securities under repurchase agreements. They are broken down between demand loans and advances and term loans and advances. Loans to banks are recorded in the balance sheet at their nominal value, with the exception of buybacks of customer loans which are recorded at acquisition cost, plus accrued interest and net of any impairment charges recognized for credit risk.

Amounts due to banks are presented according to their term (demand deposits and current accounts or term deposits and borrowings) and amounts due to customers are classified according to their nature (regulated savings accounts and other deposits for customers). Depending on the counterparty involved, these items include securities and other assets sold under repurchase agreements. Accrued interest is recorded under related payables.

Guarantees received are booked as off-balance sheet items. They are remeasured on a regular basis. The total carrying amount of all guarantees received for a single loan is limited to the principal amount outstanding on the loan.

Restructured loans

Restructured receivables within the meaning of Regulation No. 2014-07 of the French National Accounting Standards Authority (ANC) are non-performing receivables whose initial contractual characteristics (term, interest rate) have been modified to enable the counterparties to repay the outstanding amounts due.

A discount is taken on restructured loans to reflect the difference between the present value of the contractual cash flows at inception and the present value of expected principal and interest repayments after restructuring. The discount rate used for fixed-rate loans is the initial effective interest rate and the discount rate used for variable-rate loans is the most recent effective interest rate prior to the restructuring date. The effective rate is the contractual rate. This discount is expensed to "Cost of risk" in income and offset against the corresponding outstanding in the balance sheet. It is written back to net interest income in the income statement over the life of the loan using an actuarial method.

A restructured loan may be reclassified as performing when the new repayment dates are observed. When a loan that has been reclassified becomes overdue, regardless of the restructuring terms agreed, the loan is downgraded to non-performing.

Non-performing loans

Non-performing loans consist of all outstanding amounts (whether or not they are due, guaranteed or other), where at least one commitment made by the obligor has involved a known credit risk, classified as such on an individual basis. Loans are considered "at risk" when it is probable that the Group will not collect all or part of the sums due under the terms of the commitments made by the counterparty, notwithstanding any guarantees or collateral.

Notwithstanding Regulation No. 2014-07 of the French National Standards Accounting Authority (ANC), the classification as non-performing outstandings takes place notably in the case of receivables overdue for at least more

than three consecutive months and at least more than six months for receivables from local authorities, in harmonization with the default events defined in Article 178 of Regulation (EU) No. 575/2013 of June 26, 2013, on prudential requirements applicable to banks and the EBA guidelines (EBA/GL/2016/07) on the application of the definition of default and Delegated Regulation (EU) No. 2018/1845 of the European Central Bank on the threshold for assessing the materiality of credit obligations past due, applicable no later than December 31, 2020. The definition of outstandings in default is therefore clarified by the introduction of a relative threshold and an absolute threshold to be applied to payment arrears to identify default situations, clarification of the criteria for reclassification in performing outstandings with the imposition of a probationary period, and the introduction of explicit criteria for the classification of restructured loans as being in default.

Non-performing loans are considered to be irrecoverable when full or partial collection is deemed to be highly unlikely, and a write-off is considered. Loans and advances whose terms have lapsed, terminated lease financing arrangements and perpetual loans which have been rescinded, are considered as irrecoverable. The existence of guarantees covering nearly all risks, along with the conditions for classification as non-performing loans, shall be taken into consideration in order to qualify a non-performing loan as irrecoverable and to assess the associated impairment provision. A debt that has been classified as non-performing for more than one year is assumed to be irrecoverable, unless a write-off is not foreseen. Reclassification of a debt from non-performing to irrecoverable does not automatically entail the reclassification of the counterparty's other non-performing loans and commitments to irrecoverable.

For non-performing loans, accrued interest and/or interest due but not yet received is/are recognized in banking income and impaired accordingly. For irrecoverable loans and advances, accrued interest due but not yet received is not recognized.

Non-performing loans are reclassified as performing once the obligor resumes regular payments in accordance with the original repayment schedule, provided that the counterparty is no longer considered to be at risk of default.

Repurchase agreements

Repurchase agreements with delivery are recognized in accordance with Regulation No. 2014-07 of the French National Accounting Standards Authority (ANC), supplemented by Instruction No. 94-07, as amended, of the French Banking Commission.

The assets sold continue to be recorded in the vendor's balance sheet, with a corresponding entry for the amount collected, representing its debt to the purchaser, under liabilities. The buyer records the amount paid under assets, representing the amount owed to the vendor. At each balance sheet date, the assets, as well as the liability towards the buyer or the amount owed to the vendor, are measured in accordance with the rules specific to these transactions.

Impairment

Loans for which recovery is uncertain result in the recognition of an impairment loss on the asset to cover the risk of loss. Impairment losses are calculated on a case-by-case basis, taking into account the present value of guarantees received. They are determined at least quarterly and are calculated in reference to available guarantees and a risk analysis. At a minimum, impairment losses cover the interest not received on non-performing loans.

Impairment for probable losses includes all impairment charges, calculated as the difference between the principal amount outstanding and the projected cash flows discounted at the initial effective interest rate. Projected cash flows are determined by category of receivables, based on past losses and/or expert analysis, and are positioned over time using debt schedules based on past collection records.

Impairment charges and reversals recognized for non-recovery risk are recorded under "Cost of risk" except for the impairment of interest on non-performing loans, which is recorded as impaired interest under "Interest and similar income."

Reversals of impairment linked solely to the passage of time are recorded under "Interest and similar income/expense."

When credit risk is identified on outstandings that are not non-performing but present a significant increase in credit risk since their initial recognition, it is measured on the basis of the expected credit losses over their residual lives. This credit risk is recognized under liabilities in the form of a provision. Since January 1, 2018, the measurement methods for these not non-performing outstandings have thus been aligned with those for Stage 2 (S2) assets under IFRS 9 that are used for the consolidated financial statements.

Irrecoverable loans and advances are written off as losses and the corresponding impairment allowances are reversed.

Assets

<i>In thousands of euros</i>	12/31/2024	12/31/2023
Demand accounts	952,978	992,538
Current accounts	951,184	975,366
Overnight loans	1,794	17,172
Securities purchased under demand repurchase agreements	0	0
Unallocated items	1,674	1,345
Term receivables	7,726,528	7,378,910
Term accounts and loans	7,059,782	6,459,288
Subordinated and participating loans	0	0
Securities purchased under term repurchase agreements	666,746	919,622
Accrued interest	94,687	82,454
Non-performing loans	1	1
<i>O/w irrecoverable non-performing loans</i>	1	1
Impairment of interbank loans and advances	-1	-1
<i>O/w impairment of irrecoverable non-performing loans</i>	-1	-1
TOTAL	8,775,867	8,455,247

Receivables in respect of transactions with the network consisted of €800.63 million of demand receivables and €4,090.43 million of term receivables.

Centralization with Caisse des Dépôts et Consignations of inflows on Livret A passbook savings accounts and LDD deposits amounted to €2,227.42 million at December 31,

2024, compared with €1,922.33 million at December 31, 2023, which are deducted from liabilities in Note 4.2.

At December 31, 2024, there were no amounts due from banks eligible for refinancing by the central bank of the country or countries in which the institution operates or the European System of Central Banks.

Liabilities

<i>In thousands of euros</i>	12/31/2024	12/31/2023
Demand accounts	2,382,809	2,222,119
Current accounts	882,703	964,958
Overnight deposits	1,500,106	1,257,161
Securities sold under demand repurchase agreements	0	0
Other amounts due	12,928	10,485
Term accounts	20,554,486	18,119,517
Term accounts and loans	15,758,332	15,334,857
Securities sold under term repurchase agreements	4,796,154	2,784,660
Accrued interest	92,440	87,120
TOTAL	23,042,663	20,439,241

Payables in respect of transactions with the network consisted of €9.27 million of demand payables and €5,301.18 million of term payables.

4.2 Customer transactions

4.2.1 Customer transactions

Accounting principles

Amounts due from customers include loans to entities other than banks, with the exception of debt securities issued by customers, assets purchased under resale agreements, and receivables corresponding to securities sold under repurchase agreements. They are broken down between business loans, current accounts with overdrafts and other facilities granted to customers. Loans granted to customers are recorded in the balance sheet at their nominal value, with the exception of repurchases of customer loans which are recorded at acquisition cost, plus accrued interest and net of any impairment charges recognized for credit risk. Fees and marginal transaction costs are added to the principal amount outstanding on the loan in question.

Guarantees received are booked as off-balance sheet items. They are remeasured on a regular basis. The total carrying amount of all guarantees received for a single loan is limited to the principal amount outstanding on the loan.

State-guaranteed loans

State-guaranteed loans (SGLs) are a support measure established pursuant to Article 6 of act No. 2020-289 of March 23, 2020, being the Amending Finance act for 2020, and the Minister of Economy and Finance's Ministerial Order of March 23, 2020, granting a state guarantee to banks and financing companies with effect from March 16, 2020, in order to meet the cash flow requirements of companies impacted by the COVID-19 health crisis. The scheme was extended until June 30, 2022 by Finance act No. 2021-1900 of December 30, 2021 for 2022. The SGL is subject to common eligibility criteria applicable by all institutions issuing the loan, as set out by law.

The SGL is a one-year loan with capital repayments deferred for this period. The beneficiary companies may decide, at the end of the first year, to repay the SGLs over one to five additional years or to start repaying the capital only from the second year of the repayment period, paying only the interest and the cost of the State guarantee in the meantime.

For eligible companies, the amount of the SGL is generally capped at 25% of the company's revenues (excluding innovative and recently created companies, and excluding the Seasonal SGL for clients in the Tourism/Hotels/Catering sector, for example). The State provides a guarantee covering between 70% and 90% of the loan, depending on the size of the company. The issuing bank incurs the residual risk. The State

guarantee covers a portion of the total amount due on the loan (principal, interest and incidental expenses) until it becomes due. The State guarantee may be enforced before the loan is due if a credit event should occur.

The prepayment penalty is set in the contract, at a reasonable level (2% of the principal amount outstanding during the initial loan period, then 3%-6% of the principal amount outstanding during the repayment period). The terms and conditions for extending the loan are not set in advance but are established two to three months before the extension option expires, in line with market conditions.

SGLs cannot be covered by another security interest or guarantee other than the government guarantee unless they are granted under a Minister of Economy and Finance Ministerial Order. The self-employed professional or business leader may request or be offered loan repayment Insurance, but such Insurance is not mandatory.

The State guarantee is considered to be an integral part of the terms of the loan and is taken into account when calculating impairment for expected credit losses. The guarantee fee paid to the French government when the loan is granted is recognized in profit or loss over the initial term of the SGL using the effective interest rate (EIR) method. The impact is recognized in net interest income.

The Resilience SGL, available from April 6, 2022, is a supplementary SGL for companies affected by the consequences of the conflict in Ukraine. The authorized ceiling is 15% of the average turnover for the last three fiscal years. Except for its amount, subject to the new ceiling of 15% of turnover, this Resilience supplementary SGL takes the same form as the SGLs introduced at the start of the health crisis: same maximum duration (up to six years), same minimum repayment exemption period (12 months), and same guarantee percentage and guarantee premium. The Resilience SGL could be fully combined with any SGLs already obtained until June 30, 2022. This system was extended until December 31, 2023 as part of the amended French Finance act for 2023.

Restructured loans

Restructured receivables within the meaning of Regulation No. 2014-07 of the French National Accounting Standards Authority (ANC) are non-performing receivables whose initial contractual characteristics (term, interest rate) have been modified to enable the counterparties to repay the outstanding amounts due.

A discount is taken on restructured loans to reflect the difference between the present value of the contractual cash flows at inception and the present value of expected principal and interest repayments after restructuring. The discount rate used for fixed-rate loans is the initial effective interest rate and the discount rate used for variable-rate loans is the most recent effective interest rate prior to the restructuring date. The effective rate is the contractual rate. This discount is expensed to "Cost of risk" in income and offset against the corresponding outstanding in the balance sheet. It is written back to net interest income in the income statement over the life of the loan using an actuarial method.

A restructured loan may be reclassified as performing when the new repayment dates are observed. When a loan that has been reclassified becomes overdue, regardless of the restructuring terms agreed, the loan is downgraded to non-performing.

Non-performing loans

Non-performing loans consist of all outstanding amounts (whether or not they are due, guaranteed or other), where at least one commitment made by the obligor has involved a known credit risk, classified as such on an individual basis. Loans are considered "at risk" when it is probable that the Group will not collect all or part of the sums due under the terms of the commitments made by the counterparty, notwithstanding any guarantees or collateral.

Notwithstanding Regulation No. 2014-07 of the French National Standards Accounting Authority (ANC), the classification as non-performing outstandings takes place notably in the case of receivables overdue for at least more than three consecutive months and at least more than six months for receivables from local authorities, in harmonization with the default events defined in Article 178 of Regulation (EU) No. 575/2013 of June 26, 2013, on prudential requirements applicable to banks and the EBA guidelines (EBA/GL/2016/07) on the application of the definition of default and Delegated Regulation (EU) No. 2018/1845 of the European Central Bank on the threshold for assessing the materiality of credit obligations past due, applicable no later than December 31, 2020. The definition of outstandings in default is therefore clarified by the introduction of a relative threshold and

an absolute threshold to be applied to payment arrears to identify default situations, clarification of the criteria for reclassification in performing outstandings with the imposition of a probationary period, and the introduction of explicit criteria for the classification of restructured loans as being in default.

Non-performing loans are considered to be irrecoverable when full or partial collection is deemed to be highly unlikely, and a write-off is considered. Loans and advances whose terms have lapsed, terminated lease financing arrangements and perpetual loans which have been rescinded, are considered as irrecoverable. The existence of guarantees covering nearly all risks, along with the conditions for classification as non-performing loans, shall be taken into consideration in order to qualify a non-performing loan as irrecoverable and to assess the associated impairment provision. A debt that has been classified as non-performing for more than one year is assumed to be irrecoverable, unless a write-off is not foreseen. Reclassification of a debt from non-performing to irrecoverable does not automatically entail the reclassification of the counterparty's other non-performing loans and commitments to irrecoverable.

For non-performing loans, accrued interest and/or interest due but not yet received is/are recognized in banking income and impaired accordingly. For irrecoverable loans and advances, accrued interest due but not yet received is not recognized.

Non-performing loans are reclassified as performing once the obligor resumes regular payments in accordance with the original repayment schedule, provided that the counterparty is no longer considered to be at risk of default.

Repurchase agreements

Repurchase agreements with delivery are recognized in accordance with Regulation No. 2014-07 of the French National Accounting Standards Authority (ANC), supplemented by Instruction No. 94-07, as amended, of the French Banking Commission.

The assets sold continue to be recorded in the vendor's balance sheet, with a corresponding entry for the amount collected, representing its debt to the purchaser, under liabilities. The buyer records the amount paid under assets, representing the amount owed to the vendor. At each balance sheet date, the assets, as well as the liability towards the buyer or the amount owed to the vendor, are measured in accordance with the rules specific to these transactions.

Impairment

Loans for which recovery is uncertain result in the recognition of an impairment loss on the asset to cover the risk of loss. Impairment losses are calculated on a case-by-case basis, taking into account the present value of guarantees received. They are determined at least quarterly and are calculated in reference to available guarantees and a risk analysis. At a minimum, impairment losses cover the interest not received on non-performing loans.

Impairment for probable losses includes all impairment charges, calculated as the difference between the principal amount outstanding and the projected cash flows discounted at the initial effective interest rate. Projected cash flows are determined by category of receivables, based on past losses and/or expert analysis, and are positioned over time using debt schedules based on past collection records.

Impairment charges and reversals recognized for non-recovery risk are recorded under “Cost of risk” except for the impairment of interest on non-performing loans, which is recorded as impaired interest under “Interest and similar income.”

Reversals of impairment linked solely to the passage of time are recorded under “Interest and similar income/expense.”

When credit risk is identified on outstandings that are not non-performing but present a significant increase in credit risk since their initial recognition, it is measured on the basis of the expected credit losses over their residual lives. This credit risk is recognized under liabilities in the form of a provision. Since January 1, 2018, the measurement methods for these not non-performing outstandings have thus been aligned with those for Stage 2 (S2) assets under IFRS 9 that are used for the consolidated financial statements.

Expected credit losses are defined as being an estimate of credit losses (i.e., the present value of cash flow shortfalls) weighted by the probability of occurrence of these losses over the expected lifetime of the financial instrument in question. They are calculated individually for each exposure.

In practice, for outstandings classified as Stage 2, expected credit losses are calculated as the product of several parameters:

- expected cash flows over the life of the financial instrument, discounted at the valuation date – these flows being determined according to the characteristics of the contract, its effective interest rate and, for real estate loans, the expected level of early repayment on the contract;
- the loss given default;
- lifetime probabilities of default.

Irrecoverable loans and advances are written off as losses and the corresponding impairment allowances are reversed.

The parameters used to measure expected credit losses are adjusted to economic conditions by defining three economic scenarios, defined over a three-year horizon:

- the baseline scenario used by the Group that was developed in September 2024. It corresponds to consensus forecasts for the main economic variables impacting the calculation of expected credit losses;
- a pessimistic scenario, corresponding to a weaker performance in terms of the macroeconomic variables defined under the baseline scenario;
- an optimistic scenario, corresponding to a better performance in terms of the macroeconomic variables defined under the baseline scenario.

The definition and review of these scenarios follows the same organization and governance as those defined for the budget process, with quarterly reviews based on economic research proposals and validation by the Executive Management Committee. The probability of occurrence of each scenario is reviewed on a quarterly basis by the Group Watchlist and Provisions Committee. The inputs thus defined allow expected credit losses for all exposures to be valued, regardless of whether they belong to a scope approved using an internal method or are processed using the standardized method for the calculation of risk-weighted assets.

Lastly, additional provisions were recognized by BRED to cover the specific risks of its portfolios, in addition to the provisions described above and calculated by the Group's tools. These provisions mainly concern the real estate, construction, tourism, hotels, restaurants, agri-food and specialized retail/distribution sectors.

5.

Assets

In thousands of euros

	12/31/2024	12/31/2023
Current accounts with overdrafts	1,346,295	1,507,433
Business loans	202,077	173,447
Other facilities granted to customers	30,199,570	30,241,464
Export loans	1,043	280
Short-term credit facilities and consumer loans	8,763,461	8,622,466
Equipment loans	9,867,401	9,401,626
Home loans	8,188,461	9,287,699
Other customer loans	473,140	313,908
Securities purchased under resale agreements	2,893,792	2,602,373
Subordinated loans	12,272	13,114
Other		
Accrued interest	274,062	290,870
Non-performing loans	1,445,164	1,398,290
Impairment of customer loans and advances	-551,852	-534,306
OVERALL	32,915,316	33,077,198

Receivables due from customers eligible for refinancing by the central bank of the country concerned or the European System of Central Banks system totaled €5,457.30 million.

State-guaranteed loans (SGLs) stood at €622.92 million at December 31, 2024, compared with €1,048.23 million at December 31, 2023.

Amounts due to customers

Liabilities

In thousands of euros	12/31/2024	12/31/2023
Regulated savings accounts	7,733,117	7,625,990
Livret A savings accounts	2,351,358	2,110,124
Home savings plans (PELs) and home savings accounts (CELs)	1,585,555	1,695,907
Other regulated savings accounts	3,796,204	3,819,960
Receivables against the savings fund ⁽¹⁾	-2,227,422	-1,992,334
Other customer accounts and borrowings ⁽²⁾	53,991,061	51,066,079
Guarantee deposits	85,889	74,384
Other amounts due	77,623	73,650
Accrued interest	180,793	155,655
OVERALL	59,841,062	57,003,425

(1) In accordance with ANC Regulation No. 2020-10, the centralization receivable with the Caisse des Dépôts et Consignations savings fund is presented as a deduction from special regime savings accounts in liabilities.

(2) Breakdown of customer accounts and borrowings.

In thousands of euros	12/31/2024			12/31/2023		
	Demand	Term	Overall	Demand	Term	Overall
Current accounts	25,376,799	0	25,376,799	28,336,738	0	28,336,738
Loans from financial sector customers	10,101,990	3,816,221	13,918,211	7,534,468	3,263,630	10,798,098
Securities sold under repurchase agreements	0	2,326,910	2,326,910	0	418,207	418,207
Other accounts and loans	0	12,369,142	12,369,142	0	11,513,036	11,513,036
OVERALL	35,478,788	18,512,273	53,991,061	35,871,206	15,194,873	51,066,079

4.2.2 Breakdown of loan outstandings by type of customer

In thousands of euros	Performing loans and advances	Non-performing loans		O/w irrecoverable non-performing loans	
		Gross	Individual impairment	Gross	Individual impairment
Non-financial companies	18,654,321	893,471	-368,099	515,683	-288,610
Self-employed customers	1,251,809	97,821	-30,575	39,173	-23,523
Individual customers	8,425,372	446,407	-149,580	168,277	-122,711
Non-profit institutions	80,416	7,565	-3,597	2,859	-2,279
Social security and public administrations	116,220	-100	0	0	0
Other	587,801	0	0	0	0
TOTAL AT DECEMBER 31, 2024	29,115,940	1,445,164	-551,852	725,992	-437,124
Total at December 31, 2023	29,597,727	1,398,290	-534,306	670,355	-427,642

4.3 Treasury bills, bonds, equities and other fixed/variable-income securities

4.3.1 Securities portfolio

Accounting principles

“Securities” covers interbank market securities, treasury bills and other negotiable debt securities, bonds and other fixed-income (i.e., with yields that are not variable) securities, equities and other variable-income securities.

Securities transactions are accounted for in accordance with Regulation No. 2014-07 of the French National Accounting Standards Authority (ANC), which sets forth the general recognition and measurement rules for securities and the rules for specific transfer transactions, such as temporary disposals of securities.

Securities are classified in the following categories: investments in associates and affiliates, other long-term investments, debt securities held to maturity, equity securities available for sale in the medium term, securities available for sale, and trading securities.

With respect to trading securities, securities available for sale, debt securities held to maturity, and equity securities available for sale in the medium term, provisions for counterparties with known default risks whose impact can be separately identified are recognized in the form of impairments. Changes in impairment are recognized in cost of risk.

In the event of a securities lending transaction, the securities loaned cease to appear on the balance sheet and a receivable representing the carrying amount of the securities loaned is recognized as an asset.

In the case of a securities borrowed transaction, the borrowed securities are recorded in the trading securities category with a corresponding liability to the securities debt to the lender for an amount equal to the market price of the securities borrowed on the date of borrowing. Securities borrowed are presented in the balance sheet as a deduction from the debt representing the value of the securities borrowed.

Trading securities

These are securities acquired or sold with the intention to resell or repurchase them after a short holding period. To qualify for inclusion in this category, the securities must be negotiable on an active market at the date of initial recognition, and market prices must be accessible and representative of actual arm's-length transactions regularly taking place on the market. They may be either fixed- or variable-income instruments.

Trading securities are recorded in the accounts at cost on their acquisition date, less transaction costs and including accrued interest, where applicable. In the event of short selling, the debt is recorded under liabilities in the amount of the selling price of the securities, less transaction costs.

They are marked to market at the end of the fiscal year based on the market price on the most recent trading day. The overall balance of differences resulting from fluctuations in prices is taken to the income statement. For shares or units of UCITS and investment funds, market value corresponds to the available net asset values reflecting market conditions prevailing at the reporting date.

Securities classified as trading securities may not be transferred to another accounting category (except in exceptional market situations requiring a change of strategy or in the absence of an active market for fixed-income securities), and the rules for their presentation and measurement continue to apply until they are sold, redeemed in full or written off.

Available-for-sale securities

Securities that do not qualify for recognition in any other category are considered as available-for-sale securities.

Available-for-sale securities are recorded in the accounts at cost on their acquisition date, less transaction costs.

Where applicable, for fixed-income securities, accrued interest is recognized as a balancing entry in the income statement under “Interest and similar income.”

Any difference between the acquisition price and the redemption value (premium or discount) for fixed-income instruments is recorded in the income statement over the remaining term of the security using the actuarial method.

Available-for-sale securities are measured at the lower of acquisition cost or market price. For UCITS and investment funds, market value corresponds to net asset values reflecting available market information at the balance sheet date.

Unrealized capital losses are subject to an impairment charge that can be estimated for each group of similar securities, with no offsetting against capital gains recorded on other categories of securities.

Gains generated by any hedging instruments, within the meaning of Article 2514-1 of Regulation No. 2014-07 of the French National Accounting Standards Authority (ANC), are taken into account for the calculation of impairment. Unrealized capital gains are not recognized.

Gains and losses on disposal of available-for-sale securities, as well as impairment charges and reversals are recorded under “Net gains or losses on available-for-sale securities and equivalent.”

Held-to-maturity securities

These include fixed-income securities with fixed maturity that were acquired or have been reclassified from “Trading securities” or “Available-for-sale securities” and which the company intends and is able to hold to maturity. The securities should not be subject to an existing restriction, legal or otherwise, liable to have an adverse effect on the company's intention to hold the securities to maturity. Classification as held-to-maturity securities is not incompatible with their designation as items hedged against interest rate risk.

Securities held to maturity are recorded in the accounts at cost as of their acquisition date, less transaction costs. When previously classified as available for sale, they are recorded at cost and the previously recognized impairment charges are reversed over the residual life of the relevant securities.

The difference between the acquisition cost and the redemption value of the securities, and the corresponding interest, are recognized in accordance with the same rules as those applicable to fixed-income securities available for sale.

An impairment loss may be recognized if there is a strong probability that the institution will not hold the securities to maturity due to new circumstances or if there is a risk of default by the issuer. Unrealized capital gains are not recognized.

Debt securities held to maturity cannot be sold or transferred to another category of securities, with certain exceptions.

However, fixed-income trading or available-for-sale securities that are reclassified as held-to-maturity securities due to illiquid market conditions, pursuant to the provisions of Regulation No. 2014-07 of the French National Accounting Standards Authority (ANC), can be sold when the market on which they are traded becomes active again.

Portfolio securities

The portfolio activity consists of investing with the objective of obtaining capital gains in the medium term, without the intention of either investing over the long term in the development of the business goodwill of the issuing company or participating actively in its operational management. In principle, the portfolio activity can only involve variable-income securities. This activity must be significant, continuous and carried out within a structured framework, and must generate regular returns derived primarily from capital gains on disposals.

Portfolio securities are recognized at their acquisition cost, less transaction costs.

At the reporting date, they are included on the balance sheet at the lower of their historical cost and value in use. An impairment charge is recognized for any unrealized capital losses. Unrealized capital gains are not recognized.

Securities recorded as portfolio securities cannot be transferred to another accounting category.

In thousands of euros	12/31/2024					12/31/2023				
	Transaction	Available-for-sale securities	Securities held to maturity	Portfolio securities	Overall	Transaction	Available-for-sale securities	Securities held to maturity	Portfolio securities	Overall
Treasury bills and equivalent	1,829,544	18,591,023	140,458		20,561,025	1,629,463	13,518,802	40,105		15,188,370
Gross amount	1,829,038	18,626,832	140,012		20,595,882	1,629,084	13,557,638	39,963		15,226,685
Accrued interest	506	36,223	446		37,175	379	19,271	142		19,792
Impairment	0	-72,032			-72,032	0	-58,107			-58,107
Bonds and other fixed-income securities	1,196,225	10,068,370	0		11,264,595	1,057,893	7,963,114	50,485		9,071,492
Gross amount	1,196,225	10,036,823	0		11,233,048	1,057,893	7,970,426	50,000		9,078,319
Accrued interest		61,604	0		61,604		40,203	485		40,688
Impairment		-30,057	0		-30,057		-47,515	0		-47,515
Equities and other variable-income securities	8,681,219	337,474		0	9,018,693	7,402,683	349,312		0	7,751,995
Gross amount	8,681,219	425,624		0	9,106,843	7,402,683	439,175		0	7,841,858
Accrued interest					0					0
Impairment		-88,150		0	-88,150		-89,863		0	-89,863
OVERALL	11,706,989	28,996,867	140,458	0	40,844,314	10,090,039	21,831,228	90,590	0	32,011,857

For treasury bills and similar securities, receivables representing loaned securities amounted to €13,478.50 million at December 31, 2024.

Unrealized capital gains and losses on all available-for-sale securities amounted to €66.60 million and €255.50 million, respectively.

Treasury bills, bonds and other fixed-income securities (net amount)

In thousands of euros	12/31/2024				12/31/2023			
	Transaction	Available-for-sale securities	Securities held to maturity	Overall	Transaction	Available-for-sale securities	Securities held to maturity	Overall
Listed securities	1,180,516	7,097,751	140,012	8,418,279	877,351	5,980,296	0	6,857,647
Unlisted securities	802,064	7,099,272	0	7,901,336	730,611	6,285,011	89,963	7,105,585
Securities loaned	1,043,695	14,395,949	0	15,439,644	1,080,186	9,178,073	0	10,258,259
Non-performing loans	0	0	0	0	0	0	0	0
Accrued interest	0	65,915	446	66,361	0	37,745	626	38,371
OVERALL	3,026,275	28,658,887	140,458	31,825,620	2,688,148	21,481,125	90,589	24,259,862
<i>O/w subordinated notes</i>	<i>9,477</i>	<i>37</i>	<i>0</i>	<i>9,514</i>	<i>5,559</i>	<i>36</i>	<i>0</i>	<i>5,595</i>

Within this category of available-for-sale securities, impairment is recognized for any securities subject to a capital loss. Unrealized capital losses amounted to €220.41 million at December 31, 2024, compared with €350.32 million at December 31, 2023.

Unrealized capital gains on this category of available-for-sale securities amounted to €35.45 million at December 31, 2024, compared with €29.38 million at December 31, 2023.

Securities classified as held-to-maturity amounted to €140.01 million at December 31, 2024.

At December 31, 2024, bonds and other fixed-income securities issued by public-sector organizations amounted to €768.24 million compared with €384.61 million at December 31, 2023.

Shares and other variable-income securities (net amount)

In thousands of euros	12/31/2024				12/31/2023			
	Transaction	Available -for-sale securities	Portfolio securities	Overall	Transaction	Available -for-sale securities	Portfolio securities	Overall
Listed securities	8,660,715	66,348		8,727,063	6,920,859	66,348		6,987,207
Unlisted securities	20,504	271,126		291,630	481,824	282,964		764,788
Accrued interest				0				0
OVERALL	8,681,219	337,474	0	9,018,693	7,402,683	349,312	0	7,751,995

Shares and other variable-income securities included €329.58 million of UCITS at December 31, 2024, compared with €349.31 million of UCITS at December 31, 2023.

Within this category of available-for-sale securities, impairment is recognized for any securities subject to a capital loss. Unrealized capital losses amounted to €88.14 million at

December 31, 2024, compared with €89.86 million at December 31, 2023.

For this category of available-for-sale securities, unrealized capital gains amounted to €120.11 million at December 31, 2024, compared with €132.01 million at December 31, 2023.

4.3.2 Changes in held-to-maturity securities

In thousands of euros	12/31/2023	Purchases	Disposals	Repay- ments	Conversion	Discount/ premium	Other changes	12/31/2024
Treasury bills	39,963	100,049						140,012
Bonds and other fixed-income securities	50,000		50,000					0
OVERALL	89,963	100,049	50,000	0	0	0	0	140,012

In 2024, BRED Banque Populaire increased its stock of investment securities by €50.05 million.

4.3.3 Reclassification of assets

Accounting principles

For the purposes of harmonization and consistency with IFRS, Regulation No. 2014-07 of the French National Accounting Standards Authority (ANC) incorporates the provisions of Opinion No. 2008-19 of December 8, 2008, on transfers of securities from the “Trading securities” and “Available-for-sale securities” categories.

Reclassification from the “Trading securities” category to the “Available-for-sale securities” and “Held-to-maturity securities” categories is allowed in the following two cases:

- under exceptional market circumstances calling for a change of strategy;
- when, after their acquisition, fixed-income securities can no longer be traded on an active market, and provided that the institution has the intention and ability to hold them for the foreseeable future or until their maturity.

Reclassifications from the “Available-for-sale” category to the “Held-to-maturity” category are effective as from the reclassification date in either of the following conditions:

- under exceptional market circumstances calling for a change of strategy;
- where fixed-income securities are no longer tradable on an active market.

The regulation authorizes institutions to sell all or part of the securities reclassified as “investment securities” provided that the following two conditions are met:

- the reclassification was motivated by an exceptional situation requiring a change in strategy;
- the market has become active again for these securities.

Furthermore, reclassification from the available-for-sale securities portfolio to the held-to-maturity portfolio remains possible, without exception, through a simple change of intention if, at the transfer date, all the criteria for a held-to-maturity portfolio are met. In this case, the disposal of these securities is only authorized in very limited cases.

Reclassification due to illiquid markets (CRC Regulation No. 2008-17 replaced by Regulation No. 2014-07 of the French National Accounting Standards Authority [ANC])

BRED Banque Populaire has not reclassified any assets pursuant to the provisions of the aforementioned Regulation relating to transfers of securities from the “trading securities” and “available-for-sale securities” categories.

4.4 Equity interests, affiliates and other long-term investments

Accounting principles

Investments in associates and affiliates

Securities falling into this category are securities which, if held over the long term, are deemed useful for the company’s operations, mainly by allowing the company to exercise significant influence or control over the administrative bodies of the issuing companies.

Equity interests and investments in associates are recorded at their acquisition cost, including transaction costs where the amounts are significant.

They are individually measured at the balance sheet date at the lower of acquisition cost or value in use. Value in use is assessed mainly on the basis of criteria such as the strategic nature of the investment, the intention to provide support or retain the investment, share price performance, accounting net assets, remeasured net assets, and forecasts. Impairment is recognized for any unrealized capital losses, calculated for each line of securities, and is not offset with unrealized capital gains. Unrealized capital gains are not recognized.

Securities recorded under investments in associates and affiliates cannot be transferred to any other accounting category.

Other long-term investments

Other long-term investments are securities acquired with the intention of promoting the development of lasting business relationships, by creating special ties with the issuer, without taking an active part in its management due to the small percentage of voting rights that the investment represents.

4.4.1 Changes in equity interests, investments in associates and other long-term investments

<i>In thousands of euros</i>	12/31/2023	Change	12/31/2024
Gross amount	2,327,006	71,762	2,398,768
Equity interests and other long-term investments	1,209,926	62,996	1,272,922
Investments in affiliates	1,117,080	8,766	1,125,845
Impairment	-31,994	-19,960	-51,954
Equity interests and other long-term investments	-31,994	-19,960	-51,954
Investments in affiliates	0		0
NET LONG-TERM INVESTMENTS	2,295,012	51,802	2,346,814

BPCE Achats was the subject of a merger and acquisition with SAS BPCE Services during the first half of 2024. These securities were derecognized at the same time as the securities received from BPCE Services. The net gain/(loss) on exchange of €1,480 was recognized in the income statement.

Shares in non-trading real-estate companies recorded under long-term investments were immaterial at both December 31, 2024, and December 31, 2023.

BPCE SA shares, with a net carrying amount of €934.8 million at December 31, 2024, represent most of the item.

Other long-term investments include shareholder certificates in the deposit guarantee fund for an amount of €31.2 million.

The value of the central institution’s securities was determined by calculating a remeasured net asset value that includes remeasurement of BPCE’s main subsidiaries.

BPCE’s main subsidiaries are valued using discounted multi-year forecasts of expected dividend flows (dividend discount model). The forecasts of expected dividend flows are

based on the business plans arising from the strategic plans of the entities concerned and on technical inputs that are deemed reasonable. In particular, the valuation took into account the prudential constraints that apply to the activities in question.

These valuations are based on the concept of value in use. They therefore take into account BRED Banque Populaire’s specific situation, the fact that these equity interests belong to Groupe BPCE and are part of the shared support mechanism, their strategic interest for BRED Banque Populaire, and the fact that they are held with a long-term objective.

These valuations are based on technical inputs based on a long-term vision of ownership and membership of the group and not on the outer limits of valuation inputs.

BPCE’s remeasured net assets incorporate the intangible assets held by BPCE as well as the structural expenses of the central institution.

At December 31, 2024, the net carrying amount of the BPCE securities was €934.8 million.

4.4.2 Statement of subsidiaries and equity investments

Subsidiaries and ownership interests <i>In thousands of euros</i>	Share capital	Equity other than share capital including FGBR where applicable (excluding income for the year)	Share of capital held (as a %)	Carrying amount of securities held		Loans and advances granted by the company and not yet repaid and undated subordinated notes	Amounts of sureties and pledges given by the company	Pre-tax revenue or NBI for the last fiscal year	Income (profit or loss of the last fiscal year)	Dividends received by the company during the fiscal year
				Gross	Net					
A. Detailed information concerning holdings whose gross value exceeds 1% of the parent company's share capital										
Subsidiaries owned by BRED (> 50%)										
Cofibred	656,015	1,053,863	100.00	985,540	985,540			52,884	37,457	0
BRED Bank Cambodia	140,029	128,025	100.00	128,199	116,821			13,677	-6,099	
Equity interests held by BRED (< 50%)										
BPCE	197,857	18,522,613	4.95	934,806	934,806			1,068,421	1,455,069	0
B. General information concerning other instruments whose gross value is less than 1% of the parent company's share capital										
French subsidiaries (all)				23,274	392					0
Foreign subsidiaries (all)										
Association certificates				30	30					
French companies				31,379	17,872					88
Foreign companies				548	548					53
O/w investments in listed companies				443	443					0

4.4.3 Companies established with unlimited liability

Corporate name	Head office	Legal form
Diderot Financement 25	88 Avenue de France, 75013 Paris	SNC
Diderot Financement 30	Quartier Valmy, Immeuble Le Village 33 Place Ronde 92800 Puteaux	SNC
Diderot Financement 31	Quartier Valmy, Immeuble Le Village 33 Place Ronde 92800 Puteaux	SNC
Syndication Risque et Distribution	7 Promenade Germaine Sablon, 75013 Paris	EIG

4.4.4 Related-party transactions

<i>In thousands of euros</i>	Banks	Other companies	12/31/2024	12/31/2023
Receivables	4,520,808	10,278,264	14,799,073	13,049,204
O/w subordinated items	-	-	-	-
Liabilities	1,364,682	539,711	1,904,393	2,803,143
O/w subordinated items	-	-	-	-
Commitments given	113,684	115	113,799	98,506
Loan commitments	25,000	-	25,000	30,000
Guarantee commitments	88,684	115	88,799	68,506
Other commitments given				

4.5 Finance and lease and operating lease transactions

Not applicable.

4.6 Property, plant and equipment and intangible assets

The rules for recognizing fixed assets are defined by Regulation No. 2014-03 of the French Accounting Standards Authority (ANC), amended in particular by ANC Regulation No. 2023-05 of November 10, 2023, on IT solutions.

4.6.1 Intangible assets

Accounting principles

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are recorded at acquisition cost (purchase price including costs). These assets are amortized over their estimated useful lives.

The IT solutions acquired are amortized over a maximum period of five years.

Goodwill is not amortized but is subject, as appropriate, to impairment testing.

Leasehold rights are amortized on a straight-line basis over the residual term of the lease and, if necessary, are tested for impairment relative to market value.

<i>In thousands of euros</i>	12/31/2023	Increase	Decrease	Other changes	12/31/2024
Gross amount	112,196	19,398	-1,342	0	130,252
Lease rights and business assets	33,914	7,177	0	0	41,090
IT solutions	73,914	7,914	0	0	81,828
Other	4,368	4,307	-1,342	0	7,334
Depreciation, amortization and impairment	-94,028	-8,275	0	0	-102,303
Lease rights and business assets	-32,116	-327	0	0	-32,443
Software solutions	-61,912	-7,948	0	0	-69,860
Other		0	0	0	
TOTAL NET AMOUNT	18,168	11,123	-1,342	0	27,949

4.6.2 Property, plant and equipment

Accounting principles

Property, plant, and equipment consist of tangible assets held for use in the production or supply of goods and services, for lease to third parties or for administrative purposes and which are expected to be used during more than one fiscal year.

Insofar as buildings are assets consisting of a number of components that have different uses at the outset, each component is recognized separately at cost and a depreciation schedule specific to each component is used.

The depreciable amount is the gross value less the residual value where the latter is material, lasting and can be measured reliably. The main components of buildings are depreciated in accordance with the duration over which the asset's expected economic benefits are expected to be consumed by the entity, which generally corresponds to the asset's useful life:

Useful life components

Land:	NA	Renovations	10-20 years
Non-destructible façades:	NA	Technical equipment	10-20 years
Façades, roofing and waterproofing	20-40 years	Internal fixtures and fittings	10-20 years
Foundations and frameworks	30-60 years	Fixtures and fittings	8-15 years

Other property, plant and equipment is recorded at acquisition cost, production cost or restated cost. The cost of fixed assets denominated in foreign currencies is translated into euros at the exchange rate prevailing on the transaction date. These assets are depreciated according to the period over which the asset's future economic benefits are expected to be consumed by the entity, which generally corresponds to the asset's useful life.

Where applicable, assets may be subject to impairment.

Investment property consists of tangible assets not used in operations and is recognized using the component method.

<i>In thousands of euros</i>	12/31/2023	Increase	Decrease	Other changes	12/31/2024
Gross amount	460,816	17,188	-2,777	0	475,227
Operating property, plant and equipment	456,187	17,059	-2,615	0	470,631
Land	61,665	0	0	0	61,665
Buildings	138,756	174	0	0	138,930
Shares in non-trading real estate companies					
Other	255,766	16,885	-2,615	0	270,036
Non-operating property, plant and equipment	4,629	129	-162	0	4,596
Depreciation, amortization and impairment	-265,949	-25,054	23	0	-290,980
Operating property, plant and equipment	-263,618	-24,864	20	0	-288,462
Land					
Buildings	-84,138	-3,543	0	0	-87,680
Shares in non-trading real estate companies					
Other	-179,481	-21,321	20	0	-200,782
Non-operating property, plant and equipment	-2,331	-190	3	0	-2,518
TOTAL NET AMOUNT	194,867	-7,865	-2,754	0	184,248

4.7 Debt securities

Accounting principles

Debt securities are presented according to the type of underlying: retail certificates of deposit, interbank and negotiable debt securities, bonds, and other debt securities, apart from subordinated debt, which is recorded separately under liabilities.

Accrued interest on these instruments is disclosed separately as a related payable, as a balancing entry to the income statement entry.

Issue premiums are recognized in full during the period or are recognized on a straight-line basis over the life of the debt. Issue and redemption premiums are spread over the life of the loan via a deferred expenses account.

For structured debt, applying the principle of conservatism, only the certain portion of remuneration or principal is recognized. Unrealized gains are not recorded. Unrealized losses are subject to a provision.

<i>In thousands of euros</i>	12/31/2024	12/31/2023
Certificates of deposit and savings bonds	0	0
Interbank market instruments and negotiable debt securities	7,841,978	9,183,816
Bonds	0	0
Other debt securities	75,000	0
Accrued interest	33,380	44,472
OVERALL	7,950,358	9,228,288

4.8 Other assets and other liabilities

In thousands of euros	12/31/2024		12/31/2023	
	Assets	Liabilities	Assets	Liabilities
Securities settlement accounts	0	-2	0	6
Premiums on options bought and sold	887,925	32,897	1,030,696	69,280
Amounts payable on borrowed securities and other securities debt ⁽¹⁾	0	96,899	0	86,898
Tax and social security receivables and liabilities	133,111	146,180	93,675	130,864
Guarantee deposits received and paid	0	20	0	19
Other accounts receivable, other accounts payable	1,990,003	1,210,520	1,361,632	897,994
TOTAL	3,011,039	1,486,514	2,486,003	1,185,061

(1) In accordance with ANC Regulation No. 2020-10, the amount of debt on borrowed securities is reduced by the value of identical securities classified by the institution as trading securities and up to the amount of the debt. See Note 4.3.1.

Sundry debtors primarily include margin calls.

Sundry creditors include receivables for the tax credit for competitiveness and employment (CICE) and research tax credit (CIR) amounting to €430.28 million at December 31, 2024.

4.9 Accrual accounts

In thousands of euros	12/31/2024		12/31/2023	
	Assets	Liabilities	Assets	Liabilities
Foreign exchange commitments	974,801	957,347	527,245	515,634
Deferred gains and losses on hedging forward financial instruments	261,924	56,366	1,516,352	1,386,617
Prepaid expenses and unearned income	112,181	245,864	148,102	234,921
Accrued income/expenses	179,103	433,766	158,387	550,165
Items in process of collection	62,631	194,259	84,698	147,767
Other	12,259	29,926	27,708	15,856
TOTAL	1,602,899	1,917,528	2,462,492	2,850,959

4.10 Provisions**Accounting principles**

This line item includes provisions intended to cover contingencies and charges whether or not they are directly linked to banking transactions within the meaning of Article L.311-1 of the French Monetary and Financial Code and related transactions as defined in Article L.311-2 of the same code, which are clearly specified in terms of their purpose, but for which the amount or timing cannot be precisely determined. Unless covered by a specific regulation, the creation of such provisions is subject to the existence of an obligation to a third party at the reporting date and to the absence of equivalent consideration expected from this third party, in accordance with the provisions of Regulation No. 2014-03 of the French National Accounting Standards Authority (ANC).

In particular, this line item includes a provision for employee benefit obligations and a provision for counterparty risk.

Employee benefits

Employee benefits are recognized in accordance with ANC Recommendation No. 2013-R-02. They are classified into four categories:

Short-term employee benefits

Short-term employee benefits mainly include wages, paid annual leave, incentive schemes, profit-sharing, and bonuses payable within twelve months of the end of the period in which the employee renders the service. They are recognized as an expense for the period, including amounts still due at the reporting date.

With regard to the right to paid leave, and following the decision of the Court of Cassation of September 13, 2023, it should be noted that Article 37 of the act of April 22, 2024, now defines the terms and conditions for aligning the French Labor Code with European law. These amendments concern in particular the reference period to be used, the possibility of deferring rights to paid leave, the retroactive period applicable to these provisions, and lastly the number of days of leave to which the employee is entitled in the event of accident or illness of professional or non-professional origin. Groupe BPCE has provisioned for the corresponding impact in its financial statements at December 31, 2024.

Long-term employee benefits

Long-term employee benefits are generally linked to seniority accruing to current employees and payable twelve months or more after the end of the period in which the employee renders the related service. These consist mainly of long-service awards. A provision is set aside for the amount of these obligations at the balance sheet date.

The obligations are valued using an actuarial method that takes account of demographic and financial assumptions such as age, length of service, the likelihood of the employee being employed by the Group at retirement and the discount rate. The valuation also allocates costs over the working life of each employee (projected unit credit method).

Termination benefits

Termination benefits are granted to employees on termination of their employment contract before the normal retirement date, either as a result of a decision by the Group to terminate a contract or a decision by an employee to accept voluntary redundancy. A provision is set aside for termination benefits. Termination benefits payable more than twelve months after the reporting date are discounted to present value.

Post-employment benefits

Post-employment benefits include lump-sum retirement bonuses, pensions and other post-employment benefits.

These benefits can be broken down into two categories: defined-contribution plans, which do not give rise to an obligation for the Group, and defined-benefit plans, which give rise to an obligation for the Group and are therefore measured and recognized by means of a provision.

The Group records a provision in liabilities for employee benefits obligations that are not funded by contributions charged to income and paid out to pension funds or insurance companies.

Post-employment benefits are measured in the same way as long-term employee benefits.

Recognition of the obligations takes into account the value of plan assets and unrecognized actuarial gains or losses.

Actuarial gains and losses on post-employment benefits, arising from changes in actuarial assumptions (early retirement, discount rate, etc.) or experience adjustments (return on plan assets, etc.), are amortized under the corridor method, i.e., for the portion exceeding a variation of +/-10% of the defined-benefit obligation or the fair value of plan assets.

The annual expense recognized in respect of defined-benefit plans includes the current service cost, net interest cost (the effect of discounting the obligation) less hedging assets, and the amortization of any unrecognized items that are actuarial gains or losses.

Provisions for home savings products

Home savings accounts (*comptes épargne-logement* - CELs) and home savings plans (*plans épargne-logement* - PELs) are savings products offered to individuals in France. The characteristics of these products are defined by the 1965 act on home savings

products and subsequent implementing decrees.

Home savings products generate two types of obligations for the institutions that market them:

- a commitment to provide a loan to the customer in the future at a rate set on inception of the contract (for PEL products) or at a rate contingent upon the savings phase (for CEL products);
- a commitment to pay interest on the savings in the future at a rate set on inception of the contract for an indefinite period (for PEL products) or at a rate set on a half-yearly basis according to an indexing formula regulated by law (for CEL products).

Obligations with potentially adverse consequences are measured for each generation of home savings plans and for home savings accounts as a whole.

The risks associated with these obligations are covered by a provision, the amount of which is determined by discounting the future earnings generated by the at-risk outstandings:

- at-risk savings correspond to the uncertain future level of savings for plans that exist at the date on which the provision is calculated. This is estimated on a statistical basis for each future period taking account of historical investor behavior patterns, and corresponds to the difference between the probable savings deposits and the minimum expected savings deposits;
- at-risk loan outstandings correspond to the outstanding loans already granted but not yet due at the calculation date, plus future loans that are estimated statistically based on customer behavior patterns as well as vested and projected rights associated with home savings accounts and plans.

Earnings of future periods over the savings phase are determined, for a given generation, as the difference between the regulated rate offered and the expected remuneration on a rival savings product.

Earnings of future periods over the loan phase are determined as the difference between the rate set on inception of the contract for PELs or a rate that is contingent on the savings phase for CEL contracts, and the expected rate on non-regulated home loans.

Where the algebraic sum of the measurement of future obligations in respect of the savings phase and the loan phase of a given generation of contracts indicates a potentially adverse situation, a provision is recognized, with no netting between generations. The obligations are estimated using the Monte Carlo method in order to reflect the uncertainty of future interest rate trends and their impact on modelled future behavior of customers and on at-risk outstandings. On this basis, a provision is established for a given generation of contracts in the event of a potentially adverse situation for the bank, with no netting between generations.

The provision is recognized on the liabilities side of the balance sheet and changes are recorded in net banking income.

4.10.1 Statement of changes in provisions

<i>In thousands of euros</i>	01/01/2024	Charges	Used	Reversals	12/31/2024
Provisions for counterparty risks	238,806	120,441	-40,801	-2,310	316,136
Provisions for employee benefits	32,919	3,256	-5,806	0	30,368
Provisions for home savings plans (PELs) and home savings accounts (CELs)	18,351	0	-2,181	0	16,170
Other provisions for liabilities	0	0	0	0	0
Securities portfolio and forward financial instruments					
Long-term investments					
Real estate development					
Provisions for taxes					
Other	0	0	0	0	0
Exceptional provisions	0	0	0	0	0
Provisions for IT restructuring					
Other exceptional provisions					
OVERALL	290,076	123,697	-48,789	-2,310	362,674

4.10.2 Provisions and impairments for counterparty risks

<i>In thousands of euros</i>	12/31/2023	Charges	Used	Reversals	Conversion	12/31/2024
Impairment recorded as a deduction from asset items	785,277	262,223	-162,938	-74,050	1,502	812,014
Impairment on customer receivables and disputes	533,302	172,836	-86,932	-74,050		545,156
Impairment on other receivables	251,975	89,387	-76,006	0	1,502	266,858
Provisions for counterparty risks recognized as liabilities	238,806	120,442	-40,801	-2,310	0	316,136
Provisions for off-balance sheet commitments	5,739	4,982	-3,264	-424		7,033
Provisions for country risks	1,160	0	-404	0		756
Provisions for sector risks and collective provisions	179,020	92,111	-14,089	0		257,041
Provisions for customer counterparty risks	52,888	23,349	-23,044	-1,886		51,306
Other provisions	0	0	0	0		0
TOTAL	1,024,083	382,665	-203,739	-76,361	1,502	1,128,150

4.10.3 Provisions for employee benefits**Post-employment benefits related to defined-contribution plans**

Defined contribution plans cover the mandatory pension plans managed by social security and by the AGIRC and ARRCO pension plans, and the supplementary pension plans to which the Banque Populaire banks subscribe. BRED Banque Populaire's obligation under these schemes is limited to the payment of contributions.

Post-employment benefits related to defined-benefit plans and long-term employee benefits

BRED Banque Populaire's obligations concern the following plans:

- the Banque Populaire private supplementary pension plan, managed by Caisse Autonome de Retraite des Banques Populaires (CARBP), covers the pension benefits deriving from the closure of the former banking pension plan at December 31, 1993;
- pensions and other post-employment benefits such as end-of-career awards and other benefits granted to retirees;
- other benefits such as long-service awards and other long-term employee benefits.

These obligations are calculated in accordance with Recommendation No. 2013-R-02, as amended on November 5, 2021, of the French National Accounting Standards Authority (ANC).

Provisions for employee benefit obligations

Analysis of assets and liabilities included in the balance sheet

In thousands of euros	12/31/2024				12/31/2023			
	CARBP plan	Pensions	Other commitments	Overall	CARBP plan	Pensions	Other commitments	Overall
Actuarial liabilities	78,524	5,286	38,483	122,292	85,187	5,972	39,242	130,401
Fair value of plan assets	-64,492	-3,653	-40,852	-108,996	-63,350	-4,091	-37,356	-104,797
Fair value of reimbursement rights								
Effect of ceiling on plan assets								
Actuarial gains or losses not recognized	7,871	351	8,850	17,072	2,688	105	4,522	7,314
Past service costs not recognized			0				0	
NET AMOUNT REPORTED ON THE BALANCE SHEET	21,903	1,984	6,481	30,368	24,524	1,986	6,408	32,919
Passive employee benefits	21,903	1,984	6,481	30,368	24,524	1,986	6,408	32,919

Analysis of expenses for the year

In thousands of euros	12/31/2024				12/31/2023
	CARBP plan	Pensions	Other commitments	Overall	Overall
Service cost	0	0	-2,316	-2,316	-2,115
Past service cost	0	0	0	0	457
Interest cost	-2,961	-114	-1,285	-4,361	-4,005
Interest income	1,997	117	1,195	3,310	3,662
Benefits paid	3,585	0	2,221	5,806	8,000
Plan participant contributions		0	0	0	0
Actuarial gains recognized in income	0	0	39	39	228
Other	0	0	72	72	-193
TOTAL	2,621	3	-73	2,551	6,034

The pension reform in France (act 2023-270 of April 14, 2023 on the rectifying financing of social security for 2023 and application decrees 2023-435 and 2023-436 of June 3, 2023) has been taken into account for the valuation of the actuarial debt as of December 31, 2023. Considered as a modification of a plan recognized in past service cost, the impact is therefore recognized in the income statement.

Breakdown of the fair value of plan assets

	CARBP		End-of-career awards	
	Weight by category (in %)	Fair value of assets (in thousands of euros)	Weight by category (in %)	Fair value of assets (in thousands of euros)
Short-term credit facilities	5.67%	3,655	0.00%	0
Equities	35.92%	23,165	46.84%	19,137
Bonds	49.81%	32,125	0.00%	0
Residential mortgages	0.00%	0	0.00%	0
Derivatives	0.00%	0	0.00%	0
Investment funds	8.60%	5,547	53.16%	21,715
OVERALL	100.00%	64,492	100.00%	40,852

Main actuarial assumptions

As a percentage	CARBP plan		Other commitments	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Discount rate	3.39%	3.17%	3.41%	3.20%
Expected return on plan assets	2.30%	2.40%	2.40%	2.40%

The discount rate used is based on the prime borrower curve (EUR Composite AA curve).

4.10.4 Provisions for regulated home savings products**Deposits held in regulated home savings products**

In thousands of euros	12/31/2024	12/31/2023
Deposits held in regulated home savings plans (PELs)		
• Plans less than 4 years old	77,549	193,302
• Plans more than 4 years but less than 10 years old	765,715	799,518
• Plans more than 10 years old	554,546	591,546
Deposits held in home savings plans	1,397,810	1,584,366
Deposits held in home savings accounts	210,815	205,061
TOTAL	1,608,625	1,789,427

Outstandings on loans granted

In thousands of euros	12/31/2024	12/31/2023
Loans granted		
• In connection with home savings plans	1,137	235
• In connection with home savings accounts	240	166
TOTAL	1,377	401

Provisions for obligations relating to home savings accounts (CELs) and plans (PELs)

In thousands of euros	01/01/2024	Net provisions/ reversals	12/31/2024
Provisions for regulated home purchase savings plans (PEL)			
• Plans less than 4 years old	1,836	-1,836	0
• Plans more than 4 years but less than 10 years old	1,604	-1,604	0
• Plans more than 10 years old	9,572	2,961	12,533
Provisions for home savings plans	13,012	-479	12,533
Provisions for home savings accounts	5,365	-1,739	3,626
Provisions for regulated home purchase savings plan (PEL) loans	-24	32	7
Provisions for regulated home purchase savings account (CEL) loans	-2	6	4
Provisions for home savings products loans	-26	37	11
TOTAL	18,351	-2,181	16,170

4.11 Subordinated debt

Accounting principles

Subordinated debt comprises proceeds from issues of both term and perpetual subordinated debt securities, and mutual guarantee deposits. In the event of the obligor's liquidation, the repayment of subordinated debt is only possible after all other creditors have been satisfied.

Accrued interest payable on subordinated debt is disclosed separately as a related payable, as a balancing entry to the income statement entry.

<i>In thousands of euros</i>	12/31/2024	12/31/2023
Term subordinated debt	0	0
Perpetual subordinated debt		
Perpetual deeply subordinated debt	0	0
Mutual guarantee deposits	226	2,368
Accrued interest	0	0
OVERALL	226	2,368

4.12 Fund for general banking risks

General principles

These funds are intended to cover the risks inherent in the company's banking activities.

They also include amounts allocated to the Regional Solidarity Fund and to funds established in connection with the guarantee mechanism (see Note 1.2).

<i>In thousands of euros</i>	12/31/2023	Increase	Decrease	Other changes	12/31/2024
Regional Solidarity Fund	125,042	21,429	0		146,471
Fund for general banking risks	87,866	0	21,429		66,437
OVERALL	212,908	21,429	21,429	0	212,908

At December 31, 2024, the fund for general banking risks included €101.85 million allocated to the Banque Populaire Network Fund, €44.62 million allocated to the Mutual Guarantee Fund and €66.4 million allocated to the Regional Solidarity Fund.

4.13 Shareholders' equity

<i>In thousands of euros</i>	Share capital	Additional paid-in capital	Reserves/ other	Retained earnings	Income	Total equity (excl. FGBR)
TOTAL AT DECEMBER 31, 2022	1,681,432	7,482	2,313,828	110,000	158,559	4,271,301
Changes during the period	212,502	0	109,943	0	389,744	712,189
TOTAL AT DECEMBER 31, 2023	1,893,934	7,482	2,423,771	110,000	548,303	4,983,490
Impact of change in method						0
2023 income allocation			548,303		-548,303	0
Distribution of dividends			-52,001			-52,001
Capital decrease						0
Capital increase	68,407		-9,222			59,185
Other changes ⁽¹⁾		-381	-3,261			-3,642
Net income for the period					197,861	197,861
TOTAL AT DECEMBER 31, 2024	1,962,341	7,101	2,907,590	110,000	197,861	5,184,893

(1) Other changes: related to Crédit Maritime.

The share capital is set at €1,962,341,211.60. The share capital is divided into one hundred and eighty-four million four hundred and thirty thousand five hundred and sixty-five (184,430,565) shares with a nominal value of ten euros and sixty-four cents (€10.64) each, fully paid up, and all of the same category.

A capital increase, by cash subscription, in the amount of €59,185,444.95 was carried out pursuant to a resolution of the Board of Directors on December 2, 2024, through the issue at par of 5,588,805 new cooperative shares, with a nominal value of €10.64 each.

On June 1, 2024, BRED Banque Populaire distributed interest of €52,001 million on cooperative shares, paid entirely in cash.

4.14 Fixed-term assets and liabilities by residual maturity

Assets and liabilities with fixed due dates are presented by residual maturity and include accrued interest.

<i>In thousands of euros</i>	12/31/2024						Overall
	Less than 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Not determined	
Treasury bills and equivalent	-34,856	481,851	1,894,395	14,239,399	3,980,236	0	20,561,025
Loans and advances due from banks	1,614,280	927,961	4,349,123	1,105,094	779,409	0	8,775,867
Customer transactions	6,484,942	1,251,540	4,058,677	10,299,761	10,820,396	0	32,915,316
Bonds and other fixed-income securities	349,527	-112,821	303,663	2,669,700	8,054,526	0	11,264,595
Finance and lease and operating lease transactions	0	0	0	0	0	0	0
TOTAL ASSETS	8,413,893	2,548,531	10,605,858	28,313,954	23,634,567	0	73,516,803
Amounts due to banks	10,871,136	2,968,876	1,899,597	6,966,835	336,219	0	23,042,663
Customer transactions	49,158,432	3,836,944	6,084,666	673,164	87,856	0	59,841,062
Debt securities	4,392,612	2,438,823	1,023,323	20,267	75,333	0	7,950,358
Subordinated debt	226	0	0	0	0	0	226
TOTAL LIABILITIES	64,422,406	9,244,643	9,007,586	7,660,266	499,408	0	90,834,309

Following the application of ANC Regulation No. 2020-10, debt securities are presented after deducting the borrowed securities, and the receivable on the savings fund is deducted from regulated savings. See Notes 4.2, 4.3.1 and 4.8.

Note 5 Information on off-balance sheet and similar transactions

5.1 Commitments given and received

General principles

Loan commitments

Loan commitments given to banks and similar entities include in particular funding agreements, agreements to pay or commitments to pay, documentary credit confirmations and other commitments given to banks and similar entities.

Loan commitments granted to customers include credit facilities granted, back-up credit lines for commercial paper, commitments on securities issuance and other commitments to customers other than banks and similar entities.

Loan commitments received mostly include funding agreements and other commitments received from banks and similar entities.

Guarantee commitments

Guarantee commitments to banks mostly include sureties and financial guarantees issued to banks and similar entities.

Guarantee commitments to customers mostly include sureties and financial guarantees issued to customers other than banks and similar entities.

Guarantee commitments received mostly include sureties and financial guarantees received from banks and similar entities.

5.1.1 Loan commitments

In thousands of euros

	12/31/2024	12/31/2023
Loan commitments given		
To banks	250,199	250,060
To customers	6,124,431	6,061,950
Documentary credit	95,010	79,961
Other credit facilities granted	6,008,540	5,963,932
Other commitments	20,882	18,057
TOTAL LOAN COMMITMENTS GIVEN	6,374,631	6,312,010
Loan commitments received		
From banks	4,536,964	3,429,054
From customers		
TOTAL LOAN COMMITMENTS RECEIVED	4,536,964	3,429,054

5.1.2 Guarantee commitments

In thousands of euros

	12/31/2024	12/31/2023
Guarantee commitments given		
To banks	432,964	378,652
• Documentary credit confirmations	162,927	207,444
• Other guarantees	270,037	171,208
To customers	3,288,264	3,025,117
• Real estate guarantees	195,659	220,931
• Government and tax guarantees	27,592	25,270
• Other bonds and endorsements	1,036,228	1,029,840
• Other guarantees given	2,028,785	1,749,076
TOTAL GUARANTEE COMMITMENTS GIVEN	3,721,228	3,403,769
Guarantee commitments received from banks	4,627,230	5,006,503
TOTAL GUARANTEE COMMITMENTS	8,348,458	8,410,272

5.1.3 Other commitments not recognized off-balance sheet

In thousands of euros	12/31/2024		12/31/2023	
	Commitments given	Commitments received	Commitments given	Commitments received
Other securities pledged as collateral provided to banks	4,879,769		3,544,975	
Other securities pledged as collateral received from customers	0		0	
OVERALL	4,879,769	0	3,544,975	0

At December 31, 2024, receivables pledged as collateral in connection with refinancing arrangements included:

- €0.157 million in negotiable debt securities pledged to the Banque de France under the TRICP system, compared with €0 million at December 31, 2023;
- BRED Banque Populaire did not hold any pledged claims with SFEF at either December 31, 2024, or December 31, 2023.

5.2 Forward financial instruments

Accounting principles

Hedging and market transactions in interest rate, foreign exchange, or equity financial forwards are recognized in accordance with the provisions of Regulation No. 2014-07 of the French National Accounting Standards Authority (ANC).

Commitments on these instruments are recorded as off-balance sheet items at the nominal value of the contracts. The amount recognized for these commitments represents the volume of unwound forward transactions at the reporting date.

The accounting policies applied vary depending on the type of instrument and the original purpose of the transaction.

Forward transactions

Interest rate swaps and similar contracts (forward rate agreements, collars, etc.) are classified as follows according to their initial purpose:

- micro-hedging (assigned hedges);
- macro-hedging (overall Asset/Liability management);
- speculative positions/isolated open positions;
- for use with a trading book.

Amounts received or paid in respect of the first two categories are recognized in income on a pro rata basis.

Income and expenses related to instruments used for hedging an asset or a group of similar assets are recognized in income symmetrically with the income and expenses on the hedged item. Gains and losses on hedging instruments are recognized on the same line as the income and expenses on the hedged item, under "Interest and similar income" and "Interest and similar expenses." The "Net gains or losses on trading book transactions" line is used when the hedged items are in the trading book.

In the event of overhedging, a provision may be made for the hedging instrument, in the amount of the overhedged portion, if the instrument shows an unrealized loss. In such case, the charge to provisions will affect "Net gains or losses on trading book transactions."

Income and expenses related to forward financial instruments used for hedging purposes or for managing overall interest rate risk are recognized in the income statement on a pro rata basis under "Interest and similar income" and "Interest and similar expenses." Unrealized gains and losses are not recognized.

Income and expense related to certain contracts, qualifying as isolated open positions, are recorded in the income statement either when the contracts are settled or on a pro rata basis, depending on the type of instrument.

Recognition of unrealized capital gains or losses depends on the type of market involved (organized and similar, or over-the-counter).

On over-the-counter markets (including transactions processed by a clearing house), a provision is recorded for any unrealized losses (relative to the instrument's mark-to-market). Unrealized capital gains are not recognized.

Instruments traded on organized markets or other markets considered as organized are continuously quoted and liquid enough to justify being marked to market. The cost of liquidity and counterparty risk will be taken into account in the valuation of isolated open positions.

Contracts classified as specialized asset management contracts are measured after applying a discount to reflect counterparty risk and taking into account liquidity costs and net present value of future management costs if these valuation adjustments are material. Derivatives traded with a counterparty that is a member of Groupe BPCE's financial solidarity mechanism (see Note 1.2) are not subject to these valuation adjustments, except where applicable for liquidity costs. Changes in value from one accounting period to another are recognized immediately in the income statement under "Net gains or losses on trading book transactions."

Balances on terminations or transfers are recognized as follows:

- balances on transactions classified under specialized asset management contracts or isolated open positions are immediately recognized in the income statement;
- for micro-hedging and macro-hedging transactions, balances are amortized over the remaining term of the initially hedged item or immediately recognized in the income statement.

Options

The notional amount of the underlying asset of an option or forward contract is recognized by distinguishing between hedging contracts and contracts traded for the purposes of capital market transactions.

For transactions involving interest rate, foreign exchange or equity options, the premiums paid or received are recognized

in a temporary account. At the end of the fiscal year, any options traded in an organized or similar market are measured and recognized in the income statement. For over-the-counter (OTC) options, provisions are recognized for capital losses but unrealized capital gains are not recognized. When an option is sold, repurchased, or exercised, or when an option expires, the corresponding premium is recognized immediately in the income statement.

Income and expenses for hedging instruments are recognized symmetrically with those from the hedged item. Seller options are not eligible for classification as macro-hedging instruments.

Over-the-counter markets may be treated as organized markets when market makers ensure continuous quotations within a range that reflect market practices when the underlying financial instrument is itself quoted on an organized market.

5.2.1 Financial instruments and foreign exchange futures

In thousands of euros	12/31/2024				12/31/2023			
	Hedging transactions	Other transactions	Overall	Fair value	Hedging transactions	Other transactions	Overall	Fair value
Forward transactions								
Transactions on organized markets	0	13,846,991	13,846,991	0	0	32,366,696	32,366,696	0
Interest rate contracts	0	65,166	65,166	0	0	41,205	41,205	0
Foreign currency contracts	0	0	0	0	0	0	0	0
Other contracts	0	13,781,826	13,781,826	0	0	32,325,491	32,325,491	0
Over-the-counter transactions	138,075,396	122,157,304	260,232,700	-848,739	99,621,500	98,612,235	198,233,735	-702,569
Forward rate agreements (FRA)	0	0	0	0	0	0	0	0
Interest rate swaps	135,594,470	9,264,205	144,858,675	-797,771	97,152,127	16,892,220	114,044,347	-600,998
Currency swaps	2,480,925	33,002,589	35,483,514	98,119	2,469,373	9,726,289	12,195,662	69,771
Other forward contracts	0	79,890,511	79,890,511	-149,086	0	71,993,726	71,993,726	-171,342
Total firm transactions	138,075,396	136,004,296	274,079,691	-848,739	99,621,500	130,978,931	230,600,431	-702,569
Options								
Transactions on organized markets	0	2,930,140	2,930,140	858,858	0	2,800,140	2,800,140	960,711
Interest rate options	0	0	0	0	0	0	0	0
Foreign currency options	0	0	0	0	0	0	0	0
Other options	0	2,930,140	2,930,140	858,858	0	2,800,140	2,800,140	960,711
Over-the-counter transactions	0	6,421,896	6,421,896	-314	0	6,203,145	6,203,145	8,220
Interest rate options	0	5,942,072	5,942,072	2,488	0	5,857,189	5,857,189	9,741
Foreign currency options	0	377,576	377,576	-766	0	276,614	276,614	790
Other options	0	102,249	102,249	-2,036	0	69,342	69,342	-2,311
Total options	0	9,352,036	9,352,036	858,544	0	9,003,285	9,003,285	968,931
TOTAL FINANCIAL AND FOREIGN EXCHANGE FORWARDS	138,075,396	145,356,332	283,431,727	9,805	99,621,500	139,982,216	239,603,716	266,362

5.2.2 Breakdown by type of portfolio of interest rate financial instruments and foreign currency swaps traded on an over-the-counter market

In thousands of euros	12/31/2024					12/31/2023				
	Micro-hedging	Macro-hedging	Isolated open positions	Specialized management	Overall	Micro-hedging	Macro hedging	Isolated open positions	Specialized management	Overall
Forward transactions	126,179,560	11,895,836	0	42,266,794	180,342,189	92,380,101	7,241,399	0	26,618,509	126,240,009
Forward rate agreements (FRA)	0	0	0	0	0	0	0	0	0	0
Interest rate swaps	123,698,634	11,895,836	0	9,264,205	144,858,675	89,910,728	7,241,399	0	16,892,220	114,044,347
Currency swaps	2,480,925	0	0	33,002,589	35,483,514	2,469,373	0	0	9,726,289	12,195,662
Other interest rate forward contracts	0	0	0	0	0	0	0	0	0	0
Options	0	0	0	5,942,072	5,942,072	0	0	0	5,857,189	5,857,189
Interest rate options	0	0	0	5,942,072	5,942,072	0	0	0	5,857,189	5,857,189
OVERALL	126,179,560	11,895,836	0	48,208,865	186,284,261	92,380,101	7,241,399	0	32,475,698	132,097,198

5.3 Foreign currency transactions

Accounting principles

Profits or losses on foreign exchange transactions are determined in accordance with Regulation No. 2014-07 of the French National Accounting Standards Authority (ANC).

Receivables, liabilities, and off-balance sheet commitments denominated in foreign currencies are measured at the exchange rate prevailing at the balance sheet date. Realized and unrealized foreign exchange gains and losses are recognized in the income statement. Income and expenses paid or received in foreign currencies are recognized at the exchange rate prevailing at the transaction date.

Fixed assets and investments in associates denominated in foreign currencies but financed in euros are recognized at acquisition cost.

Non-settled spot foreign exchange transactions are measured at the closing rates prevailing at the balance sheet date.

Discounts or premiums on foreign exchange forward contracts used for hedging purposes are recognized in the income statement on a pro rata basis. Other foreign exchange contracts and forward instruments denominated in foreign currencies are marked to market. Outright foreign exchange forward contracts, and those hedged by forward instruments, are restated over the remaining term. Foreign exchange swaps are recognized as pairs of spot purchase/forward sale transactions.

In thousands of euros	12/31/2024	12/31/2023
Spot foreign exchange transactions		
Currencies receivable not received	1,062,485	1,711,098
Currencies deliverable not delivered	258,019	736,259
OVERALL	1,320,503	2,447,357

5.4 Breakdown of assets and liabilities by currency

In thousands of euros	12/31/2024		12/31/2023	
	Assets	Liabilities	Assets	Liabilities
Euro	80,271,866	79,787,524	80,029,782	76,628,933
Dollar	15,849,342	12,809,677	13,052,239	11,298,986
Pound sterling	1,648,299	6,680,405	1,008,487	7,415,515
Swiss franc	180,860	177,760	192,991	155,238
Yen	1,820,655	67,847	1,807,234	85,209
Other	227,804	475,613	105,083	611,935
OVERALL	99,998,826	99,998,826	96,195,816	96,195,816

Note 6 Other information

6.1 Consolidation

Pursuant to Article 4111-I of Regulation No. 2014-07 of the French National Accounting Standards Authority (ANC) and in application of Article 111-I of ANC Regulation No. 2020-01, BRED Banque Populaire prepares consolidated financial statements in accordance with international accounting standards.

Its parent company annual financial statements are incorporated into the consolidated financial statements of BRED Group.

6.2 Operations in non-cooperative countries

Under Article L.511-45 of the French Monetary and Financial Code and the French Minister of the Economy's Ministerial Order of October 6, 2009, banks are required to publish, in the notes to their annual financial statements, information on their operations and activities in countries and territories that have not entered into an administrative assistance agreement with France for the exchange of and access to banking information in connection with the fight against tax fraud and tax evasion.

These obligations are part of the broader worldwide goal of combating non-cooperative tax havens, which were defined at OECD meetings and summits, and are also designed to prevent money laundering and terrorist financing.

Since its foundation, Groupe BPCE has adopted a prudent approach, ensuring that the entities belonging to its networks

are regularly informed about updates to the OECD list of territories considered insufficiently cooperative with regard to the exchange of information for tax purposes, and the potential consequences of maintaining operations in these non-cooperative territories. In parallel, lists of non-cooperative territories have been partly incorporated into software packages used in the fight against money laundering, with the aim of ensuring appropriate vigilance for transactions with these non-cooperative countries and territories (implementation of Decree No. 2009-874 of July 16, 2009). A central inventory of the Group's locations and activities in non-cooperative territories has been drawn up for the information of executive bodies.

This statement is based on the list of countries given in the Ministerial Order of February 16, 2024, taken in accordance with Article 238-0-A of the French General Tax Code.

In 2024, BRED Banque Populaire had activity with:

- its banking subsidiary in Vanuatu: holding of an ordinary bank account, granting of a loan of €45.3 million at December 31, 2024 (loan in foreign currency, euro equivalent given here), borrowing agreement(s) for €40.5 million, impact on income of -€1.2 million for the loan/borrowing;
- its banking subsidiary in Fiji: holding an ordinary bank account, loan agreement(s) for €39.2 million, impact on income of -€2.3 million for the borrowing, exchange of services less than €100 million.

Income for the last five fiscal years

<i>In thousands of euros</i>	2020	2021	2022	2023	2024
Share capital at period-end					
Cooperative shares: amount	1,375,718	1,495,867	1,681,432	1,893,934	1,962,341
Number of shares in issue	132,026,661	142,871,707	159,680,143	178,841,760	184,430,565
Shareholders' equity	3,633,696	3,957,252	4,271,301	4,983,490	5,184,893
Results of operations					
Net banking income	1,004,639	1,101,117	1,062,294	1,442,268	1,181,930
Income before taxes, employee profit-sharing, and depreciation, amortization and provisions	408,096	449,698	563,513	736,400	432,334
Income tax	-90,503	-92,703	-61,234	-105,871	-55,603
Employee profit-sharing due for the fiscal year	-30,433	-45,100	-51,281	-32,966	-42,460
Income after taxes and employee profit-sharing and depreciation, amortization and provisions	155,022	223,904	158,559	548,303	197,861
Retained earnings before appropriation of income for the year	110,000	114,216	110,000	110,000	110,000
Income transferred to reserves	129,702	196,431	112,746	468,887	
Retained earnings after appropriation of income for the year	110,000	110,000	110,000	110,000	110,000
Interest allocated to cooperative shares	17,569	20,494	37,885	52,001	
Earnings per share (cooperative shares)					
Income after taxes and employee profit-sharing, but before depreciation, amortization and provisions	2.20	2.36	3.16	3.74	2.09
Income after taxes and employee profit-sharing and depreciation, amortization and provisions	1.19	1.70	1.11	3.43	1.24
Interest paid on cooperative share	0.14	0.16	0.26	0.32	
Employee data					
Average number of employees during the fiscal year	3,516	3,491	3,594	3,637	3,697
Total payroll costs for the year	201,633	207,144	220,485	233,207	244,584
Amounts paid for employee benefits	105,539	113,826	117,610	118,498	129,580

- the 1,352,196 new cooperative shares created in December 2020 have been entitled to interest payments since September 30, 2020;
- the 10,845,046 new cooperative shares created in December 2021 have been entitled to interest payments since August 9, 2021;
- the 27,653,482 new cooperative shares created in December 2022 have been entitled to interest payments since August 9, 2022;
- the 19,161,617 new cooperative shares created in June 2023 have been entitled to interest payments since June 26, 2023;
- the 5,588,805 new cooperative shares created in December 2024 have been entitled to interest payments since December 18, 2024.

Note 7 Statutory auditors' report on the financial statements

For the year ended 31 December 2024

This is a translation into English of the statutory auditors' report on the financial statements of the BRED BANQUE POPULAIRE issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Members,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of BRED Banque Populaire for the year ended 31 December 2024.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2024 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from 1st January 2024 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L. 821-53 and R.821-180 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Credit Risk - individual and collective impairment**Identified risk**

BRED Banque Populaire Group is exposed to credit risks. These risks, resulting from the inability of its clients or counterparties to meet their financial commitments, particularly affect its customer lending activities.

Outstandings of credits bearing a proven counterparty risk (status 3) are subject to impairments determined essentially on an individual basis. These impairments are assessed by management of your bank based on recoverable future cash flows considering the estimated available guarantees for each of the credits concerned.

Additionally, your Bank records provisions for expected credit losses in its statutory accounts for exposures with a significant increase in credit risk. These provisions are primarily determined based on models developed by BPCE, integrating various parameters (expected cash flows over the lifetime of the financial instrument, probability of default, loss given default, forward-looking information).

These expected loss impairments are supplemented, if necessary, by additional impairments based on sectoral factors considering local specificities identified by the bank.

We considered the identification and evaluation of credit risk to be a key audit matter given that the induced provisions constitute a significant estimate for the preparation of the financial statement, and call upon management's judgment both in the attachment of credit outstandings to the different statuses and in the determination of the parameters and calculation modalities of the impairments for expected credit losses, as well as in the assessment of the level of individual provisioning of impairment of doubtful and impaired loans.

As at 31 December 2024, the stock of individual impairments for credit losses on outstanding loans amounted to €551.8 million, for net outstanding balance of €32.9 billion (of which €1.4 billion subject to impairment). The cost of risk for the 2024 financial year amounted to -€165.3 million, compared to -€40.9 million for the 2023 financial year. For further details on accounting policies and exposures, refer to notes 3.9, 4.2 and 4.10.

Our response**Impairment of non-doubtful credit exposures with a significant increase in credit risk:**

Our work mainly consisted of:

- verifying the existence of an internal control system allowing an appropriate frequency update of the ratings of the different counterparties;
- a critical review of the work performed by the auditors of the BPCE Group's consolidation, who, with their experts and specialists:
 - verified the existence of governance reviewing at an appropriate frequency the adequacy of impairment models, the parameters used for the calculation of impairments;
 - conducted recalculations on the main types of credit exposures;
 - carried out controls on the overall IT system implemented by the BPCE Group, including a review of general IT controls, interfaces, and automated controls;
 - conducted controls on the tool provided by the BPCE Group to evaluate the impact on expected credit losses due to sectoral degradations.

Furthermore, we have ensured the correct documentation and justification of sectoral provisions recorded in the BRED BANQUE POPULAIRE group. In this regard, we have (i) assessed the criteria used by the group to identify sectors considered, in light of its environment, as being more subject to the impacts of the current economic context, and (ii) conducted a critical review of the provisions thus estimated.

Impairment of doubtful and impaired loans

In the context of our audit procedures, we have, in general, examined the control system related to the census of exposures, the monitoring of credit and counterparty risks, the assessment of non-recovery risks, and the determination of impairments and provisions on an individual basis.

Our work consisted of assessing the quality of the monitoring system for sensitive, dubious, and litigious counterparties, as well as the credit review process and the framework for valuing collateral. Furthermore, based on a sample of files selected on materiality and risk criteria, we have carried out contradictory analyses of the amounts of impairments and provisions.

We also appreciated the detailed information under the "credit risk" component as of 31 December 2024.

Valuation of BPCE Shares

Identified risk

The BPCE Group is a cooperative group whose members own the two retail banking networks: the 14 Banques Populaires and the 15 Caisses d'Epargne. Each network holds an equal stake in BPCE, the group's central institution.

The value of the central institution's shares, classified as equity investment – Titres de participation – was determined by calculating a revalued net asset that includes the revaluation of BPCE's main subsidiaries.

Their valuation is primarily based on discounted multi-year forecasts of expected dividend flows (DDM) determined from the business plans of the main subsidiaries. These valuations are based on technical parameters such as the discount rate, long-term growth rate, and the return on equity rate.

The revalued net asset of BPCE also includes intangible assets held by BPCE, which are subject to periodic valuation by an independent expert, as well as the central institution's forecast structural expenses.

We considered the value of BPCE S.A. shares to be a key audit matter due to the significance of this accounting estimate in the financial statements of BRED Banque Populaire Group and the judgments involved in the calibration of parameters.

Our response

The valuation work for BPCE shares is carried out by the central institution's evaluation teams. Consequently, audit procedures related to this work are conducted at our request by the central institution's auditors, whose conclusions we review for the purposes of our audit.

Thus, upon receiving their conclusions, we ensure the audit approach they have implemented and critically review these conclusions. As part of the work carried out, the central institution's auditors also call on the expertise of valuation expert teams from each firm.

The work conducted mainly consisted in:

- an analysis of the relevance of the methodology chosen to value the main entities;
- the obtention and review of business plans of subsidiaries and major investments, including the analysis of discount rates, growth rates, and return on equity rates chosen according to the profile of each entity;
- a recalculation of the valuations;
- the assessment of the absence of indicators or factual elements that might significantly challenge the valuation of intangible assets.

For more details on the accounting principles, refer to Note 4.4.

Valuation of other financial instruments

Identified risk

As part of its financial activities or in connection with its service offerings to clients, BRED Banque Populaire holds a portfolio of securities (government bonds, bonds, stocks...) and engages in derivatives.

These instruments are valued according to different approaches, depending on their nature, classification, and complexity.

We considered the valuation of financial instruments to be a key audit matter given the significance of judgment in their valuation, which notably includes:

- the use of internal valuation models;
- the determination of valuation parameters not necessarily observable in the market for forward financial instruments or parameters such as discount rates and long-term growth rates for other unlisted securities;
- the consideration of financial trajectories;
- the estimation of valuation adjustments to account for counterparty or liquidity risks.

The related accounting methods and principles for financial instruments are described in the notes "Securities" and "Forward financial instruments", and illustrated in notes 4.3 and 5.2 to the financial statements.

Our response

With regard to BRED Banque Populaire's own activity, we assessed the processes and controls implemented by the Group to identify and value financial instruments owned, particularly the governance of valuation models and the control of the profits and losses accounted for these operations.

In collaboration with our risk modeling and quantitative techniques specialists, we conducted the following:

- performed independent valuations on a sample of derivative instruments and analyzed any discrepancies;
- compared market values with observed quoted prices observed at the closing date for listed instruments;
- analyzed the internal processes for identifying and validating the main valuation adjustments applied to financial instruments and their changes over time. Our analyses focused on governance and the methodologies adopted for market reserves and valuation adjustments.

We ensured that the estimates used were based on methods consistent with the principles described in the notes to the financial statements.

Specific Verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

Information given in the management report and in the other documents provided to the members with respect to the company's financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements, with the exception of the following item:

- Concerning the fair presentation and the consistency with the financial statements of the information about payment terms referred to in article D.441-6 of the French Commercial Code, we have the following matter to report: as indicated in the management report, this information does not include banking and related transactions, as the Company has decided that such transactions do not fall within the scope of the required information.

Information relating to corporate governance

We attest that the section of the management report of the Board sets out the information required by Article L. 225-37-4 of the French Commercial Code.

Other Information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

Appointment of the Statutory Auditors

We were appointed as statutory auditors of BRED BANQUE POPULAIRE by the annual general meeting held 21 May 1999 for KPMG SA and on 31 May 2023 for Deloitte & Associés.

As at 31 December 2024, KPMG SA was in the 26th year of total uninterrupted engagement and Deloitte & Associés in the 2nd year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.821-55 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the financial statements and for the opinion expressed on these financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, the 28 April 2025

The Statutory Auditors

French original signed by

KPMG SA

Sophie Meddouri

Deloitte & Associés

Charlotte Vandeputte

CHAPTER

6.

RISK MANAGEMENT AND COMPLIANCE MONITORING CARRIED OUT BY BRED GROUP

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INTRODUCTION

Internal control system

The internal control system of BRED and its subsidiaries is governed by the Ministerial Order of November 3, 2014, as amended on February 25, 2021, on internal control of companies in the banking, payment services and investment services sector subject to supervision by the *Autorité de contrôle prudentiel et de résolution* (ACPR), the French prudential supervisory authority for the banking and insurance sector (hereinafter the “Ministerial Order of November 3, 2014”), the provisions of the Monetary and Financial Code, including in particular regulations governing the prevention of money laundering and the financing of terrorism, and the provisions laid down by the *Autorité des marchés financiers* (AMF), the French financial markets authority.

The objectives of BRED’s internal control mechanism are as follows:

- to develop a risk monitoring culture among the group’s staff members, especially in order to avoid the risk of fraud;
- to continuously maintain the group’s efficiency and quality of performance;
- to guarantee that information is reliable, especially concerning its finances and accounting;
- to ensure the security of its operations in accordance with the laws and instructions issued by General Management.

BRED applies the permanent and periodic control standards defined in Groupe BPCE’s control function charters.

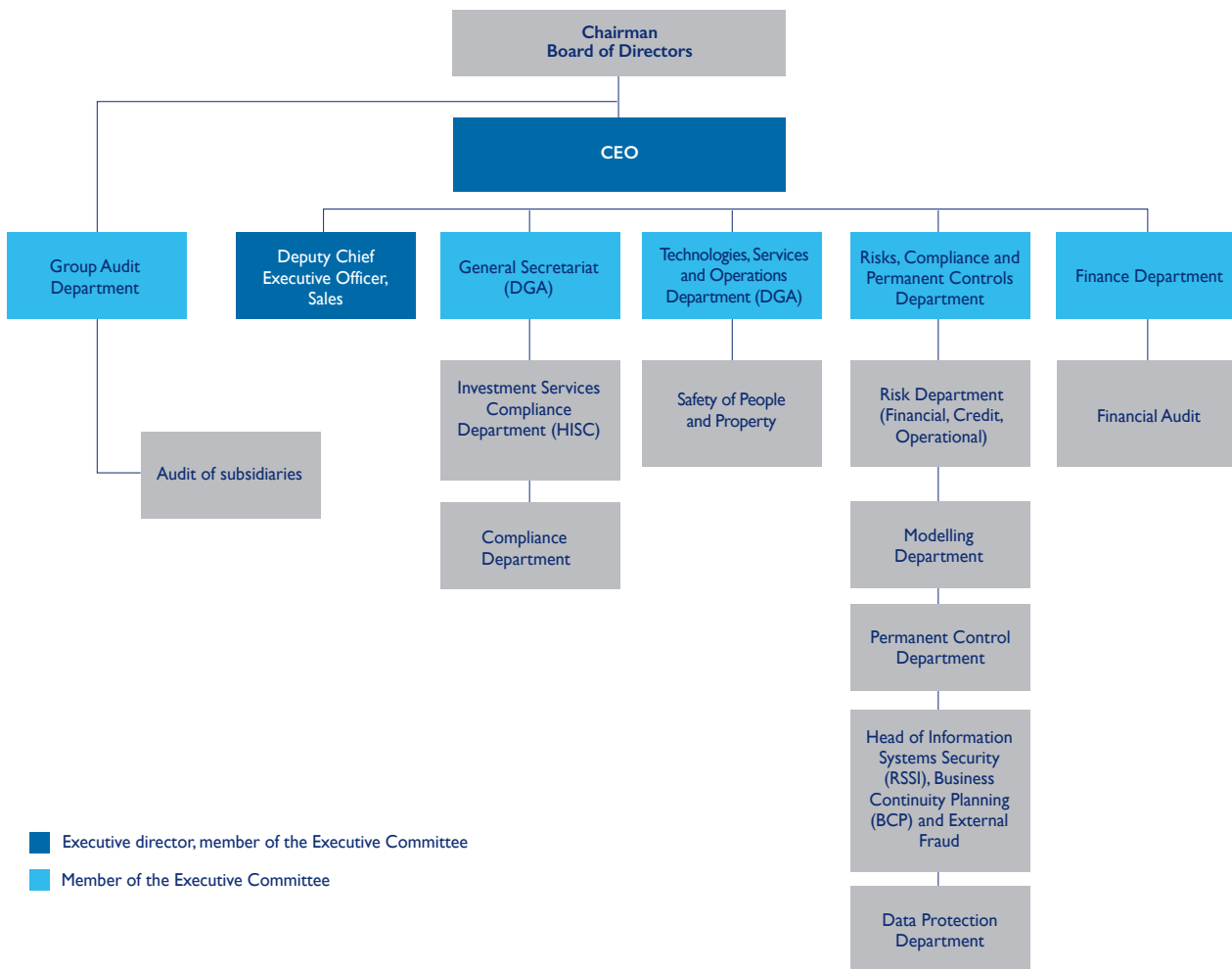
Overall organization of internal control

In accordance with banking regulations, the institution’s internal control system is structured into three levels:

- first-level controls, performed by the operational line manager;
- second-level permanent controls, carried out by dedicated staff – whose work is not operational in regulatory terms;
- periodic control.

Permanent and periodic control are integrated into Groupe BPCE’s control functions. These relationships are defined and described in procedures, policies and charters covering each of the control functions. The purpose of the internal control system is to align the risks taken with BRED Group’s policy in this area.

Organization of the internal control mechanism of BRED Group at December 31, 2024



Permanent controllers of subsidiaries in a close functional relationship with BRED control departments

Consolidated control

One of the fundamental principles of internal control, as stipulated by regulations, concerns the completeness of its scope. This control applies to all types of risks and to all consolidated BRED Group entities, both banking and non-banking, whether they operate in France or abroad.

Internal control within the subsidiaries is in particular structured around the following items:

- the supervisory body, as well as the executive management for the banking entities of each of the subsidiaries, in accordance with the requirements of banking regulations;
- periodic controls, which is carried out by BRED's Internal Audit Department and, where applicable, by the local audit department, in close collaboration with BRED's Internal Audit Department, in accordance with internal audit standards;
- permanent controls carried out within the subsidiary in close collaboration with BRED's second-level permanent control functions, as part of BRED Group's consolidated risk monitoring system.

Aligning controls with risk types and the auditability of controls

Evaluating the adequacy of the controls at various levels of risk requires:

- the use of systems, methods and tools to measure and monitor risks effectively;
- the provision of appropriate and sufficient resources, particularly in terms of personnel, both quantitatively and qualitatively, to ensure adequate risk management.

Internal control staff

General Management

Under the supervision of the Board of Directors and its specialized committees, General Management is responsible for the Group's internal control system as a whole.

As such, it defines and implements the internal control system in compliance with the requirements defined by BPCE and with applicable standards. It regularly monitors that operations run properly and ensures the quantitative and qualitative adequacy of the staff and tools assigned to permanent control and periodic control with regard to:

- the kind, the volume and the scope of the activities followed;
- the size of the company;
- the locations;
- the way the operations are handled (externalized activities);
- the various kinds of risk it is exposed to and their development;
- the regular developments of the regulatory framework.

General Management ensures that the Board of Directors and specialized committees receive information.

Auditability is based on:

- the presence of clear organizational charts, precise definitions of functions and well-established delegations of authority;
- the existence of comprehensive and precise operating procedures covering all activities. These procedures must detail responsibilities and types of control and be easily searchable;
- the definition of reporting lines, the establishment of whistleblowing systems and the obligation to report, thus ensuring effective transparency and traceability.

Proportionality of control systems

The control systems are adapted according to the intensity, frequency and nature of the risks associated with the activities carried out by BRED Group. This implies that the controls are calibrated to precisely match risk levels, thus ensuring effective and efficient management without excess or insufficient control measures.

Application of the principle of subsidiarity

Internal control systems are implemented by using the principle of subsidiarity, which allows the risk management and compliance function staff, as needed, to count on:

- the implementation of permanent control procedures at all the Group's establishments and the analysis of the results of these controls at local and consolidated levels;
- the follow up of the first-level permanent control results by the second level monitoring staff, both carried out independently of each other;
- the permanent control monitoring staff sharing the results of their controls.

Subsidiarity is reflected in the distribution of work between the various players within the same sector, whether they operate at the local, consolidated or central institution level, thus optimizing the effectiveness and consistency of controls.

The Board of Directors

In accordance with the guidelines issued by the European Banking Authority (EBA) on internal governance, the Board of Directors must:

- periodically assess the effectiveness of the institution's internal governance framework and take appropriate measures to address any weaknesses detected;
- oversee and monitor the consistent implementation of the strategic objectives of the institution's organizational structure and risk strategy, including its risk appetite and risk management framework;
- check that the institution's risk culture is implemented consistently;
- oversee the implementation and upholding of a code of conduct to detect, manage and mitigate actual and potential conflicts of interest;
- oversee the integrity of financial information and financial reporting as well as the internal control framework, including an effective and sound risk management framework;

- ensure that the heads of internal control functions are able to act independently and may express their concerns and inform the Board directly, where applicable, when the risk of adverse developments affects or is likely to affect the institution;
- monitor the implementation of the internal audit plan, after consulting with the Risk and Audit Committees.

To this end, the Board of Directors relies on several specialized committees.

The Audit and Accounts Committee and the Risk Committee express an opinion on the quality of the internal control work carried out, verifying in particular that the consolidated risk measurement, monitoring and management systems are consistent, and make recommendations whenever it considers additional action should be taken in this regard.

In accordance with the Ministerial Order of November 3, 2014, as amended on February 25, 2021, the Remuneration Committee defines the principles of BRED's remuneration policy and verifies its implementation.

In accordance with Articles L.511-98 et seq. of the French Monetary and Financial Code, the Appointments Committee is responsible for implementing the process for selecting candidates qualified to sit on the Board, overseeing the Board's assessment and, more generally, assisting the Board of Directors concerning any corporate governance matters.

Line managers (first level)

All of the Bank's operational departments are responsible for the first level of control, which is the essential basis of the control system. Each employee contributes to this first-level permanent control system through self-checking, using controls integrated into operational procedures as well as automated controls in the processing of transactions. In addition, line managers carry out first-level controls to ensure the quality of their employees' work.

The operational departments are responsible for:

- drawing up and implementing procedures related to their scope of activities, after obtaining the approval for the compliance and risk management processes by the permanent control functions;
- implementing procedures for which they are responsible to ensure the controlled management of activities;
- compliance and management of potential operational, credit, market, interest rate, custodial, liquidity and settlement/delivery risks and risks for IT and real property projects, investments and financial transactions and activities for which they are responsible, in particular by the appropriate handling of new activities, new products or changes that affect how these activities operate, as well as risk limits defined by the Bank, including at the initiative of the operational department;
- first-level control – a control plan at the first level is established for this reason – and of the reporting of shortcomings through their hierarchy, as well as after the control functions that may be involved;

- the responses to be diligently given to the requests for information from permanent and periodic control departments, notably when they emanate from requests made by prudential control authorities or from financial markets;
- drawing up corrective action plans whenever necessary (to address issues identified by the department itself or by permanent control or periodic control) and implementing them within a reasonable time period.

Independent permanent control functions (second-level)

The main responsibilities of the functions responsible for risk, compliance and permanent controls are:

- contribute to good governance in terms of risk management. This includes the development of policies and risk appetite framework, as well as ensuring a good level of information for the Board of Directors, the executive management, the supervisory authorities and all employees. This mission is essentially preventive;
- ensure risk assessment using appropriate tools and indicators;
- ensure the proper functioning of risk management systems through:
 - continuous risk monitoring (analyses, monitoring indicators and limits),
 - the performance of permanent controls.

Within the Risk, Protection and Control Department, the second-level permanent control stakeholders are:

- the Risk division, responsible for monitoring and managing credit risk, model risk, financial risk (including market risk) and operational risk (including model risks);
- the Permanent Control Department, an independent function in charge of organizing and monitoring the Group's permanent control system. It relies on dedicated second-level controllers;
- the Information Systems Security (ISS), Business Continuity (BCP) and External Fraud Department is responsible for BRED Group's information systems security and business continuity plans. It oversees the implementation of the regulatory framework and ensures second-level control of ISS and BCP activities. This department also handles external fraud;
- the Data Protection Department, which ensures in particular the implementation of measures to reduce risks relating to the use of personal data and the proper application of the General Data Protection Regulation (GDPR).

Reporting to the Finance Department, the Financial Audit Department coordinates and promotes the production of reliable and high-quality financial and accounting information among the Group's finance functions via an internal control system. It reports functionally to the Risk, Protection and Control Department.

Within the General Secretariat:

- the Compliance Department's main role is to control the risk of legal, administrative or disciplinary sanctions, significant financial loss or reputational damage arising from any breaches of the laws or regulations that apply to banking and insurance activities, of professional and ethical standards, or of instructions issued by the executive body in relation to such matters;
- the Investment Services Compliance Department ensures the proper application of the AMF General Regulation, including provisions on the fight against market abuse, compliance with rules on ethics and professional conduct and the prevention of corruption and internal fraud.

The Safety of Persons and Property function reports to the Information Systems Department. It determines the rules relating to the safety and security of persons and property and ensures or supervises (as appropriate) implementation and maintenance. It manages and coordinates second-level controls.

The role of second-level controllers is to prevent and control risks, in particular by ensuring that relevant first-level controls are carried out within the operational departments and subsidiaries. In support of their work, they indicate the necessary corrective actions to the competent hierarchies, unless they have already established appropriate action plans. Second-level permanent control recommendations, as well as recommendations from periodic control, must be implemented within a reasonable time frame.

Within this framework, the second-level controllers are responsible for updating the system of risk control and for implementing the Internal Control Charter. The status of the permanent control system and of BRED Group's risk control system are regularly reported to General Management as well as to the Board's Risk Committee and the Board of Directors.

When necessary, the Head of Risk, Protection and Control, the Head of Compliance and the Head of Investment Services Compliance may request access to the Board of Directors and its specialized committees, particularly the Board Risk Committee, without having to obtain authorization from

Dedicated resources

The Risk, Protection and Control Department and the Compliance Department of BRED's investment services represent 146.8 FTE (full-time equivalent) at 12/31/2024.

Their organization mainly includes six specialized functions by risk area, mainly: credit risk, financial risk, market risk, operational risk, model risk and non-compliance risk, in addition to cross-functional activities such as permanent control, data protection and functions related to business continuity, information system security and fraud.

Structuring decisions in terms of risk and compliance are taken by the Executive Risk Committee and/or equivalent committees in charge of managing all risks according to the institution's organization.

General Management and/or the accountable managers. The Head of Risk, Protection and Control is invited to attend all Board Risk Committee meetings of BRED Group subsidiaries.

Periodic control (third-level)

Periodic control is exercised by Group Audit, which covers all BRED Group's activities, including those which are outsourced. This also includes subsidiaries.

Group Audit carries out tasks recorded in the annual audit plan, previously undergoing Groupe BPCE audit and having been validated by General Management and the Risk Committee of BRED's Board of Directors. It is also presented to the Board of Directors for information.

In the framework of duties set forth in Article 17 of the Ministerial Order of 3 November 2014, as amended on February 25, 2021, Group Audit has as its priority objectives the evaluation of and reporting on the quality of the financial status of each audited unit, on the level of risk involved, the coherence, the adequacy and correct functioning of the valuation devices and of the control of risk, on the reliability and integrity of the accounting and management information, on compliance with procedures and regulations. Internal Audit provides the executive body and supervisory bodies with reasonable assurances that BRED Group is functioning correctly, through periodic assignments conducted in the context of a five-year audit plan using a risk-based approach.

To achieve this objective, Group Audit makes use of its dedicated and specialist means and resources to conduct objective reviews and issue, in complete independence, its opinions, findings and recommendations.

BRED Group Audit, in accordance with Groupe BPCE's internal audit function charter, maintains a strong bond of functional authority with the internal auditing managers of the subsidiaries that have them.

If necessary, the Head of Group Audit may ask to consult the Board of Directors or any of its specialist committees without first seeking authorization from the accountable managers. The Head of Group Audit is invited to all meetings of the Risk Committee attached to BRED Group subsidiaries' Boards of Directors.

This governance is responsible for defining the institution's major risk guidelines (limits, risk policies, delegated charters, etc.). It regularly reviews the main credit, operational and financial risks of our institution.

Coordination of internal controls

The cross-functional nature of the control functions is achieved through umbrella committees, such as the Control Functions Coordination Committee (CFCC), and through the regular exchange of information between the various control functions.

In addition, the Risk, Protection and Control Department, operating under the authority of the CEO, maintains a global overview of BRED Group's permanent control system.

As a general rule, the Executive Committee has authority to consider any topic of importance to BRED Group. Therefore, any matters related to internal control can be referred to it directly without the involvement of one of the specialized committees.

BRED Group's Control Functions Coordination Committee meets at least four times a year with the main players in first- and second-level permanent control as well as periodic control. This committee is essentially responsible for ensuring that BRED Group's internal control system is consistent, relevant and effective and that effective coordination exists between the various control functions; it also oversees all cross-functional actions aimed at improving such consistency and effectiveness.

The Executive Risk Committee evaluates the quality of the system of risk management and permanent control, notably concerning the consistence in the measurement, surveillance and risk control systems on a consolidated basis. If necessary, it proposes additional actions and examines the main lessons learned from risk monitoring.

Main risks in 2024

BRED Group determines its risk appetite on the basis of:

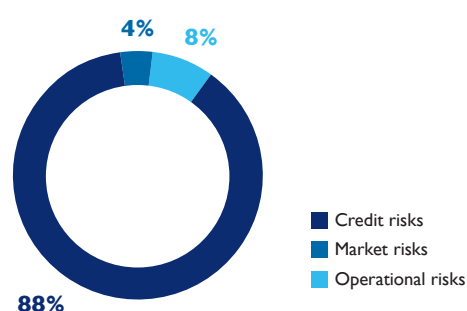
- its values and its business model as set out in the activity report;
- its risk management system and loss absorption capacity;
- the resultant risk profile.

The risk appetite is used to define the level of risk accepted by the Board of Directors for a given context and in order to generate a recurrent and reliable return, while offering an optimum level of customer service and maintaining the solvency, liquidity and reputation of the Bank.

The risk seen here, that are inherent in the Group's business model, are as follows:

- credit risk and counterparty risk (Articles 106 to 121 of the Ministerial Order of November 3, 2014), induced by BRED's core lending activity;
- market risk (Articles 122 to 136 of the Ministerial Order of November 3, 2014);
- balance sheet risk, especially liquidity risk (Articles 148 to 186 of the Ministerial Order of November 3, 2014) and structural interest-rate risk (Articles 134 to 139 of the Ministerial Order of November 3, 2014);
- non-financial risk including non-compliance risk, legal risk, computer systems security risk and risk of fraud (Articles 214 and 215 of the Ministerial Order of November 3, 2014).

Breakdown of the BRED Group's risk-weighted assets at December 31, 2024



The exposures and the mechanism for managing such risks are set out in the sections below.

BRED does not make commitments in business:

- conduct activities in which it is not proficient, in order to guarantee its own integrity and that of Groupe BPCE;
- involving the proprietary negotiation of financial instruments on the Bank's account, except for business that is used to finance the economy such as that set forth in Article 2 of the act on the separation and regulation of banking activities (especially investments, healthy and prudent management of cash flow and risk coverage).

Furthermore, activities with a high risk profile and potentially high yet uncertain yield are strictly supervised.

These rules, applicable to all business areas, subsidiaries and the branch network, are designed to ensure the highest levels of ethical operations and the highest standards of transaction execution and security.

Risk and compliance culture

The Board of Directors and the accountable managers of BRED promote the risk and compliance culture at all levels of the organization. The Risk, Protection and Control Department coordinates the dissemination of the risk culture to all employees in collaboration with all other control divisions and/or functions.

The Compliance Department and the Investment Services Compliance Department coordinate the dissemination of the compliance culture to all employees in collaboration with all other control divisions and/or functions.

In general, the Risk, Protection and Control Department, the Compliance Department and the Investment Services Compliance Department at BRED:

- participate in risk management and compliance activity sessions, which provide an opportunity to discuss risk issues, present the work carried out by the various functions, provide training and share best practices among Groupe BPCE institutions. The system is supplemented by dedicated working groups and meetings covering topical issues. Similarly, BRED organizes this type of contact for the benefit of BRED Group entities;
- maintain a high level of regulatory awareness, notably by receiving and circulating explanatory regulatory documents and through regular interaction with other BRED Group departments and entities;
- contribute, via their executives and their Head of Risk, Protection and Control, to decisions taken by committees dedicated to the risk management function at Groupe BPCE level;
- benefit from a training program for its employees provided by Groupe BPCE's Human Resources Department, supplemented with in-house training according to needs;

- map the institution's risks overall, thus assessing its risk profile and identifying its main priority risks;
- carry out an inventory of the institution's own models as part of Groupe BPCE's model risk management system;
- oversee the annual review of risk appetite indicators as part of the system put in place by Groupe BPCE;
- measure the strength of the risk and compliance culture through a self-assessment based on a questionnaire containing 139 questions about the risk and compliance culture, based on the recommendations of FSB 2014, AFA 2017 and EBA 2018 guidelines.

More specifically, the Risk, Protection and Control Department at BRED coordinates cross-functional projects, contributes to the effective coordination of the risk and compliance function and exercises a global supervisory role over risk matters, including those which are inherent to compliance within BRED Group.

BRED Group risk mapping

BRED Group's macro-risk mapping is designed to meet regulatory requirements, in particular those of the Ministerial Order of November 3, 2014, as amended on February 25, 2021, relating to internal control. Articles 100, 101 and 102 of this Ministerial Order (which incorporate the provisions of CRBF 97-02) specify the need for a "single risk mapping" that identifies and assesses the risks incurred according to internal and external factors. In addition, this mapping complies with the guidelines of the European Banking Authority (EBA), entitled "guidelines on internal governance", published on July 1, 2018. BRED Group fulfills these obligations through the "macro-risk mapping" developed by Groupe BPCE, thus guaranteeing a complete and consistent identification and assessment of the risks to which it is exposed.

The purpose of this macro-mapping is to:

- secure the activities of the institutions;
- strengthen their financial profitability and their long-term development.

This risk-based approach, which involves assigning a rating to the risk management system, enables targeted action plans to be implemented and monitored. It is also used to annually update the risk appetite and the permanent and periodic control plans of the institutions. The integration of macro-risk mapping into the Priscop permanent control management tool makes it possible to automate the links between risks and controls in the risk management system. Action plans targeting high-priority risks are defined with the goal of reducing and/or managing risks.

Risk appetite

BRED's risk appetite system defines a set of indicators covering the risks to which the Bank is exposed with regard to its bancassurance activities, based on the process of identifying risks and assessing their materiality.

The materiality of the risks to which the Institution is exposed is assessed on the basis of their potential impact on the Bank's financial and strategic trajectory. These material risks are intended to be covered by risk appetite indicators.

These indicators have successive thresholds that trigger appropriate governance:

- the observation threshold reflects a level of risk consistent with the normal activity of our Bank. If this threshold is exceeded, a referral must be made to the Executive Officers;
- the resilience threshold / RAF limit represents a level of risk that, if exceeded, would result in a high risk of deviation from the Bank's financial trajectory or strategy. Any overrun requires notification to the Board.

Since 2024, risk appetite has been organized into two levels:

- one in line with the existing governance, under the responsibility of the Board, which determines an aggregate risk appetite based on key indicators and regulatory requirements. This level is referred to as "CONSULTING" or "STRATEGIC";
- an additional one, under the responsibility of the institution's Executive, to manage the risk appetite system in greater detail. This involves determining, *via* additional indicators, a more detailed management of our Bank's risk appetite. This level is referred to as "EXECUTIVE" or "STEERING."

In addition, the extreme PPR threshold (prevention and recovery plan) represents a level of risk that puts the Group's survival at risk. This threshold is monitored at Group level and its crossing is part of the governance of Groupe BPCE's prevention and recovery plan.

A dashboard dedicated to the quarterly monitoring of risk appetite indicators is presented to both the Executive Risk Committee and the Board. It includes all the indicators as well as their positioning to date with regard to the thresholds. It is sent as soon as possible after the end of each quarter observed to the Group Risk division, which carries out a consolidated follow-up which is communicated to the Heads of the Institutions as well as to the Risk and/or Compliance Directors of our Bank.

6.1 TYPES OF RISK

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

6.2 CREDIT AND COUNTERPARTY RISK

Credit risk is the risk incurred in the event of default by a debtor or a counterparty, or several debtors or several counterparties considered as the same group of customers linked together pursuant to regulations; this risk can also be seen in the form of a loss in value of the securities issued by the defaulting counterparty.

6.2.1 Credit risk management

BRED's credit risk management is based on the strict separation of the Commitments Department from the commercial functions. The Commitments Department is involved in the decision-making process and subsequent monitoring of commitments. It has employees in the regional head offices for operations which promote best practices aimed at controlling risk in a satisfactory fashion.

The Commitments Department proposes BRED's credit policy, as validated by its staff managers and approved by the Board of Directors. The Commitments Department validates the credit policies of the subsidiaries once they have been approved by their respective surveillance departments. It monitors the dissemination and correct implementation of these policies within BRED Group.

The Credit Risk Department (DRC) reports to the Risk, Protection and Control Department, which in turn reports directly to General Management. The Credit Risk Department, which is totally independent from the commercial functions and from the Commitments Department, is responsible for second-level permanent controls on credit risk. It validates credit policies prior to their approval by the supervisory bodies as part of the bank's risk appetite framework.

Management of credit risk is mainly based on:

- a system of delegation of powers to specific persons, which takes into account the levels of risk and the skills and experience of the teams and is reviewed annually by the Commitments Department and Credit Risk Department;
- an internal rating system that is highly integrated into the decision-making process;
- risk-spreading criteria;
- ongoing monitoring of commitments *via* an automated system in order to verify all positions, the maturity of repayable amounts and to monitor irregular accounts;
- reinforced detection and prevention of risks with retail, professional and corporate customers *via* the action of branch network employees and their hierarchy of monitoring tools;
- periodic monitoring of the quality and risk of the various portfolios *via* dashboards and *ad hoc* studies;
- permanent control by the Commitments Department through delegated officers at regional management level.

Counterparty risk is defined as the risk of the counterparty to a transaction defaulting prior to definitive settlement of all cash flows associated with the transaction.

In addition, the Credit Risk Department:

- carries out joint analyses of non-delegated credit files to submit to the committee for a decision;
- analyzes concentration, sector and geographic risks;
- periodically checks documents and ensures compliance with internal and Groupe BPCE limits;
- alerts the accountable managers and notifies the operational managers if a limit is breached; adds to the watchlist files whose quality is deteriorated and of concern according to Groupe BPCE standards and monitors them at dedicated quarterly meeting of the Executive Risk Committee;
- monitors the implementation of risk reduction plans and participates in defining the necessary provisioning levels if necessary;
- deploys the second-level permanent control system for credit risks using the Priscop group tool;
- contributes to both the design and the execution of Groupe BPCE's work.

The Commitments Department and the Credit Risk Department regularly organize training for staff. General training schemes on the internal management system and on credit risk control are carried out for new arrivals and network collaborators. The commitment delegates also take part in local training programs within the regional departments. In particular, the DRC is involved in training on Basel II rating, segmentation, guarantees and clustering and all elements that have a direct impact on RWA.

Two key principles govern the decision-making process:

- prior approval is required for all credit transactions;
- delegation of the analysis and approval of dossiers at the most appropriate skill level: the commercial business line and the Credit Committee for important commitments.

Lending powers are expressed in terms of nominal and residual risk, adapted to each market and have certain usage restrictions. For the largest commitments, at least two people must take part in the decision. When they exceed €9 million for corporates, €5 million for professional customers and €5 million for retail customers, the Commitments Department must submit such requests to the Credit Committee and a counter-analysis must be performed by the Credit Risk Department. The Credit Committee considers the largest commitments granted by subsidiaries.

Decision-making is carried out in compliance with unitary ceilings, whose amounts are set based on customers' size and credit quality, as expressed in an internal rating. The Credit Committee is the only body empowered to authorize commitments that exceed the unitary ceilings, on a temporary or a long-term basis.

Collection from customers is organized in two services: a friendly collection that is done at the first level and a contentious service that acts through legal means and ensures the follow-up of cases in group proceedings. Collection of the largest corporate and professional customer debts is the responsibility of the Special Situations Unit within the Commitments Department.

The Commitments Department centralizes the creation of provisions for bad debts and disputed debts and monitors any related changes. Monitoring is in particular performed through a monthly Provisioning Committee meeting attended by the Credit Risk Department.

Loan pricing principles are defined by the Asset/Liability Pricing Committee, on which the Risk division, the Markets and Marketing Department and the Networks Management Departments are represented. The Finance Department prepares and acts as secretary at this committee's meetings. Decisions of the Asset/Liability Pricing Committee are based on market data (rates applied by competitors and market shares) and profitability analysis produced by the Finance Department, and information from the Risk division on the forecast cost of risk. Operators may request pricing exceptions according to a structure of delegations defined by the Asset/Liability Pricing Committee, escalating hierarchically within the networks' departments and, for the largest exceptions, up to the Finance Department.

6.2.2 Monitoring of credit and counterparty risks

The risk management function is independent of the operational functions; in particular, it does not have credit approval authority and does not perform the business line analysis of commitment requests.

It implements the credit risk framework which is updated and distributed regularly by BPCE's Risk division. This credit risk framework combines the standards and best practices to be applied in each of Groupe BPCE's establishments, as well as the management and reporting standards set by the Supervisory Board or the Management Board of BPCE on the proposal of the Group Risk and Compliance Committee. This framework is a working tool for Groupe BPCE's risk management function stakeholders. It is part of the permanent control system at Group institutions.

BRED Group's Risk division has a strong functional link with BPCE's Risk division, which is responsible for:

- the definition of customer risk standards;
- risk assessment (definition of concepts);

6.2.1.1 Cap and limits

At the Central Institution level, the Group Risk division measures and controls compliance with regulatory ceilings.

The system of internal caps for institutions, which is lower than the regulatory caps, is applied to all Group entities. A Group limit system is also set up for the main groups of counterparties in each asset class.

The internal caps and Group limits are regularly reported to the bodies.

Lastly, credit risk monitoring is organized through systems that are broken down into recommendations for the Group's institutions, in certain sensitive sectors. Several sectoral policies are in place (agri-food, automotive, construction, communication and media, renewable energies, etc.). These policies take into account Environmental, Social and Governance (ESG) risks.

6.2.1.2 Rating policy

Credit and counterparty risk measurement is based on rating systems adapted to each type of customer or transaction, whose performance is monitored by the Group Risk division through model validation and the implementation since 2020 of a Group system dedicated to model risk management.

Rating is a fundamental element of risk assessment.

As part of its permanent control process, the Group Risk division has notably implemented a central monitoring system to check the quality of data and the proper application of Group standards in terms of segmentation, ratings, guarantees, defaults and losses.

- the development of risk rating methodologies, models and systems (expert-based systems);
- the design and deployment of monitoring systems, standards and data quality;
- the performance of back-testing;
- the execution of credit risk stress scenarios (which may be supplemented by additional scenarios defined locally);
- the validation of assessment, permanent control and reporting standards.

In addition, BPCE centralizes the monitoring of the risk management function's controls.

BRED Group's risk monitoring focuses on data quality and the quality of exposures. It is implemented through indicators for each asset class.

BRED Group's risk monitoring focuses in particular on data quality in accordance with BCB239 principles and the quality of exposures. It is implemented through indicators for each asset class.

Groupe BPCE applies IFRS 9 “Financial Instruments”, which defines the rules for classifying and measuring financial assets and liabilities, the impairment methodology for credit risk on financial assets, and the treatment of hedging transactions. In accordance with IFRS 9, BRED DRC analyzes the amount of provisions for performing loans (S1 and S2); it also proposes sector-specific provisions based on BRED’s own data and expert analyses by Groupe BPCE.

BRED Group’s risk management function ensures that all transactions comply with the Group standards and procedures in force for authorized counterparties. It submits to the competent committee proposed additions to the watchlist whose quality is deteriorated and of concern, according to Group standards. This is the responsibility of our institution’s risk management function within its own scope and the responsibility of BPCE’s Risk division at the consolidated level.

6.2.2.1 Assessment of the quality of outstanding loans and impairment policies

System governance

From a regulatory perspective, Article 118 of the Ministerial Order of November 3, 2014, as amended on February 25, 2021, relating to internal control states that “regulated undertakings must analyze changes in the quality of their commitments at least quarterly.” For large transactions, that analysis particularly identifies any reclassification necessary within internal categories used to assess the level of credit risk, as well as any allocation of doubtful loans in the accounts and appropriate levels of provisioning.

Introduction to the watchlist (WL) at Groupe BPCE, whether to the local WL or Group WL, involves exercising enhanced

supervision (performing WL) or taking provisioning decisions on certain counterparties (default WL). Statistical provisions on performing loans, calculated at Groupe BPCE level for the networks in accordance with IFRS 9, are assessed using a methodology validated by Groupe BPCE’s model comitology (reviewed by an independent management structure and validated by the Risk Management Models Committee and the Risk, Compliance and Permanent Control Standards and Methods Committee). These provisions include scenarios for changes in economic conditions determined annually using Groupe BPCE’s economic research, with probability of occurrence reviewed quarterly by Groupe BPCE’s watchlist and provisions committee.

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

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

Method of provisioning and impairment under IFRS 9

An impairment or provision for expected credit loss must be systematically recognized for debt instruments classified as financial assets at amortized cost or as financial assets at fair value through equity, financing commitments and financial guarantee contracts that are not recognized at fair value through profit or loss, as well as receivables arising from lease agreements and commercial receivables (ECLs – Expected Credit Losses).

For financial assets that have not been subject to objective indications of losses on an individual basis, impairments are recognized on the basis of observed loss history as well as reasonable and justifiable forecasts of discounted future cash flows.

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

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

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

A corporate provisioning policy for Groupe BPCE exposures of less than €15 million has been defined. In the section dedicated to the methodology for determining individual impairment on the basis of an expert assessment, it defines “going concern”, “gone concern” and “combined” impairment approaches.

Groupe BPCE applies the contagion principle. This principle is particularly applied in the identification of groups of customer counterparties, through clustering links within those groups.

A methodology for applying haircuts to the value of guarantees in order to face unavoidable uncertainties was defined and implemented.

Forbearance, performing and non-performing exposures

A forbearance can be the result of the combination of a concession and of financial difficulties; forbearance can relate to performing or non-performing contracts.

A situation of forced restructuring, or of over-indebtedness proceedings, or any situation of default within the meaning of the Group standard requiring a forbearance measure as defined above constitutes non-performing forbearance.

The identification of these situations is based on an expert assessment guide for forbearance situations, particularly short-, medium- and long-term financing for non-retail counterparties.

6.2.2.2 Crisis simulations related to credit risk

Groupe BPCE's Risk division conducts simulations of crises related to credit risk at Group level, including BRED. The objective of the stress tests is to measure the sensitivity of the various portfolios in a degraded scenario in terms of the cost of risk, weighted assets and anticipated loss.

Stress tests are carried out on the basis of Groupe BPCE's consolidated exposures. The risk parameters are calibrated based on the specific characteristics of each major Group hub (Natixis, the Banque Populaire network and the Caisse d'Épargne network). They cover all portfolios subject to credit and counterparty risk, irrespective of the approach used to calculate risk-weighted assets (standardized or IRB approach). They are conducted based on detailed information consistent with the data supplied for Group COREP (Common Solvency Ratio Reporting) prudential reporting and portfolio risk analysis.

Three types of stress tests are carried out:

- the EBA stress test, conducted every two years, aims to test the resilience of banks against simulated shocks and to compare them to each other (the EBA 2020 stress test was exceptionally postponed to 2021 due to the health crisis);
- Groupe BPCE's annual internal stress test. This test includes more scenarios than the EBA stress test and includes changes to projections across the entire balance sheet;
- specific stress tests can be performed on external (supervisor) or internal request.

6.2.2.3 Use of credit risk mitigation techniques

Credit risk mitigation techniques are commonly used within BRED Group and are different depending on whether the guarantee accepted is collateral or a personal guarantee.

A distinction is made between guarantees having an actual impact on collections in the event of hardships and guarantees recognized by the supervisory authority in the weighting of exposures used to reduce capital consumption.

Guarantees are one of the main means of reducing credit risk. Traditionally, BRED has used collateral (mortgages, pledged assets, etc.) and personal guarantees (mutual guarantee companies, BRED Habitat guarantee, CASDEN guarantees, risk-sharing, etc.). BRED has implemented a system to verify the process for entering into guarantees, incorporating validity, registration and valuation. The inclusion of guarantees in the calculation of weighted assets (credit risk reduction techniques) reduces the capital requirement related to secured commitments.

In the context of the Covid crisis, the French government allowed the use of its guarantee within the scope of the state-guaranteed loans (SGLs) granted. BRED Group used this opportunity to reduce credit risk.

Definition of guarantees

Collateral is a guarantee relating to one or more movable or immovable assets, the value of which has been reliably appraised, owned by the debtor or a third party which consists of granting a real right to the creditor in respect of this asset (real estate mortgage, real estate lien, lien on listed and liquid securities, lien on listed and liquid goods with or without transfers, pledges or guarantees).

The effect of this collateral is to:

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

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

Accounting recognition under the standardized or IRB approach

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

Conditions for the recognition of guarantees

Articles 207 to 210 of Capital Requirements Regulation (CRR) No. 575/2013 set out the conditions necessary for the inclusion of collateral, in particular:

- the credit quality of the obligor and the value of the collateral shall not have a material positive correlation. Securities issued by the obligor shall not qualify as eligible collateral;
- the institution shall properly document the collateral arrangements and have in place clear and robust procedures for the timely liquidation of collateral;
- the institution shall have in place documented policies and practices concerning the types and amounts of collateral accepted;

- the institution shall calculate the market value of the collateral, and revalue it accordingly, whenever it has reason to believe that a significant decrease in the market value of the collateral has occurred.

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

In 2024, the inclusion of collateral received in respect of guarantees and collateral obtained by the institution as part of its lending activity, and the inclusion of purchases of protection, reduced the institution's exposure to credit risk and, consequently, the capital requirement.

6.2.3 Work carried out in 2024

The 2024 fiscal year was marked by the persistence of a tense geopolitical climate in the context of a slowdown in inflation and a fall in interest rates compared to the previous two years. 2024 continued to be marked by extreme tensions in the real estate sector. At the same time, at the domestic level the number of corporate bankruptcies registered with the Banque de France reached levels not seen in years. The monitoring system inherited from the Covid crisis was adjusted to take account of the new geopolitical and economic circumstances.

The Group also maintained its rigorous approach to the implementation and control of the primary standards, regulations and policies at institution level to ensure consistent execution within the Group, including:

- enhanced operational integration among business lines and the use of the synthetic risk indicator. As a reminder, this indicator comprises a set of metrics that capture potential issues faced by our customers. It helps us prioritize customers for review to determine their risk level. Following various backtests carried out with BPCE modeling teams, this indicator is proving to be as effective for professional customers and SMEs as it is for corporates;
- reinforced adoption of forbearance qualification standards and generalized use of *ex ante* forbearance detection;

- updated "sensitive sectors" (which are subject to enhanced due diligence), using a dual approach combining the sector monitoring approach developed by BPCE and analysis of losses within BRED portfolios;
- support for subsidiaries in adopting and implementing the standards and regulations applied by BRED (such as forbearance, new definition of default, leverage finance, etc.) and standardization of information reporting;
- design and deployment of IT tools dedicated to the operational application and control of new risk standards;
- steering IT development and change management by supporting business lines in the development of an interface that automates the calculation of leverage ratios for corporates applying for financing/renewals.

Throughout the 2024 fiscal year, the Risk division was particularly diligent in ensuring that all functions of BRED (especially commercial) fully comprehended the challenges of risk management and applied the associated methodologies. The Risk division was heavily involved in their training and support.

6.2.4 Statistics on exposure to credit risk

Breakdown of gross exposures by category (credit risks, including counterparty risks)

In millions of euros	12/31/2024				12/31/2023
	Standard	IRB	SEC ERBA	Overall	Overall
Sovereigns	31,931.60	0.00	-	31,931.60	31,227.80
Regional governments or local authorities	695.60	-	-	695.60	465.00
Public sector entities	1,017.10	-	-	1,017.10	961.90
Multilateral development banks	226.70	-	-	226.70	-
International organizations	53.00	-	-	53.00	-
Institutions	8,581.30	4,257.50	-	12,838.80	11,537.70
Secured bonds	49.70	-	-	49.70	-
Corporate customers	8,313.40	18,212.10	-	26,525.50	24,132.60
Retail	1,006.70	23,756.80	-	24,763.50	27,284.60
Exposures secured by a real estate mortgage	2,979.30	-	-	2,979.30	44.40
High risk exposures	100.40	-	-	100.40	299.20
Exposures in default	478.40	-	-	478.40	300.60
Units or shares in collective investment undertakings (CIU)	468.40	-	-	468.40	632.60
Equities	-	1,485.40	-	1,485.40	1,588.30
Securitization	-	-	2,483.60	2,483.60	2,605.40
Other assets	-	1,941.90	-	1,941.90	1,635.60
OVERALL	55,901.60	49,653.70	2,483.60	108,398.90	102,715.70

Credit risk - Exposures and RWAs

In millions of euros	12/31/2024		12/31/2023		Change	
	Gross exposure	RWA	Gross exposure	RWA	Gross exposure	RWA
Sovereigns	31,931.60	1,179.70	31,227.80	875.20	703.80	304.50
Regional governments or local authorities	695.60	96.60	465.00	21.10	230.60	75.50
Public sector entities	1,017.10	316.90	961.90	223.90	55.20	93.00
Multilateral development banks	226.70	19.30			226.70	19.30
International organizations	53.00	0.00			53.00	0.00
Institutions	12,838.80	1,684.20	11,537.70	1,452.70	1,301.10	231.50
Secured bonds	49.70	5.00			49.70	5.00
Corporate customers	26,525.50	15,035.20	24,132.60	15,276.60	2,392.90	-241.40
Retail	24,763.50	4,151.40	27,284.60	4,522.30	-2,521.00	-370.90
Exposures secured by a real estate mortgage	2,979.30	1,035.80	44.40	66.40	2,934.90	969.40
High risk exposures	100.40	119.90	299.20	146.40	-198.80	-26.50
Exposures in default	478.40	317.40	300.60	625.70	177.80	-308.30
Units or shares in collective investment undertakings (CIU)	468.40	1,253.20	632.60	466.80	-164.20	786.40
Equities	1,485.40	6,362.80	1,588.30	6,499.50	-103.00	-136.70
Securitization	2,843.60	375.50	2,605.40	312.10	238.20	60.40
Other assets	1,941.90	779.10	1,635.60	686.20	306.30	92.90
OVERALL	108,398.90	32,729.00	102,715.70	31,174.90	5,683.20	1,554.10

6.

Credit quality of forborne exposures at December 31, 2024

In millions of euros	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, or accumulated negative changes in fair value due to credit risk and provisions		Collateral and guarantees received on exposures subject to forbearance measures	
	Non-performing forborne				On performing forborne exposures	On non-performing forborne exposures	Of which collateral and financial guarantees received on non-performing exposures with forbearance measures	
	Performing forborne		Of which: in default	Of which: impaired				
Cash balances at central banks and other demand deposits	0	0	0	0	0	0	0	0
Loans and advances	224	381	381	381	(7)	(66)	489	292
Central banks	0	0	0	0	0	0	0	0
General governments	0	0	0	0	0	0	0	0
Banks	0	0	0	0	0	0	0	0
Other financial corporations	0	0	0	0	0	0	0	0
Non-financial corporations	112	155	155	155	(5)	(27)	202	112
Households	111	226	226	226	(1)	(39)	286	180
Debt securities	0	0	0	0	0	0	0	0
Loan commitments given	0	0	0	0	0	0	0	0
OVERALL	224	381	381	381	(7)	(66)	489	292

Geographic risk
Quality of non-performing exposures by geography

In millions of euros	12/31/2024						
	Gross carrying/nominal amount				Accumulated impairment	Provisions for off-balance sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing	Of which defaulted	Of which subject to impairment			
On-balance sheet exposures	78,238	1,988	1,988	77,507	(1,175)		0
010 France	51,533	1,692	1,692	51,133	(977)		0
030 United States	13,397	2	2	13,377	(1)		0
040 Japan	1,561	-	-	1,561	(1)		0
050 Luxembourg	1,340	1	1	1,272	(0)		0
060 United Kingdom	1,091	7	7	1,081	(9)		0
070 Other countries	9,317	286	286	9,083	(187)		0
Off-balance sheet exposures	14,337	84	84			(47)	
090 France	8,901	84	84			(39)	
100 Belgium	1,584	-	-			(0)	
110 Denmark	569	-	-			(0)	
120 China	569	-	-			(0)	
130 Luxembourg	431	-	-			(0)	
140 Other countries	2,282	0	0			(7)	
150 Overall	92,575	2,072	2,072	77,507	(1,175)	(47)	0

6.3 MARKET TRANSACTION RISK

Market risk is defined as the risk of losses related to variations in market parameters.

Market risk is made up of four main components:

- interest rate risk: the risk that the holder of a credit or debt security faces when there is a change in interest rates; this risk can specifically relate to one particular issuer or to one particular category of issuers whose rating is lowered (credit spread risk);
- exchange rate risk: the risk that affects the holder's assets and securities denominated in market-traded currencies other than the national currency when there are variations in currency exchange rates;
- price variation risk: the price risk of the position held in a certain financial asset can change, in particular share prices;
- risk of variation in other valuation parameters: volatility of under-lying values, distributed dividends, liquidity margin, correlation of the under-lying, etc.

6.3.1 French Banking Separation and Regulation act (SRAB)

Since the end of 2014, the group has been in compliance with the requirements set out in Article 2 of the Ministerial Order of September 9, 2014 implementing Title I of act No. 2013-672 of July 26, 2013 on the separation and regulation of banking activities (SRAB act), as amended by the Ministerial Order of March 18, 2019.

The system is coordinated by Group Compliance.

For BRED, the mapping of SRAB internal units is as follows:

Financial transactions

ALM	Asset/Liability management	Management of the interest rate, liquidity and foreign exchange balances of the bank and its subsidiaries within the framework of a consolidated vision.
	Macroeconomic hedges	Macroeconomic hedges of the risks borne by the bank's financial assets in a financial crisis scenario.
Short-term credit facilities	Short-term credit facilities	Implementation of the cash management policy in all currencies: sound and prudent cash management.
CIM	Consolidated Investment Management	Management of a portfolio of assets with a medium- to long-term intention to hold them and generate recurring income.

Trading Desk

Network solution	€ network customers	Fixed income and investment products offered to customers in the retail network.
	\$ network customers	Offer of foreign exchange products to customers in the commercial network.
Market solution - Monetary intermediation		Intermediation of securities with market professionals who have usual interests in the money market.
Market solution - Liquidity Department		Offer of liquidity services on BRED's authorization (deposits, repos) to market professionals who have standard interests in the money market and management of the associated liquidity.
Market solution - Investment solutions		Business relationship with market professionals who have usual investor interests (sourcing and distribution of securities, offering of interest rate and equity derivatives).
Organized market	Equities	Market performance on Euronext and alternative platforms such as Chi-X (bid: offer on equities), in particular for shares subject to OST.
	Rate	Automated listing of Futures (with underlying securities (Bobl, Oat, etc.) or swaps.
Macro-hedging strategies	Macroeconomic hedges	Implementation of macro-hedging strategies for trading desk NBI, subject to prior approval by the CMF.

6.3.2 Organization of market risk monitoring

6.3.2.1 General organization

BRED's main market risks are linked to the activities of the Trading Desk and the Finance Department.

The organization of Trading Desk activities is structured around five internal units at BRED Group's consolidated level:

- network solutions, whose purpose is to match the converging needs of companies looking for financing and institutional customers looking to make investments by structuring transactions, and to offer fixed-income, foreign exchange and investment products to customers of the commercial network;
- market solutions – Monetary Intermediation, whose purpose is to maintain a commercial relationship with market professionals who have standard interests in the money market;
- market solutions – Liquidity Department, whose purpose is to offer liquidity services on BRED's authorization (deposits, repos) to market professionals who have standard interests in the money market and management of the associated liquidity;
- market solutions – Investment Solutions, whose purpose is to maintain a commercial relationship with market professionals who have standard investor interests (issuance and distribution of securities, offering of fixed income and equity derivatives);
- organized markets, whose purpose is market making (quotation on shares and interest rate futures).

The control mechanism set up to ensure compliance with the provisions of the act on the separation of banking activities has been enhanced by the implementation of regular analysis reports and daily warning indicators.

The Finance Department comprises three internal units:

- Balance Sheet Management, whose activities are described below (in the paragraphs concerning balance sheet risk);
- Treasury, whose activities are described below (in the paragraphs concerning balance sheet risk);
- Consolidated Investment Management (CIM), which manages a portfolio of assets with the intention of holding them over the medium and long term. The investment objective is to benefit from recurring revenues and build up unrealized capital gains. The CIM is linked to NJR, a BRED Group subsidiary that invests mainly in securitized assets eligible for central bank refinancing and in real estate assets.

The Modelling Department, which reports to the Risk, Protection and Control Department, has responsibility for:

- producing risk measurement data;
- designing and managing risk valuation models;
- verifying the market parameters used;
- daily calculation of compliance with limits;
- reporting on market risks and performance;
- developing and monitoring tools;

- production of the Trading Desk's combined net banking income (NBI) and its analysis by risk factor.

The Financial Risk Department (FRD):

- identifies and maps market risks;
- supervises the definition of market risk measurement methods and standards;
- draws up a proposed framework for managing market risks;
- contributes to second-level controls on the quality of risk data and results;
- conducts a specific control on compliance with good practices defined in the Lagarde report;
- monitors the evolution in risk indicators especially *vis-à-vis* defined limits and ensure exceeded limits are resolved;
- performs *ex-post* controls of the proper application of the decisions issued by the relevant market risk committees;
- regularly informs executive and supervisory bodies;
- monitors compliance with the risk mandates;
- heightens staff awareness of market risks and contributes to their risk training.

Operational management takes place within the framework of mandates issued to operational staff. These risk mandates comprise a pre-defined set of limits and authorized products. Market limits and possible limits exceeded are submitted to the Council's Committee on Risk and to the Board of Directors.

Several committees are involved in defining the risk management framework for market activities:

- the Committee for Coordination of the Control Functions (CCFC), which ensures that BRED Group's internal control is managed by the executive;
- the Financial Strategy Committee, which sets the general guidelines for the Bank's financial strategy;
- the Financial Markets Committee, which monitors market activities and risk exposure on a regular basis. It is notably in charge of setting market limits and authorizing new products or activities relating to market activities;
- the Investment Committee, which decides on BRED Group's financial investments, excluding the Trading Desk;
- the Credit Committee, which sets the credit and counterparty risk limits for transactions with all third parties when these are not covered by the unitary division limits;
- the Market Activities Change Management Committee, which reviews new products and possible IT developments within the scope of market activities;
- the Coordination Committee for the fight against fraud;

- the Compliance Committee, which monitors the risk of non-compliance and the action plans put in place to rectify such risks;
- the Risk-takers Committee, which notably examines any authorization levels that have been exceeded and other events that may constitute a breach of the risk mandates.

6.3.2.2 Recording transactions

The back office (BO) is responsible for controlling and validating transactions. Any trade carried out by a market trader is imported into the back-office information system. BO operational staff are then responsible for:

- validating the trade through the confirmation from the counterparty and/or broker;
- post-trade operations (settlement/delivery, verification of contracts or SWIFT messages depending on the product).

The audit trail of the back-office information system makes it possible, for each occurrence (creation, modification, elimination) to find: the date; the transaction identifier; the person who created or modified it, the type of modification, and the cancellation or re-entering.

Front office operators cannot change or cancel any transaction in the back office systems.

6.3.2.3 Remuneration

In accordance with the latest regulatory requirements, based on proposals by General Management and after examination by the Remuneration Committee, BRED's Board of Directors determines the principles governing variable remuneration paid to employees performing activities that could have an impact on the Bank's risk profile, particularly market traders.

These principles are designed to ensure that such employees and the Bank have the same interests with regard to risk management.

6.3.3 Market risk measurement and monitoring

The overall market risk limits are set and reviewed, as necessary and at least once a year, by the Executive Officers and, where applicable, by the Supervisory Body, taking into account the company's own funds and if necessary, consolidated equity and its allocation within the Group adapted to the risks incurred.

BPCE monitors BRED's capital markets activity as part of consolidation carried out for Groupe BPCE. BPCE and BRED work jointly together on this follow-up.

Overall market risk is measured using a variety of indicators, as described hereafter.

Synthetic measurements of risk values (or "VaR") make it possible to know the potential losses each activity can lead to, with a given degree of confidence (example: 99%) and a one-day holding horizon for the positions. These indicators are calculated and monitored on a daily basis for all BRED's trading activities.

Two VaR indicators are calculated for the scope of BRED's trade activities: one is calculated by BPCE using Groupe BPCE's methods and econometrics; the other is calculated by BRED using a parametric variance-covariance model based on historic econometrics.

The calculation of capital requirements thus generated also provides a synthetic measure of overall risk and of each type of risk. BRED calculates requirements for equity on the basis of market risk according to the standard method.

Beyond the quarterly calculation carried out for regulatory reporting purposes, equity requirements for the capital markets activity are calculated daily.

Crisis simulations related to market risk

The stress test consists of simulating strong variations in market parameters in the portfolio in order to detect the loss, should such situations occur.

Stress tests are calibrated according to severity and occurrence levels, which are consistent with portfolio management objectives:

Trading book stress tests are calibrated over a 10-day period and a 10-year probability of occurrence. They are based on:	• historical scenarios, which reproduce changes in market conditions observed during past crises, their impacts on current positions and P&Ls. They can be used to assess the exposure of the Group's activities to known scenarios; • hypothetical scenarios, which involve simulating changes in market conditions in all activities based on plausible assumptions concerning the dissemination of an initial shock. These shocks are determined by scenarios defined according to economic criteria (real estate crisis, default of a financial institution, etc.).
Banking book stress tests are calibrated over 3-month periods in line with the banking book's management periods:	• a bond stress test calibrated using a historical approach that reproduces a stress on sovereigns (similar to the 2011 crisis); • a bond stress test calibrated using a historical approach that reproduces a stress on corporates (similar to the 2008 crisis); • an equity stress test calibrated over the 2011 historical period, applied to equity investments for the purpose of the liquidity reserve; • a private equity and real estate stress test, calibrated over the 2008 historical period, applied to the private equity and real estate portfolios.

These stresses are defined and applied in a common way across the Group so that the Group Risk division can monitor them on a consolidated basis. These are monitored as part of the recurring control system and through regular reporting.

In addition, specific stress scenarios complete this system. Either at Group level or by entity in order to best reflect the specific risk profile of each of the portfolios (mainly private equity or non-operating real estate assets).

Finally operational indicators make it possible to evaluate the risks linked to the activity, overall and/or by desk and therefore to monitor them; these are volumetric indicators of sensitivity or of diversification, but also of thresholds of loss alert. These indicators cover the various risk factors of market activities. They also include alerts for unusual transactions, making it possible to identify them based on their amounts or on their other characteristics, given the history of activity.

All of these indicators are calculated daily with a tool basing

itself on an external computer program product and recovered in a follow-up tool developed internally by the Modelling Department. This last tool also daily calculates when certain set limits are reached.

In addition, counterparty risk measurement software – also developed in-house by the Modelling Department – is used to measure credit and counterparty risk on an individual basis and an aggregate basis by group of counterparties. The follow-up includes default risks as well as market value losses in the event of default by a counterparty. The tool also monitors consumption of allocated credit limits on a daily basis.

Monitoring reports on the information and results are produced, provided and presented to the executive managers and supervisory body, and to BPCE, on a weekly or monthly basis using a format tailored to each audience as required. In addition, a dashboard is prepared each quarter, then presented to the Financial Markets Committee and forwarded to the ACPR.

6.3.4 The permanent control system for market risk

First-level controls are to be carried out by market business operations and their hierarchy who should ensure continuous adaptation in their organization and their procedures in order to meet the goals set for internal control, as well as continuous monitoring of the limits set for them. The Trading Desk has a middle-office team dedicated to first-level control. The hierarchy of the Floor calculates the daily result of transactions and ensures first-level control.

For the back office, first-level controls include:

- daily reconciliation of positions performed automatically between the front office (FO) and back office (BO) software applications, and real-time validation of transactions, based on supporting data;
- various monthly reconciliations of flows between the FO and BO applications to verify that the flows calculated in the FO systems match those actually paid or received.

A BO team, in charge of checking results, regularly reconciles the FO business data with the BO accounting data.

The Market Risk Department ensures a follow-up on the use of limits and checks that they are respected. Should they be exceeded this is reported on a weekly basis to the present leaders.

In addition to the limits, a warning system was put in place and consumption above a 90% threshold is now also monitored. The warning system also comprises indicators reflecting compliance with the requirements of French banking legislation. The Financial Risk Department also verifies compliance with the risk mandates, particularly with regard to the products authorized per internal unit and the appropriateness of their strategies. The model validation team approves the calculation methods (developed by the Modelling Department), valuation methods and risk indicators.

The Financial Audit function, reporting to the Finance Department, is responsible for controlling the accounting risks associated with market transactions.

Permanent controllers ensure the control of FO and BO procedures. In particular, they report the operational and technical risks linked to the validation, confirmation and execution processing chain. They report the audit results to the Risk division, the Financial Audit and the Investment Services Compliance Department.

6.3.5 Statistics on exposure to market risk

6.3.5.1 Capital requirements

The calculation of risk-weighted assets (RWA) that determines the need for equity, gives a synthetic measurement of global risk and of the kind of risk.

Risk-weighted assets based on market risk

BRED Group

In millions of euros

	12/31/2024	12/31/2023
Interest rate risk	715	665
Foreign exchange risk	816	542
Ownership, commodities and gold risk	62	129
OVERALL	1,593	1,336

Risk-weighted assets based on market credit risk exposure

Trading Desk and CIM

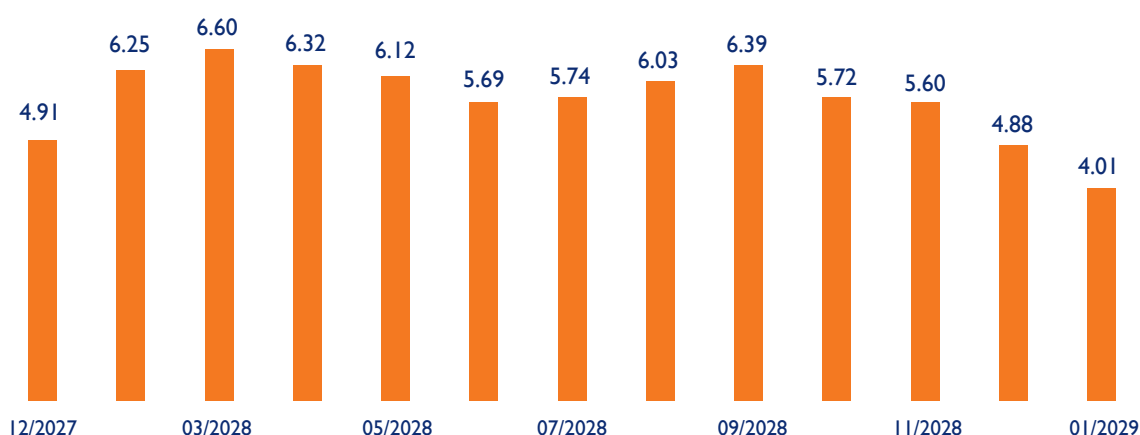
In millions of euros

	12/31/2024	12/31/2023
Counterparty risk	904	768
Credit risk	3,028	2,497
OVERALL	3,932	3,265

6.3.5.2 Value-at-Risk

BRED's VaR in question is a 99% one-day VaR, developed from a parametric variance-covariance model and calculated for the trading portfolio.

Historical trading desk VaR - Trading Scope, in millions of euros



VaR was down slightly over one year and stood at €4.0 million at December 31, 2024 (vs. €4.9 million at December 31, 2023), due to a decrease in position on the replacement share business at the end of the year.

6.3.5.3 Issuer risk on market activities

In millions of euros

	12/31/2024	12/31/2023
Sovereign	21,557	15,571
Interbank	5,211	3,723
Secured bonds	421	368
Corporate	2,232	2,019
Securitization	3,010	2,733
• Of which Trading Desk	742	721
• Of which Investment	2,268	2,011
TOTAL	32,430	24,415
• Of which off-balance sheet	3,549	2,739

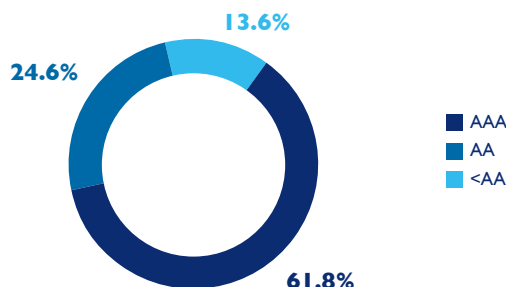
Total BRED scope, excluding securitizations of BRED receivables carried by BRED. The off-balance sheet counterparty risk is calculated based on the replacement value plus an add-on amount determined by reference to volatility and designed to cover any subsequent fluctuation in the replacement value.

The level of exposure to underwriting risk is up sharply, particularly on sovereign exposures (replacement assets on US bonds), on interbank exposures (increase in the number of SFTs and derivatives transactions) and on securitizations (increase). the target size of the securitization portfolio within the subsidiary NJR).

6.3.5.4 Rating risk on sovereign debt

As of December 31, 2023, nearly 83% of the sovereign debt portfolio was rated AA or better.

| Sovereigns by rating



6.3.6 Work carried out in 2024

The changes in activity in 2024 mainly relate to the increase in the reinvestment of customer deposits on US government securities and an excellent performance of the bond and equity reinvestment activities. The risk management system is constantly evolving. The year 2024 saw the introduction of an indicator to improve the monitoring of the trading desk's liquidity risk.

In addition to its periodic controls, the permanent control of market activities carried out several process reviews in 2024 on euro network customer activities, and on the organized markets.

In addition, the second-level controls are satisfactory and have not given rise to any major recommendations.

6.4 BALANCE SHEET RISK

Structural balance sheet risk is constituted by an immediate or future risk of loss due to variations in commercial or financial parameters and the balance sheet structure for the activities of the banking portfolio, excluding own-account transactions.

Structural balance sheet risk has three main components:

- the liquidity risk and the risk for the institution of being unable to meet its commitments or being unable to close out or offset a position due to the market situation or idiosyncratic factors, within a reasonable time period and at reasonable cost (Ministerial Order of November 3, 2014). Liquidity risk is also associated with the inability to convert non-liquid assets into liquid assets;

- the overall interest rate risk is the risk incurred in the event of a variation in interest rates on all on-balance-sheet and off-balance-sheet transactions, excluding any transactions subject to market risk (Ministerial Order of November 3, 2014);

- the structural foreign-exchange risk affects receivables and securities denominated in foreign currency due to variations in the rates of these currencies when expressed in national currency.

6.4.1 Principles of balance sheet and treasury risk management

6.4.1.1 General organization

The management and follow-up of balance sheet and treasury risk involves two operational departments, the ALM Department (DALM) and the Treasury Department, and a second-level control department, the Financial Risk Department (DRF).

The Treasury Department (DTRE), created at the end of 2014 pursuant to the French act on segregation and regulation of banking activities (act 2013-72) and the Ministerial Order of September 9, 2014, is responsible for implementing the cash management strategy and has no market activities other than for the purpose of sound and prudent cash management.

The balance sheet and treasury risk management activities are supervised by the following monthly committees:

- the Asset/Liability Management Committee (COGAP), which approves BRED Group's strategic orientations, particularly in

the area of asset/liability management. It decides on matters of structural importance in the areas of refinancing, asset allocation and ALM/Treasury policy;

- the Financial Markets Committee (CMF), which, as well as monitoring market activities, approves any proposed changes to the list of authorized financial instruments for the ALM Department and the Treasury Department (DTRE). It fixes BRED Group internal limits governing the balance sheet and treasury management operations, particularly for rates and liquidity risks. When notified by the Risk division, the Financial Markets Committee reviews any breaches of limits. In addition, the ALM Department presents to the Financial Markets Committee a periodic review (at least quarterly) of the Bank's ALM balances and the DRB presents a quarterly summary of its ALM checking work;

- the Asset/Liability Pricing Committee (COTAP) approves the Bank's pricing policy, in particular with a view to balancing assets and liabilities and the costs of expected risk.

The Board of Directors and the Risk Committee for BRED's Board regularly receive reports on risk management.

6.4.1.2 Role of the ALM Department (DALM)

The ALM Department, reporting to the Finance Department, manages assets and liabilities as well as macroeconomic hedging for the Bank's risks in a financial crisis scenario. The ALM Department is responsible for managing the financial structures of the Bank and its subsidiaries on a consolidated basis. Its range of activities includes asset / liability management, refinancing (outside the perimeter devolved to the Treasury Department, as indicated below) and the management of liquidity reserves, equity and solvency.

In this regard, and as part of the ALM limits set for it, the ALM Department is responsible for entering into (with regard to BRED) and monitoring (with regard to BRED and its subsidiaries) the following categories of financial transactions:

- liquidity management covering the refinancing operations of BRED, the loans to the subsidiaries, the management of cash reserves, for the ALM portion, in coordination with the Treasury Department (LCR or Banque de France); the latter include all the eligible collateral that could be used for the purpose of operational liquidity management, as well as its eventual structuring. The ALM Department defines the liquidity management policy one week ahead and beyond, notably in terms of managing ratios. Alongside the Treasury Department, it is responsible for the business continuity plan (BCP) relating to liquidity;
- the management of interest-rate risk, inflation risk and hedging transactions aimed at protecting BRED Group's earnings over the long term, and in particular its interest margin;
- the management of group solvency: any market transaction aimed at reinforcing the group's solvency, including issuing market securities eligible for the bank's regulatory capital;
- the management of structural exchange-rate risk: any transaction making it possible to guarantee that all the currency positions that are held by BRED Group will be maintained at lower levels than the established limits.

The macroeconomic hedging activity is designed to protect the Bank in the event of a serious economic or financial crisis. Hedge positions are decided by the CEO after consultation with the Risk division on recommendations issued by the ALM Department, which subsequently manages the implementation and monitoring process. The ALM Department gives a presentation on current hedging positions at each Financial Strategy Committee meeting, covering the following aspects:

- their financial impact over the past period;
- the scenarios covered by the hedging positions with quantification of the risk related to the scenarios and the potential protection offered by the hedge;
- the economic factors that would lead to positions being lifted;
- the principles according to which the planned strategies no longer apply.

The ALM Department is also responsible for strategic supervision of the Capital Markets Department's activities on its own portfolio of collateral.

The balance sheet management implemented by the ALM Department is notably based on the standards set out by BPCE Asset/Liability Management Department as well as on the specific rules used by General Management.

Finally, the ALM Department assumes the following roles with the consolidated subsidiaries of BRED within the framework of its defined responsibilities:

- provision of measurement tools for liquidity and rates;
- analysis, advice and suggested action to cover these risks;
- intermediation for refinancing and rates hedging and inflation.

Any ALM-type operation carried out by a BRED Group entity must be pre-authorized by the head of the ALM Department or the Financial Director.

6.4.1.3 Role of the Treasury Department (DTRE)

The Treasury Department, reporting to the Finance Department, defines the policy in terms of treasury operations accompanied by a supporting arrangement, which is approved by the General Management following advice from Risk division. Its main aim is to guide the intra-day flows and to manage the treasury forecasts in order to ensure daily balances and short-term financial security.

The treasurer applies treasury management policies and checks the equilibrium between the daily refinancing capacities of the Bank and the impacts of the development of its business on the treasury. Its activity consists primarily of managing various portfolios of cash transactions, corresponding to assets and liabilities held to balance BRED's cash position (Trading Desk and commercial banking). These consist of interbank transactions (repos and reverse repos, lending and borrowing), transactions with the European Central Bank and balancing of accounts in all currencies.

The Treasury Department may demand transactions to be executed by the Trading Desk and/or by the ALM Department.

To that end, it:

- determines the euro and foreign currency cash positions and transmits them to the Trading Desk for hedging transactions in the money market. These transactions are recorded in special portfolios monitored by the Treasury Department;
- guides intra-day euro flows, monitors the investment systems, BPCE and correspondent accounts and ensures that the utilization limit for the Pool 3G credit line is not surpassed;
- ensures that security collateral funds are consistent with treasury intra-day deficits and, in the event of any imbalance, proposes adjustments to the Financial Markets Committee;
- is authorized to activate the liquidity Business Continuity Plan and implement first-line security measures, after having informed the Financial Director, the Risks Director and the ALM Department. It defines and maintains liquidity Business Continuity Plan;

- issues final payment authorizations and payment orders (cashier function), after input by the front office and control/validation by the back office;
- provides an opinion on the compatibility of treasury impacts of strategic developments or new business;
- collaborates with the Risk division in drawing up the control framework for liquidity and settlement-delivery risks;
- coordinates the Bank's cash flow forecasts with the commercial departments (Trading Desk, Network) that communicate their forecast flows and with the Back Office teams that record the transactions.

The Treasury Department accordingly has the power to limit or block same-day value transactions.

6.4.1.4 Role of the Financial Risk Department (DRF)

The DRF is responsible for second-level control of financial management activities with regard to balance sheet risks. It verifies the proper application and relevance of first-level controls implemented and checks the reliability of risk generating processes.

Its main tasks in this respect are to:

- supervise the definition of first-level control standards and methods;
- validate the risk monitoring system, check the reliability of the parameters and measurement methods used and reconcile accounting and management data;
- contribute to defining and developing the ALM risk management system (risk indicators, limit systems), subject to validation by the competent committees in this respect or by the General Management;
- verify *ex-post* the proper application of the control, modelling and measurement standards and methods and the financial risk decisions approved by the relevant committees;
- define and implement a second-level control plan for BRED and BRED Group ALM risk; define and supervise the

implementation of second-level control plans for ALM risk at the subsidiaries;

- monitor changes in structural balance sheet risk for BRED Group and in compliance with ALM limits;
- verify the production of balance sheet risk monitoring reports;
- produce summary reports and notify the executive or decision-making bodies when necessary;
- monitor the implementation of corrective measures and the resolution of breached limits.

In addition, the DRF performs second-level control of market transactions carried out as part of the responsibilities of the ALM and Treasury Departments, as set out above (in the paragraphs relating to Market Transactions).

6.4.1.5 Role of Groupe BPCE departments

These tasks are carried out in liaison with Groupe BPCE's Finance Department and Risk division, which are responsible for defining and approving:

- ALM agreements (run-off rates in particular);
- monitoring indicators and reporting rules and frequency;
- reporting practices and procedures, control standards relating to the reliability of measurement systems, limit setting and limit-breach management procedures and the follow-up of action plans.

The control and management framework is defined in BPCE ALM guidelines and BPCE risk guidelines. These set forth all the assumptions, modelling rules, conventions and scenarios for producing risk indicators and the controls that must be implemented. These standards are defined by Groupe BPCE's operational ALM Committee (for the ALM guidelines) and are approved by a Risk Committee and Group Compliance or by the Strategic Group ALM Committee. The framework defined at Groupe BPCE level is added to according to BRED Group's specific needs, particularly with regard to the limits applicable to subsidiaries and the taking into account of the capital markets activity.

6.4.2 System for measuring and monitoring balance sheet risk

6.4.2.1 Tool and reporting

BRED's measurement of balance sheet risks is based on a Groupe BPCE tool. On a quarterly basis, the ALM Department inputs BRED Group's balance sheet data into the application, which produces measurement indicators, including:

- static liquidity gaps, which measure balance sheet in runoff circumstances;
- static interest-rate gaps, which measure balance sheet run-off broken down by indexation rate. The interest-rate gap set enables the calculation of a regulatory indicator subject to a limit: the SOT (supervisory outlier test) indicator. It is used for financial communications (market benchmark). This indicator has not been adopted as a management indicator, although the regulatory limit of 20% applicable to it must be respected;

- Economic Value of Equity (EVE), which measures the sensitivity of the economic value of equity. Calibration of the limit on this indicator is based on the following two observations: the retail banking model cannot lead to a structural detransformation position (major risk on the replacement of demand deposits), or to a directional position generating gains in the event of a drop of 200 basis points in interest rates. The limit system must be independent of interest rate expectations so that the Bank can be resilient in the event of an unexpected and high-scale interest rate shock, which is a separate reflection of the hedges to be put in place;

- the sensitivity of the net interest margin (NIM) measured over the next four rolling years. Over a management horizon, in four rolling years, it measures the sensitivity of our results to interest rate fluctuations, business forecasts (new business and changes in customer behavior) and sales margins.

6.4.2.2 At subsidiary level

The risk measurements reported to Groupe BPCE are aggregated at BRED Group level. The ALM Department draws up measurement indicators by subsidiary based on the data entered into Groupe BPCE's management application. The indicators produced for BRED Group subsidiaries include static interest rate and liquidity gaps, sensitivity of the interest margin to interest rate shocks and liquidity gaps in stress situations. These indicators are calculated with the agreements defined at Groupe BPCE level. They are the subject of dedicated reports sent to the subsidiaries concerned. The limits that apply to each subsidiary are approved by their decision-making bodies.

6.4.3 Permanent control of balance sheet risks

In order to ensure that risks related to the balance sheet are closely monitored, BRED has implemented both first- and second-level controls. These controls are conducted by the ALM Department at the first level and by the DRF at the second level.

A variety of controls are performed at every stage of the ALM indicator production process to ensure there are no losses of data and that the data is consistent with the accounting balance sheet data.

Any differences or rejected data are identified and then either explained or restated. Any changes in the indicators must be

6.4.4 Exposure to balance sheet risk

Liquidity coverage ratio

Liquidity coverage ratio (LCR) is a short-term stress ratio. It requires banks to hold a stock of assets assumed to be low risk and easily marketable in order to offset net flows to be disbursed in the event of a crisis over a period of 30 days.

6.4.5 Work carried out in 2024

The year 2024 was marked by still significant liquidity needs, with still a major effort to collect deposits requested from the commercial bank while limiting the production of new loans. Market conditions are now more favorable for the bank with

6.4.2.3 Additional monitoring indicators

In addition to Groupe BPCE's indicators defined above, BRED relies on the internal measurement of interest-rate risk. This makes it possible to break down the interest-rate risk by management entity within BRED Group. Liquidity gaps are also calculated on a monthly basis using a market-risk monitoring application. The regulatory liquidity indicators (notably the LCR ratio) also provide a measurement of liquidity risk.

6.4.2.4 Communication with accountable managers and the Board of Directors

The Chief Executive Officer chairs the Financial Strategy Committee and the Financial Markets Committee. The Risk division reports any breaches of limits to General Management. The Finance Department and the Risk division report regularly to the Board of Directors on balance sheet risk. The Risk division also reports to the Board's Risk Committee.

explained by changes in the balance sheet. These checks are formally documented in first-level control statements, which are reviewed by the DRF before the associated reports are drawn up. Similarly, the DRF reviews any adjustments made by the ALM Department to ensure that they are valid prior to input into the management application.

The DRF is also responsible for monitoring the implementation of methods defined at Groupe BPCE level, the implementation of decisions taken by BRED's committees and compliance with General Management's guidelines. Lastly, BRED Risk division verifies compliance with ALM limits and authorized products.

As at December 31, 2024, BRED had an LCR ratio of 105.95% for the parent company BRED scope and 108.41% for the consolidated BRED scope, i.e., values well above the regulatory limit of 100%.

higher interest rates (as a result of the actions of the European Central Bank), thus making it possible to generate NIM for the coming years.

6.5 OPERATIONAL RISKS

Operational risk is defined by the regulations as the risk of losses resulting from the inadequacy or failure of processes, people and internal systems or from external events, including legal risk. Operational risk notably includes risks associated

with events with low probability of occurrence but high impact, internal and external fraud risks as defined by the regulations, and model risk.

6.5.1 Operational risk management principles

Operational risk management is the responsibility of BRED Group's operational departments and subsidiaries, which constantly monitor changes in the risks associated with their activities and the related activity and incident indicators and take immediate corrective action, within the framework of a system overseen by BRED's Operational Risk Management Department.

The operational risk management policy applied to BRED and to its subsidiaries is based on the rules and methods defined by Groupe BPCE's Risk division. Within BRED Group, the system is overseen by the Operational Risk Department. This department is responsible for identifying and monitoring operational risks, in particular through the collection of incidents and operational risk mapping, as well as for coordinating the operational risk control system, in particular by monitoring predictive risk indicators and implementing corrective actions.

The Operational Risk Management Department performs its duties through a decentralized system of operational risk officers deployed in BRED's operational departments and those of its subsidiaries, as well as the results of work by second-level permanent control staff from the Permanent Control Department and its subsidiaries.

The Operational Risk Department manages and provides training to its operational risk officers, who report to it on a functional basis.

Through its actions and organization, the institution's operational risk management function contributes to financial performance and loss reduction by ensuring that the institution's operational risk management system is reliable and effective.

6.5.2 Measurement and monitoring of operational risks

The operational risk management system is part of the Risk Assessment Framework (RAF) defined by Groupe BPCE. These systems and indicators are set out across each institution and subsidiary of Groupe BPCE.

BRED's operational risk measurement and monitoring system is based on the application of Groupe BPCE standards and a dedicated tool for collecting operational risk incidents.

This tool aims to meet regulatory requirements, evaluate the capacity for resistance to unfavorable macroeconomic trends, notably in the framework of the stress tests carried out by BPCE, and reinforce the role of the operational risk function through a more defined forward vision.

This system is organized in the form of internal procedures that are updated by the Operational Risk Management Department. Capital requirements for operational risk are calculated using the Basel II standardized approach.

The missions of the operational risk function within our institution are as follows:

- identifying operational risks;
- mapping these risks by process and updating the map, in collaboration with the relevant business lines;
- collecting and consolidating operational incidents and assessing their impacts, in coordination with the business lines;
- the monitoring of predictive risk indicators to manage, in coordination with the business lines, certain identified risks;
- monitoring the corrective action plans defined and implemented by the relevant operational units in the event of a notable or significant incident or when an indicator that predicts risk crosses a threshold.

6.5.2.1 Operational risk mapping

The mapping of operational risk is integrated into Groupe BPCE's tool. It presents a view of all the risk situations with potential significant impacts. For a given scope, it allows the

Group to measure its exposure to risks for the year ahead.

This mapping is carried out and updated periodically, to take account of business and environment trends, as well as organizational and regulatory changes.

The mapping exercise is based on a combined analysis of the risks:

- an expert analysis, in collaboration with the business line/ support, reveals at least the minimum, average, and maximum impacts and frequency of occurrence for each risk situation (RS) covered by the risk management system. These elements are corroborated during the meetings of the business lines and, when available, through the backtesting of incidents and the results of first- and second-level controls;
- a quantitative analysis, when the intensity of the risk requires it, in collaboration with the modelers of Groupe BPCE.

Mapping enables the forward-looking identification and measurement of high-risk processes.

For a given scope, it allows the Group to measure its exposure to risks for the year ahead. This exposure is then assessed and validated by the relevant committees in order to launch action plans aimed at reducing exposure as needed.

The mapping scope includes emerging risks, risks related to information and communication technologies and security, including cyber-risks, risks related to service providers and risks of non-compliance.

Lastly, Groupe BPCE applies the Basel II standard method for calculating capital requirements. In this respect, Corep regulatory reports are produced.

6.5.2.2 Loss and incident data

Loss and incident data is gathered and input into the dedicated application by the operational risk officers within BRED Group's operational departments and subsidiaries.

The entries are validated by the Operational Risk Department, which checks the consistency and quality of the data.

6.5.2.3 Organization of permanent controls

For the 2024 fiscal year, the second-level permanent control plan was determined using the operational risk map, indicators resulting from gathering incidents with or without financial impact and considering risk assessments, and non-compliance especially, based on the results of second-level controls. The permanent control plan was rolled out for all BRED Group operational and commercial activities, and for the operational management and compliance of outsourced services.

Second-level permanent controllers reporting directly to the Permanent Control Department are responsible for:

- assessing the first-level control systems inherent to each process controlled;

- performing second-level controls of operations/files based on control standards defined in collaboration with the risk and compliance functions;
- where applicable, issuing and following up recommendations resulting from any anomalies observed.

The results of the controls are distributed to the relevant points of contact in second-level permanent control reports. A consolidated presentation of these control results is given each quarter to the Control Functions Coordination Committee. This presentation includes the results obtained through coordination of the second-level permanent controls of the risk, control and compliance functions.

In addition, the Governance and Risk Control team within the Group Risk division provides second-level permanent control of the operational risk management function at Group level.

6.5.3 Cost of institutional risk on operational risks

At December 31, 2024, the annual amount recognized for BRED Group's net losses and provisions for Operational Risk amounted to €13.03 million, which includes:

- €7.37 million for operational risk incidents and €5.66 million for "Credit frontier" incidents;
- €12.9 million in losses and €0.12 million in net provisions (additions - reversals).

6.5.4 Work carried out in 2024

Incidents

For BRED Group (subsidiaries and ownership interests), 35,464 incidents were collected in the incident collection tool, including 32,570 for BRED SA.

They mainly fall into the following Basel categories:

- 25,554 in the Attempted External Fraud category;
- 7,073 in the External Fraud category;
- 2,008 in the Execution, Delivery and Process Management category.

Corrective Actions

24 Corrective Actions were created for BRED SA.

13 Corrective Actions were created for subsidiaries and ownership interests.

18 Corrective Actions were completed during the period (11 for BRED SA and 7 for subsidiaries).

Key Risk Indicators (KRI)

126 KRIs were monitored over the year, 30 for BRED SA and 96 for subsidiaries.

Mapping

24 mapping exercises were carried out: BRED SA and 23 subsidiaries and equity interests.

In addition, ORM's actions focused in particular on:

- harmonizing the mapping of subsidiaries according to a common base of risk situations and, where applicable, by creating local risk situations to cover their characteristics;
- the review of the "extreme scenario" of certain processes mapped on the capital markets and subsidiaries in

coordination with the Businesses;

- expert assessment of "climate" risks, including by updating the occurrences of climate events over a 10-year period for the entities in the geographic areas concerned;
- carrying out the risk assessment of providers of critical or important services or outsourced banking services for BRED SA and critical or important services for the subsidiaries;
- the integration of Group essential critical or important service provider risks in BRED SA mapping;
- improving the completeness of IT-related incident collection and their measurement;
- implementing corrective actions based on the level defined by the Risk Management System (RMS) as assessed during the OR mapping;
- raising the awareness of the teams in the Commitments, Legal Affairs and Corporate Department, and the Fund Administration Department;
- introducing a reconciliation between the claims paid by the insurance companies and incident reports as part of the process of ensuring incident completeness;
- monitoring the roll-out of key risk indicators within BRED SA in the IT scope, in line with BPCE's progress and the roll-out of the Application Unavailability KRI on EPBF and PROMEPAR;
- the implementation of corrective actions in conjunction with the External Fraud Department;
- the review of Key Risk Indicators (KRIs) for BRED SA;
- work related to the integration of the new Madagascar subsidiary into BRED Group.

6.6 NON-COMPLIANCE RISKS

The Compliance division, “Compliance Verification function” defined by the EBA and included in the Ministerial Order of November 3, 2014, amended by the Ministerial Order of February 25, 2021, is responsible for the prevention, detection, measurement and monitoring of non-compliance risks to ensure their control.

The Compliance Department carries out all actions designed to strengthen the compliance of products, services and marketing processes, customer protection, compliance with ethical rules, the fight against money laundering and the financing of terrorism, the fight against market abuse, the

monitoring of transactions and compliance with sanctions and embargoes. It monitors compliance risks throughout the Group.

In this context, it builds and reviews BRED Group’s policies and procedures, shares best practices and coordinates working groups composed of business line and function representatives.

The dissemination of the culture of compliance and consideration of the legitimate interests of customers is also reflected in the training of employees in the business lines and the awareness-raising of other BRED departments.

6.6.1 Compliance organizational structure

Compliance previously reported to the Director of Risk, Compliance and Permanent Control (DRCCP), who reports directly to the Chief Executive Officer of BRED Group, but since January 1, 2024, it has been reporting to the General Secretary, who also acts as Deputy CEO.

In order to respond to these various tasks, BRED Compliance is organized around two departments, which are in turn divided into offices or units of expertise:

- Banking and Insurance Compliance (Bancassurance);
- Investment Services Compliance;
- ethics, anti-corruption and internal fraud;
- Financial Security, which includes oversight of AML-CTF (Anti-Money Laundering and Combating the Financing of Terrorism) and compliance with international sanctions (embargos and freezing of assets);
- supervision of subsidiaries.

6.6.1.1 The Banking and Insurance Compliance and Investment Services Compliance Offices

The mission of these offices is to prevent the risk of non-compliance with laws, regulations or professional standards, in the scope of banking, insurance and financial savings activities.

Paying particular attention to all issues relating to compliance with customer protection rules, these two offices participate in the implementation of regulatory changes and the creation of products that are new and/or have an impact on the methods of marketing the products and services under their scopes. They also provide employee training and monitor the compliance systems deployed within the institutions.

In Investment Services Compliance, a team of experts is responsible for issues relating to the protection of financial markets and more specifically the supervision of systems for investigating potential market abuse, monitoring barriers to information, producing transaction reports to the supervisory authorities, etc.

As BRED RCSI is also the RCSI and RCCI of some Group subsidiaries, a team ensures the deployment and supervision of the compliance and control systems for some of them.

6.6.1.2 Ethics, anti-corruption and internal fraud

Ethics

The Ethics unit oversees all the rules and duties governing the conduct of BRED employees. Banking and financial activities require careful attention to the definition and observance of strict ethical standards based on a set of individual and collective rules of conduct determined in accordance with laws, regulations and professional standards and which apply to the day-to-day conduct of every employee.

In order to ensure compliance with these rules, the ethics team is responsible for setting up information barriers and keeping them operational and managing potential or actual conflict situations to which BRED is exposed. It is responsible for authorizing or refusing the acceptance or offering of gifts, invitations or benefits in a professional context and for making all employees aware of the ethical rules laid down by the group.

It also acts as the hub of the whistleblowing system, which is used to collect all reports of serious breaches of ethical rules, regulations or legislation.

Combating corruption

In accordance with the SAPIN II act and Groupe BPCE’s anti-corruption measures, BRED has implemented a system aimed at preventing any risks of unethical actions and violations of regulatory obligations. To this end, the following have been put in place:

- a Code of Conduct, included in the internal rules;
- a mapping of the corruption risks to which BRED is exposed;
- an assessment system for the integrity of third parties (drawing up “Know Your Supplier” (KYS) forms, standardized contracts and account agreements containing anti-corruption clauses);

- employee training for corruption risks and training for the most exposed employees in the form of both e-learning and classroom training;
- the establishment of accounting control procedures;
- a disciplinary regime applicable in the event of breaches of the Code of Conduct;
- a global assessment and control system.

A system for collecting and handling professional alerts on serious events, including corruption and influence peddling, is made available to employees (including external partners and occasional employees). It was updated in 2022 to afford greater protection to whistle-blowers in accordance with the provisions of the Wasserman act.

Fighting against internal fraud

Internal fraud is defined as an intentional act that is contrary to the interests of the company and its customers and likely to cause them direct or indirect harm, which constitutes a violation of the provisions of law, professional rules or an internal standard, with a view to obtaining a benefit.

The Internal Anti-Fraud (LAFI) unit acts mainly through the prevention and detection of fraud and internal breaches, the processing of alerts and the investigation of cases of fraud or suspected breaches and the updating of the detailed internal fraud risk mapping adapted to the institution.

6.6.2 Systems monitoring and control

6.6.2.1 Risk monitoring

Compliance risks, in accordance with the Ministerial Order of November 3, 2014, as amended on February 25, 2021, are analyzed, measured, monitored and controlled by BRED by:

- constantly having an overview of those risks and the system in place to prevent or reduce them, including updating their identification as part of the mapping of non-compliance risks;
- ensuring that the largest risks, if necessary, are subject to controls and action plans aimed at supervising them more effectively.

The control of non-compliance risk within BRED is based on mapping non-compliance risks and implementing mandatory first- and second-level permanent compliance controls. These are carried out either by the Compliance Department itself or by the Permanent Control Department, which reports the results of its controls to the Compliance Department and follows the resulting recommendations.

6.6.1.3 Offices in charge of Financial Security

- The AML/CFT Governance Office is responsible for drafting, updating and, when necessary, adapting Financial Security procedures to the specific conditions of activities. The experts of this office support the business lines and subsidiaries in the adaptation and implementation of Financial Security measures and issue opinions on potential and current relationships as well as transactions that present financial security risks;
- the Combating Money Laundering and Financing of Terrorism Office is responsible for the detection and investigation process. It handles inquiries made by the network and AML/CFT alerts and international sanctions on customers and transactions, including Trade Finance and correspondence transactions, until the reports are sent to the competent authorities;
- the Governance and Projects Office manages projects to develop or upgrade tools with the support of experts from the other units and offices in the Department. It also contributes on behalf of Compliance to the Bank's projects;
- the Subsidiary Compliance Office ensures that the subsidiaries comply with the framework imposed by the parent company (based on the French and EU regulatory framework and Groupe BPCE standards) while respecting local regulations. To achieve this, this department maintains a close relationship with all Groupe BRED subsidiaries in order to coordinate and monitor compliance issues. In particular, it is responsible for drafting and checking the proper application of the guidelines defining BRED Group's compliance policy within the subsidiaries.

6.6.2.2 Customer protection and employee training

The compliance of products and services marketed as well as the quality of information provided are central to BRED's strategy and its cooperative model, which aims to align the interests between customers and the company.

To maintain this trust, the compliance function places the concept of customer protection at the heart of its activities.

To that end, Group employees regularly receive training on customer protection issues to maintain the required level of customer service quality. These training sessions are aimed at promoting awareness of compliance and customer protection among new hires and/or sales network employees.

As a result, BRED has set up a mandatory regulatory training system that is reviewed annually and includes a dedicated ethics training program.

In addition, BRED has put in place a code of good conduct and ethics, which has been deployed in all its subsidiaries and makes it possible to define the institution's pillars in this area:

- customer interest;
- financial security;
- market integrity;
- management of conflicts of interest;
- professional ethics;
- prevention of corruption and influence peddling; and
- protection of the Group.

The new regulations relating to markets in financial instruments (MiFID2) and PRIIPs (packaged retail investment and insurance-based products) strengthen investor protection and market transparency. Similarly, Regulation (EU) 2019/2088, known as Sustainable Disclosure (SFDR), makes it possible to integrate customer sustainability preferences into product advice and governance.

6.6.2.3 Product governance and supervision

All new products or services, regardless of their distribution channel, as well as all sales materials coming under the purview of the Compliance Department's expertise, are reviewed beforehand by the Compliance function. It ensures that the applicable regulatory requirements are met and ensures that the information provided to the targeted customers and, more broadly, to the public, is clear, accurate and not misleading. Throughout the life of the product, through the Governance and Oversight Committees dedicated to each product range, the Compliance Department continuously monitors the product to ensure that the interests, objectives and characteristics of the customer continue to be duly taken into account.

The oversight mechanism for each product is adapted to the corresponding level of risk.

In addition, the Compliance Department participates in the review of sales activities, ensures that conflicts of interest are managed and that the priority of customer interests is taken into account.

The Department takes particular care to ensure that sales procedures and processes, as well as commercial policies guarantee that compliance and ethical rules are observed at all times and for all customer segments, and in particular that the advice provided to customers is appropriate to their needs.

6.6.2.4 Financial security

The Financial Security system is based on international AML/CFT standards, French and European laws and regulations, as well as Groupe BPCE policies. It consists of procedures concerning, in particular:

- risk assessment, including the assessment of risks presented by countries, new products and new activities;

- customer identification and knowledge (KYC);
- monitoring of transactions for AML/CFT purposes, compliance with asset embargoes and freezes and rules governing transparency of funds transfers;
- enhanced review and reporting of suspicious transactions and activities to the Financial Intelligence Unit (TRACFIN for France);
- documentation, archiving and record keeping and information sharing.

When necessary, these procedures are rolled out and adapted to the specificities of the Bank's various activities and to the local obligations specific to BRED Group entities located outside France.

In addition to the procedures, BRED has the resources to detect atypical transactions adapted to its risk classification, which allows, if necessary, for the performance of enhanced reviews and the necessary declarations to the competent Financial Intelligence Unit as soon as possible.

As regards compliance with restrictive measures related to international sanctions, BRED has tools at its disposal to screen customer databases (in particular with regard to the asset freezing measures to which certain persons or entities are subject) and filter international flows (with regard to the said asset-freezing measures and the sanctions measures targeting countries subject to a European and/or US embargo). Furthermore, this system is deployed across all BRED Group subsidiaries.

The available IT tools are supplemented by the human vigilance of BRED employees, which remains essential and central in the detection of anomalies and the processing of alerts. All employees exposed to Financial Security risks are regularly trained and informed of changes as they arise.

Lastly, BRED has set up a management, control and supervision process to alert managers, decision-making bodies or the central institution, depending on the importance of the incident or breach observed or the financial security risks, and monitor the response provided by BRED to mitigate or remedy them.

This system is constantly evolving to remain relevant to risks and improve its effectiveness.

6.6.2.5 Permanent controls on non-compliance risks

BRED has determined second-level permanent controls and the control reference standards to be integrated within the annual programs. These controls are conducted by the Compliance teams or by the controllers of the Permanent Control Department. The results of first- and second-level controls may give rise to the issuance of recommendations when malfunctions are identified or, if necessary, the adaptation of the systems in place. In this case, monitoring and support for the effective implementation of corrective actions must be undertaken.

The findings of periodic controls are then used to coordinate the Compliance function, process mapping and action and control plans.

6.6.2.6 Supervision of BRED subsidiaries

The “Subsidiary Compliance” unit supervises BRED Group’s French and international subsidiaries through the establishment of a strong functional link between BRED Compliance and local compliance officers.

6.6.3 Highlights 2024

Financial Security

On June 27, 2024, the ACPR Sanctions Committee issued a severe reprimand with a financial penalty of €2.5 million. This Sanction upheld three of the four complaints presented, namely: (i) the system for configuring the automated tool for monitoring and detecting atypical transactions had four shortcomings that were detrimental to its effectiveness; (ii) BRED did not comply with its obligation to carry out an enhanced review in four cases (grievance based on two cases because two cases were dismissed) and (iii) of the 73 cases examined by the auditors, 24 presented a lack of initial DS (5 cases dismissed) and 6 a lack of additional DS.

Before the sanction was issued, BRED had initiated work to respond to the observations of the inspectors and thus remedy the shortcomings identified. This work covers the following topics:

- the formalization of certain procedures, including the classification of risks or the updating thereof and the implementation of internal processes;
- the improvement of the functionalities of KYC and rating, screening and filtering tools and the implementation of new scenarios in the transaction monitoring tool;
- the strengthening of the management of subsidiaries and permanent control in terms of Financial Security;
- improved monitoring of Financial Security training.

The remediation plan continued throughout 2024 and will continue in 2025.

The special system that had been put in place at BRED at the start of the Russia-Ukraine conflict continued to be applied in 2024. It has demonstrated its robustness, effectiveness and adaptability to the range of measures adopted against Russia and Belarus.

Customer protection

The deployment of Groupe BPCE standards and methods enabled work to continue on the DRC, beneficial owners and customer protection (particularly banking inclusion).

In addition, in accordance with its commitments to its supervisory authorities, BRED has continued to strengthen its mechanisms for inclusion and banking fees as well as investment advice. This last project will continue in 2025, in particular with respect to the continuity of the Sustainable

The supervision process is based on the implementation of BRED Group standards, along with the evaluation of all existing and planned compliance systems. It is accompanied by close, regular monitoring, which is formalized through an annual control and action plan, as well as regular assessment reviews that are reported to the Compliance Committee.

Finance Program initiated in 2023, in conjunction with Groupe BPCE and the subsidiaries of BRED Group, following on the European SFDR regulation.

BRED subsidiaries

For the non-French subsidiaries, the action plans relating to the remediation of customer knowledge files were improved in 2024. The source for calculating the completeness of cases has been modified to better identify cases that remain incomplete and to implement more relevant remediation plans.

Market monitoring

Market monitoring systems, through the identification and investigation of market abuse alerts as well as the monitoring of communications, were improved in 2024 with the implementation of new tools.

The project relating to the EMIR-REFIT 2 regulations that was launched at BRED to comply with the new transaction requirements that came into force in April 2024 has been finalized.

At the same time, BRED set up the MMSR (Money Market Statistical Reporting) system for which BRED had been chosen by the ECB as the reporting bank on the panel.

Conduct and ethics

In 2024, the ETIC ethics tool was rolled out to all of BRED Group’s French-speaking subsidiaries.

The implementation of the tool is part of the regulatory obligations of each employee to:

- confirm his/her obligations as a Person Exposed to Inside and Confidential Information;
- declare gifts, benefits and invitations received or offered in a business context;
- declare his/her external interests involving parties outside of BRED.

The tool also enables subsidiaries to facilitate the maintenance and monitoring of existing ethics procedures such as keeping the register of potential or proven conflicts of interest and the management of watchdog and ban lists.

More generally, the Compliance Department continued its actions to improve its structure, processes and tools, with the constant objective of increasing its efficiency so that it can handle regulatory changes and the expectations of supervisors.

6.7 DATA PROTECTION

6.7.1 Organization of data protection

The Data Protection Department is responsible for ensuring compliance with the principles and obligations in force for all personal data processing carried out within BRED Group, taking into account the risk associated with such processing. These obligations stem mainly from EU Regulation 2016/679 on the protection of individuals with regard to the processing of personal data and on the free movement of such data, as well as the legal provisions in force in each country concerned.

The aim of the Data Protection Department is to ensure that the processing carried out complies with the principles of lawfulness; fairness; transparency; determined, legitimate and explicit purposes; minimization; security; and limited retention period of data.

The Data Protection Department operates within the scope of BRED SA and of all its French and foreign subsidiaries. It acts on all aspects of data protection and it:

- ensures the proper application of data protection principles, in particular those arising from GDPR;
- monitors the documentation in the record of processing activities carried out by the business lines;
- contributes to BRED Group's risk mapping by producing data protection indicators;
- promotes a data protection culture within BRED Group, in particular by offering the necessary training and ensuring that all appropriate stakeholders are aware;
- provides advice to the business lines in connection with their projects and in connection with the performance of privacy impact assessments (PIAs);
- ensures that all processing operations or projects that pose significant risks to the natural persons concerned have undergone a PIA;
- ensures the implementation of first-level control plans and performs second-level controls;

6.7.2 Organization of control

The level 1 and level 2 permanent control systems have been deployed for BRED SA since 2022 and were deployed for all European subsidiaries in 2023.

At the end of 2024, BRED's register of processing operations contained 149 operations, which is 2% more than in 2023.

In 2024, BRED deployed the EQS Privacy application to manage its processing register. On this occasion, 100% of the

- ensures that the processing carried out is compliant with GDPR;
- takes into account and processes the requests of the natural persons concerned;
- responds to requests from the supervisory authorities and reports to them any incident that poses a significant risk to the natural persons concerned;
- produces summary reports (regulatory and legal reports and declarations, summaries from risk indicator monitoring and second-level controls, regular reporting to executive and decision-making bodies, requests from BPCE) and alerts if necessary.

The Data Protection Department coordinates BRED Group's data protection function and implements and supervises all data protection bodies.

The official data control officer function for BRED SA and its European subsidiaries are carried out by the Data Protection Department, except where, by exception, the subsidiaries have chosen to appoint their own data protection officer. In this case, this choice and the name of the data protection officer are subject to the approval of the Chief Data Protection Officer.

The Data Protection Department is organized into a single cross-business unit that performs all the tasks assigned to it. For BRED SA, it relies on a network of data protection officers. These contact persons are appointed by the members of the Executive Committee for a specific business scope.

In the subsidiaries, the Data Protection Department relies on a network of entity data protection correspondents. These correspondents are appointed for the entire scope of the subsidiary by its managers. Each subsidiary has a dedicated contact within the Data Protection Department.

processing operations were reviewed by the business line officers and validated by the DPO.

To measure the risks associated with data protection by department, a data protection risk rating method is used, which helps to define appropriate risk control measures. The risk indicators are used to populate BRED's risk map.

6.7.3 Highlights 2024

In 2024, efforts to oversee and manage data protection activities continued, with regular training cycles for all new Personal Data Protection Officers (PDPOs) appointed by business units, for the subsidiaries' data protection correspondents and for IT Department project managers.

This year, all personal data protection officers were trained in the use of the new registry management application called EQS Privacy.

With this network of data protection officers within the business lines, and the IT Department's strong involvement in the area of Privacy by Design, BRED is fully committed to respecting the protection of personal data for its customers, employees and all third parties it interacts with.

The IT program to delete data in applications continued, and now almost all BRED applications have been adapted to allow automatic deletion of data at the end of the retention period set by the business lines.

It should be noted that five applications in the loan and credit domain that had been processed as a priority at the start of

the program are currently undergoing additional work involving a purge on top of the interim and final archiving previously carried out. Two of these applications are in production with an inventory purge in progress and the last three will be delivered in the first quarter of 2025.

Among the applications initially identified, one is in the process of being approved, two others de-prioritized in 2024 are in the 2025 plan and two others are undergoing additional purges.

In summary, therefore, we have five applications still to be processed out of the 207 initially identified, a completion rate of 98%.

Privacy Impact Assessments (PIAs) were conducted on all processing operations that presented a significant risk to the individuals concerned. In 2024, four new processing operations underwent PIAs.

For the European subsidiaries, the focus was on the finalization of the processing register and the deployment of a new first-level control plan.

6.8 SECURITY RISKS AND OPERATIONAL RESILIENCE

6.8.1 Business continuity

Business continuity risk is approached from a cross-business perspective, with analysis of the main critical business lines, including liquidity, payment services, securities, retail and corporate lending, and fiduciary services.

6.8.1.1 Organization and management

Groupe BPCE's BCP/EBCP is organized by function and coordinated by the Group business continuity function, within the Group Security Department of the Group General Secretariat.

Groupe BPCE's Business Continuity Manager (RCA-G) is responsible for:

- managing Group business continuity and coordinating the Group Business Continuity function;
- coordinating the Group's crisis management;
- managing the implementation of the Group Contingency and Business Continuity Plans (CBCPs) and keeping them operational;
- ensuring compliance with regulatory provisions governing business continuity;
- participating in the Group's internal and external bodies.

Improvement projects continued with the following in common:

- strengthen of processes and strengthening systems;
- compliance with European texts on operational resilience.

The Business Continuity Managers (RPCA or RPUPA) of Group institutions report functionally to the Group RCA, who is notified of RPCA/RPUPA appointments.

BRED's business continuity reference framework was developed and validated by BRED's Business Continuity Plan Steering Committee on December 31, 2020. The document is reviewed and updated annually by the BCP Committee.

Groupe BPCE's business continuity framework sets out the function's governance structure, which has three levels, which are called upon according to the nature of the decisions or validations required:

- the decision-making and management bodies of Groupe BPCE, in which Groupe BPCE's Business Continuity Manager participates to validate major strategic decisions and obtain rulings on key points as required;
- the Business Continuity Function Committee, an operational coordination body;
- the Group business continuity plenary forum, a national body for sharing information and identifying needs.

Group Business Continuity defines, implements and, where necessary, changes the Group business continuity policy.

Organizational structure in place to ensure business continuity

BRED's Business Continuity Manager (RPCA) has the following missions:

- overseeing the Business Continuity Management System (BCMS), in conjunction with Groupe BPCE;
- identifying and coordinating the network of BCP Officers (BCPs);

- defining the crisis management system for dealing with a major incident;
- identifying the essential activities in conjunction with business line managers;
- considering the continuity needs expressed by the business lines through Business Impact Assessments (BIA);
- overseeing the updating of the business continuity plans of BRED's business lines;
- ensuring the operational maintenance (OM) of all business continuity plans, documentation and solutions;
- drawing up and coordinating a yearly program of BCP testing and crisis management exercises;
- in collaboration with HR, providing training and raising awareness in business continuity and crisis management for all staff;
- monitoring developments in regulations and best practices;
- organizing and coordinating Committees relating to Business Continuity. It participates in internal or external committees or bodies;
- meeting internal and external reporting requirements regarding BRED's BCP;
- monitoring the BCP;
- performing level 1 and level 2 permanent controls;
- ensuring that recommendations issued by the internal and external audit function are implemented.

6.8.2 Information systems security

6.8.2.1 Organization and management of information system security

The Group Security Department (DS-G) is responsible for information systems security (ISS) and combating cybercrime. It defines, implements and updates the Group's information systems security policies. It provides continuous and consolidated oversight of information system security, along with technical and regulatory oversight. It initiates and coordinates Group projects aimed at reducing risks in its field. It also represents Groupe BPCE vis-à-vis banking industry groups and public authorities.

Groupe BPCE has established a groupwide ISS function. It brings together the Head of Group Information Systems Security (RSSI-G), who leads this network, and Heads of ISS for all Group entities.

The department defines, implements and develops the Group ISS policy.

The DSG:

- coordinates the ISS function, bringing together the RSSIs (Heads of Information Systems Security) of parent company affiliates, subsidiaries and IT EIGs;
- oversees the level permanent control system and the consolidated control of the ISS function;

6.8.1.2 Work carried out in 2024

Groupe BPCE is actively monitoring a range of crises, the number of which has increased significantly this year.

At the same time, it has been working to adjust its permanent control system and to test the robustness of its crisis management system through regular exercises.

BRED Group's entire BCP was reviewed and updated in 2023 through the group-wide BIA (Business Impact Assessment) campaign. The continuity response was then adapted based on the needs expressed by the business lines.

The annual business continuity supervision campaign for essential, critical or important service providers was rolled out in accordance with Groupe BPCE's requirements.

User fallback tests were carried out for all critical activities identified during three sessions organized at the fallback sites. An initial global transition exercise as part of the business recovery plan was successfully conducted in 2024 by Information Systems Department (ISD) teams.

The continuity systems of all BRED Group subsidiaries was assessed using the tools provided by Groupe BPCE. Action plans were then sent to each subsidiary representative to ensure continuity is part of a continuous improvement process for the Group.

Cyber crisis simulation exercises were carried out in some of the Group's subsidiaries to test the reaction of the members of the various Crisis Units.

For the Olympic and Paralympic Games, an exceptional security and continuity system was put in place between January and September 2024 at Groupe BPCE and BRED Group level.

- initiates and coordinates Group risk reduction projects; and
- represents the Group in dealings with interbanking bodies and public authorities on matters related to its field.

Since March 2020, BPCE-IT's Governance, Risk and Second-Level Controls activity has been transferred to DSG:

- BPCE-IT ISS governance activity is now the responsibility of Group ISS;
- the Risks and Security Controls activity is carried out within a new entity reporting to the Group Security Department.

In March 2022, as part of Groupe BPCE's strategic plan, creation of a service center as an integral part of DSG BPCE. The DSG IT control teams and the GFS TRM (Global Financial Services Technology Risks Management) cross-functional teams are grouped within this service center.

BRED Group's RSSI and, more broadly, all parent company affiliates, direct subsidiaries and IT EIGs report functionally to Groupe BPCE RSSI. This functional link means that:

- any appointment of an RSSI is notified to the Group RSSI;
- the Group's ISS policy is adopted within the institutions and each local ISS policy is submitted to Groupe BPCE's RSSI prior to implementation within the institution;

- a report is sent to the Group RSSI on institutions' level of compliance with the Group ISS policy, ISS permanent controls, the ISS risk level, the main ISS incidents and the actions taken.

At BRED Group level, all entities have an Information System Security function. All of these parties report directly and functionally to BRED Group's RSSI. He/she is in charge of the ISS, Business Continuity and External Fraud Department (excluding electronic banking) under the responsibility of the Head of Risk, Protection and Control (DRPC). The responsibilities of the main players involved in the ISS policy, their rights and duties are defined in ISS roles and responsibilities sheets.

6.8.2.2 Monitoring risks relating to Information System Security

As a result of its digital transformation, the Group's information systems are becoming increasingly open to the outside world (cloud computing, big data, etc.). Many of its processes are gradually going digital. Employees and customers are also increasingly using the internet and interconnected technologies such as tablets, smartphones and applications on tablets and mobile devices.

As a result, the Group's assets are increasingly exposed to cyber threats. The targets of these attacks are much broader than the information systems alone. They aim to exploit the potential vulnerabilities and weaknesses of customers, employees, business processes, information systems and security mechanisms at Group buildings and data centers.

A unified group Security Operation Center (SOC), including a level 1, operating 24 hours a day, is operational.

BRED Group has also set up a Security Operation Center (SOC) whose missions are equivalent to those of BPCE. This BRED Group SOC was deployed in 2023 and is now fully operational, thus strengthening the detection of atypical flows and events within the information systems (detection of cyberattacks).

In order to strengthen the systems to combat cybercrime, several actions were conducted:

- security work on externally hosted websites;
- enhanced website and application security testing capabilities;
- implementation of a Responsible Vulnerability Disclosure program by Groupe BPCE CERT.

At BRED level, actions were carried out, in particular:

- IS robustness test campaigns (Pentests, Redteam, Bug Bounty, etc.);
- a global security audit of the new WERO market platform.

The Information Systems Security policy is defined at group level (ISSP-G) under the responsibility and guidance of BRED Group RSSI. The main objective of the ISSP-G is to control and manage the risks associated with Information Systems, to preserve and increase the Group's performance, to strengthen the trust of its customers and partners and to ensure the compliance of its actions in accordance with national and international laws and regulations,

The Group ISS Policy is a minimum framework with which each institution must comply. This minimum security base may be reinforced by additional requirements according to use cases and needs of the entities.

In addition, each BRED Group entity has carried out an assessment of its compliance with this security policy since 2021. Groupe BPCE's policy is applied in full by all BRED Group entities (excluding scopes not affected).

6.8.2.3 Raising employee awareness of cybersecurity

In addition to maintaining the Group's common foundation for raising awareness of ISS, the year was marked by the continuation of phishing awareness campaigns and by the renewal of participation in "European Cybersecurity Month."

Within the scope of BPCE SA, in addition to recurring reviews of applications permissions and rights to information system resources (mailing lists, shared mailboxes, shared files, etc.) the monitoring of all websites published on the internet and the oversight of vulnerability handling plans have been strengthened, as well as the monitoring of the risk of data leakage by email and the use of online storage and exchange services.

At BRED Group level, additional awareness campaigns for employees were carried out in 2024. These included:

- four phishing test campaigns at Group level combined with targeted phishing campaigns;
- in-person thematic awareness-raising sessions for several populations;
- the dissemination of several information messages and warnings (notably via the sending of newsletters and communications) in the context of the detection of temporary or persistent threats regarding the best practices to be applied in daily life.

6.8.2.4 Work carried out in 2024

A global management system for security reviews and penetration tests was set up to cover 100% of critical IS assets over four-year cycles. This system now makes it possible to consolidate all the vulnerabilities identified during security reviews and penetration tests, as well as the related remediation plans in DRIVE for centralized monitoring.

In 2024, work continued on the ISS mapping of all the Group's information systems.

In this respect, each Group institution, in view of its role and context, aims to draw up the IT risk mapping of the information systems for which it is operationally responsible, based on the Group methodology that links ISS approaches with that of the business lines.

A first-level permanent control framework was defined and made available to all institutions. This work was carried out by BRED teams in charge of first-level controls.

BRED Group and its subsidiaries also remain particularly vigilant in the fight against cybercrime.

Several actions were continued in this respect in 2024, in order to strengthen procedures for combating cybercrime:

- follow-up and implementation of a three-year action plan on IS security and business continuity for BRED Group, for the period 2023-2025;
- continuation of the roadmap as defined in 2023 for the next three fiscal years, which incorporates the new regulatory constraints (DORA) and emerging threats;
- several projects and compliance work initiated as a follow-up to the assessment of BRED SA's compliance with DORA;
- numerous interactions between Groupe BPCE's CERT (Computer Emergency Response Team) and the InterCERT-FR community supervised by ANSSI and the European community TF-CSIRT;
- active involvement by BRED in the VIGIE community, the group's collective vigilance system for Banques Populaires and Caisses d'Épargne in order to improve exchanges and monitoring concerning those institutions' private information systems;
- strengthening the security level of online banking devices (web-based and mobile banking) in response to increased fraud and phishing attacks;
- management and optimization of the Cyber rating (Securityscorecard);
- tightening of the IT security supervision system, with:
 - annual robustness campaigns (penetration tests) in conjunction with the Information Systems Department, and for all BRED Group entities,

- a RED TEAM test on BRED SA entity,
- a "Bug Bounty" campaign with 13 active programs for BRED Group. The purpose of the Bug Bounty program is to have the vulnerabilities of an application identified by cyber experts, who are paid according to what they discover,
- code reviews, which consist of analysis of the source code of a computer application to ensure that IT development security rules and best practices have been followed;
- strengthening of the control environment, with:
 - the classification of highly sensitive and sensitive information assets according to Groupe BPCE methodology (DICP and INFOJR),
 - the running of level 1 and level 2 permanent SSI control campaigns in accordance with Groupe BPCE requirements,
 - management of permanent level 2 IT controls;
- the implementation of an annual campaign to supervise the level of IS security at essential, critical or important service providers in accordance with Groupe BPCE's requirements.

Additionally, specific communications are issued in response to security events, in addition to the measures presented by Groupe BPCE. In the event of a "major" ISS incident, the alert and crisis management process is activated, as defined by BRED Group's BCP Manager.

6.8.3 Fighting against external fraud

6.8.3.1 Structures to combat external fraud

The organizational structure of the fight against external fraud consists mostly of a separation of functions between:

- the first line of defense (LoD 1), charged with operational management and oversight of the fight against external fraud;
- the second line of defense (LoD 2), charged with managing and monitoring external fraud risks.

LoD 1 is coordinated by the Group Fraud Control Tower, which carries out the following main activities:

- coordination of the operational fraud function;
- setting targets for the various players and managing performance;
- preparation of the roadmap and monitoring of its implementation;
- project monitoring and communication on progress;
- emergency management;
- definition of the annual control plan and implementation of EICsI;
- certification of figures / publication of reports;
- monitoring of action plans.

LoD 2 is managed by the Fraud Risk Management team of the Group Security Department, which carries out the following main activities:

- preparation of the Group Fraud Policy and monitoring its implementation;
- definition of the Risk Management System;
- Risk mapping;
- definition of the Control Plan;
- consolidation of CPN2 results;
- crisis management as part of the Group Serious Incidents (GSI) process;
- coordination of regulatory monitoring;
- definition of the training/awareness plan;
- consolidated monitoring of action plans and exemptions;
- link with ROs.

These activities cover all retail or corporate business lines and all Group companies.

The fight against external fraud is a specialized business line in all Group institutions.

This means that an external fraud contact is appointed in each Group institution and is responsible for coordinating its system in his or her institution.

This officer interacts with the Group's other external fraud contacts, with the support of the central team in charge of coordinating the sector and major projects to combat external fraud.

6.8.3.2 Work carried out in 2024

The multi-year external fraud roadmap across the Group continued to be implemented.

It consists in particular of the following two pillars organized into programs:

- a document fraud program covering the entire customer relationship life cycle, from inception to the end of the relationship, the objective being to strengthen and make KYC more reliable by strengthening and automating documentary controls and sharing information;
- an end-to-end transfer security program that uses enhanced detection and alert tools and adapts customer experience according to the level of fraud risk identified.

These two pillars are supplemented by actions that continue efforts to secure other means of payment (cards, checks, cash deposits, direct debits, etc.) and prevent fraud as early as possible and act on/react to it as quickly as possible.

Lastly, a payment dispute program (card and credit transfers) has been set up to accelerate compliance with the provisions of DSP2.

Within BRED, the External Fraud Control Department continued its contribution to regulatory reporting and maintained strict monitoring of the management indicators presented to the External Fraud Committee, which meets at least once per quarter.

A system for detecting BtoC direct debit fraud has also been put in place, including expert rules and a predictive model. Additional predictive models deployed on payment instruments such as checks, cash and SCTS transfers have supplemented and strengthened our global external fraud detection system.

A 38% increase in the volume of fraud attempts was observed over the fiscal year, with a financial loss for the Bank up by 25%.

This trend is mainly due to the increase in document fraud, especially when setting up financing, as well as cases of fraud by manipulation, such as vishing, SIM swapping, calls from fake advisors, and fake SMS/WhatsApp messages has led to the implementation of action plans to strengthen our processes and call on our customers to be extremely vigilant.

6.9 EMERGING RISKS

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

Since the previous study, the macroeconomic context has changed. After the start of the ECB rate cut, uncertainties about monetary policies and changes in inflation gave way to new fears, in particular due to the political situation in France, the situation in New Caledonia and the impact of the election of Donald Trump.

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

With regard to credit risk, the degraded situation of companies and professionals continues and the outlook remains unfavorable, while signs of degradation are now appearing on

the individual customer portfolios, albeit in a contained manner.

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

Consequences of the political situation in France, market correction and volatility risk and sovereign risk remain. The stress tests on liquidity, investment and market risks reveal controlled impacts. Vigilance regarding interest rate risk is decreasing, as uncertainties about monetary policy have diminished following the start of the ECB rate cut.

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

6.10 ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS

Aware of its major role in supporting the energy and ecological transition to a low-carbon economy, BRED is continuing the actions undertaken to address and reduce climate risk. BRED's

approach falls within the scope of Article V of Article 173 of the Energy Transition act for Green Growth.

6.10.1 Definitions and reference framework

6.10.1.1 Reference framework

The management of environmental, social and governance risks within Groupe BPCE is part of a multi-part framework:

- the regulatory and legislative framework, which includes all the texts in force in the jurisdictions in which Groupe BPCE operates. In France, these include the European Taxonomy or the SFDR (Sustainable Finance Disclosure Regulation) as well as texts stemming from banking or insurance regulations such as the European Central Bank's guide on managing climate- and environment-related risks;
- the framework of standards and best market practices, which Groupe BPCE applies voluntarily. International references such as the Sustainable Development Goals (UN), the United Nations Global Compact, the Equator Principles (project financing) are included, in line with the Paris Agreements.

Groupe BPCE's environmental, social and governance risk management system aims to ensure compliance with the methodological standards and constraints set by this reference framework while still reflecting Groupe BPCE's risk appetite.

BRED Group is part of the framework deployed by Groupe BPCE.

6.10.1.2 Definition of ESG risks

Environmental risks

Environmental risks fall into two main risk categories:

- physical risks arising from the impacts of extreme or chronic climatic or environmental events (biodiversity, pollution, water, natural resources) on the activities of Groupe BPCE or its counterparties;
- transition risks arising from the impacts of the transition to a low-carbon economy, or one with a lower environmental impact, on Groupe BPCE or its counterparties, including regulatory changes, technological developments, and the behavior of stakeholders (including consumers).

Social risks

Social risks arise from the impacts of social factors on Groupe BPCE's counterparties, including issues related to the rights, well-being and interests of individuals and stakeholders (the company's workforce, employees of the value chain, communities affected, end users and consumers).

Governance risks

Governance risks arise from the impacts of governance factors on Groupe BPCE's counterparties, including issues related to ethics and corporate culture (governance structure, business integrity and transparency, etc.), and to management of supplier relationships and influencing of business practices.

6.10.1.3 Climate and environmental scenarios

As part of its business line planning and strategic management and risk management processes, Groupe BPCE uses climate scenarios to assess the challenges associated with short-, medium- and long-term climate risks.

These scenarios come from leading institutions in scientific research on the climate, such as the Intergovernmental Panel on Climate Change (IPCC), the Network for Greening the Financial System (NGFS) or the International Energy Agency (IEA).

Groupe BPCE mainly uses the SSP2-4.5 scenario to define a median trend. This scenario represents a "median" pathway that extrapolates past and current global development into the future. Revenue trends in different countries diverge considerably. There is some cooperation between States, but it is limited. Global population growth is moderate and stabilizes in the second half of the century. Environmental systems are facing a certain degradation. With regard to greenhouse gas emissions, this scenario represents the average trajectory of future greenhouse gas emissions, and assumes that climate protection measures are taken.

For its risk assessment needs in a deteriorated context, Groupe BPCE also relies on the SSP5-8.5 scenario. This scenario assumes development based on fossil fuels. Global markets are increasingly integrated, resulting in innovations and technological advances. However, social and economic development is based on an intensified exploitation of fossil fuel resources, with a high percentage of coal and an energy-intensive way of life worldwide. The global economy is growing rapidly and local environmental issues, such as air pollution, are being tackled successfully. With regard to greenhouse gas emissions, this scenario reflects the failure of mitigation policies and the continuity of trends in primary energy consumption and energy mix.

In defining its decarbonization objectives and trajectories, Groupe BPCE also relies on the scenarios of the International Energy Agency. These scenarios, which are specific to each sector, determine the technological breakthroughs necessary to achieve carbon neutrality by 2050.

To achieve its goal of carbon neutrality in 2050 in each of these sectors with the highest carbon emissions, Groupe BPCE has decided to use the International Energy Agency's Net Zero Emissions 2050 reference scenario (NZE 2050 scenario), which was published in 2021. This scenario is compatible with the limitation of global warming to 1.5°C, in accordance with the Paris Agreements.

While the reference base generally used is the International Energy Agency curve, the use of scientific reference curves adapted to each sector and the regions in which Groupe BPCE operates has made it possible to take into account the specificities of the sectors in question. These scientific curves are expressed as emission intensity. They are also used by the vast majority of the customers that Groupe BPCE finances in these sectors. This shared use of a scientific reference base optimizes bank-customer dialogue.

6.10.1.4 Sector knowledge base

Groupe BPCE has developed a knowledge base shared between the main internal stakeholders in the ESG risk management system (in particular the Impact Department and the ESG Risk Department). This knowledge base is meant to be a reference within Groupe BPCE on ESG issues related to the main economic sectors and to feed into the work carried out downstream for the purposes of integrating ESG risks into strategic discussions and the various Groupe BPCE risk management systems.

This knowledge base takes the form of sectoral documents that summarize the main ESG issues of the most ESG-sensitive economic sectors. They are based on the current state of scientific, technological and social knowledge gathered by Groupe BPCE's experts. There are plans to implement a process of regular system enhancement starting in 2025.

BRED Group relies on the industry knowledge base deployed by Groupe BPCE.

6.10.2 Governance

6.10.2.1 Groupe BPCE Supervisory Board

Groupe BPCE Supervisory Board oversees and puts into perspective Groupe BPCE's ESG strategy, with the support of its specialized committees:

- the Risk Committee assesses the effectiveness of internal control and ESG risk management systems within Groupe BPCE;

6.10.1.5 ESG data

The acquisition, distribution and use within Groupe BPCE of data related to the ESG characteristics of its counterparties and its own activities is a critical issue, especially for the purposes of managing portfolios and monitoring ESG risks and the enhancement of customer knowledge to implement useful support actions, depending on the customer segment.

Depending on its needs and available data, Groupe BPCE has several channels for acquiring ESG data about its counterparties:

- the direct collection of data from its counterparties, through specific questionnaires and dedicated strategic dialogues;
- the collection of data from non-financial information published by its counterparties, for example in their sustainability report or, starting in 2025, in their CSRD report for the European companies in question;
- the use of public databases (open data) made available by governmental institutions such as the French Environment and Energy Management Agency (ADEME) or specialized non-governmental organizations (NGOs) such as World Wildlife Fund (WWF) or Urgewald;
- the use of specialized external data providers such as non-financial or general rating agencies.

In the absence of counterparty-specific data, Groupe BPCE may use approximations (e.g., sector averages) and estimates to assess the trajectory of its portfolios and risks. This type of approach is used in particular in the context of portfolios related to individual customers, professionals and small companies for which the issues of availability and quality of the available data are particularly acute.

To meet these challenges, Groupe BPCE has defined a governance framework specific to ESG data and structured a dedicated program whose goal is to set up an infrastructure and processes for collecting, storing and distributing structured and accurate ESG data within Groupe BPCE. In particular, this program involves mapping ESG data needs and the creation of an associated roadmap aimed at gradually improving the availability and quality of the ESG data used by Groupe BPCE.

BRED Group is part of the framework deployed by Groupe BPCE in terms of ESG data.

- the Cooperative and CSR Committee oversees sustainability reports and non-financial communication, in conjunction with the Audit Committee and the Impact Program;
- the Audit Committee oversees non-financial communication and the consideration of ESG risks in Groupe BPCE's financial statements, in conjunction with the Cooperative and CSR Committee (joint committee once a year);
- the Remuneration Committee reviews proposals to integrate ESG issues and risks into the executive remuneration policy.

Groupe BPCE's directors receive regular training on the challenges that ESG risks represent for BPCE, changes in scientific context, the regulatory expectations associated with these risks and the strategy and risk management systems implemented to respond to them.

6.10.2.2 Executive Management Committee

The Executive Management Committee validates the ESG strategy, ensures its implementation and oversees Groupe BPCE's ESG risk management. To that end, it relies on committees dedicated to addressing these issues. These include:

- the Environmental Transition Strategy Committee, chaired by the Chairman of the Management Board, validates the Group's Impact strategy in terms of environmental transition and manages its implementation (action plans, indicators by business line, measurement of the Group's ambitions);
- the ESG Risk Committee, chaired by the Chief Risk Officer of Groupe BPCE, brings together the heads of Groupe BPCE's business divisions, the Risk, Finance and Impact functions, as well as two Groupe BPCE senior executives. In 2024, it replaced the Climate Risk Committee, broadening its area of expertise and its missions. This decision-making and monitoring committee deals with ESG issues from a cross-functional perspective for Groupe BPCE and its various business lines. It is responsible for the consolidated monitoring of the ESG risks to which Groupe BPCE is exposed and for ensuring the implementation of the organization and operational strategy in terms of ESG risk management. It validates the main methodological choices and scenarios used within the Group in the context of ESG risk management. It reviews and validates the assessment of the materiality of ESG risks and decides on Groupe BPCE's ESG risk appetite.

In addition, ESG risk issues are also handled by other Executive Management-level committees that include these issues within their remit. This concerns in particular:

- the Group Risks and Compliance Committee, which integrates ESG risks into Groupe BPCE's consolidated risk monitoring;
- the Standards and Methods Committee, which reviews and approves the changes in standards necessary for the implementation of the ESG risk management system;
- committees dedicated to risk channels that integrate the relevant ESG risk factors within their area of expertise: the Group Credit and Counterparty Committee, Group Non-Financial Risk Committee, Group Market Risk Committee, and Group Reputation Committee;
- the Group Regulatory Committee, which monitors ESG regulations and ensures that regulatory requirements are met;
- the New Products and Activities Committee, which incorporates issues related to ESG strategy and risks and associated regulations in the assessment of new products and activities;

- the Group Asset/Liability Management Committee (COGAP), which integrates the ESG strategy and risks associated with the management of Groupe BPCE's liquidity reserve;
- in the context of Groupe BPCE's cooperative model, two committees support the definition and implementation of the ESG risk management strategy and system by liaising with the managers of Groupe BPCE institutions;
- the Impact Committee, chaired by the Impact Officer, which provides cross-functional guidance on the Group's Impact program, prior to its deployment in the institutions;
- the Risk, Compliance and Permanent Control Committee, chaired by the Chief Risk Officer, which provides guidance on the main proposed changes to the ESG risk management system.

At an operational level, Groupe BPCE relies on committees bringing together experts on ESG issues and risks at the level of BPCE and its main entities, in particular the Sustainable Finance Methodologies Committee, chaired by the Impact Officer, which defines the reference methodological approaches in terms of Sustainable Finance and ESG risks for Groupe BPCE.

The new ESG regulatory framework, the prospect of stricter refinancing conditions and the risk of default related to "devalued assets" led BRED Group to set up a department in charge of managing and monitoring ESG risks. This department reports to the institution's Risk division. This new department supports the structure in the necessary measurement of the most carbon-intensive exposures and supports the essential reorientation of financing towards "sustainable" activities as defined by the taxonomy in accordance with the expectations of the regulator.

Since the first quarter of 2024, the Head of ESG Risks has presented developments in and quarterly analysis of ESG risks (changes in the decarbonization of the portfolio, changes in ESG allocation in our liquidity budget, monitoring of ESG risks in retail through the DPE indicator for real estate financing at BRED Group Executive Risk Committee meetings).

6.10.2.3 Organization

The Group Impact Department, which reports directly to the Chairman of the Management Board, is responsible for the environmental, social and governance dimensions of Impact's vision for 2030. It develops and deploys this expertise and works to share and disseminate the best practices identified in all Group companies. It conducts scientific and competitive monitoring and supports regulatory monitoring in a process of continuous improvement. It proposes and drives Groupe BPCE's ESG strategy. To carry out its missions, the Impact Department relies on the CSR/Impact departments of Groupe BPCE's various business lines, the Fédération Nationale des Banques Populaires (FNBP) and Fédération Nationale des Caisses d'Épargne (FNCE). The structuring of an Impact function, with an Impact sponsor in all Group institutions, allows the implementation of a dynamic of joint construction of projects, the sharing of local best practices and cross-functionally ensures a global vision for the Group Impact program, its implementation in institutions and the coordination of roadmaps and CSR projects.

ESG risk management is based on the three lines of defense model:

- **first line of defense:** operational departments within Groupe BPCE's various business lines and functions integrate ESG risks into their processes, policies and controls. ESG risks are taken into account in the level 1.1 and 1.2 control systems according to the risks created by each activity;
- **second line of defense:** the ESG Risk Department, which reports directly to the Chief Risk Officer of Groupe BPCE, establishes the reference framework (methodology and scenarios), structures, coordinates and supports the deployment of the ESG risk management system within Groupe BPCE in collaboration with the Impact Department, the other departments of the Risk division, other Groupe BPCE departments involved in ESG risk management and all Groupe BPCE entities and institutions; the other risk and compliance functions include ESG risks as a risk factor in the risk management and control system, with the support of the ESG Risk Department; Level 2 permanent control is carried out by the Permanent Risk Control division of the Group Risk division. It includes the control points relating to ESG risks to ensure the monitoring and cross-functional control of the effective integration of the ESG risk management system into policies and processes;
- **third line of defense:** Groupe BPCE's Internal Audit Department and the departments in charge of internal audit include ESG risks in their review of the internal control framework to ensure the proper application of the associated risk policies and the compliance of sales and risk management practices and compliance with regulatory obligations.

In particular, the ESG Risk Department plays a central role in defining and implementing Groupe BPCE's ESG risk supervision system and is responsible for:

- defining and deploying methodologies and risk measurement tools specific to ESG risks;
- contributing to the definition of reference climate/environmental scenarios for Groupe BPCE;
- contributing to the definition and implementation of a stress test system for ESG risks and contributing to cross-functional risk management processes, in particular RAF/ICAAP/ILAAP, on behalf of ESG risks;
- managing and supporting projects that take ESG risks into account in risk appetite, policies, processes, risk/business methodologies in all Risk divisions, entities and business lines;
- supporting the operational implementation of the ESG risk system in all entities, in particular by supervising the permanent control system related to ESG risks;
- defining and implementing consolidated ESG risk monitoring dashboards and monitoring sensitive individual and sector exposures;
- producing and distributing consolidated analyses (*ad hoc* or recurring) of ESG risk exposure;
- defining and developing the internal training system for ESG risks (directors, managers, employees).

To carry out these missions, the ESG Risk Department relies on a network of correspondents identified in all Groupe BPCE entities and institutions, who are responsible for supporting the deployment of the ESG risk management system within their entity or their establishment.

Given the challenges specific to the Corporate & Investment Banking business lines, Natixis CIB has set up several areas of expertise within its sales teams (Green & Sustainable Hub), its Risk division (teams dedicated to ESG risks within the department in charge of credit risks and its modeling teams) and its Strategy & Sustainability Department. These teams feed into Groupe BPCE's work, in particular as regards large companies and specialized financing, impact and risk assessment methodologies, and are directly involved in supporting the deployment of the system to other entities and institutions in Groupe BPCE.

BRED Group set up a department in charge of managing and monitoring ESG risks in January 2024. This department, which reports to the institution's Risk division, applies the ESG risk management system to BRED Group according to four pillars:

Governance:

- defines and implements governance applicable to ESG risks (committee procedure, roles and responsibilities);
- defines an organization applicable to ESG risks.

Strategy and risk management:

- gradually incorporates ESG risk management system into the policies, processes, systems and controls in each of the risk channels (credit, operational, etc.).

Risk management and communication:

- defines the local framework applicable to ESG risks and ensures consolidated monitoring of ESG risks;
- initiates acculturation, awareness-raising and internal communication actions for the bank's employees with regard to ESG risks in a manner adapted to their business lines;
- contributes to the entity's non-financial communication, integrating ESG risks.

The Cooperative Shareholders and Sustainable Development - CSR Department (DSDD), which consists of three people who report directly to Executive Management, is tasked with integrating Environmental, Social and Governance (ESG) issues into the bank's major orientations and supporting the implementation of actions by the bank's various business lines.

The DSDD is responsible for measuring the results of these actions against the commitments made.

In addition to the management of recurring and cross-functional CSR projects, the DSDD performs ESG analyses on the credit files of companies whose amount exceeds €1 million and which are eligible for the Statement of Non-Financial Performance or voluntarily publish a CSR report, in accordance with legal criteria.

This analysis is based on 18 key indicators, divided into three areas (environment, social and governance), supplemented by a controversy analysis in the seven core subjects covered by ISO 26000.

It also includes the sectoral analysis of ESG risks developed by BPCE's Risk, Compliance and Permanent Control Department and takes into account all aspects of the European green taxonomy.

An environmental sectoral classification follows from this assessment and identifies specific points of attention. The analysis results in the allocation of a score out of 100, which depends on the non-financial performance of the rated company relative to best practices in its business sector. It also assesses the level of ESG risks according to a three-level scale: low, moderate and high, with a high risk able to compromise the granting of financing.

The ESG rating of companies is updated when credit applications are presented to the Credit Committee.

This mechanism has been validated by the ExCom and the executive Risk Committee and is referred to in BRED's corporate credit policy.

6.10.2.4 Employee training and coordination

Several training modules on ESG issues and associated risks are made available to Groupe BPCE employees. These are deployed in an appropriate manner according to the specificities of each entity. Work on the overhaul of the training system was undertaken in 2024 and aims to enrich these training courses and ensure their overall consistency and proper deployment within Groupe BPCE's entities and institutions. The Vision 2030 strategic project aims to train 100% of employees in ESG issues by December 31, 2026, thanks to the implementation of this dedicated system.

In addition, awareness-raising communications on ESG issues and associated risks are regularly sent to Groupe BPCE employees and contribute to the proper understanding of these topics and the updating of their knowledge.

6.10.3 Environmental, social and governance risk management system

6.10.3.1 ESG risk management system deployment program

The ESG Risk Department coordinates the implementation of the ESG risk management system at Groupe BPCE level through a dedicated program. This program, initiated in 2021, was reviewed and strengthened during 2024 in line with Groupe BPCE's climate and environmental commitments as part of the Vision 2030 strategic plan and with regulatory requirements. It defines a multi-year action plan aligned with the horizon of the strategic plan (2024-2026). It is directly linked to the strategy and actions implemented by the Impact program. This program is monitored quarterly by the ESG Risk Committee, Groupe BPCE's Supervisory Board and the European supervisor.

This program is based on the following four themes:

- ESG risk governance: committee procedure, roles and responsibilities, remuneration;

In 2024, the ESG Risk Department held seven awareness-raising meetings with various internal departments.

The following were made available to all employees:

- on-demand ESG training modules (e.g., climate school (season 1 & 2) and Risk Pursuit - Climate risk);
- acculturation modules dealing with ESG on demand (e.g., What are the ESG risks, Going green: Understanding ESG criteria, etc.).

6.10.2.5 Remuneration policy

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

For the 2024 fiscal year, CSR and employee cooperative shareholding within BPCE are one of the five qualitative criteria influencing the variable pay of Management Board members. The variable portion of pay relating to the five qualitative criteria represents 40% of the total variable pay, with no specific weighting for each of the individual criteria. The achievement rate was assessed overall by taking into account the attention paid to the five criteria, taken as a whole, including CSR topics and employee cooperative shareholding within BPCE.

On February 6, 2025, on the proposal of the Remuneration Committee, the Supervisory Board of BPCE decided to set the BPCE Management Board's variable pay targets for the 2025 fiscal year by incorporating a specific criterion related to the environment, climate and decarbonization trajectories with a weighting of 5%.

- strengthening risk knowledge: monitoring systems, sector analyses and assessments, risk reference framework, risk analysis methodologies and processes, data;
- operational integration of work: in coordination with the other functions of the Risk division, consideration of ESG risk factors in their respective management systems and decision-making processes;
- consolidated risk management mechanisms: dashboards, contributions to RAF/ICAAP/ILAAP, training and acculturation plan for directors, managers and employees, contribution to non-financial communication.

The execution of this program mobilizes the main internal ESG risk stakeholders, in particular the Impact Department, the teams and channels of the other offices of the Risk division, the Finance Department and the Compliance Department, as well as Groupe BPCE's business divisions, in particular the departments in charge of developing sustainable finance activities.

BRED's ESG Risk Department took part in various workshops organized by Groupe BPCE, in particular:

- improving knowledge of ESG risks;
- the operational integration of GROUP CSR policies;
- the establishment of an ESG rating methodology for counterparties;
- the design of an ESG dialogue;
- the operational integration of the analysis of ESG criteria into the lending process.

The Department also contributed to the preparation of the first BRED Group sustainability report and reports each quarter on ESG risk to BRED Executive Risk Committee based on the institution's quarterly ESG risk dashboard.

6.10.3.2 Identification and materiality assessment of ESG risks

Groupe BPCE has implemented a process to identify and assess the materiality of ESG risks in order to structure its understanding of the risks to which it is exposed in the short, medium and long term and identify priority areas for strengthening the risk management system.

This process is coordinated by the ESG Risk Department, under the supervision of Groupe BPCE ESG Risk Committee and Supervisory Board. It is reviewed annually to update scientific knowledge and underlying methodologies.

This process consists of four main steps:

- creation of the ESG risk framework;
- documentation of ESG risk transmission channels to other risk categories;
- assessment of the materiality of ESG risks in relation to other risk categories;

- input into cross-functional risk management exercises (risk appetite system, ICAAP, ILAAP).

In 2024, the scope of risks taken into account in the process of identifying and assessing the materiality of ESG risks only covers climate and environmental risks. Social and governance risks are directly integrated into the cross-functional risk appetite system. Work on the extension of social and governance risks will be planned as part of the annual work update.

ESG risk framework

Groupe BPCE has established a framework for climate and environmental risks to define the risks covered by climate and environmental risks. This framework is based on current scientific knowledge and reference regulatory texts (such as the European taxonomy) and aims to provide the most comprehensive possible representation of hazards. It must be updated annually and be extended to cover social and governance risks.

With regard to physical risks, the framework distinguishes between hazards and physical risks related to the climate, biodiversity and ecosystems, pollution, water and marine resources and the use of resources and the circular economy. Climate-related hazards are divided into acute or chronic hazards related to temperature, wind, water and solid mass) and environmental hazards. The hazards related to environmental risks are divided between the disruption of regulation services (protection against climate hazards, support for production services, mitigation of direct impacts) and the disruption of supply services (in terms of quality or quantity).

With regard to transition risks, the framework distinguishes between risks related to regulatory changes, technological developments, and stakeholder expectations and changes in behavior.

Climate and environmental risks

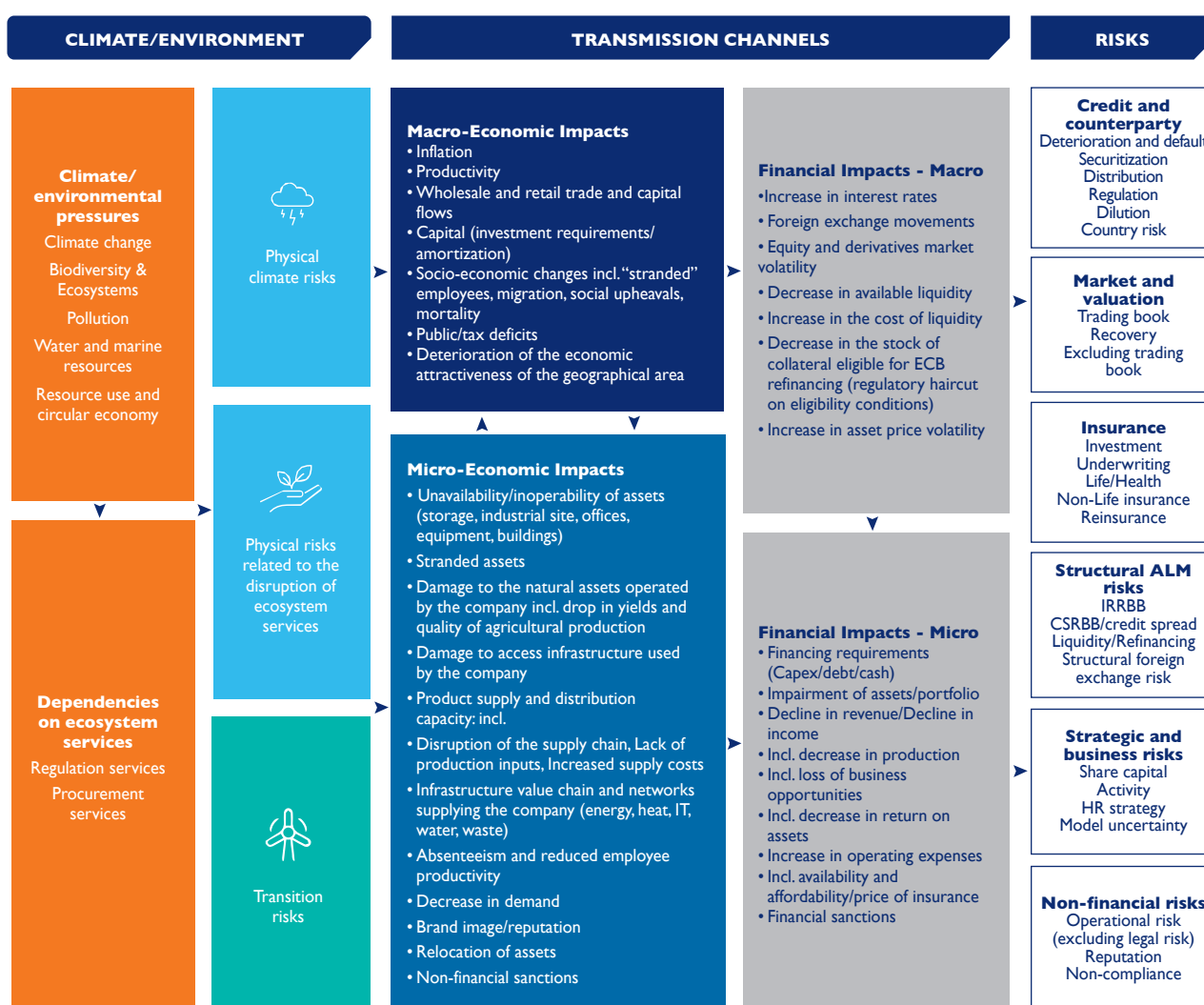
Physical risks		Transition risks
Climate	Environmental	
Temperature	Biodiversity	Regulatory and legal changes
Wind	Water and marine resources	Stakeholder behavior
Water	Natural resources	Technological breakthroughs
Solid masses	Pollution	

ESG risk transmission channels

ESG risks are risk factors underlying the other risk categories to which Groupe BPCE is exposed, namely credit and counterparty risks, market and valuation risks, insurance risks and structural balance sheet risks, strategic and business risks and non-financial risks (operational risks, reputational risks, non-compliance risks, etc.), as identified in Groupe BPCE's risk taxonomy.

In 2024, Groupe BPCE carried out a systematic identification and description of transmission channels linking climate and environmental risk factors to the main risk categories of Groupe BPCE's risk taxonomy. For this exercise, Groupe BPCE relied on its internal experts as well as on the impact mapping carried out by leading institutions such as the NGFS, SBTN and the OCARA methodology.

These transmission channels involve the impacts of climate hazards on activities and business models, which are reflected in financial variables at the macroeconomic or microeconomic scale and ultimately modify Groupe BPCE's risk exposure. They may materialize directly, in connection with Groupe BPCE's own activities, or indirectly, through the counterparties to which Groupe BPCE is exposed as part of its financing or investment activities. They are summarized in the diagram below, and will be reviewed annually to integrate changes in knowledge on climate and environmental risks and to extend the scope of risks covered to social and governance risks.



Assessment of ESG risk materiality

Based on the transmission channels identified, Groupe BPCE assesses the materiality of climate and environmental risks in relation to the main risk categories to which it is exposed. This assessment distinguishes between physical risks and transition risks for climate risks on the one hand and environmental risks on the other. It is carried out according to three time horizons: short-term (1 to 3 years, financial planning horizon), medium-term (strategic planning horizon, 5 to 7 years) and long-term (~ 2050).

This assessment is based on quantitative or qualitative indicators, making it possible to assess exposures to risk from a sectoral and geographical point of view, when these are

available, as well as on expert assessments. The internal experts involved in these assessments include the ESG Risk Department, the other risk divisions, as well as representatives from the other departments (impact, compliance, legal) and the business lines affected.

In 2024, the assessment of climate risks was carried out by almost all of Groupe BPCE's physical entities and aggregated at Groupe BPCE level. It was supplemented by an initial assessment of environmental risks carried out solely at Groupe BPCE level. A convergence of the climate and environmental risk assessment processes and the extension to social and governance risks will be carried out as part of the annual update of the assessments.

The climate risk materiality matrix has been adapted to BRED:

BRED	Physical risks				Transition risks	
	Time horizon 2024 Strategic Plan		Time horizon Long-term > 4 years		Time horizon 2024 Strategic Plan	Time horizon Long-term > 4 years
	Acute	Chronic	Acute	Chronic		
Credit and counterparty risk: customer default, impairment of collateral	Low	Low	Moderate	Moderate	Moderate	High
Market risk and asset valuation: change in valuation of equities, rates, commodities, etc.	Low	Low	Low	Low	Low	Low
Liquidity risk: risk of short-term liquidity crisis, refinancing risk	Low	Low	Moderate	Low	Low	Moderate
Insurance risk	Low	Low	Low	Low	Low	Low
Own investment risk	Low	Low	Moderate	Moderate	Low	Low
Risk within client portfolios: insurance and asset management	Low	Low	Moderate	Moderate	Low	Moderate
Operational risk (business continuity)	Low	Low	Low	Low	Low	Moderate
Reputational risk	Low	Low	Low	Low	Moderate	High
Legal, compliance and regulatory risk	Low	Low	Low	Low	Moderate	High
Strategic, business and ecosystem risk	Low	Low	High	High	Moderate	Moderate

Integration into Groupe BPCE's risk appetite framework

The work to identify ESG risks and assess their materiality informs the main components of Groupe BPCE's risk appetite as part of the annual review process of that system.

Groupe BPCE's risk mapping includes an "Ecosystem risk" category, which groups together environmental risks, distinguishing between physical climate and environmental risks, transitional climate and environmental risks, social risks and governance risks.

The materiality assessment of these risk categories as part of the risk appetite system is defined by cross-referencing the materiality of the main risk categories to which Groupe BPCE is exposed (assessed as part of the annual process of defining risk appetite) and the materiality of climate and environmental risks in relation to those risk categories (assessed according to the process described above). For social and governance risks, the assessment is carried out on an expert basis as part of the risk appetite definition process only. In 2024, the materiality of physical and transition climate and environmental risks was assessed at level 1 out of 3 ("significant") for Groupe BPCE, while the materiality of social and governance risks was assessed at a level of 0 out of 3 ("low").

Risk appetite framework

As part of the definition of risk appetite for 2025, Groupe BPCE has introduced a transition risk appetite indicator for the residential real estate loan portfolio. This indicator takes into account the share of real estate assets financed with a degraded Energy Performance Assessment (class F or G) in the inventory and is associated with a limit that takes into account the existing portfolio and the stated ambitions in terms of financing the project. energy-efficient home renovation. In addition, a transition risk appetite indicator for the Corporate exposure portfolio, taking into account the share of exposures to the sectors most sensitive to climate issues, is kept under observation. Work is planned during 2025 to extend the scope of coverage of risk appetite indicators, both in terms of portfolios and types of risk covered.

The following indicator has been deployed in the institution's RAF:

The Housing Investment Loan Production Ratio, which presents a climate transition risk due to an Energy Performance Assessment (DPE) classified as "F" or "G" (the lowest performance). This indicator makes it possible to monitor the climate transition risks on Crédit Habitat's production in a restrictive regulatory context for the leasing of assets with a downgraded DPE label. Raising employee awareness by including a climate risk indicator in reports.

Loan Production BRED Habitat locatif DPE (F&G)



Integration into the internal assessment process of capital and liquidity requirements

Groupe BPCE takes physical risk into account in the internal assessment of its capital requirements (ICAAP process) by applying adverse scenarios to the risks of drought (which impact various economic sectors such as agriculture and construction) and flooding (on the real estate portfolio). The transition risk was also quantified. Initially through the impact of the DPE legislation on the value of real estate assets, and for 2025, the quantification of a scenario of rapid transition to a low-carbon economy. In addition, work was carried out to integrate this risk to the real estate portfolios of individuals in the quantification of the economic capital of the ICAAP 2025 specifically in connection with an unfavorable change in DPE

regulations, then supplemented by an add-on for portfolios that do not currently have a specific economic valuation model.

Groupe BPCE also takes into account physical and transition risks in the internal assessment of its liquidity requirement (ILAAP process). The quantification of the risk is based on the modeling of the impact of a physical risk (Seine flood) on the financial standing of the Group's customers, the ability of insurers to replace liquidity with Groupe BPCE and the behavior of investors. In 2024, an assessment of the impacts related to reputation risk (in connection with controversies on ESG topics) was also carried out by simulating the reduction in available liquidity from customers and investors and the associated increase in the cost of refinancing.

6.10.3.3 ESG risk assessment methodology

In order to strengthen its ESG risk assessment capabilities, Groupe BPCE has adopted specific methodologies to assess the ESG risks associated with its exposure portfolios in a systematic and consistent manner. These methodologies are based on internal and external expertise, and reflect the state of scientific knowledge, current technologies and regulatory environment, as well as market practices. They are regularly reviewed, supplemented and enhanced with the aim of gradually improving the accuracy of ESG risk assessment and taking into account changes in the context.

Assessment of environmental, social and governance risks

Groupe BPCE has developed an internal methodology for assessing environmental, social and governance issues and risks. This methodology is based on sector notes documenting the main ESG issues and risks related to the sector, according to criteria aligned with the definitions of European taxonomy:

- 6 environmental risk criteria: physical climate risks, climate transition risks, biodiversity, water, pollution and circular economy;
- 4 social risk criteria: customers, workers, suppliers and civil society;
- 4 governance risk criteria: business ethics, CSR strategy, shareholder democracy and the practices and processes implemented to direct and control client risk management.

All of these criteria are then rated by in-house experts, according to the principles of double materiality. The scores for the environmental criteria are also aggregated in order to provide a summary score enabling the sectors to be compared. The proposed ratings were validated by the Non-Financial Risk Committee.

This analysis methodology was deployed in the 26 economic sectors used to manage Groupe BPCE's financing portfolio. It is shared with all Groupe BPCE entities.

Work was carried out in 2024 to improve methods for assessing physical and transition environmental risks. These methods are described below and are intended to replace this methodology in the course of 2025.

Physical environmental risk assessment

Geo-sectoral assessments

In order to strengthen the sensitivity and robustness of its assessments of the physical risk associated with financing exposures for Professionals and Corporates, in 2024, Groupe BPCE developed a methodology for analyzing the vulnerability of outstandings to physical risks.

This internal methodology makes it possible to take into account the intrinsic vulnerability of a sector to physical risk hazards and the exposure of a given geographical area to physical risk hazards. It is currently broken down into a fine-grained sectoral grid (NACE2) and a national or regional

geographic grid for countries in which Groupe BPCE has a particular concentration of outstandings (France, United States). Six physical climate risk hazards are currently covered, which are among the most representative for Groupe BPCE, and can be simulated under different scenarios and time horizons.

This methodology must be deployed in the internal risk management tools in the course of 2025.

Home loan portfolio

Given its significant exposure to home loans to private individuals, Groupe BPCE has adopted a tool to simulate the physical risks to its financed assets. This tool takes into account the exact coordinates of the asset to assess its risk exposure and certain characteristics to estimate its vulnerability to determine the estimated damages under different scenarios and time horizons. To date, this tool covers the territory of mainland France and Corsica and makes it possible to assess exposure to the two main physical risks for this portfolio (drought - RGA and floods).

This methodology must be deployed in the internal risk management tools in the course of 2025.

Transition environmental risk assessment

Sector assessments

In order to strengthen the sensitivity and robustness of its assessments of the transition risk associated with financing exposures for Professionals and Corporates, in 2024 Groupe BPCE developed a methodology for granular analysis of the sensitivity of sectors to that risk.

This internal methodology makes it possible to assign a sectoral score reflecting the transition risk associated with a given NAF code, taking into account the carbon emissions and the main environmental impacts of the companies in the sector. It was developed in line with the Green Weighting Factor methodology (described below) which applies at the level of the company or project financed. Given the predominant share of French companies in the exposure portfolio, this methodology is focused on the parameters corresponding to the French economy.

This methodology must be deployed in the internal risk management tools in the course of 2025.

Home loan portfolio

To assess the transition risk on its home loan portfolio, Groupe BPCE relies on the Energy Performance Assessment (DPE) of the real estate assets financed. The DPE of the financed asset is collected systematically and makes it possible to capture both a risk on the repayment capacity of the loan in the event of an increase in energy expenditure or expenses related to the financing of work to improve energy performance, but also the risk of loss of value of the asset due to a deteriorated DPE, making it potentially unfit for use in the rental context given the regulations in force.

6.10.3.4 Integration of ESG risks into the risk management system

Based on specific ESG risk assessment methodologies, Groupe BPCE is gradually integrating ESG risk factors into its operational decisions through existing systems in the bank's main risk channels.

Credit risk

ESG risks are taken into account in the context of credit decisions from two complementary angles, which are to be taken into account in an appropriate manner based on the issues specific to each transaction:

- the assessment of the ESG risks to which the counterparty or the project is exposed and their impacts on the credit risk profile of the counterparty or the project;
- the assessment of the reputational risk related to the ESG issues associated with the counterparty or project's activities, in particular with regard to alignment with the voluntary commitments made by Groupe BPCE and its impact strategy.

Credit policies

Groupe BPCE's credit policies include documentation of sectoral ESG issues and points of attention to guide the analysis of financing applications on these aspects when they are relevant for the sector. These elements are compiled from the ESG sector knowledge base (see above) and are reviewed and enhanced, in coordination with Groupe BPCE entities and institutions, as part of the regular updating of credit policies.

When relevant, Groupe BPCE's credit policies refer to Groupe BPCE's voluntary commitments (in particular, CSR policies in the coal and oil/gas sectors), requiring the exclusion criteria set in the context credit decisions.

BRED is part of Groupe BPCE's credit policy.

BRED carries out an analysis of the ESG risks of companies subject to a request for financing in an amount of more than €1 million via the establishment of a CSR diagnosis. This analysis is based on the information published in the customer's CSR report. It is included in the credit file, in the form of an overall rating to assess ESG risks, on a scale with three levels: high, moderate and low. Its results are provided for information purposes, in addition to the credit risk analysis.

The Coal and Oil & Gas policies are available on BRED's intranet under the heading "Climate risks and ESG".

ESG dialogue with network Corporate customers

Since 2023, Groupe BPCE has included the ESG dimension in its strategic dialogue with the Corporate customers in its retail banking networks. An "ESG dialogue" tool was built internally and rolled out to sales teams to address the main challenges and commitments of Corporate customers on environmental, social and governance issues. This tool makes it possible to enhance customer knowledge from the perspective of ESG issues and risks and to identify additional elements to the financial analysis that can be taken into account in the assessment of the credit file.

An overhaul of the "ESG dialogue" tool was launched in 2024 in order to enrich the underlying questionnaire and provide additional sectoral information on the most sensitive sectors, as well as to clarify the implications with regard to the profile of the counterparty risk in the context of credit analysis. This work is due to be rolled out in retail banking networks in 2025.

BRED has been heavily involved in the development of the ESG dialogue.

The integration of the ESG dialogue in its latest version will be rolled out in 2025 for Front, Commitments and Credit Risks.

ESG risk rating of counterparties/transactions

Work has been undertaken to develop an internal ESG risk rating methodology for SME/mid-sized companies and Large Corporates, incorporating the specificities of each customer. This methodology, which is independent of the credit rating, will make it possible to systematically and consistently assess the level of ESG risk associated with a counterparty. The roll-out of this rating is planned starting in 2025.

BRED has been heavily involved in the creation of an ESG rating methodology for counterparties (score card).

The ESG rating methodology for counterparties will be rolled out in 2025 for Front, Commitments and Credit Risks.

Operational risks

Business continuity risks

As part of its business continuity system, Groupe BPCE assesses the climate and environmental risks to which its main operating sites (head offices and administrative buildings) are exposed. These risks are taken into account as part of the business continuity plans defined at the level of Groupe BPCE and its entities and which define the procedures and resources to be implemented in the event of natural disasters in order to protect employees, key assets and activities and ensure the continuity of essential services.

Groupe BPCE's critical suppliers (PEICs) are also subject to an assessment of their business continuity plan, which must take into account the climate and environmental risks to which they are exposed.

Operational risk incidents related to climate risks are specifically identified in Groupe BPCE's incident collection and operational risk monitoring tools, making it possible to monitor their impacts over time.

BRED is part of Groupe BPCE system.

Reputational and legal risk

The growing awareness and sensitivity of citizens and economic players to ESG issues leads to increased exposure to the reputational risks associated with these issues, particularly in the following cases:

- communication using the ecological/sustainable argument in a misleading manner (greenwashing);
- non-compliance with voluntary commitments made by Groupe BPCE or voluntary commitments deemed insufficient;
- controversial activities of Groupe BPCE or its entities, customers and/or suppliers.

Faced with these risks, Groupe BPCE relies on several risk assessment and mitigation systems:

- monitoring and awareness-raising actions carried out by the Legal Department, in conjunction with the Impact Department and the Risk division, on regulatory changes and best practices in terms of communication on climate and environmental issues;
- the new products/new activities (NPNA) system concerning the characteristics and communication of Groupe BPCE's products and activities;
- the controls applied to voluntary commitments (CSR policies in particular) as part of the new relationship, credit and investment processes;
- the responsible purchasing policy, which requires knowledge and assessment of suppliers' ESG risks, and the implementation of a carbon clause in supplier contracts since 2024;
- review by the Group Reputation Risk Committee (CRRG) of the most sensitive issues at Groupe BPCE level.

Groupe BPCE plans to continue to enhance these systems in the course of 2025, in particular by defining a framework for monitoring voluntary commitments and strengthening its reputation and litigation risk management system.

In addition, a monitoring of the Group's ESG reputation has been set up and makes it possible to monitor monthly the main controversies related to ESG issues that have involved Groupe BPCE and their impact on Groupe BPCE's overall reputation score, which is monitored as part of the risk appetite system.

BRED is part of Groupe BPCE system.

Financial and market risks

Investment risks associated with the liquidity reserve

Groupe BPCE incorporates ESG criteria into the management of the liquidity reserve in order to manage both the ESG risks associated with investments and the associated reputational risk.

These ESG criteria are defined according to two axes: a target is set for the proportion of "sustainable" securities (Green, Social, or Sustainable) and an exclusion for issuers of securities with a downgraded non-financial rating.

In addition, the criteria defined in the CSR policies also apply to securities held in the liquidity reserve.

BRED is part of Groupe BPCE system.

Risks related to proprietary investments

Groupe BPCE's proprietary investments mainly concern the private equity and real estate (non-operating) investment portfolios. In 2024, Groupe BPCE uses two ESG questionnaires to systematically collect information related to ESG characteristics in the creation of new investment files. With regard to delegated management investments, the questionnaire aims to assess the ESG performance of asset management companies, mainly in relation to the associated reputational risk. For properties managed on its own behalf, the questionnaire aims to collect elements of physical risk and transition risk associated with the invested asset.

This approach aims at this stage to promote the acculturation of the sector to ESG issues and to possibly provide

information for discussion as part of the investment decision. This work and the enhancement of the system is planned to be continued in the future.

BRED rolled out ESG transactions questionnaires to its portfolio companies in May 2024.

With regard to the selection of funds, co-investments or direct positions invested in unlisted, CIM also ensures that Groupe BPCE's sectoral CSR policy applicable to the coal industry is respected: exclusion of funds/companies whose revenues are not a priori based 25% or more on coal-based electricity production and thermal coal extraction, or not developing new electricity production capacity from coal or thermal coal mining.

Risks related to insurance activities

PREPAR ASSURANCES has integrated the sustainability risk into its risk management policy. The results of the ESG analysis of the Prépar Vie entity are presented in its "Article 29" report, which can be consulted on the company's website. (Rapport-Article-29_PREPARVIE_EXERCICE-2023_version-definitive.pdf ([prepar-vie.fr](https://www.prepar-vie.fr)).

Risks related to asset management activities

Promepar Asset Management has defined an ESG policy and includes ESG risks in its risk management policy.

The ESG policy of the Promepar Asset Management entity is available on the company's website. (Policy-ESG-Promepar-AM-2024.pdf).

6.10.3.5 ESG risk monitoring and reporting system

ESG risks are monitored on a consolidated basis at Groupe BPCE level, through a dashboard produced quarterly by the ESG Risk Department and made available to all entities and business lines.

To date, the indicators monitored mainly focus on climate and environmental risks and cover the following points:

- Corporate and Professional portfolio: sectoral concentrations compared to the sectoral assessment of climate and environmental risks and the most sensitive sectors;
- home loan portfolio: concentration of financed assets with a deteriorated energy performance in the loan production stock;
- liquidity reserve: concentration by ESG rating of the stock and transactions carried out;
- monitoring the Scope I carbon footprint.

The main indicators in this dashboard are reported quarterly to the ESG Risk Committee. Certain indicators are also included in the management system of Groupe BPCE entities.

At the level of Groupe BPCE entities, the integration of the dashboard indicators into the management and monitoring of the entity's risks is carried out in an appropriate manner according to the challenges, business model and operational context of the entity.

This dashboard is intended to be reviewed and enhanced as the ESG risk management system is strengthened and quantitative measures are developed.

The dashboard is presented and analyzed quarterly at the Executive Risk Committee meeting.

6.1 | MODEL RISK

Model risk can be defined as the risk of adverse consequences (e.g., financial loss or damage to reputation) resulting from the inadequate use of a model or the use of a model with design or implementation flaws.

BRED's Model Risk Management Department is responsible for the Model Risk Management (MRM) function within BRED Group. It is responsible for the deployment within BRED Group of the model risk management system defined by BPCE. In addition, by delegation granted by BPCE to BRED Group, the Model Risk Management Department also performs the independent validation function of the models used locally, with the exception of those developed by BPCE. However, the case of the PREPAR subsidiary, an insurance entity, is specific: its models are validated by its actuarial function, but under the supervision of the DRMA.

A BRED Group-specific MRM policy has been put in place, implementing Groupe BPCE MRM policy locally and establishing a robust model risk management system, the principles and guidelines of which are specified.

This policy defines the roles of the various contributors to the model risk management system both at the level of the first line of defense (ultimate model managers, development managers, implementation managers and users) and at the level of the second line of defense (validators). It reiterates the need to update the inventory of models. It presents the model comitology, based on three levels of committees. It specifies the methods for validating the models.

The DRMA independently validates each of the inventoried models, at an appropriate frequency according to their level of importance, by following the following steps:

- a validation review is carried out, which assesses the model according to various qualitative and quantitative criteria: quality of the input data and any restatements, methodology implemented, performance, continuous monitoring system put in place, implementation, documentation;
- a report on the review carried out is prepared; it indicates whether the model has been validated or not and may contain notices corresponding to the weaknesses identified, where applicable, by the Model Risk Management Department and which must be corrected by the first line of defense; the implementation of these notices by the first line of defense is then monitored by the Model Risk Management Department;
- the conclusions of the validation review are presented to the Methods and Models Committee or the Market Methods and Models Committee depending on the nature of the model, composed of quantitative experts (modelers and validators) and business line experts if need.

Changes in models considered significant are submitted by the first line of defense to the Model Risk Management Department. If the latter deems it necessary, it schedules a new early validation review.

The validation reports and the minutes of the model committees are made available to BPCE's MRM function.

In addition, a model risk dashboard is presented annually to BRED's Executive Risk Committee. It provides a summary view of the quality of the models as well as an indicator of the model's risk level, enabling this risk to be managed in particular in relation to risk appetite.

CHAPTER

7.

SUSTAINABILITY REPORT

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7.1 GENERAL INFORMATION

Foreword

This sustainability report marks a significant first step for companies, and for BRED Banque Populaire in particular, in the application of the Corporate Sustainability Reporting Directive (CSRD) requirements.

To make it easier to understand, this foreword presents the issues and defines the technical terms essential to reading the report for readers who are not specialists in CSRD subjects.

The **CSRD** is a European initiative that sets out the sustainability reporting obligations for companies using a set of standards and indicators known as European Sustainability Reporting Standards (ESRS). The sustainability report, or CSRD report, was published for the first time in 2024.

Unlike the former Non-Financial Performance Statement (DPEF), the result of the transposition of the Non-Financial Reporting Directive (NFRD) into French law, this report is standardized and must be certified by external auditors. The structure of the report complies with precise drafting standards and is not entirely at the discretion of BRED Banque Populaire.

A key concept of CSRD is **double materiality** (DMA), which involves the identification of the company's impacts on society or the environment (impact materiality, "inside-out") as well as the effect of ESG (Environmental, Social and Governance) hazards on the company itself (financial materiality, "outside-in").

A detailed glossary is available in Section 7.6. The main technical terms regularly used in this report are:

- **ESRS** (European Sustainability Reporting Standards): European standards developed to guide companies in the publication of sustainability information in accordance with the CSRD;
- **IRO** (Impacts, Risks and Opportunities): items integrated into reporting to assess sustainability-related impacts, risks and opportunities for the organization. This may include positive or negative impacts, risks or opportunities;

- **GAR** (Green Asset Ratio): a regulatory ratio that quantifies the share of banking assets that finance sustainable activities, thus making it possible to compare financial institutions;

- **GHG** (Greenhouse Gas): The calculation of greenhouse gas emissions (carbon audit) is carried out according to a methodology compatible with the one used by ADEME, the ISO 14 064 standard and of the GHG Protocol. This system includes an analysis on three scales:

- **Scope 1**, which represents the direct GHG emissions produced by the company;
- **Scope 2**, which corresponds to indirect emissions that are related to energy but do not occur directly on the company's site;
- **Scope 3**, which is related to indirect emissions that are not under the control of the company.

Within Scope 3, category 15 covers emissions related to financing and investments. Due to the very nature of the banking business, which consists of raising capital and reusing it in the form of loans and investments, Scope 3, category 15 is predominant for BRED Banque Populaire, as for other banks.

- **Taxonomy Regulation** (EU Regulation 2020/852 of June 18, 2020): a classification system common to the European Union to identify economic activities considered environmentally sustainable. This regulation requires BRED Banque Populaire, a company subject to the CSRD, to provide the information that is set out in this sustainability report. The main indicator in the taxonomy applicable to banks is the Green Asset Ratio (GAR) described above.

Lastly, recent regulatory changes, in particular the draft Omnibus Directive of February 26, 2025, could result in changes in the structure and content of the report in the coming years, in particular with regard to sector-specific standards.

Methodological note

This first year of application is characterized by uncertainties about the interpretation of the texts, which are generalist to cover all business sectors but do not specify a specific framework for banking and financial business models, by the absence of established practices or comparative information as well as the absence of certain data, in particular within the “value chain”.

In this context, BRED Banque Populaire has endeavored to apply the normative requirements set by the ESRS, as applicable at the date of the sustainability statement, based on the information available within the timeframe for its preparation, by doing its best to reflect its role as a universal bank-insurer, as well as its various business models.

1. The standard requires that the **scope of the sustainability report** be the one used in the consolidated financial statements. However, due to its acquisition on December 20, 2024, BRED Madagasikara will not be included in the BRED 2024 sustainability report. More information is available in Section BP-1.
2. **For the analysis of double materiality** and, in particular, that relating to its value chain, BRED Banque Populaire encountered limitations relating to the maturity of its valuation methodologies and the availability of data. As presented in Section 7.1.4.1.1 on the topic of Environment (E), BRED Banque Populaire considered that only the issue of mitigation and adaptation related to climate change is material within the meaning of the standard. The limitations relating to the market information and methodologies available at this stage did not make it possible to characterize the Nature ESRS's materiality within the standard's meaning, which led BRED Banque Populaire to assess these environmental issues as non-material. This assessment was carried out based on the definitions of the standard, and the methodologies available to assess and carry out the rating exercises. This assessment can be explained, in particular, by the absence of a consensus on robust methodologies developed on the topics in question and of relevant and appropriate data which would make it possible to establish a link between the impact or risks for BRED Banque Populaire on these topics through its value chain. In view of BRED Banque Populaire's continuous improvement approach on these environmental issues, the work and ongoing changes in international methodologies, the standards that are being put in place, the best market practices that are emerging, as well as information and data from its customers, which should gradually become available, this double materiality analysis may change in the coming years. The double materiality analysis, the results of which are presented in this report, aims to qualify the impacts, risks and opportunities as described in the CSRD standard: this analysis only meets the needs of sustainability reporting and not the analysis of risk factors presented in the chapter on risk management.

3. **For the data points presented** in this report, BRED Banque Populaire used methodological options that it deemed relevant and estimates for numerous data, particularly concerning the various activities in its value chain. The data, analyses and studies carried out are not guarantees that expectations and targets will be achieved: they are based on objectives, commitments, estimates, assumptions, standards and methodologies under development and on currently available data, which continue to evolve and develop. Some of the information contained in this document was obtained from public sources or sources that seem reliable or market references: BRED Banque Populaire has not verified it independently. In addition, BRED Banque Populaire notes that the information expected in terms of sustainability is based on so-called “agnostic” European standards (ESRS), which are generalist and do not reflect the specificities of the financial sector. As a result, certain data items deemed irrelevant or not applicable given BRED Banque Populaire's business models and value chain are not produced. In addition, the GHG intensity measurements of the financed emissions are not published, given the operational constraints to attach the net turnover attributable solely and directly to the GHG emissions thus measured. The same applies to certain data points relating to the Taxonomy Regulation.

4. **With regard to the transition plan**, as a Groupe BPCE company, BRED Banque Populaire contributes, through its business model and its specific features, to the implementation and execution of the transition plan defined at Groupe BPCE level. However, BRED Banque Populaire has not yet formalized a transition plan for its terminals within the meaning of the CSRD or defined all targets and horizons that will be associated with it. These elements will be developed, in accordance with the requirements of the CSRD, and will build on the climate change actions and initiatives already deployed (see Section EI-3) over the next three years.

In addition, for this first edition of the sustainability report, BRED Banque Populaire did not carry out the exercise of defining global targets as required under the “target” Disclosure Requirements (e.g., Section EI-4) for all material ESRS. These requirements will be addressed through an action plan spread over a three-year period. However, objectives relating to decarbonization actions/levers have been formalized. Accordingly, such objectives could be indicated in Section EI-3.

5. As regards the assessment of **greenhouse gas emissions**, as a service company, BRED Banque Populaire emits a limited level of CO₂ in terms of its own operations, including by integrating the upstream value chain (purchases, including those related to IT and technological investments, mobility including business trips, etc.) and the travel of its customers to its branches or business centers. Most of BRED Banque Populaire's GHG emissions come from financed emissions, and are subject to a normative calculation for category 15 of downstream "investment" value chain emissions, otherwise known as "financed emissions", aimed at attributing to the financial institution a portion of the CO₂ emissions of its financed customers or securities in which the institution invests. This calculation takes into account Scopes 1-2-3 of

customers, which therefore also include the emissions of their value chains and results in a maximalist calculation. For this sustainability statement, BRED Banque Populaire considered the mandatory categories of financial assets provided for in the Greenhouse Gas (GHG) protocol for calculating financed emissions. The scopes, methodologies used and the main assumptions and data sources are detailed in the paragraph relating to (EI-6) "Gross Scopes 1,2,3 and Total GHG emissions".

Similarly, certain indicators required under ESRS S1 and G1 have limitations in terms of scope covered. More information is available in Section BP-2.

6. **With regard to Taxonomy**, the assumptions used and limitations are detailed in Chapter 7.5 European taxonomic indicators on sustainable activities.

7.1.1 Basis for preparing the statements

7.1.1.1 BP 1 - General basis for preparing the sustainability statements

For the first year, BRED Banque Populaire is publishing its sustainability report in accordance with European Sustainability Reporting Standards (ESRS). These standards provide the first business sector-independent framework for the publication of non-financial information on Environmental, Social and Governance (ESG) issues, which will be supplemented by sectoral standards.

The BRED Banque Populaire sustainability report is based on a double materiality analysis, which takes into account both the impact of BRED Banque Populaire on the environment and society, and the influence of environmental and social issues on the company's performance. By adopting this approach, we are

aiming to cover the expectations of stakeholders who interact directly or indirectly with BRED Banque Populaire, including employees, cooperative shareholders, customers and the communities in which BRED Banque Populaire operates. It also includes a presentation of the sustainability risks and opportunities faced by BRED Banque Populaire.

Scope of the sustainability report

To prepare this report, BRED Banque Populaire has collected data on a consolidated basis from all of its activities and value chain, both upstream and downstream. This sustainability report is audited as required by the regulations with a limited level of assurance. The scope of consolidation used for the sustainability report is identical to the one used for the BRED Banque Populaire consolidated financial statements.

The table below details the scope of reporting used:

		Entities
 Credit institution	ME	BRED Banque Populaire (SA)
		BIC BRED
		BRED Gestion
		SBE
		Socama BRED
	OM	Soredom
		BRED Cofilease
		Sofider
	EU	BIC BRED Suisse
		EPBF
	IN	Banque Franco-Lao
		BCI Mer Rouge
		BRED Bank Fiji
		Bred Bank Cambodia
		BRED Vanuatu
		BRED Bank Solomon (BBS)
		Cofibred
 Asset Management/ Investments	ME	PROMEPAR AM
		Adaxtra Capital
		FCC Elide
		SPIG
	EU	NJR Invest
		IRR Invest
		Prepar Courtage
 Insurance (Life & Property & Casualty)	ME	Prepar Iard
		Prepar Vie
		Ingépar
 Other	ME	Perspectives Entreprises
		Cofeg
		Foncière de Vanuatu
	IN	BRED IT

Key

ME	Metropolitan France
OM	Overseas Departments and Collectivities - France
EU	Europe
IN	International

Any limitations to the reporting scope by family of indicators are indicated in the description of each indicator (MDR-M) and in each "Disclosure Requirement" (sub-chapter) with quantitative requirements.

Specific indicators for the scope of the sustainability report

- Analysis of entities accounted for under the equity method:
 - the BCI Nouvelle-Calédonie entity is not part of the overall BRED Banque Populaire scope of consolidation because its shareholders are the Collectivity of New Caledonia (50%), Agence Française de Développement (0.1%) and BRED Banque Populaire (49.9%).

It is accounted for using the equity method in the BRED Banque Populaire financial statements. It will be taken into account in the value chain;

- the other entities accounted for under the equity method (ACLEDA, BCEL, SOCREDO) are excluded from the scope of the sustainability report because the shareholding rate is less than 40% and no operational control is exercised over those entities.

They are therefore not taken into account in the BRED Banque Populaire value chain.

• Analysis of acquired entities:

- BRED Madagasikara Banque Populaire (formerly SG Madagasikara): for the first CSRD exercise, the analysis consisted of reviewing the current system. However, due to its acquisition on December 20, 2024, BRED Madagasikara will not be included in the BRED 2024 sustainability report. Nevertheless, the due diligence carried out on ESG criteria did not raise any specific issues. BRED Banque Populaire will be ready to integrate it into the system for the 2025 fiscal year (publication of the report in 2026).

• Other equity interests:

- two significant equity interests (BPCE SA, BP Développement) are excluded from the scope of consolidation and therefore from the scope of the sustainability report due to the absence of control over these entities;

The main significant interests that do not fall within the scope of consolidation, and details of the share of equity held either directly or indirectly by the Group, are as follows:

Companies <i>In thousands of euros</i>	Location ⁽¹⁾	Share of equity held	Reason for non-consolidation ⁽²⁾	Equity amount ⁽³⁾	Amount of income ⁽³⁾
BPCE SA	France	5.0%	Lack of control	18,522,613	1,455,069
BP Développement	France	2.2%	Lack of control	208,494	193,483

(1) Country of location.

(2) Absence of control, joint control or significant influence (outside the scope: OS), post-employment benefit plan or employee long-term benefit plan excluded from the scope of IFRS 10 (Empl.), interest acquired with a view to its subsequent disposal in the short term classified in assets held for sale (IFRS 5), etc.

(3) Amount of shareholders' equity and income for the last fiscal year known at the reporting date and based on applicable accounting standards according to the country of location.

- lastly, other companies excluded from the scope of consolidation due to their immaterial nature are also excluded from the sustainability report due to the absence of material impact identified beyond the financial immaterial nature.

The companies excluded from the scope of consolidation due to immaterial nature are shown below, with an indication of the share of capital held by the Group, directly and indirectly, for each:

Company	Location ⁽¹⁾	Share of equity held	Reason for non-consolidation ⁽²⁾
Cofibred 8 SAS	FR	100%	Immaterial entity
Vincem	FR	23%	Immaterial entity
I2F Nouvelle-Calédonie	NEW CALEDONIA	34%	Immaterial entity
I2F Polynésie Française	FRENCH POLYNESIA	19%	Immaterial entity
Cofibred 6	SWITZERLAND	100%	Immaterial entity
BRD (Cambodia) Ltd	CAMBODIA	100%	Immaterial entity
BRD Laos	LAOS	100%	Immaterial entity
EURL Labourdonnais	FRANCE	100%	Immaterial entity
Illiade I	BELGIUM	100%	Immaterial entity
Bay Dvpt Ltd	VANUATU	50%	Immaterial entity
Atlantiq	FRANCE	25%	Immaterial entity
Ingeparticipation 1	FRANCE	100%	Immaterial entity
Ingeparticipation 2	FRANCE	100%	Immaterial entity
SAS Foncière Hérouville	FRANCE	100%	Immaterial entity
FRP II SAS	FRANCE	100%	Immaterial entity
FRPV SAS	FRANCE	100%	Immaterial entity
FRPVI SAS	FRANCE	100%	Immaterial entity
FRPVII SAS	FRANCE	100%	Immaterial entity

(1) Country of location.

(2) Absence of control, joint control or significant influence (outside the scope: OS), not significant (NS), post-employment benefit plan or employee long-term benefit plan excluded from the scope of IFRS 10 (Empl.), interest acquired with a view to its subsequent disposal in the short term classified in assets held for sale (IFRS 5), etc.

7.1.1.2 BP 2 - Disclosures in relation to specific circumstances

7.1.1.2.1 Time horizons

In most cases, the material impacts, risks and opportunities have been assessed in the short, medium and long term. The short term refers to the presentation period of the annual financial statements. To obtain forward-looking information on material impacts, risks and opportunities in the sustainability statements, BRED Banque Populaire has, in line with Groupe BPCE, adopted the general principles as defined in Section 6.4 of Section ESRS 1, namely:

- 1 year as short term;
- between 1 year and 5 years as medium term; and
- more than 5 years as long term.

When the time horizons deviate from these general guidelines, this is indicated at the same time as the relevant information concerning the specific material subject. When preparing these sustainability statements, BRED Banque Populaire made estimates and assumptions about the future. The results observed may differ from these estimates and assumptions.

7.1.1.2.2 Estimates concerning the value chain

A value chain in a financial enterprise encompasses the activities, resources and relationships that the organization uses and relies on to deliver its financial products and services. These include the activities, resources and relationships: (a) in the company's own operations, such as human resources management; (b) along its supply, marketing and distribution channels, such as the use of external services and the sale and provision of financial services; and (c) the financial, geographic, geopolitical and regulatory environments in which the company operates. In addition, certain stakeholders, such as customers, operate at several points in the value chain.

The indicators must cover the entire consolidated scope. However, for the calculation of greenhouse gas emissions under ESRS EI-6 (greenhouse gas emissions), the indicator is calculated over an extended scope. Scope 3, category 15 emissions relate to the value chain, in particular financed emissions.

For the calculation of emissions of Scope 3 category 15, defined by the GHG Protocol, on the banking book (mainly home loans and financing exposures on non-financial corporations), insurance and asset management, the data of greenhouse gases come from several sources:

- purchase of data from external suppliers,
- data collected from the Group's customers (Energy Performance Diagnostics (EPDs)), and
- public databases (Center Scientifique et Technique du Bâtiment). When data are not available, the Group uses sectoral intensity estimates: extrapolation or PCAF proxy ⁽¹⁾.

7.1.1.2.3 Sources of estimation and outcome uncertainty

In this report, in particular in the case of measurement of the financed emissions, the measurements used are based on estimates, averages or assumptions. The underlying data comes either directly from customers or from external data providers. BRED Banque Populaire uses sector averages if no information is available.

Own footprint - France scope

For the 2024 fiscal year, the scope of entities included in the carbon audit of the France zone was extended to all French subsidiaries. The data provided in this report for periods prior to 2024 have not been backcast.

Own footprint - International scope

As the tool used to calculate the carbon audit has not yet been configured for international purposes, BRED Banque Populaire has developed a calculation grid based on the priority items defined by the French Environment and Energy Control Agency (ADEME) for the banking sector. Accordingly, a simplified presentation of the carbon audit is given for a scope covering the eight international banking entities.

Each year, a review of the scope of collection of the Groupe BPCE tool is carried out, on a collective basis, to extend the coverage of said scope.

Financed footprint - Banking

The emissions calculations carried out on home loans to households cover the France scope ⁽²⁾.

The use of proxies for the bank financing also generates approximate measures: these estimates are based on macro-sectoral and geographical approaches (17 sectors, supranational scale in Europe, advanced economies, emerging economies or worldwide). They do not cover all the emission scopes of the GHG Protocol ⁽³⁾ (PCAF proxy): for example, Scope 3 related to the end use of products, which represents the majority of the emissions for oil and gas, is in particular not taken into account (see Section EI-6 for methodological details). BRED Banque Populaire will use its best efforts to complete the scope in future publications.

Financed footprint - Insurance

The scope used to measure Prépar Vie financed emissions (Scope 3 category 15) is composed of bonds managed directly. It represents 54% of Prépar Vie's non-unit-linked investments. The coverage rate for the CO₂ emissions of directly managed bonds is 74%. To date, no extrapolation of the scope via the use of proxies has been carried out.

⁽¹⁾ Partnership for Carbon Accounting Financials - Global GHG accounting and reporting standard for the financial sector.

⁽²⁾ In the French overseas departments, the DPE was partially rolled out in 2024.

⁽³⁾ Accounting standards for measuring, accounting and managing greenhouse gas emissions.

Financed footprint - Asset management

The analysis carried out covers all of the live securities held directly by Promepar Asset Management (multi-management is not included) in discretionary management, advised management and collective investment. This represents 58% of Promepar Asset Management's total assets under management as of December 31, 2023 and 57% of Promepar Asset Management's total assets under management as of December 31, 2024. The calculation scope is limited to live securities held in solutions managed by Promepar Asset Management (equities and fixed income) and hedged by MSCI ESG. The funds held are outside the scope.

For this first publication, the assets under management of Adaxtra are not included in the GHG calculations given their significance in the total assets under management of BRED Banque Populaire as of December 31, 2024. An action plan is planned for the integration of the assets under management of this subsidiary in the next calculation scopes.

The subsidiaries, through their iterations with data suppliers and the availability of ESG data relating to their investments, aim to continuously expand the scope of calculation. For example, for Promepar Asset Management, the next objective is to extend the scope of calculation of this indicator to multi-management via the European Energy Templates (EET).

Metrics - Own workers

All human resources indicators were calculated for the entire scope of the sustainability report.

However, indicators SI-14 - occupational disease metrics and SI-17 - human rights cases, complaints and serious incidents have not been published in this report due to the unavailability of data. An action plan has been defined for these two indicators.

Metrics - Business conduct

The scope for calculating the average payment term was extended in 2024, however it does not yet include the full scope of the France scope and international subsidiaries are excluded due to different local regulations. An action plan will be drawn up in 2025 on the operational capacity to adapt the information systems of entities not yet covered to automate this calculation. More information is available in the associated MDR-Ms (Section G1).

All of the limitations identified above will be treated in a coverage extension plan for the Q1 2026 CSRD. The target scope for Q1 2026 will be formalized in 2025.

7.1.1.2.4 Changes in preparation or presentation of sustainability information

The sustainability report for the 2024 fiscal year is the first carried out by BRED Banque Populaire, and any change in the definition or calculation of the metrics that will be made as part of the second publication will be documented.

7.1.1.2.5 Reporting of errors in prior periods

This sustainability report is a first-time publication for BRED Banque Populaire. Comparative data with previous periods are therefore not presented. The reporting of errors in previous periods does not extend to the reference periods preceding this first year of application of ESRS by the company.

7.1.1.2.6 Disclosure of information by reason of other legislative acts or generally accepted sustainability disclosures

With regard to environmental risk management, the materiality of the risks associated with climate change is assessed by reference to the main common risk classes, such as credit risk, market risk and operational risk. The chapter on the BRED Banque Populaire Pillar III risk management system describes how BRED Banque Populaire defines and manages these risks. This report also contains an overview of the impact of climate and environmental risks on other types of risks. Further details on the methodologies and management used for traditional types of risks, such as credit risk, market risk, operational risk and liquidity risk, are provided in the section on Risk factors and management in the risk management system.

Information to be provided on the financial effects of sustainability issues is included in the annual financial statements when required by IFRS. In addition, the elements relating to the eligibility and alignment of BRED Banque Populaire's portfolio as defined in Regulation (EU) 2020/852 and supplemented by Delegated Regulations (EU) 2021/2178, 2021/2139 and 2023/2486 are included in Chapter ESRS E1 - Climate change.

7.1.1.2.7 Incorporation of information by reference

At this stage, no incorporation of information by reference has been identified, although some ESRS standards are closely linked to requirements to which BRED Banque Populaire is already subject.

7.1.1.2.8 Use of the phase-in provisions in accordance with Appendix C of ESRS I

As BRED Banque Populaire exceeded the average number of employees of 750 at the reporting date, these provisions do not apply.

7.1.2 Governance

7.1.2.1 GOV I - The role of the administrative, management and supervisory bodies

7.1.2.1.1 Composition and diversity of the administrative and management bodies of BRED Banque Populaire

The various bodies are the Board of Directors, Executive Management and the Executive Committee.

The Board of Directors

The Board of Directors is a collegial body that determines the company's business strategies and ensures they are carried out. Subject to the powers expressly granted to the General Meeting, and within the limit of the corporate purposes, the Board of Directors considers all issues relating to the company's operations and, by its decisions, resolves matters that concern it. The Board performs the checks and controls it deems necessary and devotes sufficient time to its tasks.

In particular, the articles of association empower the Board to:

- define the company's general strategy and objectives;
- authorize commitments that exceed the internal delegation of authority granted to the Chief Executive Officer;
- examine and approve the annual and consolidated financial statements and prepare the company's management report;
- propose the annual interest to be paid on shares, subject to the legal maximum;
- decide on the admission and expulsion of cooperative shareholders;
- convene General Meetings;
- adopt internal rules of procedure specifying the rules of its operation, as well as those of the specialized committees.

The Board of Directors has created four specialized committees (Audit and Accounts Committee, Risk Committee, Remuneration Committee, Appointments Committee), whose members are all directors of the bank. Members issue opinions intended for the Board and are appointed by the Board on the basis of their skills and professional experience for a period set at the time of their appointment.

The appointment methods and details of the composition (e.g., number of executive and non-executive members) of the Board of Directors and Executive Managers are detailed in Chapter I - section I.3.1.3 - Report on corporate governance of the annual report.

The Board of Directors of BRED Banque Populaire is composed of 20 members, including two employee representatives.

As of December 31, 2024, the Board of Directors, excluding employee directors, was composed of eight women and ten men (i.e., 44% women and 56% men). BRED Banque Populaire therefore meets the minimum percentage of 40% of each gender on its Board of Directors, in accordance with the provisions of Article L.225-18-1 of the French Commercial Code.

The composition of the Board of Directors aims to strike a balance between:

- the experience, knowledge and skills required to perform the duties of a Board of Directors member; and

- a harmonious representation of the various socio-professional categories that comprise the bank's customer base and the different regions in which it does business.

In addition, the articles of association provide that the number of directors over the age of 68 may not exceed one third of the number of directors in office. However, this provision does not apply to the two directors representing employees.

The Appointments Committee considers and assesses whether the diversity and collective knowledge, skills and experience on the Board of Directors remain adequate in relation to BRED Banque Populaire's business model and nature, scale of the complexity of its activities and the inherent risks, including those associated with the conduct of business (see Section ESRS 2 - GOV-I). The members of the Board of Directors are appointed in accordance with the appointment and succession policy approved by the Board of Directors on March 29, 2021, taking into account the following diversity criteria:

- training;
- professional background;
- age;
- quantitative objective relating to the representation of the under-represented gender in accordance with the legislative provisions;
- geographical representation, taking into account the regional division of BRED;
- representation of different types of markets and customers;

When examining these various elements, the Appointments Committee makes no distinction based on gender, ethnic or social origins, convictions, disability, age or sexual orientation.

None of the aforementioned criteria alone is sufficient to determine the presence or absence of diversity, which is assessed collectively within the management body. This is because the Appointments Committee committed to ensuring the synergy of technical skills, the diversity of cultures and experiences in order to achieve a set of profiles that enhances the angles of analysis and viewpoints on which the management body may rely when conducting its discussions and making its decisions, thereby encouraging good governance.

The Appointments Committee makes recommendations on desirable changes to the composition of the Committee in order to achieve the diversity objectives.

Executive Management and the Executive Committee

BRED Banque Populaire's Executive Management consists of a Chief Executive Officer and three Deputy Chief Executive Officers. In accordance with banking regulations, BRED Banque Populaire has appointed two executive managers.

The Chief Executive Officer is appointed by the Board of Directors on the proposal of the Chairman. He or she serves for a period of five years and his term of office is renewable. The Chief Executive Officer may not be a member of the Board of Directors.

He or she has the broadest powers to act on the company's behalf in all circumstances. The CEO exercises their powers within the limits of the corporate purposes, subject to the powers expressly reserved by law to General Meetings and the Board of Directors. The Chief Executive Officer manages the company in accordance with its corporate interest, taking into account the social and environmental issues in connection with its business.

The Chief Executive Officer of BRED Banque Populaire is a non-voting member of the Supervisory Board of BPCE SA. He or she receives the items presented therein and attends meetings without voting rights.

The Executive Committee consists of Executive Management and 14 other members who are department heads. A detailed presentation of the Executive Committee is provided in the corporate governance report.

7.1.2.1.2 Role of management in the governance processes, controls and procedures used to control, manage and monitor impacts, risks and opportunities

Members of the BRED Banque Populaire Executive Committee participated in the Impact, Risk and Opportunity rating workshops as part of the double materiality analysis process. All IROs and materiality results were presented to the Chief Executive Officer, Audit Committee and Board of Directors for review and validation.

However, reports on customer satisfaction, governance and risk issues are regularly reported to Management (see Section 1.2.2 GOV 2 for more details).

7.1.2.1.3 Sustainability expertise and skills of the BRED Banque Populaire Board of Directors

Skills are assessed collectively by the Board of Directors, which prioritizes their complementary nature. Training is provided for climate risks, CSRD regulations, CSR, etc.

Training program

Training, which may be provided by internal and/or external providers, is offered to Board members in order to strengthen the skills they have, particularly in terms of sustainability, it being specified that the training program takes into account the diversity of experiences and needs of the Board members, as well as proposals made as part of the Board's annual assessment.

The training offered in 2024 in terms of sustainability, both as part of the regulatory initial training and continuing training, were as follows:

- climate and environmental risks: training delivered by external providers with the aim of understanding climate risk, the general regulatory context regarding the environment, and the specific expectations on the banking sector;
- ESG and CSRD: training delivered by external stakeholders, with the aim of preparing the implementation of the CSRD for the publication of sustainability information and knowing and understanding the expectations of the regulator in terms of ESG risks;

- ESG regulatory changes: training delivered by external stakeholders to understand the framework and impact of the European taxonomy for sustainable finance, ESG strategy, the measurement of ESG risk and its main indicators, as well as changes in the prudential framework around ESG risk.

The annual training program for directors systematically includes modules on Corporate Social Responsibility (CSR) as well as Environmental, Social and Governance (ESG) topics. For example, over the past three years, directors have had the opportunity to attend several key trainings:

- in 2022 and 2024, they took part in a training course dedicated to regulatory changes in ESG;
- in 2022, 2023 and 2024, sessions were dedicated to climate risks, addressing sustainable finance and governance issues, as well as the regulatory framework and European taxonomy.

Assessment of the members of the management body (Board of Directors and executive management)

Each year, the Appointments Committee assesses the suitability of the members of the management body, both individually and collectively. As part of its work, the Appointments Committee may call on other committees and/or internal functions, such as human resources, legal or audit.

The Board of Directors is responsible for approving the final assessments of the suitability of the members of the management body. In this context, the Board will adopt a deliberation after recommendation by the Appointments Committee regarding the conclusions of the assessment.

The Appointments Committee's recommendations may include, by way of illustration, specific training, measures to mitigate conflicts of interest, the appointment of additional members with specific expertise, and the replacement of members of the management body.

The following items are affected by the assessment policy:

- the Chief Executive Officer and the second executive manager (management body in its executive function);
- the members of the Board of Directors (the management body in its supervisory role), including employee representatives;
- key function holders, as identified in the governance policy.

The assessment of individual suitability concerns each member of the management body, both in their supervisory and executive functions. Holders of key positions are also subject to an individual assessment.

The assessment of collective suitability consists of verifying that the management body has, as a whole, the knowledge, experience and skills necessary to understand the bank's activities and the ESG and other risks to which it is exposed.

7.1.2.2 GOV 2 - Information provided to the company’s administrative, management and supervisory bodies and sustainability issues addressed by them

7.1.2.2.1 Sustainability topics addressed by the administrative and management bodies

Organization of governance relating to sustainability issues at BRED Banque Populaire

The Board of Directors, or its committees, oversees and approves the bank’s sustainability strategy. It ensures that the strategy is aligned with the long-term objectives of the institution and that it meets the expectations of stakeholders. It is also responsible for putting the ESG strategy into perspective, taking into account regulatory changes, market trends and societal expectations.

The Executive Committee implements the operational implementation of actions as part of a sustainability strategy. This includes the incorporation of ESG criteria into the bank’s decision-making processes and day-to-day operations. It monitors the implementation of ESG projects and ensures that regular reports are provided to the Board of Directors and other stakeholders.

Board of Directors or its committees (Risk Committee, etc.)	• Ensures implementation and oversees ESG risk management • Validates CSR strategy
Executive Committee	• Supervises and gives perspective on ESG strategy • Sets out the operational implementation of the ESG strategy
Corporate Social Responsibility (CSR) department	• Constructed the ESG strategy jointly with the following stakeholders: CSR departments of the business lines, functional departments (risk, finance, HR, etc.), FNBP Federation, Banques Populaires, subsidiaries • Stakeholders ensure the implementation of the ESG strategy at the stakeholder scope

For the first fiscal year of the CSRD, presentations were made to the members of the Executive Committee for all IROs identified as part of the double materiality analysis. Their assessment will continue in the 2025 fiscal year.

At Board of Directors level

The Board of Directors meets as often as the company's interests and legal and regulatory provisions require. Several specialized committees have been set up by the Board of Directors and carry out their activities under its responsibility. The Chairman of each of these committees reports on the committee's work to the Board of Directors.

Board	Chairman	Frequency	Duties	Main ESG topics addressed in 2024
Audit and Accounts Committee	Appointed by the Board of Directors	At least four times a year	- Monitoring issues relating to the preparation and auditing of accounting and financial information - Receiving all information useful for the performance of its mission - Obtaining advice from internal and external experts - Reviewing any area within its remit - Reviewing and validating the intermediate results and final deliverables relating to the CSRD exercise (including DMA)	- Review of the non-financial performance statement as part of the preparatory work for the approval of the annual report - Role of the Audit Committee in selecting the external auditor responsible for certifying the sustainability information - Implications of the CSRD regulation for the bank - Progress on the sustainability report
Appointments Committee	Appointed by the Board of Directors	At least twice a year	- Identifying and recommending candidates for directorships - Assessing the balance and diversity of skills within the Board of Directors - Setting targets for gender balance - Periodically assessing the structure, size, composition and effectiveness of the Board of Directors	/
Remuneration Committee	Appointed by the Board of Directors	At least once a year	- Conducting an annual review of pay policies - Ensuring that the remuneration policy is implemented in consultation with risk control - Reviewing the remuneration of heads of Risk Management and Compliance - Reviewing the annual report on pay policy and practices	Review of the variable remuneration criteria for the Chief Executive Officer, of which 20% of the portion determined by the company is linked to compliance with sustainable management criteria
Risk Committee	Appointed by the Board of Directors	At least six times per year	- Advising the Board of Directors on the institution's overall strategy and risk appetite - Overseeing the implementation of capital and liquidity management strategies - Assessing the recommendations of the internal or external auditors - Cooperating with other committees and internal control functions - Reviewing stress scenarios to assess the institution's risk profile response	- Review of risk mapping - Annual internal control report on anti-money laundering - Personal data protection policy - HR issues for BRED Banque Populaire

An approach guided by the Corporate Social Responsibility department

The Corporate Social Responsibility (CSR) department, which reports to the Executive Management, ensures that Environmental, Social and Governance (ESG) issues are taken into consideration in the bank's main actions, in line with the ISO 26000 standard, and provides support in the implementation of actions by the bank's various business lines. The CSR department is responsible for measuring the results of these actions against the commitments made. The CSR department is also responsible for raising employee awareness and disseminating best practices internally.

7.1.2.3 GOV 3 - Integration of sustainability performance in remuneration plans (incentive mechanisms)

Concerning the governing bodies of BRED Banque Populaire

Since 2018, representatives of Groupe BPCE's CSR correspondents and the various business lines have met every year to update the Group's risk mapping. In 2023, the analysis carried out by BRED Banque Populaire led to the change in the executive remuneration issue from "low" to "average". This change was justified by the ongoing widespread integration of ESG criteria into executive pay in the banking sector. This map was validated by the Executive Committee when it was first created, and the changes made in 2023 were validated by the Chief Executive Officer and presented to the BRED Banque Populaire Board of Directors Risk Committee.

Variable remuneration system for the Chief Executive Officer

In accordance with Article L.511-83 of the French Monetary and Financial Code, the Chief Executive Officer's variable remuneration is first and foremost subject to compliance with financial performance and soundness criteria:

- variable remuneration may only be paid out if the bank has a level of capital that complies with regulatory requirements;
- similarly, the Chief Executive Officer may not be granted variable remuneration for a fiscal year with negative net income.

The amount of the Chief Executive Officer's variable remuneration is set by the Board of Directors and calculated according to the criteria and methods defined by BPCE. The variable portion has two components:

- a "Group" component representing 20% of the maximum amount, expressing the solidarity of the Banques Populaires et des Caisses d'Épargne with the consolidated results of Groupe BPCE and each of the two networks;
- a "Company" component representing 80% of the maximum amount, in line with BRED Banque Populaire's development and performance objectives.

The 80% "Company" component breaks down as follows: 30% national common criteria defined at BPCE level, and 50% local criteria defined at BRED level, including 20% criteria relating to sustainable management.

With regard to sustainable management criteria, the Remuneration Committee proposed that the Board of Directors adopt the following four criteria for variable remuneration for the 2024 fiscal year:

- the quality of the risk appetite system;
- maintenance or increasing of the customer satisfaction and recommendation index;
- the definition of BRED's values;
- the implementation of the following three actions in terms of corporate social responsibility:
 - compliance with the Rixain law of December 24, 2021 on the balanced representation of women and men in senior executive positions and in management bodies,
 - first-time publication of the sustainability report,
 - reporting climate stress tests to BPCE within the required timeframe.

In addition, the Board of Directors approved the implementation of a long-term incentive plan, as part of the variable remuneration scheme for executive management of the Banques Populaires and the Caisses d'Épargne, defined by BPCE.

The objective of this plan is to remunerate the organic creation of CETI by the institution and the Group. The organic creation of CETI aims to enhance the generation of organic/endogenous share capital while limiting the cost of capital. A long-term, sustainable model must generate capital through a profitability that makes it possible to absorb both the share capital employed and the remuneration of the shares.

This plan is aligned with the value creation objectives. It meets the remuneration requirements set by the European Banking Authority Guidelines on sound compensation practices, which specify that the remuneration policy must be consistent with the objectives of the institution's economic and risk strategy, (...) including with regard to its long-term interests.

Concerning cooperative shares

BRED Banque Populaire, created in 1919, has always favored a medium-to-long-term approach, the implementation of which is facilitated by the rules for managing its capital and reserves, including caps on the remuneration of cooperative shares: the cooperative shareholders therefore do not aim to support decisions whose sole interest is to maximize their return. In addition, the shares are not listed and their value (set by the articles of association) does not depend on the financial markets: it is impossible to speculate on the price of the cooperative share or to influence it;

7.1.2.4 GOV 4 - Statement on due diligence

The table below maps the information concerning the due diligence procedure included in Groupe BPCE's sustainability report.

Core elements of due diligence	Sections in the statement relating to sustainability
a) Embedding due diligence in governance, strategy and business model	7.1.3.1.1, 7.1.3.1.2, 7.1.2.2
b) Engaging with affected stakeholders in all key steps of the due diligence	7.1.3.2
c) Identifying and assessing adverse impacts	7.1.4.1, 7.2.2.1
d) Taking actions to address those adverse impacts	7.2.2.1.1, 7.2.2.1.4, 7.3.2.2.4, 7.3.3.2.4, 7.3.4.2.3, 7.3.4.2.4
e) Tracking the effectiveness of these efforts and communicating	7.2.2.2.1, 7.3.1.3.1, 7.3.2.3.1, 7.3.3.3.1, 7.3.4.3.1

7.1.2.5 GOV 5 - Risk management and internal controls over sustainability reporting**7.1.2.5.1 Preparation and publication of sustainability information****Roles and responsibilities**

Within BRED Banque Populaire, the development and processing of sustainability information is mainly the responsibility of the following three departments:

- the Corporate Social Responsibility department;
- the Risk division;
- the Finance department.

The CSR department

Corporate social responsibility (CSR) corresponds to the policy and actions implemented by BRED Banque Populaire to ensure sustainable development. Three areas are concerned: governance (membership and cooperative activities), social matters (BRED Banque Populaire employees and civil society) and the environment.

CSR, which is based on the cooperative values of BRED Banque Populaire, enhances its positive economic and social impact for its employees, customers and the regions in which it operates.

The various missions of the CSR department within BRED Banque Populaire are as follows:

- implementation and promotion of the BRED Banque Populaire Group's CSR strategy and internal coordination;
- BRED Banque Populaire Group's CSR and CSRD officer: technical support for BRED Banque Populaire departments and subsidiaries, guarantor of the consistency of actions, correspondent for BPCE's CSR business line;
- annual legal CSR reporting: sustainability report, carbon audit and cooperative dividend and CSR;
- provision and maintenance of sustainability risk analysis tools and methods integrated into the decision-making processes of the business lines, in particular financing, purchasing and asset management;
- *ad hoc* analyses of ESG risks in specific sectors or companies;

- fulfillment of the formalities required as part of the duty of care;
- coordination of the CSRD project (i.e., management of the double materiality analysis, management of roadmap implementation and the production of narratives).

Risk division

Within BRED Banque Populaire, the main missions of the Risk, Protection and Permanent Control department are:

- to contribute to good governance in managing risks, notably by taking part in the elaboration of policies and risk appetite, and by ensuring that the supervisory body, executive management, supervisory authorities and all employees are properly informed (prevention);
- to assess existing and emerging risks (using tools and indicators);
- to ensure that risk control systems function correctly with:
 - continuous risk monitoring (analyses, monitoring indicators and limits);
 - permanent controls.

The Risk, Protection and Permanent Control department's role is based in particular on the Groupe BPCE Charters, while taking into account the specific characteristics of the BRED Banque Populaire Group, in particular its capital markets and insurance activities.

As part of the double materiality analysis process, the Risk division participated in all IRO rating workshops. In addition, the Risk division was also involved in the drafting phase of the sustainability report.

Finance department

The Finance department is responsible for financial communication. Its duties include:

- coordinating and producing presentations of quarterly results, the financial structure and the development of BRED Banque Populaire's business lines to enable third parties to form an opinion on its financial strength, profitability and outlook;
- coordinating and preparing the presentation of regulated financial information.

As a stakeholder of the CSRD project team, the Finance department is in charge of coordinating the production process of narratives jointly with the CSR department on the sustainability issues rated as material following the double materiality exercise (DMA), as well as the process for managing the reporting of quantitative data to Groupe BPCE.

The production business lines, who are experts on the topics, are responsible for drafting the narratives; the functions of the CSRD-Finance department project teams are as follows:

- identify, integrate and acculturate the ESRS-themed narrative writer business lines to the new CSRD challenges as well as the editorial requirements required by the standard;
- provide tools to the production business lines such as an editorial guide and methods for monitoring production and completeness;
- manage the process of collecting narratives with the CSR department and data in collaboration with BPCE's Architecture and Reporting department;
- ensure the production of the sustainability report within the milestones of the annual report production schedule;

This approach aims to ensure a good understanding of the spirit of the EFRAG standard and guide.

Groupe BPCE's Architecture and Reporting (A&R) and Technology and Operations (T&O) departments

Reporting to the Finance division of BPCE SA, the Architecture and Reporting (A&R) department is responsible for securing the key IS Finance & Risk applications, ensuring the reliability of complex production processes (data transformed with the preparation of regulatory and management reports) and ensuring that these processes comply with BCBS 239 principles.

For the quantitative aspects, Groupe BPCE and its institutions have capitalized on existing IS architectures and intragroup reporting systems to produce the indicators required under the CSRD. For certain indicators, the institutions reported data to Groupe BPCE. This has two purposes: the calculation of Group indicators and the calculation of indicators specific to the institutions.

The A&R department played a key role in coordinating the work related to the production of quantitative data points:

- coordination of project committee and governance, including interaction with other Group entities that prepare their own sustainability report;
- strengthened coordination of the data strategy and the processes for producing the regulatory indicators required by the ESRS, including through the conducting of a test system involving all production entities;
- active monitoring of best practices in force in the market (methodologies for producing indicators, transition plan);
- level I control (LoDI).

Methods for producing and publishing sustainability reports

BRED Banque Populaire's sustainability report is structured to be compatible with Groupe BPCE's. In addition, BRED Banque Populaire participates in the production of the BPCE sustainability report with respect to its contributory information.

In accordance with the requirements defined by the CSRD, BRED SA is responsible for producing the report for all of its subsidiaries. The Board of Directors and the Audit Committee are responsible for validating the information published and ensuring that it is published in accordance with the relevant standards and that the controls are properly carried out.

The work relating to the double materiality analysis is reviewed on an annual basis and submitted for new validation. Similarly, all narratives and quantitative data points change on an annual basis to better reflect current reality and achieve a better level of compliance with regulatory requirements.

To ensure the reliability of the process, BRED SA depends on:

- the **establishment of a project structure** dedicated to the publication of the sustainability report. This project team, composed of representatives of the CSR and Finance departments, coordinates and manages the entire CSRD project for BRED Banque Populaire;
- a process for consolidating all the information to be published in the sustainability report, including controls to ensure the consistency of the information published and the analyses;
- a complete body of documentation;
- a harmonized permanent control system, the organization of which is described in the following section (GOV-5 - 1.2.5.2).

The main risks identified related to the sustainability information procedure and the strategies developed to mitigate them are described below:

- Reputational and litigation risk
 - Strategy: purchasing policy and supplier governance, new products committee, CSR sector policies, training, etc.
- Environmental risks (physical and transition risks)
 - Strategy: Assessment of the materiality of risks with a climate risk matrix defined by time horizon, integration of ESG risks in operational decisions to grant credit/financing.
- Governance risks (ethics, business conduct)
 - Strategy: See system described above.

The resulting control systems are as follows:

- ESG risk control systems by the ESG Risk division: coordination and implementation of the ESG risk management system.
- Financial Control department: independent review of the sustainability report to ensure its accuracy and reliability.

7.1.2.5.2 General organization of permanent control

General system

BRED Banque Populaire is part of the internal control system defined by Groupe BPCE. This system contributes to the control of risks of all kinds and is governed by an umbrella charter—the Group Internal Control Charter—which stipulates that this system is designed, in particular, to ensure “[...] the reliability of financial and non-financial information reported both inside and outside the Group.”

Groupe BCPE has defined and implemented a permanent control system to ensure the quality of this information, in accordance with the requirements defined by the Ministerial Order of November 3, 2014 on internal control (as amended by the Ministerial Order of February 25, 2021), or any other regulatory obligations relating to the quality of reports, and in particular for the publication of information on sustainability.

For the sustainability report, the internal control system must ensure compliance with the requirements defined by:

- the CSRD;
- by Groupe BCPE, in the Framework for the preparation and publication of reports and management indicators, which aims to harmonize the reporting practices within the Group.

To ensure strict independence in the implementation of controls, the permanent control system is based on two levels of controls:

- a first level exercised by all those involved in the production and reporting process. For the sustainability report, the business lines that produce the information mainly fall under the following business lines: Finance, Risk, Human Resources, CSR, Purchasing, Corporate Secretary's Office, Governance, and Technology Services & Operations of BPCE SA;
- a second level is handled by independent units within the Risk, Compliance or Permanent Control functions. For the sustainability reporting, this work is coordinated by BRED Banque Populaire Financial Control (Group Corporate Secretary's Office) in conjunction with the other level two control players (risk and compliance).

Level one control system

The level one controls consist of self-checking and control procedures implemented by each unit or entity responsible for producing sustainability information.

They aim in particular to ensure compliance with the rules defined by the CSRD and by Group BCPE as part of the preparation and publication of reports and management indicators.

The level one controls are carried out throughout the report production process. The definition and implementation of these controls is the responsibility of each function or entity in charge of production, throughout the chain of contributors to

the CSRD sustainability report. The production processes have been documented internally.

The results of the controls are formalized by the units or entities responsible for producing the information relating to sustainability and they specify, where applicable, any anomalies identified and their remediation plans to resolve them over the long term.

With regard to the indicators, the level one controls relate in particular to:

- reconciliation with the financial statements, if applicable;
- analysis of changes;
- the quality of the data collected from external suppliers, where applicable;

The level one controls are carried out either in the technical production chains or by the business lines, with particular attention paid to processes involving office automation and manual interventions.

In addition, and in accordance with the requirements of the CSRD regulations (MDR-M⁽¹⁾), the methods and main assumptions underlying the indicators, as well as the associated limitations, have been documented internally and reproduced in the CSRD report to provide the reader with all the background information necessary to understand the published indicators.

Level two control system: independent review of the sustainability report

General system

To ensure that the main reports published within the Group comply with all the requirements defined by the Group or by regulations, Groupe BCPE has defined a method for assessing reports called the independent review of reports based on the implementation of strict criteria and carried out by independent functions (i.e., "second line of defense").

This review, organized to ensure that the regulatory requirements are met, mainly aims to obtain an opinion or reasonable assurance that the reports are produced and published in a satisfactory internal control environment and that they include reliable and clear data that is useful and auditable.

Within BRED Banque Populaire, this review is coordinated jointly by the Financial Control department of BRED Banque Populaire under the coordination of the Groupe BPCE Corporate Secretary's Office (Group Financial Control) and the information systems division of BRED Banque Populaire (as BCBS 239 reference). This review is mainly carried out in **four main phases**:

1. An **inventory phase** (which results in the update of a Reports booklet) carried out on an annual basis to identify reports and their evolution (entries/exits, organizational changes, associated risks, etc.) and to collect all the documentation.

For the sustainability report, an analysis of the distribution of roles for the implementation of indicator controls (or indicator universe) between the various level two control players is scheduled for 2025. The result of this analysis, as well as the descriptions of the report and the underlying preparation processes of the sustainability report, will be integrated into the next update of the *Reports booklet* (2025).

(1) Minimum Disclosure Requirement - Metrics.

2. A **risk assessment and control planning phase** aiming to identify the indicators to be monitored and to include the system in the N+1 Annual Control Plan validated by the Internal Control Coordination Committee, in accordance with the rules defined by the permanent control framework document.

A risk assessment on the indicators and/or indicator universes to be published in the sustainability report was carried out according to three risk levels (Low, Moderate and High) in order to select those that require a targeted review.

3. An **implementation phase of the level two controls** carried out, according to the scoring method, via a grid of rated controls, in accordance with the rules set out in the permanent control framework document on a scale ranging from 1 (requirement not met) to 4 (requirement fully met):

Rating scale for the quality of the report

1	from 1 to 1.9	Requirement not met
2	from 2 to 2.9	Requirement very partially met
3	from 3 to 3.9	Requirement correctly met but to be improved
4	≥ to 3.9	Requirement fully met

These controls are based on six areas of analysis, weighted from 1 to 3 and relating to:

- a) the quality of the **documentation**;
- b) the robustness of the **organization** relating to the production and publication of the report;
- c) the quality of the **audit** trail of the data and/or indicators included in the report;
- d) the effectiveness of the system of level one **controls**;
- e) the **accuracy** of the data and/or indicators published and their consistency with the information provided in other publications;
- f) the **clarity** of the information.

Weighting of each criterion

Documentation	1
Organization	1
Clarity	2
Audibility	2
Control	2
Accuracy	3

For the first production of the CSRD report, this phase will include checks carried out before and after publication.

4. A **control review phase**: the results of the controls are formalized and presented in a summary note, which presents, without being exhaustive, the work carried out as part of the controls and conclusions of this work, specifying in particular the anomalies identified and, where applicable, the recommendations made (or action plans or corrective measures). The results are included, by criterion, in the Group's permanent control tool (PRISCOP) and the conclusions are shared with the audited units, the external auditors (Statutory Auditors in particular) and with the supervisory body or its specialized bodies (the Audit Committee of BRED Banque Populaire).

The results of the level two controls relating to the sustainability report will be reported to the BRED Banque Populaire Audit Committee.

7.1.3 Strategy

7.1.3.1 Cooperative dimension

BRED Banque Populaire was created in 1919 and has always preferred a medium- to long-term approach facilitated by share capital and reserve management rules, as set out below:

- the return on cooperative shares is capped: the members do not therefore have the objective of supporting decisions for which their only interest would be to maximize their return;
- voting rights are capped at 0.25%, proxies included: it is therefore not possible to organize to take control of the company;
- the shares are not listed and their value - set by the articles of association - does not depend on the financial markets: it is impossible to speculate on the price of the cooperative share or to influence it;
- reserves cannot be shared: profits are primarily intended for future growth. The long-term equity strategy supports the taking of a medium/long-term view when making decisions.

BRED Banque Populaire is a cooperative bank. This means that there are no shareholders. The company's share capital is owned by the 200,000 cooperative shareholder customers. They enable BRED Banque Populaire to be a financially autonomous bank, avoiding the use of the markets to ensure the growth of its capital. They contribute to its commitment to society, the benefits of financing the real economy and the development of the regions in which it operates.

Thus, the bank's activity remains solely focused on serving its customers and its territories.

Important decisions are submitted for the approval of members at General Meetings during which members appoint directors to represent them on the Board of Directors.

To meet the regulatory requirements for the annual assessment of the operation of the Boards of Directors, BRED Banque Populaire has set up an assessment system overseen by the Appointments Committee (individual and collective assessment of the skills of members of the management body and annual self-assessment questionnaire) (ESRS 2; GOV-1 and GOV-2).

The French law of September 10, 1947 defining co-operative status enshrines the principle by which cooperatives submit themselves to a cooperative review procedure every five years. This obligation, previously applied to agricultural cooperatives, was extended by the law on the Social and Solidarity Economy (*loi ESS*) of July 31, 2014 to all cooperatives, regardless of their business sector. The purpose of this review, carried out by an independent auditor, is to verify their organization's compliance and operation according to cooperative principles and rules. The cooperative review is a positive act of cooperative governance.

In 2018, BRED Banque Populaire appointed its cooperative auditor, which presented its report at the bank's Annual General Meeting of cooperative shareholders in May 2019. In May 2022, the auditor presented an update to the report at the Annual General Meeting.

More than 110 years of history

At its origins, the creation of BRED Banque Populaire was based on a humanist aspiration that has been central to the institution's basic wiring since its inception: offer everyone the means to save or finance their projects and be a pioneer in the development of local communities.

Following a law of March 13, 1917, which made it possible to create *banques populaires* (people's banks), 233 cooperative shareholders (retailers, manufacturers and craftspeople) met on October 7, 1919 to found the Banque Populaire Industrielle et Commerciale de la Banlieue Est de Paris in Vincennes. It was one of the first banques populaires to be created, and it became the Banque Régionale d'Escompte et de Dépôts, also known as BRED Banque Populaire, in 1942. Starting in the 1950s, the bank accelerated its development, conquering new regions in Île-de-France and then in Normandy. More than 80 branches were inaugurated between 1960 and 1970.

When France's 1984 Banking Act opened up and deregulated financial markets, BRED Banque Populaire demonstrated a strong desire to diversify its activities: for example, it took control of a brokerage firm and created a specialized insurance subsidiary, acquired a trading room, etc. At the same time, the bank took its first steps in the French overseas territories with its first establishment on Reunion Island 40 years ago, in 1985. It then opened branches in 1987 in Guadeloupe and Martinique in 1990 and continued its development in the 2000s with the acquisition of Crédit Martiniquais, followed by four credit companies in the French Antilles, French Guiana and Reunion Island. It also became a shareholder in Banque Calédonienne d'Investissement (BCI) in 2005 and a shareholder in Socredo, the leading French Polynesian banking network, in 2007.

That same year, BRED Banque Populaire diversified internationally into countries that enjoyed strong growth momentum through the acquisition of BCI Mer Rouge in Djibouti (2007), and it founded BRED Bank Vanuatu one year later (2008). This international opening continued into the 2010s in Oceania, Southeast Asia and the Horn of Africa. BRED Banque Populaire opened Banque Franco-Lao in 2010, BRED Bank Fiji in 2012 and BRED Bank Cambodia and BRED Bank Solomon in 2017. This mindset of constant development to encourage regional growth once again found its expression in 2024 with the acquisition of the first bank in Madagascar at the end of the year.

7.1.3.2 Labels and commitments

BRED Banque Populaire has also been awarded numerous certifications and labels. Last September, AFNOR (French national standardization organization) confirmed the bank's five ISO 9001 certifications in respect of its various flow processing services. Committed for many years to reducing gender pay gaps, it had its AFNOR label in respect of gender equality in the workplace renewed in 2020 for four years. Certivéa has issued the BRED Banque Populaire head office in Joinville-le-Pont and the Friedland building with the High Quality Environmental (HQE) label. The Prépar subsidiary has had its La Défense site certified as a "low energy building" ("BBC") by Effinergie.

7.1.3.3 SBM I - Strategy, business model and value chain

7.1.3.3.1 Sustainability-related strategy

BRED Banque Populaire's strategic plan "Aligning energies - BRED ambitions 2027", which was launched in 2024, is a project targeted toward its customers and local communities to enable responsible and sustainable development. One of the main focuses of this new plan is Corporate Social Responsibility.

In 2023, for the second year in a row, BRED Banque Populaire scored the highest level of non-financial performance according to the Moody's classification, i.e., "Advanced". With an ESG score of 66 points, BRED Banque Populaire ranks 3rd in Europe in the retail and specialized banking category. This score reflects BRED Banque Populaire's "advanced" ability and desire to incorporate ESG (environmental, social and governance) criteria into its strategy, operations and risk management.

In 2024, the Bloomberg rating agency ranked BRED Banque Populaire in the "LEADING" category. This rating demonstrates BRED Banque Populaire's "advanced" capacity and willingness to integrate ESG (environment, social, governance) criteria into its strategy, operations and risk management.

In more detail, BRED Banque Populaire's business lines are structured around the following main divisions:

- **Commercial banking in France and private banking:** the core business of BRED Banque Populaire is commercial banking, in France, through its regional offices in Metropolitan and Overseas France. It offers financing, savings and investment products as well as payment solutions to individual, professional and high net-worth customers. Wealth management solutions, including asset protection and transmission, investment and tax optimization solutions, and support solutions, are also being developed.

In 2024, the Commercial Banking and Private Banking business line represented 47% (2) of the NBI of BRED Banque Populaire (€684 million).

BRED Banque Populaire's subsidiary Promepar Asset Management is a signatory to the United Nations Principles for Responsible Investment (PRI). It obtained the "SRI" label for the BRED Sélection SRI fund and the "Relance" label for the Promepar PME Opportunités fund, in a reflection of its pledge towards socially responsible investment and its desire to be a committed player in the real economy. Promepar Asset Management's SRI offer meets the real expectations of customers who want to give meaning to their savings.

Sustainability is therefore a central concept in BRED Banque Populaire's strategy. This section describes how this theme is applied within BRED Banque Populaire's strategy, business model and value chain.

The cooperative nature of BRED Banque Populaire, with its hundred-year history and firm roots in local communities in France and abroad, enables its customers, cooperative shareholders and employees to assert their power to act and approach their future with confidence.

Description of the main groups of products and/or services offered

BRED Banque Populaire is one of the main financiers of businesses and social economy structures in the regions in which it operates (1) in France and internationally.

BRED Banque Populaire brings together diversified activities, including retail banking, investment and financing banking, insurance companies and asset management companies. The synergies between these different business lines make it a complete multi-service bank that offers investment solutions which make sense.

(1) Île-de-France, Seine-et-Marne/Aisne, Normandy, Reunion Island, Mayotte, Guadeloupe and Northern Islands, Martinique, French Guiana.

(2) % of NBI presented in profitability view by division.

With regard to activity reports, the NBI of the subsidiaries and holdings is treated in accordance with the percentage of the holding independently of the accounting treatment method. In this view, the breakdown of NBI is as follows: Commercial banking and private banking 43%, International and Overseas Territories banking 21%, CIB 25%, GCI 11%.

- **International and overseas territories banking:** BRED Banque Populaire is present internationally through its banking subsidiaries in South East Asia, the Pacific and Africa. In addition to retail banking, this division includes international trade finance (BIC BRED) and correspondent banking activities;

In 2024, the International and Overseas Territories Banking business line represented 14% of BRED Banque Populaire's NBI, (€209 million).

- **Corporate and Investment Banking:** CIB offers the entire range of financing and cash flow management offers to medium-sized and large companies. Dedicated to BRED Banque Populaire customers, the trading desk provides them with its foreign exchange, interest rate, money market and bond investment and asset refinancing activities. A response is provided to the needs of real estate professionals, through financing offers adapted to the constraints specific to certain operators, while maintaining rigorous risk management.

In 2024, Corporate and Investment Banking represented 27% of BRED Banque Populaire's NBI (€395 million).

Consolidated Management of Investments: The Consolidated Management of Investments division comprises investment activities (including NJR and IRR) and working capital activities (including operating property, COFIBRED and the holding in BPCE).

In 2024, Consolidated Management of Investments represented 12% of BRED Banque Populaire's NBI (€179 million).

Description of major markets and/or target customer groups

BRED Banque Populaire was created by and for entrepreneurs. Its business model is characterized by a strong position on the professional market and by a leading role in the social and solidarity economy sector, serving SMEs, tradespeople, merchants and individual customers.

BRED Banque Populaire's financial soundness and the fact that its cooperative shareholders own its share capital enable it to continue to work hand-in-hand with its customers and contribute to the economic and social dynamism of the regions in which it operates.

This involves relying on a renovated and more dense network of branches and working closely with local economic agents and individual customers.

BRED Banque Populaire, an international banking group, serves more than 1.6 million customers worldwide. The offers are aimed at a wide range of customers, including the main target customer groups:

- **professionals:** the professional market includes artisans and merchants, farmers, associations and professional service providers;
- **corporate and institutional customers:** this segment covers companies of all sizes - SMEs, SMIs, medium-sized companies and large companies;

- **individual customers:** BRED Banque Populaire, as a cooperative bank rooted in local communities, offers dedicated support to individual customers.

In addition, the BRED Banque Populaire trading desk works with a very large number of mutuals (governed by Book 2 of the French Mutual Code), and provides them, at their request, with investment solutions that are increasingly oriented toward ESG assets.

Description of the number of employees by geographical area

BRED Banque Populaire has 6,941 employees, of which 4,765 (69%) are based in France, 361 in EMEA ⁽¹⁾ (5%) and 1,815 in APAC ⁽²⁾ (26%).

Description of products and services prohibited in certain markets

In order to take into account Environmental, Social and Governance (ESG) issues, CSR policies have been introduced at Groupe BPCE level and integrated into the risk policies of the business lines within BRED Banque Populaire working in the most sensitive sectors.

Concerning the banking activities of BRED Banque Populaire

BRED Banque Populaire's credit policy for professionals and companies is part of Groupe BPCE's CSR policies applicable to the coal, oil and gas industries. These CSR policies include exclusion criteria for the targeted sectors (see Section E1-2 for more details).

(1) EMEA: Europe, Middle East and Africa. See Section S1-6 for more details.

(2) APAC: Asia-Pacific region.

Sustainability-related targets

The new “Aligning energies - BRED ambitions 2027” strategic plan renews BRED Banque Populaire’s commitment to the responsible and sustainable development of its customers and cooperative shareholders, its regions and the Group itself.

The main ambitions identified to achieve these objectives are:

- support BRED Banque Populaire customers in their decarbonization and environmental transition;
- embody BRED Banque Populaire’s CSR strategy internally and roll it out across its regions;
- raise awareness of the positive impact of BRED Banque Populaire.

Assessment of current significant products and/or services, and significant markets and customer groups, in relation to its sustainability objectives

Supporting BRED Banque Populaire customers in their decarbonization and environmental transition

As a member of Groupe BPCE, BRED Banque Populaire incorporates environmental issues into its strategic plan “Aligning energies - BRED ambitions 2027” and into its risk management. It manages the decarbonization of its loan portfolio by including ESG criteria in the credit granting process. As a result, 97% of eligible Corporate & Investment Banking projects were subjected to an ESG analysis in 2024 (98% in 2023) with a number of files assessed up by 8%. Groupe BPCE’s Métamorph-Ose program, which is currently being rolled out by BRED Banque Populaire, will help extend these ESG analyses by enriching ESG dialogues and integrating portfolio measurement and emissions into products and business models.

In 2024, BRED Banque Populaire demonstrated a strong commitment to the energy transition and sustainable development through several key initiatives ⁽¹⁾. It has continued to support its customers in the financing of projects related to the development of wind, photovoltaic and biomass power plants, these projects being essential to diversify energy sources and reduce dependence on fossil fuels and are mainly deployed in the French overseas departments, where BRED Banque Populaire has a strong presence.

The bank invests in improving the energy efficiency of buildings, with more than €700 million dedicated to social housing to improve energy performance and comply with regulatory standards. Thanks to BRED Banque Populaire’s various initiatives, 91% of its exposures are borne by players with low environmental risk, according to the Groupe BPCE Corporate exposures breakdown method.

These initiatives contribute to the reduction of carbon emissions of its financing portfolio by 1.4%, although exposures ⁽²⁾ are up by 0.8% compared to 2023.

At the end of 2024, 23% of assets financed by home loans for which a DPE is collected had a rating between A and C, 30% a rating of D and 47% a rating between E and G.

BRED Banque Populaire is also deploying this decarbonization and environmental transition strategy in its other business lines and areas of expertise:

Consolidated Investment Management, which is responsible for medium- and long-term investments of BRED Banque Populaire’s surplus own funds, invests in various asset classes and has incorporated ESG rules into its investment policy for several years. The share of investments in funds that have defined an ESG policy has been rising steadily for several years, reaching 22% of total investments in 2024, for a total amount of over €650 million in 2024, up 14% on the previous year. This includes investments to support the energy and ecological transition and contributing to climate risk mitigation, which increased by 59% year-on-year.

This strategy is also applied in BRED’s insurance and asset management subsidiaries, Prépar Vie and Promepar Asset Management, which integrate environmental criteria into their respective investment strategies.

As regards Prépar Vie, a significant portion of investments is classified under Articles 8 and 9 of the SFDR, indicating a strong commitment to sustainability. For 2023 ⁽³⁾, the share of investments in funds classified under Article 8 or 9 ⁽⁴⁾ amounted to €1,191.02 million, i.e., 52.02% of investments in undertakings for collective investment (UCIs) considered, representing +18 points between 2022 and 2023 and a €381 million increase in volume.

In 2024, Promepar Asset Management significantly reduced (by 8%) the carbon emissions of its investment portfolio, while its assets under management covered in the calculation scope increased by 7%. To achieve this, Promepar Asset Management relied on a team of three people in the development of SRI and ESG. Since 2020, Promepar Asset Management has undertaken to gradually reduce its exposure to issuers involved in the production or use of thermal coal. In addition, in 2024, the carbon emissions ⁽⁵⁾ of the Promepar Asset Management investment portfolio decreased by 8% while the assets under management hedged in the calculation scope increased by 7%.

⁽¹⁾ For example, in Reunion Island, BRED Banque Populaire is supporting an initiative to eliminate fossil fuels by 2030 via biomass, solar energy and geothermal energy. It also supports “Clean transport” with Eurostar and French rail. Overall, BRED Banque Populaire contributed €12.5 billion to the French energy sector to maintain low-carbon electricity production.

⁽²⁾ Exposures in the banking scope in accordance with Pillar III ESG and composed of non-financial companies and home loans (see MDR-M, ESRS E1-6).

⁽³⁾ The data for 2024 are being updated and will be included in the Energy and Climate Act report to be published in June 2025.

⁽⁴⁾ So-called “Article 8” products promote environmental and/or social characteristics, without specific sustainable objectives. So-called “Article 9” products have a concrete sustainable objective, aiming for a positive environmental or social impact.

Embodying BRED Banque Populaire's CSR strategy internally and rolling it out across its regions and raising awareness of BRED Banque Populaire's positive impact

BRED Banque Populaire assumes its role as a provider of financing to all economic agents (companies, professionals, local authorities, households, operators of the social and solidarity economy).

For the 14th consecutive year, the Banque Populaire network, which includes BRED Banque Populaire, is the leading corporate banking network (source: KANTAR 2023 Barometer). The Banques Populaires operate locally in all regions and are the reference banking partners of nearly one in two companies in France.

With regard to local authorities in particular, BRED Banque Populaire also offers the services of its trading desk, which supports its customers in the search for sustainable ("green or social") market financing over short-term (Commercial Paper) to long-term (bonds) maturities. In 2024, BRED Banque Populaire will have placed €11.2 billion in short-term debt of French local authorities on the financial markets.

BRED Banque Populaire is committed to supporting companies involved in the environmental transition by supporting them with their projects. With this in mind, in early 2024 BRED Banque Populaire contributed €1 million to a €4.5 million fundraising effort for a company offering an all-in-one digital solution for managing the sustainable development strategy of agrifood companies. It thus helps to reduce environmental footprints and decarbonize products from the farm to the consumer (see Section S3-4 for more details).

Owned by its customer-cooperative shareholders and committed to the sustainable development of its regions, BRED Banque Populaire plays a crucial role in the sustainable financing of companies in the social and solidarity economy, as well as in the fields of education, health and employment. As a cooperative bank, it reinvests its profits in local economic development and supports regional initiatives with a strong social and environmental impact. Through its local strategy, it helps to structure this ecosystem through partnerships and relationships established with key players in its regions. BRED Banque Populaire is also involved in actions that support educational, cultural and sports projects, and participates in humanitarian and solidarity initiatives, thus strengthening its commitment to social responsibility and the sustainable development of its regions (see ESRS S3 for more details).

Each year, BRED Banque Populaire measures the cooperative and responsible actions it carries out in its regions and values them in euros in the Cooperative and Societal Footprint (EC&S), a tool based on ISO 26,000, an international standard for CSR. BRED's level of societal commitment, through the EC&S, resulted in 155 actions valued at €7.7 million in 2024.

Reducing BRED Banque Populaire's own footprint

In addition, BRED Banque Populaire is committed to reducing its carbon footprint through responsible digital initiatives, sustainable mobility and green buildings (see ESRS E1-3 for more details).

In total, CSR commitments are recognized by various labels and certifications, in particular a Bloomberg ESG 2024 rating in the Leading category, a cooperative and societal footprint of €17 million, and an SRI label for a fund managed by its subsidiary Promepar Asset Management, a PRI signatory, five ISO 9001 certifications, an AFNOR label for gender equality, as well as high environmental quality labels for two buildings and a low-energy building label.

Description of the strategy elements related to sustainability issues**A Group with positive impact**

The strategic plan "Aligning energies - BRED ambitions 2027" outlines the major strategic priorities that BRED Banque Populaire has set for itself to build a growth project to serve its customers and its regions.

Each major ambition of the new plan has been broken down into different levers to address the future challenges within BRED Banque Populaire.

Promoting a positive environmental impact

Supporting customers in their decarbonization:

- analyzing the current CSR challenges of its customers, in particular by developing carbon emissions measurement systems, identifying partners and local players, and associating existing BRED Banque Populaire initiatives;
- advising and financing its customers in their decarbonization strategy: energy production/consumption, energy performance of buildings, sustainable mobility, in particular by developing its system for identifying and managing climate, physical and transition risks, to which its customers and its own activities are subject.

Optimizing BRED Banque Populaire's footprint:

- the environmental actions carried out by BRED Banque Populaire involve sustainable consumption patterns, the reduction of pollution and waste, and consideration of biodiversity. It does not include sponsorship and support actions for environmental organizations and associations. The commitment, which is broken down into eight actions, amounts to €1.1 million, of which 67.4% is for sustainable real estate, 28.6% sustainable mobility and 1% biodiversity. BRED Banque Populaire is also seeking to improve the CSR footprint of its information system (measurement of its environmental impact and eco-design of applications).

In addition, BRED Banque Populaire is strengthening its CSR impact through its internal investment policy with photovoltaic-related initiatives and partnerships.

BRED Banque Populaire is actively involved in environmental actions that focus on the key areas of responsible buildings, responsible mobility and responsible digital technology, excluding sponsorship and support for environmental organizations.

It also strengthens its CSR impact through its internal investment policy, focusing on initiatives related to the energy transition and establishing strategic partnerships, demonstrating a commitment to renewable energy sources and collaboration with other players to promote the positive impact on the environment.

Making people and regional impact the focus of its activity

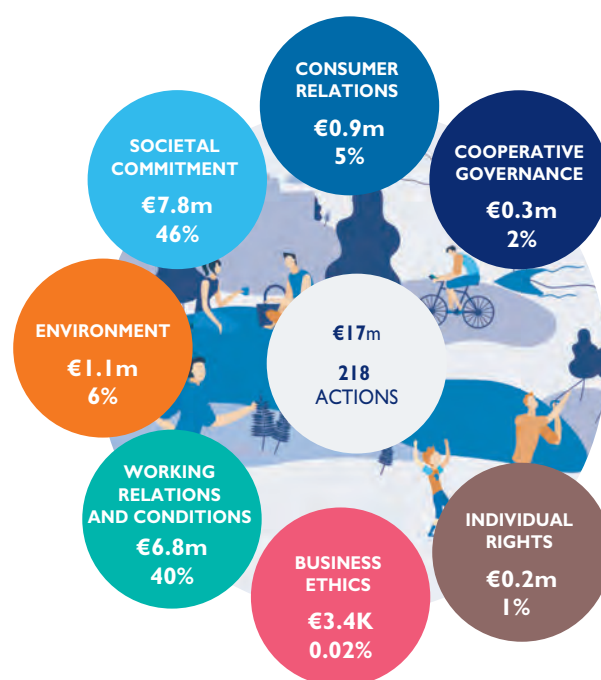
At the origins of the cooperative group is a humanist aspiration: focusing on people. Through its hundred-year-old brands that have a positive impact that respects the wishes of local communities, the needs of society and its customers, BRED Banque Populaire plays a societal role. Invested in civil society, a player in the economic development of the regions, an inclusive and solidarity-based bank, a responsible buyer and a supporter of local and national initiatives, BRED Banque Populaire respects the wishes of its customers, including the most vulnerable. BRED Banque Populaire is a key player in the life of local communities.

Some steps taken at BRED Banque Populaire are described below:

- **cooperative governance:** BRED Banque Populaire promotes CSR and cooperative governance models with initiatives related to the participation, information and training of cooperative shareholders, as well as their director representatives;
- **societal commitment:** the societal commitment includes civil society initiatives and represents more than €5 million, through partnerships and sponsorship and to foundations. Over 150 different non-profit organizations have been supported by BRED Banque Populaire throughout Metropolitan and Overseas France. In the context of the 2024 Olympic and Paralympic Games, for which BRED Banque Populaire and Groupe BPCE were premium partners, the commitment was particularly marked in the field of sports. Education, integration and entrepreneurship (support for professional networks, awards, promotion, training, etc.) are also key areas of BRED Banque Populaire's societal commitment;
- **central attention to consumers:** BRED Banque Populaire pays close attention to the satisfaction and support of all its customers. This is reflected in the reorganization undertaken in 2024 of its network by the recruitment of sales advisors in front and, for populations in difficulty (individual customers, VSEs and professionals), dedicated systems and agencies as specified in ESRS S3 - Affected communities;
- **business ethics:** BRED Banque Populaire aims to meet high standards in the fight against corruption, money laundering and the financing of terrorism in all its offices, in France and abroad (Africa, Asia, the Pacific), as is specified in ESRS G1 - Business conduct;

- **relations & working conditions:** BRED Banque Populaire applies the same standards in all its offices, in France and abroad (Africa, Asia and the Pacific). In addition, a particularly strong emphasis is placed on training actions, as specified in ESRS S1 - Own workforce.

These initiatives are valued in euros, in the Cooperative and Societal Footprint (EC&S), a tool that lists all the voluntary, non-regulatory and non-commercial actions carried out by BRED Banque Populaire in France and focuses them on seven central themes.



Encouraging the positive impact of BRED Banque Populaire

- orienting BRED Banque Populaire's sponsorship policy towards the main societal challenges of its regions: The impact of BRED Banque Populaire's sponsorship is measured each year via their Cooperative and Societal Footprint ⁽¹⁾ (EC&S) and represented more than €797 thousand in 2024;
- multiplying the number of employees who are proactive in the positive impact of BRED Banque Populaire by creating a network of internal ambassadors, involving them in actions and establishing an internal certification linked to their civic commitment;
- continuing BRED Banque Populaire's commitment to equal opportunities in all its business lines to promote diversity and inclusion within BRED Banque Populaire.

(1) The ECS is a measurement codified at Groupe BPCE level and is reviewed by a specialized firm.

7.1.3.3.2 SBM 7 - Business model and value chain

Description of business model and value chain

BRED Banque Populaire's financial soundness and the fact that its cooperative shareholders own its share capital enable it to continue to work hand-in-hand with its customers and contribute to the economic and social dynamism of the regions in which it operates.

This involves relying on a renovated and denser network of branches, and working closely with local economic agents.

Financing decisions are made locally and the savings collected in a given region are used to finance projects in that same region. However, a Credit Committee is held to handle the most important files.



OUR LINES OF STRENGTH

BRED Banque Populaire is a group...

With a winning spirit

That is people-oriented

That is committed

That enables

That protects

That simplifies

Proud and strong from its many faces

With a positive impact

With a local strategy

OUR VALUE CREATION

A responsible employer

- 92/100 professional equality between women and men
- 846 permanent hires (France + international)
- 35% of senior managers are women
- 46 hours of training on average per employee
- 8% of payroll allocated to training

An essential player in the sustainable financing of its regions

- A major player in the refinancing of the public social sector
- Historical and important partner in the payment of French peoples' pensions (1 in 2 pensions)
- Innovative financing solutions for local authorities and institutions, particularly for the environmental transition
- Financing of the energy renovation of social housing

A group mobilized to decarbonize the economy by making impact accessible to all

- Financing of large-scale sustainable mobility projects and infrastructures
- Financing of renewable energies and energy transition solutions, particularly in French Overseas Departments and Collectivities and internationally
- Asset manager and insurer member of Net-Zero
- An investment policy reaffirmed in GCI's ESG funds: +14 % in 2024

A group that is transforming to reduce its own footprint on three pillars

- Responsible buildings through the energy efficiency of its head offices and branches
- Responsible digital technology with the extension of the lifespan and optimization of the IT infrastructure
- Sustainable mobility thanks to the electrification of the vehicle fleet and the promotion of sustainable initiatives

A group that contributes to society and the environment

- 218 cooperative and societal actions valued at more than €17m of which 46% allocated to societal commitment
- Humanitarian support actions in operating regions, particularly during crises (Mayotte, Vanuatu, etc.)
- Recognized banking player for protected persons and social inclusion

Resources and method used to collect, develop and obtain these resources**Resources and revenues**

BRED Banque Populaire's resources are broken down into the following main sources of capital:

- the human capital, made up of the Group's thousands of ambassadors, i.e., the 200,000 cooperative shareholders and 6,941 ⁽¹⁾ employees;
- intangible capital, consisting of BRED Banque Populaire's brands and expertise: Prépar, Promepar Asset Management, BRED Cofilease, etc. (see Section BP I - General basis for preparing the sustainability statements for more details);
- local presence, which allows a strong presence in France and abroad supported by local partnerships;
- financial capital, which guarantees BRED Banque Populaire a financial solidity, with a high level of equity, significant liquidity reserves, a majority of the income recorded in reserves, a guarantee and solidarity system between Groupe BPCE institutions;
- monetary deposits collected from customers.

Business model

BRED Banque Populaire's cooperative banking model, which places customers at the heart of its governance, ensures it has a long-term vision of banking relationships, in-depth knowledge of regional issues and a close relationship with its customers in each of its territories, across mainland France and the French overseas departments and regions.

BRED Banque Populaire operates in all banking and insurance business lines. It is from its service offerings - provided by employees, subsidiaries and business lines (see 40.I.a.) - that BRED Banque Populaire derives its revenues: in 2024, it generated NBI of €1.5 billion. In more detail, BRED Banque Populaire's value proposition is as follows:

- Commercial Banking in France and Private Banking: 47% of NBI;
- International banking: 14% of NBI;
- Corporate and Investment Banking: 27% of NBI;
- Consolidated Management of Investments: 12% of NBI.

In addition, BRED Banque Populaire creates value for its employees, for society and for the environment. It is committed to:

- **human rights, trade union rights and social dialogue:** Through Groupe BPCE, BRED Banque Populaire adheres to the Global Compact, which is a set of practices aimed at respecting human and trade union rights. This means that BRED Banque Populaire is committed to promoting compliance with a certain number of principles and standards that form the foundation of its activities, such as the United Nations Sustainable Development Goals (SDGs) and the standards defined by the International Labour Organization (ILO). In addition, BRED Banque Populaire's employee

representative bodies consist of a central social and economic committee (CSE), four local social and economic committees and four CSSCTs (health, safety and working conditions committees). In 2024, the central CSE met eight times: twice for ordinary meetings and six times for extraordinary meetings. The special meetings of the central social and economic committee focused on the reorganization of the network with expertise, the unilateral decision to work remotely, the 2024 QLWC information with the Banque Populaire branch agreement, the modification of paid leave periods, etc. The CSSCT for Metropolitan France met five times. Seventeen CSE meetings were held in Metropolitan France instead of the nine provided for in the agreement in order to maintain dialogue with the staff representatives and talk about the latest developments and organizational topics for BRED Banque Populaire;

- **gender equality and equal opportunities:** based on the five indicators relating to equal pay for men and women, the BRED Banque Populaire gender equality index at 1 March 2024 is 92 points out of 100. BRED Banque Populaire is also committed to the integration and retention in employment of people with disabilities through an agreement signed which has strengthened the policy undertaken;
- **quality of life at work, health and safety:** BRED Banque Populaire's policy goes beyond risk prevention since it is committed through an agreement on Quality of Life and Working Conditions (QLWC) signed in 2022 to address issues related to the development of a participatory management method, compliance with the teleworking agreement and the right to disconnect. Support for sports and cultural activities is also provided by BRED Banque Populaire through the payment of a subsidy to those four Social and Economic Committees, corresponding to 2.23% of payroll.

Results achieved: actual and expected benefits for customers, investors and other stakeholders

BRED Banque Populaire, through its business lines, has offers for different types of customers. Past, current and projected revenues are analyzed and defined as part of the budget process.

Value creation is described in Section I.I.I.2.I.

Value chain

Banks are intermediaries between depositors (who lend them money) and borrowers (to whom they lend money). The primary function of a bank is to collect funds from its customers or the market and lend them to those who need them. In this sense, its value chain cannot be interpreted in terms of upstream and/or downstream aspects.

A value chain encompasses all activities, resources and relationships related to the business model of the company and the external environment in which it operates to create its products or services, from design to delivery, consumption and end of life.

(1) Excluding the BRED Madagascar Banque Populaire own workers, in accordance with the sustainability scope of this report (see Part I. General information).

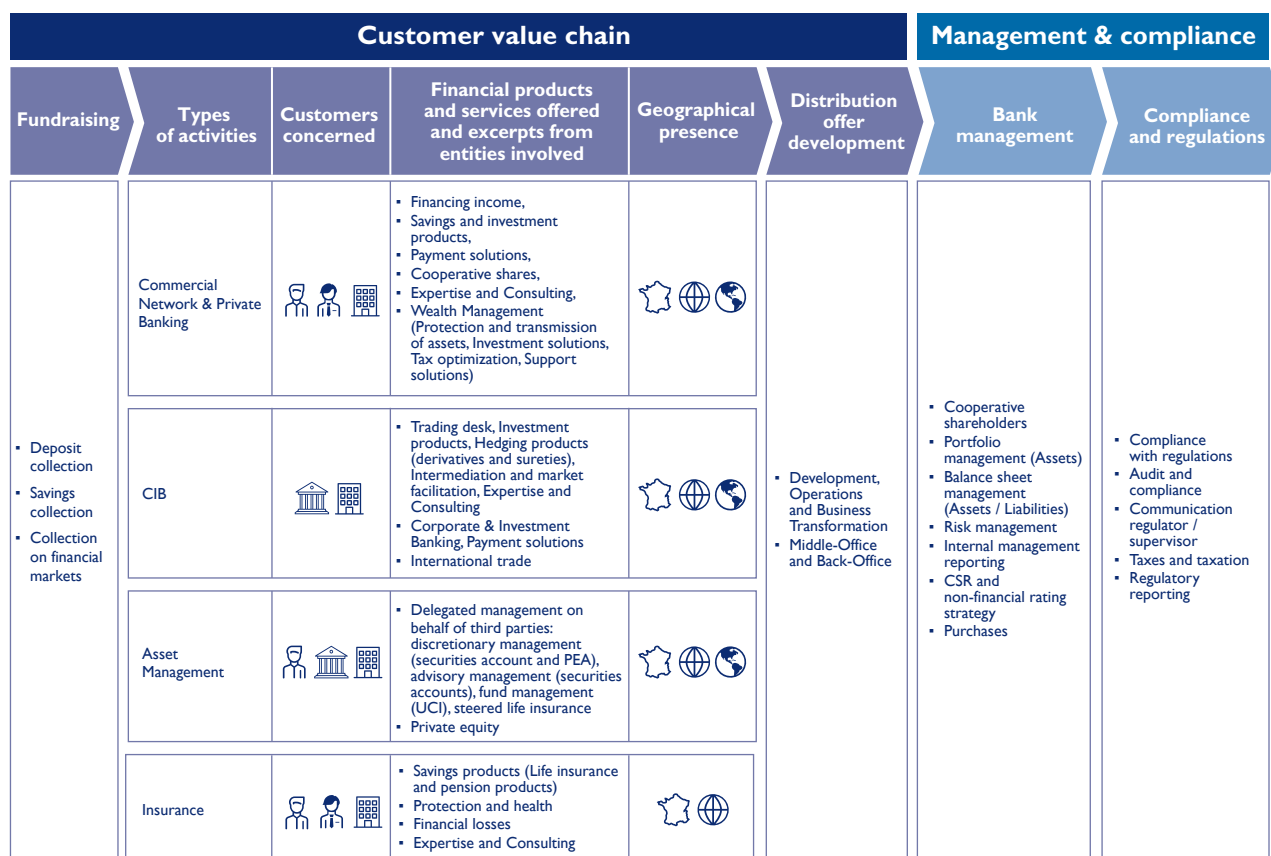
Relevant activities, resources and relationships include the company's own activities, those related to supply, marketing and distribution channels and the financial, geographic, geopolitical and regulatory environments in which the company operates.

The downstream value chain includes customers who benefit from BRED Banque Populaire's products or services, especially loans.

The upstream value chain includes suppliers ⁽¹⁾, products or services (e.g., IT service providers, cash transport and security providers, banking software).

Own operations concern resources (e.g., employees, IT, premises, etc.).

The BRED Banque Populaire value chain ⁽²⁾ was used as a basis for the identification of impacts, risks and opportunities (IRO) as part of the double materiality analysis.



Transversal functions that support the activities
- Human resources - IT (equipment, network and data centers) - Premises and buildings and own purchases (Energy and similar, Intellectual services, Licenses) - Corporate Secretary's Office

Type of clientele: Individual customers Small businesses (Liberal professions) Corporate customers Institutions

Geographical presence: Metropolitan France Overseas France International

7.1.3.4 SBM 2 - Interests and views of stakeholders

Taking into account its stakeholders is an essential exercise to better identify and assess its sustainability impacts. BRED Banque Populaire is committed to maintaining an ongoing dialogue with its counterparties. The stakeholder consultation

process within BRED Banque Populaire is based on a large number of systems whose purpose is to co-construct and involve our stakeholders in our process of identifying and assessing impacts, risks and opportunities, as well as levers for improving our impact on both environmental and societal issues.

(1) Suppliers are comprised of two categories i) standard suppliers, ii) critical suppliers.

(2) The diagram shows the customer value chain transactions in green, the administrative transactions in purple and the sovereign functions that make up the bank's own operations.

BRED Banque Populaire's cooperative model places dialogue with stakeholders at the heart of its actions. BRED Banque Populaire's local presence enables it to listen to everyone and understand society's expectations, by promoting local ecosystems and dialogue with its stakeholders.

Adapting to the needs of customers is one of the requirements of the banking business in a competitive environment. In this respect, BRED Banque Populaire has chosen to maintain its network of branches. BRED Banque Populaire incorporates the point of view of its stakeholders into its strategy. As a cooperative bank, it maintains a permanent and constructive dialogue with its customers, cooperative shareholders, employees, suppliers, local authorities and players in the social and solidarity economy. This continuous interaction makes it possible to adapt its actions and policies according to the expectations and needs expressed by these stakeholders.

In addition, BRED Banque Populaire's strategic plan aims to

strengthen its network of branches by optimizing their geographical distribution to better meet the needs of its local customers and strengthen its presence in the region.

Stakeholder consultations and the associated barometers are reviewed by the Executive Committee.

By holding the company's capital through cooperative shares, customers become cooperative shareholders and actively participate in the life, strategic and sustainable development of their bank. The members of the Board represent the cooperative shareholders, the regions and civil society within the governance of their bank.

Stakeholder expectations are also identified and taken into account through regular relations with the executives of the Fédération Nationale des Banques Populaires, employee representative bodies and NGOs. Lastly, discussions with regulators and supervisory authorities are all ways of identifying changes in stakeholder expectations.

Summary of dialogue with stakeholders

Stakeholders	Methods and objectives of dialogue
 Board members (cooperative shareholders)	• Participation in Board of Directors meetings • Participation in specialized committees • Focus groups • Training programs and seminars • Dedicated directors website Objective: Represent the interests of cooperative shareholders in governance and participate in the definition of strategic guidelines
 Employees	• Social survey (internal survey measuring the social climate in the Group's companies) and business line satisfaction survey • Annual interviews • Training • Internal communication • Employee whistleblowing rights • Consultation of employee representatives and representative trade unions Objective: Improve quality of life at work, health and safety at work, retain employees and involve employee representatives in major strategic issues
 Customers	• Interviews • Customer events • NPS satisfaction surveys • Institutional and commercial partnerships • Voting policies Objective: Define offers and support customers, improve customer satisfaction, monitor compliance and ethics rules in commercial policies, procedures and sales process
 Business partners	• "Supplier voices" survey • Responsible purchasing policy • Listening system and satisfaction surveys • Supplier whistleblowing rights Objective: Implement vigilance measures, identify progress plans to better understand the expectations of suppliers, improve the level of satisfaction and the relationship.

Analysis of stakeholder interests and views as part of the materiality assessment process

As part of the materiality assessment, the stakeholder consultation process is based on the use of the various existing systems described above, supplemented by dedicated systems whose purpose is to:

- contribute to the communication and dissemination of our CSR strategy, beyond the double materiality exercise,
- co-construct and involve stakeholders in BRED Banque Populaire's strategy and in its work to identify and assess impacts, risks and opportunities.

The specific systems and procedures for using questionnaires and stakeholder consultations as part of the materiality assessment are described in detail in the paragraph entitled "Use of questionnaires and stakeholder consultations" in Section IRO-I.

7.1.3.5 SBM 3 - Material impacts, risks and opportunities and their interaction with the strategy and business model

The material impacts, risks and opportunities (IRO) identified using the double materiality analysis are listed in Section IRO-I. This description makes it possible to identify where, in its business model, its own activities or its value chain these material IROs are concentrated.

In summary, the material IROs identified relate to the following topics:

- Climate change (EI): "Climate change mitigation and adaptation" in the context of financing, investment and insurance activities, all of these business lines were asked to contribute as part of the double materiality analysis and "climate change adaptation" of its own activities (in particular Premises and Real Estate, IT, Purchasing, Mobility);
- Social (SI): the IROs concern the employees of BRED Banque Populaire and cover the following three themes: "Attractiveness, employee loyalty and commitment", "Working conditions", "Equal treatment and opportunities";

- Value chain workers (S2): the IROs concern "Working conditions and other work-related rights" and cover all contractual relationships with third parties providing services or benefits;
- Affected communities (S3): the IROs identified cover the topic of "Communities' economic, social and cultural rights" through financing granted to the economy and to the various players in the regions and philanthropic commitments and solidarity and sponsorship actions;
- Customers and end-users (S4): the IROs concern the Group's customers and are organized around the topics "Consumer and end-user information" and "Financial inclusion and accessibility of the offer";
- Governance (GI): the IROs relating to the topic "Ethics and corporate culture" concern employees (own operations), customers and "Supplier relationship management", linked to the upstream value chain.

The business model, value chain and integration of sustainability issues into BRED Banque Populaire's strategy are detailed in Section SBM I.

The interactions between these material impacts, risks and opportunities, BRED Banque Populaire's business model and strategy, embodied by its strategic plan, as well as the way in which positive or negative material impacts affect the population (customers, regional players or employees) or the environment are presented within each ESRS topic.

The expected financial effects of material risks and opportunities related to climate change on the company's assets, financial position, financial performance and cash flows are not published for the 2024 fiscal year. With respect to climate risks, BRED Banque Populaire contributes to Groupe BCPE's analysis of the resilience of its business model across its three activities (financing, insurance, asset management) through climate stress tests as part of the self-assessment process of its capital (ICAAP) and liquidity (ILAAP) adequacy with regard to the risks it may face.

7.1.4 Impact, Risk and Opportunity (IRO) management

7.1.4.1 Disclosure of materiality assessment procedure

7.1.4.1.1 IRO I - Description of the processes to identify and assess material impacts, risks and opportunities

Definition of double materiality

The double materiality exercise is the starting point for the preparation of the sustainability report.

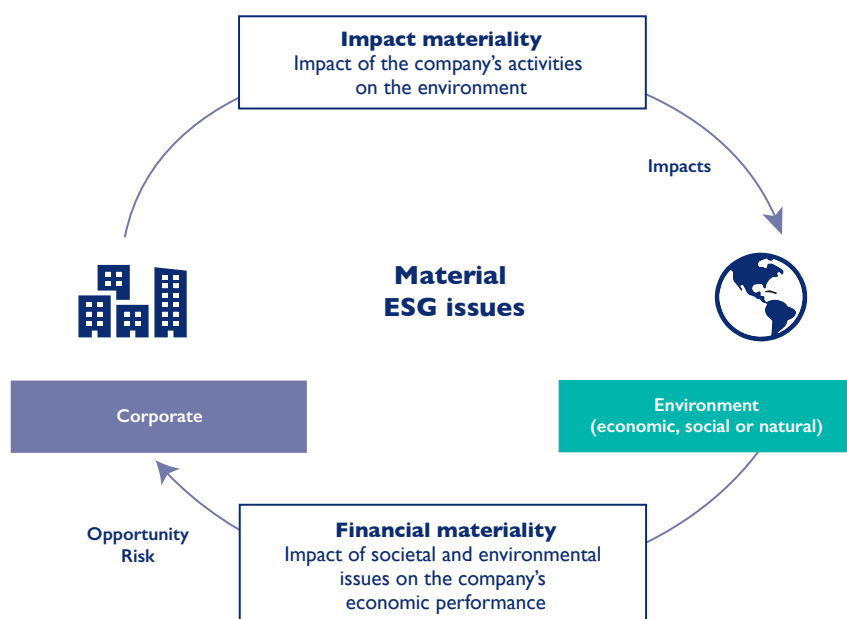
Double materiality has two dimensions: i) materiality from an impact point of view and ii) materiality from a financial point of view.

Impact materiality

Materiality from an impact point of view relates to the material impacts, positive or negative, actual or potential, of BRED Banque Populaire on its environment (economic, social and natural) in the short, medium or long term. These impacts are linked to BRED Banque Populaire's own activities and its value chain, in particular through its products and services, as well as through its business relationships.

Financial materiality

Materiality from a financial point of view corresponds to the risks or opportunities that have (or may have) material financial effects on the development of BRED Banque Populaire. These may be short-, medium- or long-term effects on cash flows, financial position or financial performance. This is the view of the impact of external factors on BRED Banque Populaire. In the context of the double materiality analysis, risks and opportunities generally result from a positive or negative impact, or from BRED Banque Populaire's dependence on resources and people.



The CSRD introduces the concept of double materiality, which aims to take into account both:

- **Impact materiality:** assesses the impact of the company's activities on people or the environment in the value chain and through business relationships;
- **Financial materiality:** assesses the financial impact of risks and/or related opportunities that have or may have an impact on the company's financial position, cost of capital, financial performance, etc.

An issue will be considered material, and should be addressed in the sustainability report, if it is material from an impact or financial point of view (or both). It is important to underline that the term "issue", in this methodological note, refers to an impact, risk or opportunity. These material issues will form the basis of the content of the sustainability report and determine the information to be presented for each ERS.

Methodology for identifying and rating impacts, risks and opportunities

From an operational standpoint, the double materiality exercise is carried out in two stages:

- identification of impacts, risks and opportunities relevant to BRED Banque Populaire's activity;
- assessment (rating) of the materiality of these impacts, risks and opportunities.

As a Groupe BPCE entity and for the purposes of overall consistency, BRED Banque Populaire has deployed Groupe BPCE's IRO identification and rating methodology.

Process for identifying impacts, risks and opportunities

The identification of IROs is the initial step to define the scope of activities for which BRED Banque Populaire must publish information in its sustainability report. At the end of this step, a list of IROs relevant to the activities throughout the value chain must be determined for their rating.

Methodology for identifying impacts, risks and opportunities

BRED Banque Populaire participates in the methodology rolled out at Groupe BPCE level. The identification and rating of IROs is therefore carried out in accordance with Groupe BPCE principles.

Nevertheless, BRED Banque Populaire has adapted the methodological approach for this exercise to take into account the specificities associated with the range of its activities (retail banking, corporate banking, asset management, insurance, international activities) and its presence in certain geographical areas. The definition and rating of each IRO were reviewed by BRED Banque Populaire. The consistency of the double materiality analysis was guaranteed through workshops between BRED Banque Populaire and its business lines or entities.

This consistency review is essential to ensure the relevance of the data collected to prepare the BRED Banque Populaire sustainability report and ensure its contribution to the Groupe BPCE report.

Deployment of the IRO identification methodology

The identification of IROs is carried out in two stages, with the identification of:

- Topics and sub-topics associated with ESRS: Identification of themes and sub-themes is carried out using **internal sources**, such as the ESG issues identified in the BRED Banque Populaire's 2022 and 2023 DPEF reports, due diligence implemented by Groupe BPCE as part of the vigilance plan, existing risk mapping and risk mapping conducted during the double materiality analysis of certain institutions in 2022 based on internationally recognized sources such as the Global Reporting Initiative (GRI) and the International Organization for Standardization (ISO), supplemented by external sources, such as the analysis of a sector benchmark, with a focus on the most relevant issues for banking players. Following this identification of an initial list of topics and sub-topics, additional work was carried out to align with CSRD requirements. This alignment was carried out in two stages through workshops involving in-house business line experts to (i) validate, reformulate, delete or add topics or sub-topics to **validate the list of them according to experts**, and (ii) **reconcile** ESG issues with **ESRS themes** for the E, S and G components (AR 16 of ESRS I).
- **Impacts, Risks and Opportunities (IRO)**: Once the topics and sub-topics have been identified in line with ESRS, work is carried out to identify the IROs within each of them. For each theme, at least one **positive or negative impact** and one **risk or opportunity** are formulated in order to cover both **impact materiality** and **financial materiality**. Several internal and external sources are used to identify IROs.

During the IRO identification phase, the consistency between the impacts identified by sub (-sub) topic and the risks and/or opportunities arising from them, as well as the consistency between the dependencies that BRED Banque Populaire may have on its employees, suppliers, etc., and the risks that may be generated were confirmed.

For each IRO identified, a prequalification was carried out for their rating. This prequalification consisted of:

- a) Positioning IROs at all levels of the BRED Banque Populaire value chain
- b) Defining the potential or actual nature of the negative and positive impacts.

Consideration of the value chain in the identification of BRED Banque Populaire's IROs

The activities of BRED Banque Populaire and its entire value chain are taken into account in the double materiality analysis. To achieve this, this value chain was studied to ensure adequate coverage of the double materiality analysis. In view of the specific nature of BRED Banque Populaire's business sector, these guidelines have been adopted:

- a) Map its activities and the players in the value chain to identify if and which players are in risk areas;
- b) Do not carry out an analysis on each player in the value chain, but on major families of players: customers, suppliers, subcontractors, etc.
- c) Do not limit yourself to first-level and direct business relationships: this issue in particular arose during workshops in which the business lines consider, in addition to the major families of players in the direct value chain, the entire environment that surrounds them, in particular through sectoral analyses.

Organization in terms of identifying impacts, risks and opportunities

Within BRED Banque Populaire, the identification of IROs is coordinated by and under the responsibility of the CSR department. It is supported operationally by the bank's other teams.

Process for rating impacts, risks and opportunities

The rating (assessment) of IROs serves to retain from the list defined in the first step of identifying impacts, risks and opportunities only the ones that are assessed as material from an impact or financial point of view, and which must be published in the BRED Banque Populaire sustainability report.

Methodology for rating impacts, risks and opportunities

Description of the rating criteria

ESRS imposes the criteria that must be considered in the measurement of materiality of IROs. These criteria may be different depending on whether one is dealing with an impact (negative or positive), a risk or an opportunity.

- I. The negative impacts are rated according to two dimensions:
 - a) Probability;
 - b) Severity composed of:
 - i) Magnitude: the severity of the negative impact on people or the environment;
 - ii) Extent: how widespread the negative impacts are. In the case of an environmental impact, the extent may refer to the extent of the damage caused to the environment or a geographical area. In the case of impacts on its environment, the extent may refer to the number of people affected by the impact;
 - iii) Irremediable nature: assessing whether and to what extent the negative impacts can be repaired.

Significant: In the event of a potential negative impact on human rights, the severity of the impact outweighs its probability.

2. The positive impacts are rated according to three dimensions:

- Probability;
- Magnitude: the beneficial effect of the impact on people or the environment;
- Extent: how widespread the positive impacts are.

3. The risks and opportunities are rated according to two dimensions:

- Probability of occurrence: probability of the risk or opportunity occurring;
- Magnitude of the financial impact: measurement of the potential financial effects.

All IROs were rated gross, i.e., without taking into consideration the current and future action plans implemented by BRED Banque Populaire to prevent, mitigate or remedy them.

Rating scales

Rating scales are not prescribed by the ESRS. They have been defined by Groupe BPCE. The Risk division of BRED Banque Populaire has adapted the financial magnitude scales by referring to the financial impact scale as determined as part of the operational risk mapping.

Each rating criterion was assessed on a scale from 1 to 4.

IRO	Criteria	Rating and associated score / 4			
Negative impact	 Magnitude Significance of the severity of the negative impact on people or the environment	4 Very strong	3 Strong	2 Significant	1 No or very little impact
	 Extent Extent of negative impacts	Global/total	Wide	Moderate	Limited
	 Irremediable nature Whether and to what extent the negative impacts can be remedied	Non-remediable	Very difficult to correct in long-term	Relatively easy to correct	Very easy to correct
	 Probability (potential impact)	Nearly certain	Probable	Possible	Rare/Unlikely
Positive impact	 Magnitude Significance of the beneficial effect on people or the environment	Very strong	Strong	Significant	No or very little impact
	 Extent Extent of positive impacts	Global/total	Wide	Moderate	Limited
	 Probability (potential impact)	Nearly certain	Probable	Possible	Rare/Unlikely
RO	 Magnitude Potential financial effects	High	Strong	Significant	No or very little impact
	 Probability (potential impact)	Nearly certain	Probable	Possible	Rare/Unlikely

(1)

(1) The rating scales used to assess the criteria (e.g. magnitude, extent, probability, irremediable nature) are at four levels, the materiality score which is always the product of a probability and the maximum of the other criteria may vary from 1 to 16, which represents the **final score**. To bring the final impact score down to the same level of the criteria rating scale, i.e. 4, the final impact score is then divided by 4. It is then called the **final rating**. **Materiality levels**, which group together different final rating levels, were then defined.

Score and final rating of impacts, risks and opportunities

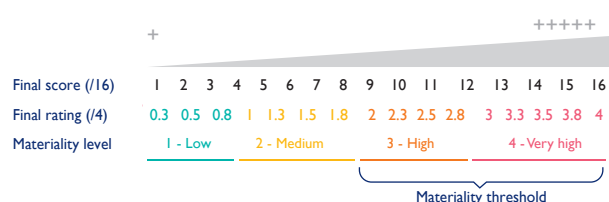
Each impact, risk and opportunity was rated, based on the criteria and scales described above.

In addition, BRED Banque Populaire's risk appetite framework defines the types and levels of risks that the bank is prepared to assume, in line with its strategy and objectives. This framework does not aim to prioritize certain risks to the detriment of others, but rather to manage them in a varied manner according to their nature and impact.

Determination of the materiality threshold

Materiality threshold means the score or rating from which the impacts, risks and opportunities are material from the high or very high level as presented below.

BRED Banque Populaire's materiality threshold is defined by the CSRD Project Steering Committee.



As part of the harmonization of the rating scales defined for the criteria, a rating scale (level) has also been defined for the rating level of impacts, risks and opportunities. This scale consists of four levels:

1. Low;
2. Moderate;
3. High;
4. Very high.

An impact, risk or opportunity is material when the rating level is greater than or equal to 3, corresponding to a high or very high level.

Organization in terms of rating impacts, risks and opportunities

Role of the responsible departments

The BRED Banque Populaire project management team works closely with Groupe BPCE's Impact department to coordinate work and decide on project decisions.

The Groupe BCPE Impact department is responsible for establishing the methodology for rating impacts, risks and opportunities on behalf of Groupe BCPE. It is also tasked with coordinating and supervising the IRO rating work on behalf of the Group.

Operating procedure for rating IROs

The BRED Banque Populaire project management team used the methodological approach proposed by the Groupe BPCE Impact department to roll out the IRO rating.

Workshops were held with the institutions (CEs and BPs, of which BRED Banque Populaire is a part) as well as with GFS

and BPCE Assurances to discuss structuring options for the rating of IROs and to co-construct a common approach.

As a result, a Group operating procedure was prepared and shared with the representatives of the institutions (BPs, CEs and BPCE) as well as with the subsidiaries. BRED Banque Populaire then adopted this operating method and integrated it into its own IRO rating process.

Pre-rating of IROs and coordination of validation workshops

During the IRO review workshops, BRED Banque Populaire assessed the pre-rating of IROs proposed by the Impact department on the Groupe BPCE side with its various departments. This was done for all environmental, social and governance impacts as well as for all opportunities. Compliance, environmental and operational risks were rated directly by the business lines concerned, capitalizing on existing risk mapping.

This approach enabled BRED Banque Populaire to reflect its specificities linked to its business model and its international exposure.

Role of the functional departments

The functional departments of BRED Banque Populaire were queried as part of the IRO rating in order to cover the entire value chain.

Each department is responsible for rating the impacts, risks and opportunities related to the activities or topics for which they are responsible, and for validating or modifying the pre-rating proposed by the Impact department (Groupe BPCE side) and reviewed by the CSR department and the project team (BRED Banque Populaire side). The Functional department is also responsible for reviewing the relevance of the IROs identified as well as the families of sub-topics and sub-sub-topics defined, in connection with the ones identified in the ESRS.

Rating of Environmental Impacts via financing and investments

BRED Banque Populaire's corporate and investment banking, sales network and asset management experts reviewed the pre-ratings of the environmental impacts through the financing and investments offered by Groupe BPCE. These pre-ratings followed the methodology described below.

The rating of the environmental impacts in connection with financing and investments was carried out, according to experts on the Groupe BPCE side, by the Impact department, Retail Banking, BPCE Assurances and GFS based on a sectoral analysis of Groupe BPCE's exposures carried out by the Group Risk division as part of the assessment of the magnitude. This analysis focuses on the impact of 26 business sectors on various environmental issues (mitigation and adaptation to climate change, pollution, biodiversity, aquatic and marine resources and the circular economy). Three colors can be assigned to each business sector depending on the criticality of its impact on each environmental issue:

1. Red: the impact is considered "strong";
2. Orange: the impact is considered "moderate";
3. Green: the impact is considered "low".

This information is used to score the “Magnitude” criterion of the negative impacts identified by Groupe BPCE. The magnitude is considered:

1. No or very little impact: when exposure to “high” sectors is between 0% and 15%;
2. Significant: when exposure to “high” sectors is between 15% and 50%;
3. High: when exposure to “high” sectors is between 50% and 75%;
4. Very high: when the exposure to “high” sectors exceeds 75%.

This rating was subject to additional expert analyses on Groupe BPCE in order to streamline this quantitative analysis and to cover all of Groupe BPCE’s exposures. This expert analysis is carried out to:

- a) Take into account the scope of other business sectors not included in the 26 business sectors analyzed by the Groupe BPCE Risk division;
- b) Take into account exposures not included in the exposures obtained by the Groupe BPCE Risk division. These are mainly exposures to individual customers, the public sector and exposures to financial institutions.

The other criteria (scope, irremediable nature and probability) were assessed on an expert basis taking into account the rating scales defined for all impacts.

Rating of environmental risks via financing and investments

Environmental risks are the risks assumed at Groupe BPCE level. The rating of these risks was carried out by the Groupe BPCE’s Climate Risk division on the basis of the mapping of climate risks and other environmental issues and is based on the work carried out with various validation teams within Groupe BPCE (in particular the credit risk, distribution risk, country risk, financial risk, market risk, legal risk and compliance teams). These risks are assessed on a gross basis, i.e., before any risk management system.

To carry out this rating, Groupe BPCE’s Risk division relied on the procedures already in place for the annual assessment of the materiality of climate and environmental risks. The Group relied on existing climate and environmental risk mapping.

However, these ratings, as part of the double materiality analysis process, were reviewed by the participants of the rating workshops at BRED Banque Populaire.

The climate and environmental risks thus identified are categorized into physical or transition risks, then associated with more traditional banking and insurance risks (listed in a Group risk taxonomy), on the basis of scenario analyses and

available international external quantifications (NGFS, IEA, IPCC). Following this combination of “climate and environmental risks” with “Group risks”, BPCE assesses the time horizons, probabilities of occurrence and magnitudes based in particular on its Risk Appetite Framework, to ensure consistency between the ratings of the different materiality matrices.

To date, the environmental risk materiality matrix offers an overall rating of the environmental issues related to biodiversity, water, pollution and the circular economy. The rating for risks relating to these other environmental themes has not been differentiated. In addition, each risk was assigned a score based on the criteria: probability of occurrence and magnitude of financial impacts, using the same rating scales as the other IROs, through a cross-reference table prepared by Groupe BPCE Risk division.

A consistency check was carried out to validate the levels of materiality between the assessment under the CSRD and the one done as part of the internal management of ESG risks.

Process for validating the ratings of impacts, risks and opportunities

Within BRED Banque Populaire, the validation of IROs is carried out through workshops that bring together:

- the departments involved in project management: CSR, Strategy and Transformation, Finance, Risk;
- the operational departments in charge of IROs identified in their link in the value chain, as business line experts.

The purpose of the workshops was to (i) validate, collectively, through the various representatives, the relevance and rating of Groupe BPCE’s IROs or to amend them, if necessary, and (ii) add specific IROs for BRED Banque Populaire.

All risks shared with the Group risk appetite framework were rated with the Group Risk division. The materiality threshold is consistent with BRED Banque Populaire’s risk appetite materiality threshold (gauge of 3-4).

The IROs were validated by the project team and assessed by all participants, including members of the Executive Committee.

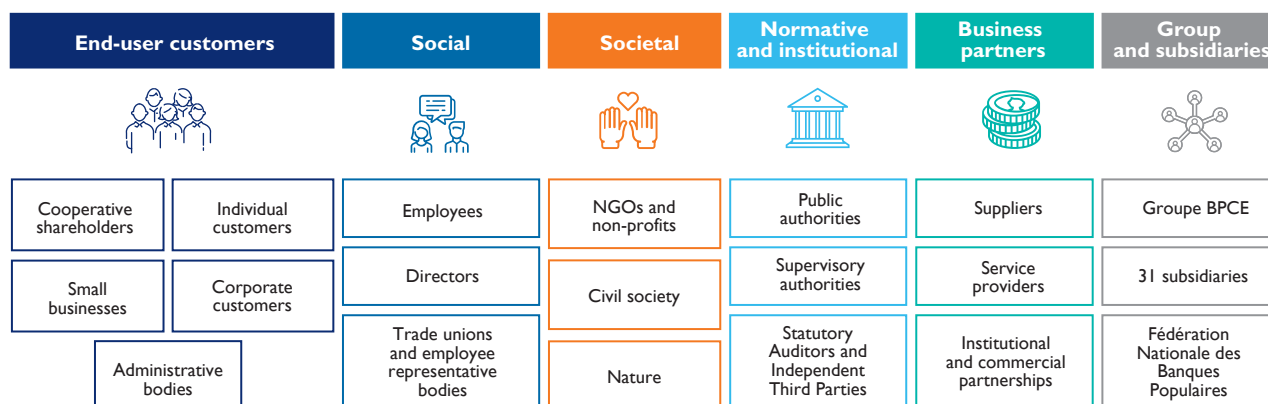
Stakeholder consultation process

Although consultation of stakeholders is not mandatory as part of the double materiality exercise, BRED Banque Populaire considered it important to consult them because they:

- play a central role in terms of relevant information to be published in terms of sustainability, drawing on their varied expertise;
- will make it possible to jointly build a solid impact strategy with Groupe BPCE.

Stakeholders consulted and channels used

The categories of stakeholders identified by BRED Banque Populaire are as follows:



The stakeholder consultation process within BRED Banque Populaire is based on the use of the various existing mechanisms, which were taken into account to assess the IROs.

Customers

As part of the recurring consultation of its customers, via the BRED Banque Populaire customer satisfaction measurement system (NPS - Net Promoter Score), an additional question was added in connection with the double materiality exercise that covered individual, professional and corporate customer markets. The new question in the survey concerns the advice and solutions offered by BRED Banque Populaire relating to energy renovation. The questionnaire was rolled out in June-July for the corporate market and in July-August for the individual and professional market.

Social

Directors

BRED Banque Populaire consulted the members of the Board of Directors via a questionnaire. This covers the three themes of sustainability: environment, social and governance. It includes nine questions addressing the sustainability issues identified as major for BRED Banque Populaire: financing of the economy and regional players, the cooperative dimension, philanthropic commitment and sponsorship actions, the fight against climate change, protection of water resources, financial inclusion and accessibility of the offer, compliance with laws and business ethics and protection of customer personal data.

Employees

BRED Banque Populaire employees regularly answer the Diapason survey. As part of the double materiality exercise, BRED Banque Populaire took into account the results of this questionnaire as part of the rating of impacts, particularly with regard to the magnitude criterion.

Employee representative bodies elected by employees

The BRED Banque Populaire CSEs are the subject of regular and ongoing consultations as part of discussions in line with BRED Banque Populaire's strategy: employment policies and financial and economic policy. With regard to governance issues, BRED Banque Populaire consults bodies about its strategy. These interactions may cover topics related to social dialogue and sustainability.

In addition, the environmental issue is also covered during certain consultations with the CSE (e.g., action following the new regulations: sending of diagnostics on environmental issues as part of a project to transfer agencies).

Business partners

A "BPCE Purchasing supplier voice" questionnaire was sent by the Purchasing department to Groupe BPCE's suppliers as part of the process of helping BPCE improve its services and in a constant effort to improve supplier satisfaction. As part of the double materiality exercise, the result relating to payment terms, which is included in the identified impacts of Groupe BPCE, is used.

Use of questionnaires and stakeholder consultations

All the questionnaires deployed are analyzed and processed as part of the double materiality exercise following this two-step process:

1. step 1: Use of existing questionnaires during the pre-rating and rating of IROs by the rating managers: The IRO validation workshops include the use of the Diapason survey, making it possible to assess the "magnitude" criterion;
2. step 2: Use and processing of new questionnaires and consultations held, such as the directors' questionnaire, NPS supplement, etc. A new version of the IRO rating was established, taking into account this feedback. A validation workshop makes it possible to highlight the changes that have occurred and to stabilize the final version of the BRED Banque Populaire list of IROs.

Consolidation process

The process for identifying and rating BRED Banque Populaire's IROs was carried out in two stages:

1. BRED Banque Populaire appropriated Groupe BPCE's IROs;
2. IROs identified across Groupe BPCE ⁽¹⁾ were then adapted to reflect the specific characteristics of BRED Banque Populaire's activities.

Review process

In accordance with the CSRD transposed into French law, the sustainability report is prepared annually. As a result, and as specified by EFRAG in its guidance on double materiality, BRED Banque Populaire must determine the list of material IROs every year. However, if BRED Banque Populaire concludes, on the basis of audit evidence, that the results of the double materiality exercise for the previous exercise are still relevant at the reporting date, it may use the conclusions obtained

previously for the preparation of the sustainability report. This may be true when they believe that there has been no significant change in its organizational and operational structure and that there has been no significant change in the external factors that could generate new IROs or modify the existing IROs or that could have an impact on their relevance.

In addition, every year BRED Banque Populaire will be required to verify the following items and facts (non-exhaustive list), which may trigger a revision of the list of material IROs:

- a major merger-acquisition transaction leading to a new activity, an entry into a new sector or a significant change in operations;
- a global event, such as a pandemic, a natural disaster;
- a change in BRED Banque Populaire's business model;
- a change in social conventions, scientific evidence or user needs that could affect the severity criteria.

Presentation of the results of the double materiality analysis**Number of relevant and material IROs**

The final list contains 106 relevant IROs and 53 material IROs.

	Standards	Number of relevant IROs	Number of material IROs
Environment		45	8
	ESRS E1 – Climate change	16	8
	ESRS E2 – Pollution	7	0
	ESRS E3 – Water and marine resources	7	0
	ESRS E4 – Biodiversity	7	0
	ESRS E5 – Circular economy	8	0
Social		44	33
	ESRS S1 – Own workers	19	13
	ESRS S2 – Value-chain workers	5	4
	ESRS S3 – Affected communities	8	5
	ESRS S4 – Customers and end-users	12	11
Governance		17	12
	ESRS G1 – Business conduct	17	12

The issues and IROs associated with the themes of pollution (ESRS E2), water and marine resources (ESRS E3), biodiversity (ESRS E4) and the circular economy (ESRS E5) were assessed as non-material by all participants in the double materiality analysis process.

This has also been rationalized by the fact that the probability that BRED Banque Populaire, through its financing and investment transactions, will have a negative impact on these themes cannot be reliably and precisely assessed. The

availability of data to be used on these themes remains very limited to assess the negative impact of BRED Banque Populaire via its investment or financing operations.

To date, the companies financed or in which BRED Banque Populaire invests do not provide sufficient information on this subject, which makes it difficult to determine the contribution of BRED Banque Populaire. Nevertheless, as the double materiality analysis is carried out on an annual basis, the materiality of these themes will be reviewed next year.

(1) Including IROs identified for insurance and asset management activities.

List of material IROs

Environment

Climate change (ESRS E1)

Sub-theme	Sub-sub-theme	Type of IRO	Own activity / Value chain	IRO definition
Climate change mitigation and adaptation	Climate change mitigation - operating footprint	Negative impact	Own operations	Negative impacts on the environment due to Banque Populaire BRED's lack of actions to reduce its greenhouse gas (GHG) emissions
	Climate change mitigation and adaptation - financing and investments	Negative impact	Value chain	Negative impact on the environment via the greenhouse gas (GHG) emissions of the investment/financing portfolio (indirect emissions - Scope 3).
		Opportunity	Value chain	Supporting its customers in adapting to climate change through financing and investments by providing sustainable investment opportunities via savings products that help allocate financial resources to activities in transition
		Risk	Value chain	Risk of impairment of assets related to investments and financing exposed to physical climate risks (high-risk areas)
		Risk	Value chain	Financial risks related to financing/ investment in counterparties not making the transition
		Risk	Value chain	Reputational risk related to financing/ investment in carbon-intensive activities, leading to negative repercussions on the company's image
Energy	Energy - Financing and investments	Opportunity	Value chain	Opportunity to finance/invest in activities contributing to the development of the production of green technologies (renewable energies, wastewater treatment, etc.)
Conduct of engagement on environmental issues	Conduct of engagement on environmental issues	Positive impact	Value chain	Positive impact: drive towards best practices for portfolio companies

Social

| Own workers (ESRS S1)

Sub-theme	Sub-sub-theme	Type of IRO	Own activity / Value chain	IRO description
Attractiveness, employee loyalty and commitment	Listening to employees and strengthening their commitment	Risk	Own operations	Operational and financial risk due to employee disengagement, or even dissatisfaction
	Integration of new hires and strengthening employee loyalty	Positive impact	Own operations	Positive impact on new hires through the implementation of pathways to strengthen their integration
	Recruitment strategy and employer brand	Opportunity	Own operations	Opportunity for BRED Banque Populaire to strengthen its employer brand and its attractiveness on the job market with a multichannel (communication and prospecting on social networks, use of platforms, recruitment events in the regions, co-option, etc.) and inclusive (work-study, hiring of non-banking profiles, etc.) recruitment strategy
Working conditions	Social dialogue (freedom of association and collective bargaining)	Positive impact	Own operations	Positive impact on employee engagement and performance through sustained and constructive social dialogue with employee representatives
	Quality of life at work and risk prevention and safety at work	Risk	Own operations	Financial losses related to employee turnover, absenteeism and employee disengagement resulting from: • Recruitment and training costs for new employees, absences • Lost revenue related to the decline in productivity, sales performance and • Customer satisfaction Loss of talent
		Risk	Own operations	Financial risks for BRED Banque Populaire in the event of: • Occurrence of a workplace accident (incivility, assault, on the road or on the premises); • Financial losses and operational risks related to the deterioration of the health of employees and/or the deterioration of the quality of life at work (increase in professional risks, turnover, absenteeism, loss of productivity and induced costs, etc.)
		Positive impact	Own operations	Positive impact on employees via concrete measures to improve the quality of life at work (networks of contacts, working hours, teleworking, layout of premises, work-life balance, QLWC agreement, etc.)
	Decent pay and social protection (including against forced labor and child labor)	Positive impact	Own operations	Positive impact for employees via: • Remuneration that is transparent and understood by employees • A decent remuneration beyond the legal minimums that enables in particular adequate living conditions (basic salaries, bonuses, employee savings, etc.) and protective social coverage (provident insurance, health insurance, pension plan, etc.)
	Employee health and job retention	Positive impact	Own operations	Positive impact on the working conditions of employees via measures to adapt the performance of the job according to the employee's health (workstation and working hours) and effective management of occupational risks (workplace accidents, psychosocial risks, etc.)

Sub-theme	Sub-sub-theme	Type of IRO	Own activity / Value chain	IRO description
Equal treatment and opportunities	Skills development	Positive impact	Own operations	Positive impact on employees <i>via</i> skills development and training programs (business line, digital, CSR, regulatory, etc.)
		Positive impact	Own operations	Positive impact on employees of career support and employability development • Mobility program and accessibility bridges, etc. • Management of careers, talent pools and specific support, etc.
		Opportunity	Own operations	Opportunity for BRED Banque Populaire to promote the development of internal skills and capitalize on expertise and knowledge in order to strengthen employee commitment (increase in the retention rate, reduction of operational risk, etc.)
	Diversity & inclusion (Diversity, disability, discrimination & harassment)	Positive impact	Own operations	Positive impact on employees and society through: • Promoting gender equality, professional equality, diversity and inclusion • Promoting gender equality in all HR dimensions (including hiring, onboarding, career management, compensation, etc.) • A dynamic of recruitment and support for people with disabilities • Measures to combat discrimination of all kinds and integrated into HR policies (recruitment, integration, training, career management, etc.)

Workers in the value chain (ESRS S2)

Sub-theme	Sub-sub-theme	Type of IRO	Own activity / Value chain	IRO description
Working conditions and other work-related rights	Working conditions and other work-related rights of subcontractors, service providers and suppliers	Negative impact	Value chain	Potential negative impacts of BRED Banque Populaire business relationships in terms of human rights or working conditions (health, safety, etc.) of employees of subcontractors and service providers, particularly in geographical areas that are not signatories to international labor conventions
		Risk	Value chain	Image and reputational risk related to forced labor practices by subcontractors that could impact BRED's activities
	Working conditions and other work-related rights of workers in financed/ invested companies	Risk	Value chain	Reputational risk related to financing/ investment in companies that do not ensure that their employees, suppliers or subcontractors work in decent conditions
		Negative impact	Value chain	Potential negative impact from BRED's activity to finance/invest in companies where working conditions have deteriorated

Affected communities (ESRS S3)

Sub-theme	Sub-sub-theme	Type of IRO	Own activity / Value chain	IRO description
Communities' economic, social and cultural rights	Philanthropic commitment, solidarity actions and sponsorship	Positive impact	Value chain	Positive impact on the respect for human rights and the health and safety of people through philanthropic actions and donations
		Positive impact	Value chain	Financing/investment of projects with a positive impact on society (regional development, local initiatives, charities, etc.) or on the accessibility of facilities covered by the social or cultural rights of communities (education, health, sport, etc.).
	Financing the economy and regional players	Positive impact	Value chain	Support local economic development and regional attractiveness by creating jobs, supporting local businesses, local authorities and social housing operators and promoting economic growth including Improvement of the living conditions of stakeholders impacted by BRED Banque Populaire's local presence
		Risk	Value chain	Reputational risk related to project financing/investments that have a negative impact on communities
		Opportunity	Value chain	Opportunity to attract new customers through a strong presence in the regions (branch networks) and the regional bank brand image

Customers and end-users (ESRS S4)

Sub-theme	Sub-sub-theme	Type of IRO	Activity / Value chain	IRO description
Impacts related to consumer and end-user information	Access to information	Positive impact	Value chain	Responsible marketing (speech, support, brand communication, etc.) - including use of data in accordance with the General Data Protection Regulation (GDPR) and transparent offers, facilitating the understanding of products and services by all customers and making informed decisions. Objective: Clearly communicating and selling products and services tailored to each customer need
	Personal data protection and cybersecurity	Risk	Value chain	Legal, financial and reputational risk in the event of regulatory non-compliance related to the protection of customer personal data
		Risk	Value chain	Risk of loss of customers in the event of insufficient prevention measures against cybersecurity risk resulting in the theft of sensitive data (customer data)
Financial inclusion and accessibility of the offer	Access to products and services and responsible marketing practices	Opportunity	Value chain	Development of new digital products and services, opening new markets and customer segments and partnerships with tech start-ups, stimulating innovation and creativity and increasing customer interest in products and services
		Positive impact	Value chain	Ensure that products and services are accessible to all, in all regions and in technological terms Improving the accessibility of the offer and the user/customer experience thanks to adapted digital solutions
		Positive impact	Value chain	Offer accessible products and services to all customers and economic players (companies, professionals, local authorities, households, operators of the social and solidarity economy), including those in financially vulnerable situations, thanks to accessibility and inclusion offers
		Risk	Value chain	Risk of image and reputation damage related to the inaccessibility or lack of readability of offers and/or discriminatory practices, thus contributing to the loss of customers
		Non-discrimination	Value chain	Positive impact on people with disabilities, enabling them to access products and services via adapted services and tools
	Non-discrimination	Negative impact	Value chain	Negative impacts on human rights in the event of abusive sales or unethical practices
		Negative impact	Value chain	Negative social impacts in the event of discriminatory practices vis-à-vis customers (exclusion, lack of transparency of offers, etc.)
Consumer safety	Personal safety of consumers and/or end-users	Positive impact	Value chain	Positive impact via the contribution to the fight against fraud and cyber-crime with the implementation of protective barriers to protect customers

Governance

| Business conduct (ESRS G1)

Sub-theme	Sub-sub-theme	Type of IRO	Activity / Value chain	IRO description
Ethics and corporate culture	Fight against corruption and bribery	Positive impact	Own operations	Positive impact in the fight against corruption through internal practices and through customer monitoring measures
		Risk	Own operations	Financial losses due to acts of corruption or unethical behavior within the company
		Risk	Own operations	Risk of regulatory sanctions in the event of acts of corruption, non-compliant control measures or unethical behavior within the company
	Combat against money laundering and terrorism financing	Positive impact	Own operations	Positive impact in the fight against money laundering and the financing of terrorism through internal practices and customer monitoring measures
		Risks	Own operations	Risk of financial losses in the event of money laundering and terrorist financing
		Risk	Own operations	Risk of regulatory sanctions in the event of non-compliance with anti-money laundering and terrorist financing laws and regulations as well as reputational risk
	Protection of whistle-blowers	Positive impact	Own operations	Contribute positively to the fight against unfair or illegal practices (economic or human rights) <i>via</i> whistle-blower protection measures
	Compliance with sanctions measures (national, European or international), embargoes and asset freezes	Positive impact	Own operations	Positive impact on compliance with sanctions measures (national, European or foreign), embargoes and asset freezes
		Risk	Own operations	Risk of regulatory sanctions in the event of non-compliance with sanctions measures (national, European or international), embargoes and asset freezes
Management of relationships with suppliers including payment practices	Management of relationships with suppliers including payment practices	Risk	Value chain	Reputational risk in the event of the Group being called into question for negative ESG impacts (unethical practices or practices that derogate from human rights) caused by its suppliers and service providers
		Positive impact	Value chain	Positive impact of BRED Banque Populaire in terms of responsible purchasing
Ethics and corporate culture	Market abuse	Risk	Value chain	Regulatory risk in the event of insufficient detection of conflicts of interest and market abuse (market integrity)

7.1.4.1.2 IRO 2 - ESRS disclosure requirements covered by the corporate sustainability statement

Disclosure requirement and related data point	Material / non-material	SFDR reference ⁽¹⁾	Pillar III reference ⁽²⁾	Benchmark indices regulation reference ⁽³⁾	EU European law on climate	Report section
ESRS 2 GOV-I Board's gender diversity Section 21, point (d)		Indicator No. 13, Table 1, Annex I		Annex II of Commission Delegated Regulation (EU) 2020/1816		7.1.2.1.1
ESRS 2 GOV-I Percentage of board members who are independent Section 21, point (e)				Annex II of Commission Delegated Regulation (EU) 2020/1816		7.1.2.1.1
ESRS 2 GOV-4 - Statement on due diligence Section 30		Indicator No. 10, Table 3, Annex I				7.1.2.4
ESRS 2 SBM I Involvement in activities related to fossil fuel activities Section 40, point (d) (i)		Indicator No. 4, Table 1, Annex I	Article 449 bis of Regulation (EU) 575/2013; Commission Implementing Regulation (EU) 2022/2453(I), Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk	Annex II of Commission Delegated Regulation (EU) 2020/1816		7.1.1.1.1.2
ESRS 2 SBM I Involvement in activities related to chemical production Section 40, point (d) (ii)		Indicator No. 9, Table 2, Annex I		Annex II of Commission Delegated Regulation (EU) 2020/1816		7.1.1.1.1.2
ESRS 2 SBM I Involvement in activities related to controversial weapons Section 40, point (d) (iii)		Indicator No. 14, Table 1, Annex I		Article 12 (I) of Delegated Regulation (EU) 2020/1818 (1818), Annex II of Delegated Regulation (EU) 2020/1816		7.1.1.1.1.2
ESRS 2 SBM I Involvement in activities related to cultivation and production of tobacco Section 40, point (d) (iv)				Delegated Regulation (EU) 2020/1818, Article 12 (I) of Delegated Regulation (EU) 2020/1816, Annex II		7.1.1.1.1.2
ESRS EI-I Transition plan to reach climate neutrality by 2050 Section 14					Article 2 (I) of Regulation (EU) 2021/1119	7.2.2.1.1

Disclosure requirement and related data point	Material / non-material	SFDR reference ⁽¹⁾	Pillar III reference ⁽²⁾	Benchmark indices regulation reference ⁽³⁾	EU European law on climate	Report section
ESRS EI-1 Undertakings excluded from Paris-aligned Benchmarks Section 16, point (g)			Article 449 bis Regulation (EU) 575/2013, Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book - Climate change transition risk: Credit quality of exposures by sector, issues and residual maturity	Article 12 (1) (d) to (g) and Article 12 (2) of Delegated Regulation (EU) 2020/1818		7.2.2.1.1
ESRS EI-4 GHG emission reduction targets Section 34		Indicator No. 4, Table 2, Annex I	Article 449 bis Regulation (EU) 575/2013, Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Climate change transition risk: alignment indicators	Article 6 of Delegated Regulation (EU) 2020/1818		N/A - no targets at BRED Banque Populaire
ESRS EI-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) Section 38		Indicator No. 5, Table 1, and Indicator No. 5, Table 2, Annex I				NA
ESRS EI-5 Energy consumption and mix Section 37		Indicator No. 5, Table 1, Annex I				NA
ESRS EI-5 Energy intensity associated with activities in high climate impact sectors Sections 40 to 43		Indicator No. 6, Table 1, Annex I				NA
ESRS EI-6 — Gross Scopes 1, 2, 3 and Total GHG emissions Section 44		Indicators No. 1 and No. 2, Table 1, Annex I	Article 449 bis of Regulation (EU) 575/2013, Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book - Climate change transition risk: Credit quality of exposures by sector, issues and residual maturity	Article 5 (1), Article 6 and Article 8 (1) of Delegated Regulation (EU) 2020/1818		7.2.2.2.3

Disclosure requirement and related data point	Material / non-material	SFDR reference ⁽¹⁾	Pillar III reference ⁽²⁾	Benchmark indices regulation reference ⁽³⁾	EU European law on climate	Report section
ESRS EI-6 Gross GHG emissions intensity Sections 53 to 55		Indicator No. 3, Table I, Annex I	Article 449 bis of Regulation (EU) 575/2013, Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Climate change transition risk: alignment indicators	Article 8 (1) of Delegated Regulation (EU) 2020/1818		NA
ESRS EI-7 GHG removals and carbon credits Section 56					Article 2 (1) of Regulation (EU) 2021/1119	NA
ESRS EI-9 Exposure of the benchmark portfolio to climate-related physical risks Section 66				Annex II of Delegated Regulation (EU) 2020/1818, Annex II of Delegated Regulation (EU) 2020/1816		NA
ESRS EI-9 Disaggregation of monetary amounts by acute and chronic physical risk Section 66, point (a) ESRS EI-9 Location of significant assets at material physical risk Section 66, point (c)			Article 449 bis of Regulation (EU) 575/2013, Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47, Template 5: Banking book - Climate-related physical risks: exposures subject to a physical risk			NA
ESRS EI-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes Section 67, point (c)			Article 449 bis of Regulation (EU) 575/2013, Commission Implementing Regulation (EU) 2022/2453, paragraph 34, Template 2: Banking book - Climate change transition risk: Loans secured by real estate assets - Energy efficiency of collateral			NA
ESRS EI-9 Degree of exposure of the portfolio to climate-related opportunities Section 69				Annex II of Commission Delegated Regulation (EU) 2020/1818		NA

Disclosure requirement and related data point	Material / non-material	SFDR reference ⁽¹⁾	Pillar III reference ⁽²⁾	Benchmark indices regulation reference ⁽³⁾	EU European law on climate	Report section
ESRS E2-4 Amount of each pollutant listed in Annex II of the European Pollutant Release and Transfer Register Regulation (E-PRTR) emitted to air, water and soil Section 28		Indicator No. 8, Table 1, Annex I; Indicator No. 2, Table 2, Annex I; Indicator No. 1, Table 2, Annex I; Indicator No. 3, Table 2, Annex I				NA
ESRS E3-1 Water and marine resources Section 9		Indicator No. 7, Table 2, Annex I				NA
ESRS E3-1 Dedicated policy Section 13		Indicator No. 8, Table 2, Annex I				NA
ESRS E3-1 Sustainable oceans and seas Section 14		Indicator No. 12, Table 2, Annex I				NA
ESRS E3-4 Total water recycled and reused Section 28, point (c)		Indicator No. 6.2, Table 2, Annex I				NA
ESRS E3-4 Total water consumption in m3 per net revenue on own operations Section 29		Indicator No. 6.1, Table 2, Annex I				NA
ESRS 2- SBM 3 - E4 Section 16, point (a) i		Indicator No. 7, Table 1, Annex I				NA
ESRS 2- SBM 3 - E4 Section 16, point (b)		Indicator No. 10, Table 2, Annex I				NA
ESRS 2- SBM 3 - E4 Section 16, point (c)		Indicator No. 14, Table 2, Annex I				NA
ESRS E4-2 Sustainable land / agricultural practices or policies Section 24, point (b)		Indicator No. 11, Table 2, Annex I				NA
ESRS E4-2 Sustainable oceans / seas practices or policies Section 24		Indicator No. 12, Table 2, Annex I				NA
ESRS E4-2 Policies to address deforestation Section 24, point (d)		Indicator No. 15, Table 2, Annex I				NA
ESRS E5-5 Non-recycled waste Section 37, point (d)		Indicator No. 13, Table 2, Annex I				NA
ESRS E5-5 Hazardous waste and radioactive waste Section 39		Indicator No. 9, Table 1, Annex I				NA
ESRS 2- SBM 3 - S1 Risk of incidents of forced labor Section 14, point (f)		Indicator No. 13, Table 3, Annex I				3.1.1
ESRS 2- SBM 3 - S1 Risk of incidents of child labor Section 14, point (g)		Indicator No. 12, Table 3, Annex I				NA
ESRS S1-1 Human rights policy commitments Section 20		Indicator No. 9, Table 3, and Indicator No. 11, Table 1, Annex I				7.3.1.1.1.1

Disclosure requirement and related data point	Material / non-material	SFDR reference ⁽¹⁾	Pillar III reference ⁽²⁾	Benchmark indices regulation reference ⁽³⁾	EU European law on climate	Report section
ESRS S1-I Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions I to 8, Section 21				Annex II of Commission Delegated Regulation (EU) 2020/1816		7.3.1.1.1.1
ESRS S1-I Processes and measures for preventing trafficking in human beings Section 22		Indicator No. 11, Table 3, Annex I				7.3.1.1.1.1
ESRS S1-I Workplace accident prevention policy or management system Section 23		Indicator No. 1, Table 3, Annex I				7.3.1.1.1.2 7.3.1.1.4.1
ESRS S1-3 Grievance/ complaints handling mechanisms Section 32, point (c)		Indicator No. 5, Table 3, Annex I				7.3.1.1.3.1
ESRS S1-I4 Number of fatalities and number and rate of work-related accidents Section 88, points (b) and (c)		Indicator No. 2, Table 3, Annex I		Annex II of Commission Delegated Regulation (EU) 2020/1816		7.3.1.3.10
ESRS S1-I4 Number of days lost to injuries, accidents, fatalities or illness Section 88, point (e)		Indicator No. 3, Table 3, Annex I				7.3.1.3.10
ESRS S1-I6 Unadjusted gender pay gap Section 97, point (a)		Indicator No. 12, Table 1, Annex I		Annex II of Delegated Regulation (EU) 2020/1816		7.3.1.3.12
ESRS S1-I6 Excessive CEO pay ratio Section 97, point (b)		Indicator No. 8, Table 3, Annex I				7.3.1.3.12
ESRS S1-I7 Incidents of discrimination Section 103, point (a)		Indicator No. 7, Table 3, Annex I				NA
ESRS S1-I7 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines Section 104, point (a)		Indicator No. 10, Table 1, and Indicator No. 14, Table 3, Annex I		Annex II of Delegated Regulation (EU) 2020/1816, Article 12 (1) of Delegated Regulation (EU) 2020/1818		NA
ESRS 2- SBM 3 - S2 Significant risk of child labor or forced labor in the value chain Section 11, point (b)		Indicators No. 12 and No. 13, Table 3, Annex I				7.3.2.1
ESRS S2-I Human rights policy commitments Section 17		Indicator No. 9, Table 3, and Indicator No. 11, Table 1, Annex I				7.3.2.2.1
ESRS S2-I Policies related to value chain workers Section 18		Indicators No. 11 and No. 4, Table 3, Annex I				7.3.2.2.1
ESRS S2-I Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines Section 19		Indicator No. 10, Table 1, Annex I		Annex II of Delegated Regulation (EU) 2020/1816, Article 12 (1) of Delegated Regulation (EU) 2020/1818		NA

Disclosure requirement and related data point	Material / non-material	SFDR reference ⁽¹⁾	Pillar III reference ⁽²⁾	Benchmark indices regulation reference ⁽³⁾	EU European law on climate	Report section
ESRS S2-I Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions I to 8, Section 19				Annex II of Delegated Regulation (EU) 2020/1816		7.3.2.2.4
ESRS S2-4 Human rights issues and incidents* connected to its upstream and downstream value chain Section 36		Indicator No. 14, Table 3, Annex I				NA
ESRS S3-I Human rights policy commitments Section 16		Indicator No. 9, Table 3, Annex I, and Indicator No. 11, Table 1, Annex I				7.3.3.1 7.3.3.2.1
ESRS S3-I Non- respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines Section 17		Indicator No. 10, Table 1, Annex I		Annex II of Delegated Regulation (EU) 2020/1816, Article 12 (1) of Delegated Regulation (EU) 2020/1818		NA
ESRS S3-4 Human rights issues and incidents Section 36		Indicator No. 14, Table 3, Annex I				NA
ESRS S4-I Policies related to consumers and end-users Section 16		Indicator No. 9, Table 3, and Indicator No. 11, Table 1, Annex I				7.3.4.1 7.3.4.2.1
ESRS S4-I Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines Section 17		Indicator No. 10, Table 1, Annex I		Annex II of Delegated Regulation (EU) 2020/1816, Article 12 (1) of Delegated Regulation (EU) 2020/1818		NA
ESRS S4-4 Human rights issues and incidents Section 35		Indicator No. 14, Table 3, Annex I				NA
ESRS G1-I United Nations Convention against Corruption Section 10, point (b)		Indicator No. 15, Table 3, Annex I				7.4.1.1.2.1
ESRS G1-I Protection of whistle-blowers Section 10, point (d)		Indicator No. 6, Table 3, Annex I				7.4.1.1.2.3
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws Section 24, point (a)		Indicator No. 17, Table 3, Annex I		Annex II of Delegated Regulation (EU) 2020/1816		7.4.1.2.1
ESRS G1-4 Standards of anti-corruption and anti-bribery Section 24, point (b)		Indicator No. 16, Table 3, Annex I				7.4.1.2.1

(1) Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019 on sustainability reporting in the financial services sector (OJ L 317, 12/09/2019, p. 1).

(2) Regulation (EU) 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for banks and investment firms and amending Regulation (EU) 648/2012 (Capital Requirements Regulation - CRR) (OJ L 176, 06/27/2013, p. 1).

Regulation (EU) 2016/1011 of the European Parliament and of the Council of June 8, 2016 on the indices used as benchmarks for financial instruments and contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) 596/2014 (OJ L 171, 06/29/2016, p. 1).

7.2 ENVIRONMENTAL INFORMATION

7.2.1 Indicators of the European taxonomy on sustainable activities

7.2.1.1 Regulatory framework

To encourage sustainable investment, EU Regulation 2020/852 of June 18, 2020 (Taxonomy Regulation) established a common EU classification system to identify economic activities considered environmentally sustainable.

The Taxonomy Regulation (Article 8) includes, for companies subject to the CSRD directive, an obligation to inform, set out in the sustainability report, on the manner and the extent to which the company's activities are associated with economic activities that can be considered environmentally sustainable.

An activity is considered "eligible" for the Taxonomy if it is included in the European Commission's evolving list. These are activities likely to make a substantial contribution to at least one of the following six environmental objectives:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of aquatic and marine resources;
- the transition to a circular economy;
- pollution prevention and control;
- the protection and restoration of biodiversity and ecosystems.

To be effectively considered environmentally sustainable, an eligible activity must be "aligned" with the Taxonomy, i.e., it must meet the following three cumulative conditions:

- **demonstrate its substantial contribution** to one of the six environmental objectives in accordance with the technical review criteria defined in the delegated acts;
- **demonstrate that it does not cause significant harm** to any of the other environmental objectives (Do No Significant Harm or DNSH) in accordance with the technical review criteria defined in the delegated acts;
- be carried out in **compliance with the minimum social safeguards** set out in the regulations (i.e., in compliance with the social rights guaranteed by international law).

The technical criteria for documenting the environmental sustainability of an activity are set out in delegated acts:

- the Climate Delegated Regulation of June 4, 2021 (2021/2139), including technical review criteria for economic activities that make a substantial contribution to the first two environmental objectives: climate change adaptation and mitigation of its effects. It applies from January 1, 2022.

This was amended for the first time on March 9, 2022, by Delegated Regulation 2022/1214, which included, under strict conditions, specific activities linked to nuclear energy and gas on the list of economic activities covered by the Union's taxonomy. It applies from January 1, 2023.

A second amendment was published on June 27, 2023 (Delegated Regulation 2023/2485) completing the technical examination criteria for certain activities that were initially not listed as eligible (in particular, manufacture of essential equipment for low-carbon transport or electrical equipment). It comes into force from January 1, 2024;

- the Environment Delegated Regulation of June 27, 2023 (2023/2486) sets the criteria for the technical examination of economic activities considered to make a substantial contribution to one or more of the four other environmental objectives (other than climate): sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems. It comes into force from January 1, 2024.

The content of sustainability indicators (Key Performance Indicators or KPIs) and the information to be published by non-financial and financial corporations (asset managers, banks, investment firms and insurance and reinsurance companies) subject to these transparency obligations, are specified, for each of these economic actors, in the Delegated Regulation Article 8 of July 6, 2021 (2021/2178). The format of publishable tables is governed by Environment Delegated Regulation 2023/2486.

Additional information is required for companies engaged in, financing or exposed to specific activities related to nuclear energy and fossil gas (Delegated Regulation 2022/1214).

In addition, European Commission communications published in the official journal on October 20, 2023 aim to interpret certain provisions relating to the implementation of Article 8 of the Taxonomy Regulation (C/2023/305) and the delegated act relating to the climate component of the taxonomy (C/2023/267).

On December 21, 2023, the Commission published a communication on the interpretation and implementation of Article 8 of the Taxonomy, which clarifies the information to be provided. It was published in the Official Journal of the European Union on November 8, 2024 under the reference C/2024/6691. On November 29, 2024, the Commission published a new draft communication. Given its late publication and the implementation work involved, this text is currently being analyzed, and some of its provisions will be applied in the coming period.

The Taxonomy Regulation provides for a gradual implementation of information transparency requirements according to economic players.

As a company in the financial sector, BRED Banque Populaire is notably subject to disclosure requirements that are deferred by one year compared to non-financial corporations. This principle allows financial corporations to use the eligibility and alignment data provided by the counterparties themselves subject to these disclosure requirements (counterparties subject to the CSRD) in order to weight their investments, financing and other exposures.

BRED Banque Populaire discloses the information required of financial corporations - banks: Groupe BPCE publishes the tables required by the regulation in the tabular formats presented in Annex VI of Delegated Regulation 2023/2486.

Alignment policy (requirement of Annex XI of Delegated Regulation 2021/2178) with the Taxonomy Regulation

The list of activities that are aligned with or contribute substantially to at least one of the objectives of the taxonomy helps to identify the financial assets provided as collateral for Groupe BPCE's green bonds, and which BRED Banque Populaire is a part of. As part of its strategy, BRED Banque Populaire will continue to take into account the European taxonomy through its commercial approach, partnerships/project financing and credit lines aligned with the taxonomy.

7.2.1.2 Mandatory Green Asset Ratio (GAR)

BRED Banque Populaire's GAR as at December 31, 2024 includes taxonomy alignment data. It is presented in the tabular format required by regulations. This requires presentation once on the basis of the "Turnover" KPI (key performance indicator) and once on the basis of the "CapEx" (capital expenditure) KPI of counterparties subject to the CSRD.

BRED Banque Populaire's GAR as at December 31, 2024 lists for the first time information on alignment with the two environmental climate objectives (Mitigation and Adaptation) of financial corporations. Data on assets aligned with the Climate Change Adaptation objective are published as soon as they are available on Bloomberg.

Information on eligibility for the four non-climate objectives (sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems) is based on data published by non-financial corporations, which publish this information for the first time at December 31, 2023. As such, BRED Banque Populaire has not provided such information as at December 31, 2024, and the columns in the regulatory tables relating to this information are not presented.

The tables presenting information relating to the comparative period are presented for the first time (templates 0, 1, 3 and 5). Also, the GAR flow, whose calculation methods were specified in the European Commission communication of December 21, 2023, was published for the first time at December 31, 2024.

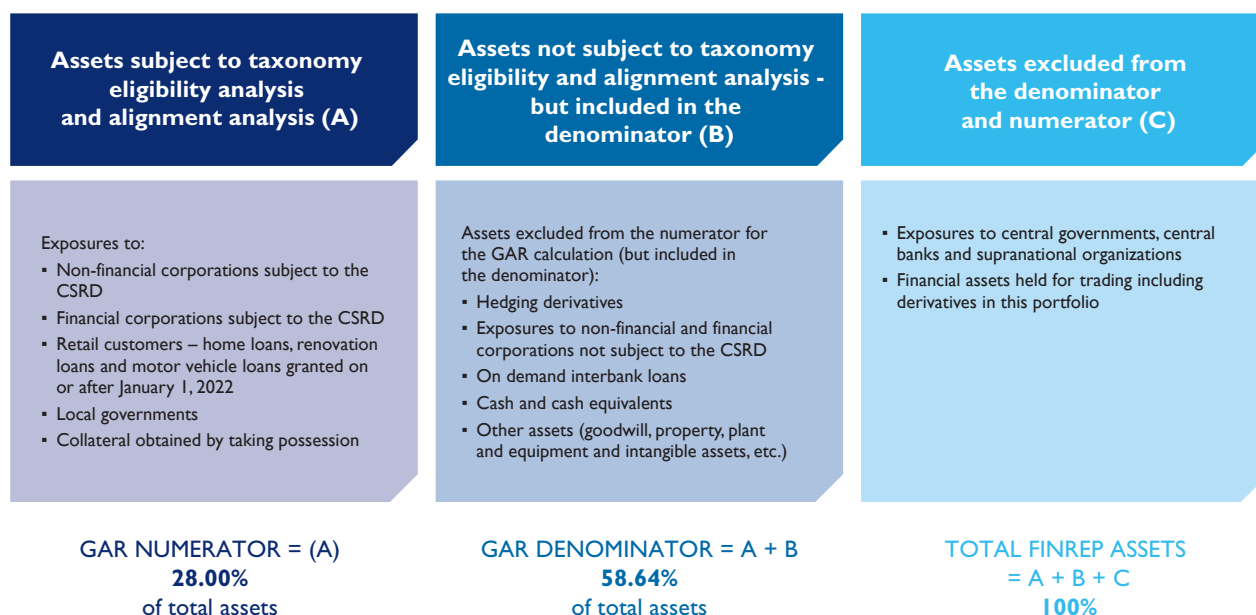
The GAR flows KPI shows the portion of assets aligned over the portion of assets covered by the GAR only for new outstanding loans and advances and debt securities recognized on the balance sheet since the beginning of the period (in BRED Banque Populaire's case, January 1, 2024). The outstandings are recorded at gross carrying amount (before impairment, provisions and amortization) and without deduction of repayments or sales of assets during the period. Given their non-material nature, the GAR flows KPI is not calculated on equity instruments (e.g., equities). The Flows KPI for financial guarantees and assets under management are not published either for operational reasons. The other calculation principles remain identical to those applied for the calculation of outstandings.

The main indicator applicable to banks is the Green Asset Ratio (GAR). Expressed as a percentage, it indicates the proportion of assets that finance or are invested in economic activities aligned with the taxonomy in relation to the total assets covered.

Scope of financial assets subject to eligibility and alignment analysis

On the basis of the prudential perimeter established in accordance with FINREP regulations (investments in insurance companies controlled by BRED Banque Populaire are consolidated using the equity method), assets are presented at their gross carrying amount, i.e., before depreciation, provisions and amortization.

The eligibility and alignment analysis applies to a scope of assets determined following a series of exclusions specified by the regulations:



The above exposures subject to eligibility and alignment analysis thus include balance sheet assets in the following accounting categories:

- Financial assets at amortized cost: financial assets at fair value through other comprehensive income, financial assets designated as measured at fair value through profit or loss and non-trading financial assets measured at fair value through profit or loss;
- Investments in subsidiaries, joint ventures and associates: controlled insurance companies are accounted for using the equity method for the presentation of the regulatory perimeter;
- Fixed assets: with regard to collateral obtained by taking possession.

Methodology used

In accordance with the principles of the regulations and BRED Banque Populaire's ability to implement them, the eligibility and alignment of the outstanding amounts of assets subject to eligibility and alignment analysis are determined:

- for financial and non-financial counterparties subject to the CSRD regulations, as identified from the database provided by Bloomberg;
- for unallocated financing, by applying to the gross amount of outstandings the alignment and taxonomic eligibility

rates (KPI Turnover base and KPI CapEx base) available in Bloomberg. These data correspond to the indicators published by these counterparties the previous year (determined in accordance with the criteria of the Climate and Environment Delegated Regulations). Groupe BPCE only uses Bloomberg data corresponding to the counterparty's exact data. Conversely, Groupe BPCE does not use Bloomberg estimates. Lastly, in the absence of available data distinguishing eligibility and alignment rates by environmental objective, the choice was made to allocate them to the climate change mitigation objective,

- for financing allocated, the taxonomy criteria defined by the European Commission should be analyzed on the basis of the information provided by the counterparties. For the 2024 fiscal year, Groupe BPCE did not conduct these *ad hoc* analyses.

Eligibility and alignment were only measured using data available in Bloomberg. These data are not always exhaustive, in particular for data relating to the alignment of financial corporations. The Group's alignment ratio is penalized by this lack of data;

- for retail customers (or households):
 - the exposures subject to analysis are: loans guaranteed by residential real estate (including secured loans); renovation loans and loans for motor vehicles granted from January 1, 2022.

- the alignment of loans guaranteed by residential real estate (or secured) is determined in the light of criteria laid down by regulations and interpretations accepted by the marketplace. The substantial contribution to the first taxonomy objective of climate change mitigation is documented with regard to the following criteria:
- financed properties with a primary energy consumption of less than 135 kWh/m² per year (corresponding to properties with an Energy Performance Diagnostic rated A, B or, in some cases, C). Groupe BPCE has adopted a methodological approach in which the collection of EPD data for loans secured by real estate is based on the EPDs collected from customers, supplemented by the EPDs supplied by the CSTB (*Centre Scientifique et Technique du Bâtiment*) and collected in the ADEME database for single-family homes for which the Group is certain of the address of the property financed. For collective housing, in the absence of customer EPDs issued after 2021, Groupe BPCE uses EPDs calculated by the CSTB, in accordance with the 2021 reform, based on the characteristics of the buildings concerned and the rating of its various lots,
- in the absence of such information, and for financing property to be built, Groupe BPCE determines primary energy consumption using the applicable construction standards (RT 2012 regulations applicable to constructions between January 1, 2013 and December 31, 2020) and RE 2020 regulations applicable to constructions from January 1, 2022). In the absence of information on the date on which the building permit for the property financed was filed, Groupe BPCE identifies it from the date on which the financing was granted, applying a margin of two years. For the 2021 construction year, in the absence of information, no exposure has been considered as aligned.

The analysis of alignment with the taxonomy's criteria must then be supplemented by technical criteria demonstrating that the activity does not cause significant harm to the taxonomy's other objectives (DNSH criterion):

- for retail customer real estate loans, this analysis is based on the analysis of physical risk. The acute physical "flood" risk was assessed as the most material in terms of Groupe BPCE's portfolio. Properties with the highest level of flood risk are thus excluded when determining the alignment of property loans. In the "Nomenclature of statistical territorial

units" the risk of flooding related to housing has been qualified as high in accordance with the European Central Bank's classification of acute flood risks. For example, if a financed property has been identified as being at high risk of flooding, the corresponding outstanding amount will not be considered as aligned, even though it complies with the energy performance criteria described above;

The alignment analysis must also verify **compliance with the minimum social safeguards**. For real estate loans to households this criterion was not verified for each of the loans.

Groupe BPCE and BRED Banque Populaire consider that compliance with the minimum social safeguards is implicitly verified for real estate loans when the assets financed are located in France or in the European Economic Area (EEA). This position is based on a legal framework in which European directives and national laws guarantee fundamental social rights, particularly in terms of working conditions and social protection. In France, the French Labor Code establishes clear standards that provide protection to workers and households.

The alignment analysis for renovation loans was not carried out in the absence of data available to document compliance with the taxonomy criteria.

No alignment analysis of motor loans was performed due to the absence of available data (CO₂ emissions/km).

- for local governments:
 - housing financing is considered eligible. As this is not a real estate development activity, the alignment analysis must be carried out, where it is possible to establish a link between the financing and the property financed, in the same way as indicated above for retail real estate financing. However, due to operational constraints, the alignment could not be measured this year,
 - for other financing, in the absence of available analysis data, no outstandings were considered eligible or aligned;
- collateral obtained by taking possession has not been analyzed in terms of its non-material value.

Insurance activities are included through the equity-accounted investments in subsidiaries, presented on the "equity instruments" line. Given their non-material impact on the GAR ratio, the eligibility and alignment of the equity-accounted value of the insurance subsidiaries were not taken into account as of December 31, 2024.

Summary of the MANDATORY GAR

GAR – Summary	12/31/2024			12/31/2023			Change since 12/31/2023
	Amount in millions of euros	% of total assets	% of total GAR assets (denominator)	Amount in millions of euros	% of total assets	% of total GAR assets (denominator)	
Total assets	110,123	100.00%		103,782	100.00%		0.00%
Assets not covered for GAR calculation	45,552	41.36%		43,382	41.80%		
Total GAR assets	64,571	58.64%	100.00%	60,400	58.20%	100.00%	0.44%
Assets excluded from the numerator for GAR calculation (covered in the denominator)	33,737	30.64%	52.25%	34,824	33.55%	57.66%	
GAR – Covered assets in both numerator and denominator: assets subject to eligibility and alignment analysis	30,835	28.00%	47.75%	25,576	24.64%	42.34%	3.36%
<i>(Turnover basis for NFRD counterparties)</i>							
o/w to taxonomy-relevant sectors (taxonomy-eligible)	9,653		14.95%	7,989		13.23%	
o/w environmentally sustainable (taxonomy-aligned)	1,581		2.45%	1,165		1.93%	0.52%
<i>(CapEx basis for NFRD counterparties)</i>							
o/w to taxonomy-relevant sectors (taxonomy-eligible)	9,908		15.34%	8,282		13.71%	
o/w environmentally sustainable (taxonomy-aligned)	1,739		2.69%	1,350		2.24%	0.46%

Detail of GAR – Turnover basis

Detail of GAR – Turnover	12/31/2024					12/31/2023					Change in aligned exposures (since 12/31/2023)
	In millions of euros		As a % of total exposures			In millions of euros		As a % of total exposures			
	Exposures	o/w eligible	o/w aligned	o/w eligible	o/w aligned	Exposures	o/w eligible	o/w aligned	o/w eligible	o/w aligned	
GAR – Covered assets in both numerator and denominator: assets subject to eligibility and alignment analysis	30,835	9,653	1,581	14.95%	2.45%	25,576	7,989	1,165	13.23%	1.93%	0.52%
o/w exposures to:											
• financial corporations subject to NFRD	7,914	102	81	0.16%	0.13%	5,776	-	-	0.00%	0.00%	0.13%
• non-financial corporations subject to NFRD	2,791	813	282	1.26%	0.44%	2,258	633	175	1.05%	0.29%	0.15%
• Households	19,396	8,737	1,218	13.53%	1.89%	17,313	7,350	989	12.17%	1.64%	0.25%
• local governments financing	733	1	0	0.00%	0.00%	230	7	0	0.01%	0.00%	0.00%
• collateral obtained by taking possession: residential and commercial real estate	-	0	0	0.00%	0.00%	-	0	0	0.00%	0.00%	0.00%

Detail of GAR – CapEx basis

Detail of GAR – CapEx	12/31/2024					12/31/2023					Change in aligned exposures (since 12/31/2023)
	In millions of euros		As a % of total exposures			In millions of euros		As a % of total exposures			
	Exposures	o/w eligible	o/w aligned	o/w eligible	o/w aligned	Exposures	o/w eligible	o/w aligned	o/w eligible	o/w aligned	
GAR – Covered assets in both numerator and denominator: assets subject to eligibility and alignment analysis	30,835	9,908	1,739	15.34%	2.69%	25,576	8,282	1,350	13.71%	2.24%	0.46%
o/w exposures to:											
• financial corporations subject to NFRD	7,914	121	101	0.19%	0.16%	5,776	3	-	0.01%	0.00%	0.16%
• non-financial corporations subject to NFRD	2,791	1,049	419	1.62%	0.65%	2,258	922	361	1.53%	0.60%	0.05%
• Households	19,396	8,737	1,218	13.53%	1.89%	17,313	7,350	989	12.17%	1.64%	0.25%
• local governments financing	733	1	0	0.00%	0.00%	230	7	0	0.01%	0.00%	0.00%
• collateral obtained by taking possession: residential and commercial real estate	-	0	0	0.00%	0.00%	-	0	0	0.00%	0.00%	0.00%

7.2.1.3 Off-balance sheet indicators: financial guarantees given and assets under management

Guidelines

Since December 31, 2023, in accordance with Section 1.2.2. of Annex V of Delegated Regulation 2021/2178, banks must publish additional indicators on exposures not recognized as assets on the balance sheet relating to:

- financial guarantees granted;
- assets under management.

Methodology used

The method used to calculate KPIs for financial guarantees given consists in applying to exposures the eligibility and alignment rates of counterparties subject to the CSRD.

The calculation of KPIs for assets under management will be included in future publications.

Detail of GAR on off-balance sheet exposures - Turnover

	12/31/2024					12/31/2023					Change in aligned exposures (since 12/31/2023)
Detail of off-balance sheet items - Turnover	In millions of euros		As a % of total assets			In millions of euros		As a % of total assets			
	Exposures	o/w eligible	o/w aligned	o/w eligible	o/w aligned	Exposures	o/w eligible	o/w aligned	o/w eligible	o/w aligned	
Financial guarantees	3,590	755	213	21.03%	5.94%	3,103	50	27	1.60%	0.86%	5.08%

Detail of GAR on off-balance sheet exposures - CapEx

Detail of off-balance sheet items - CapEx	12/31/2024					12/31/2023					Change in aligned exposures (since 12/31/2023)
	In millions of euros		As a % of total assets			In millions of euros		As a % of total assets			
	Exposures	o/w eligible	o/w aligned	o/w eligible	o/w aligned	Exposures	o/w eligible	o/w aligned	o/w eligible	o/w aligned	
Financial guarantees	3.590	644	181	17.95%	5.04%	3.103	115	38	3.71%	1.23%	3.81%

7.2.1.4 Activities related to nuclear energy and fossil gas

Guidelines

Additional information is required for companies engaged in, financing or exposed to specific activities related to nuclear energy and fossil gas (Delegated Regulation 2022/1214). The tabular format is required by regulations. This requires the publication of these tables for each applicable KPI.

As at December 31, 2024, BRED Banque Populaire has presented this information for the main KPI – the stock GAR based on the counterparties' Turnover KPI, and then based on the counterparties' CapEx KPI. Five tables must be communicated.

However, this information is not presented for the GAR in a flow view, as for the off-balance sheet KPIs: financial guarantees given and assets under management.

Methodology used

The publication of model 1 is mandatory. This model is used to identify the specific activities in the gas and nuclear sectors covered by delegated act 2022/1214 of the Taxonomy Regulation.

Models 2 to 5 are presented by weighting the exposure to the counterparties concerned by the data communicated by them in their reference document for the previous year, collected from the Bloomberg database.

All the tables required by the Taxonomy Regulation in accordance with the template tables applicable to banks in Annex VI of the regulation are presented in Chapter 5 (Tables to be published in accordance with Article 8 of the Taxonomy Regulation) of this sustainability report.

7.2.2 EI - Climate change

7.2.2.1 Impact, risk and opportunity management

Disclosure requirement related to ESRS 2 IRO-1 — Description of the EI processes to identify and assess material climate-related impacts, risks and opportunities

Process for identifying and assessing climate impacts

Climate issues are significant for BRED Banque Populaire. They are to be integrated into its banking and insurance activities as

well as into its own operations. Thus, BRED Banque Populaire's impact in terms of climate change is identified both on its own operations (own footprint) and via the value chain, through financing, investment and insurance operations. This is a first step in analyzing the impacts, risks and opportunities related to BRED Banque Populaire's identity and business models. The inclusion of these analyses in the BRED Banque Populaire and Groupe BPCE models is gradual and depends on the robustness and referencing of market methodology.

The rating of climate impacts, in relation to financing and investment, was carried out by experts based in particular on a sectoral analysis of Groupe BPCE's exposures carried out by the Group ESG Risk division as part of the magnitude assessment. This rating is strengthened by the mobilization of the points of view of BRED Banque Populaire stakeholders.

BRED Banque Populaire strives to maintain a dialogue with its counterparties. The stakeholder consultation process is embedded in that of Groupe BPCE, which is based on the use of various existing mechanisms, supplemented by dedicated systems whose purpose is to:

- contribute to the communication and dissemination of its Impact approach, beyond the double materiality exercise,
- co-construct and involve its stakeholders in its ESG strategy and in its work to identify and assess impacts, risks and opportunities.

As regards Groupe BPCE's existing systems:

- stakeholder expectations are identified and taken into account through regular relations with Banques Populaires management, notably via the Impact Committee, the Fédération Nationale des Banques Populaires, employee representative bodies, investor roadshows, meetings with rating agencies, associations and NGOs.
- expectations are also highlighted during presentations by ESG experts at conferences and other internal communication formats accessible to all employees.
- as part of Groupe BPCE's commitment and the ongoing dialogue among the Banques Populaires and players in the social economy, the expectations of local associations, entrepreneurial ecosystems and educational structures are identified.
- lastly, discussions with regulators and image or forecast surveys are all ways of identifying changes in stakeholder expectations.

As regards the dedicated systems and climate issues, the following questionnaires were sent to stakeholders:

- members of the Board of Directors of BRED Banque Populaire: The questionnaire sent covered the three sustainability themes: the environment, social affairs and governance. It brought together eight common questions dealing with sustainability issues and in particular the one relating to the fight against climate change;
- BRED Banque Populaire customers: the identification of stakeholder expectations is also based on regular customer surveys that include environmental dimensions and measure the perception of support for transitions. By way of illustration, for its customers, surveys are carried out to define a Net Promoter Score (NPS) for each category of network customers.

As part of the CSRD, the results of these surveys were taken into account to identify and rate the impacts, risks and opportunities required during the impact materiality process.

The other criteria: extent, irremediable nature, and probability are assessed by multidisciplinary experts, taking into account the rating scales defined by Groupe BPCE, which are adapted to BRED Banque Populaire, and using the opinions of stakeholders.

The BRED Banque Populaire CSRD project management team was involved throughout the identification process.

Process for identifying and assessing climate risks

BRED Banque Populaire relies on the processes for identifying and assessing climate risks deployed at Groupe BPCE level and described below.

Groupe BPCE has implemented a process to identify and assess the materiality of climate risks in order to structure its understanding of the risks to which it is exposed in the short, medium and long term and to identify priority areas for strengthening the risk management system.

This process is coordinated by the ESG Risk department, under the supervision of the Groupe BPCE ESG Risk Committee and Supervisory Board. It is subject to an annual review to update scientific knowledge and underlying methodologies.

This process consists of four main steps:

- creation of the climate risk framework;
- documentation of the climate risk transmission channels;
- assessment of the materiality of climate risks in relation to the other risk categories;
- input into cross-functional risk management exercises (risk appetite system, ICAAP, ILAAP).

Identification of climate risks

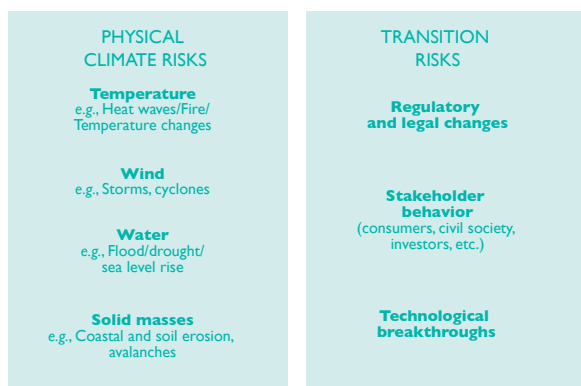
Group risk framework

Groupe BPCE has established a framework to define the risks covered by climate and environmental risks. This framework is based on current scientific knowledge and reference regulatory texts (e.g., European taxonomy) and aims to provide the most comprehensive possible representation of the hazards. It must be updated annually.

With regard to climate risks, and notably physical risks, the reference framework presents the hazards of physical risks related to the climate. Climate-related risks are divided into acute or chronic risks related to temperature, wind, water and solid mass. As regards transition risks, the framework distinguishes between risks related to regulatory changes, technological developments, stakeholder expectations and changes in their behavior.

The risk framework currently defined by the Group is presented below:

CLIMATE RISKS



Climate risk transmission channels

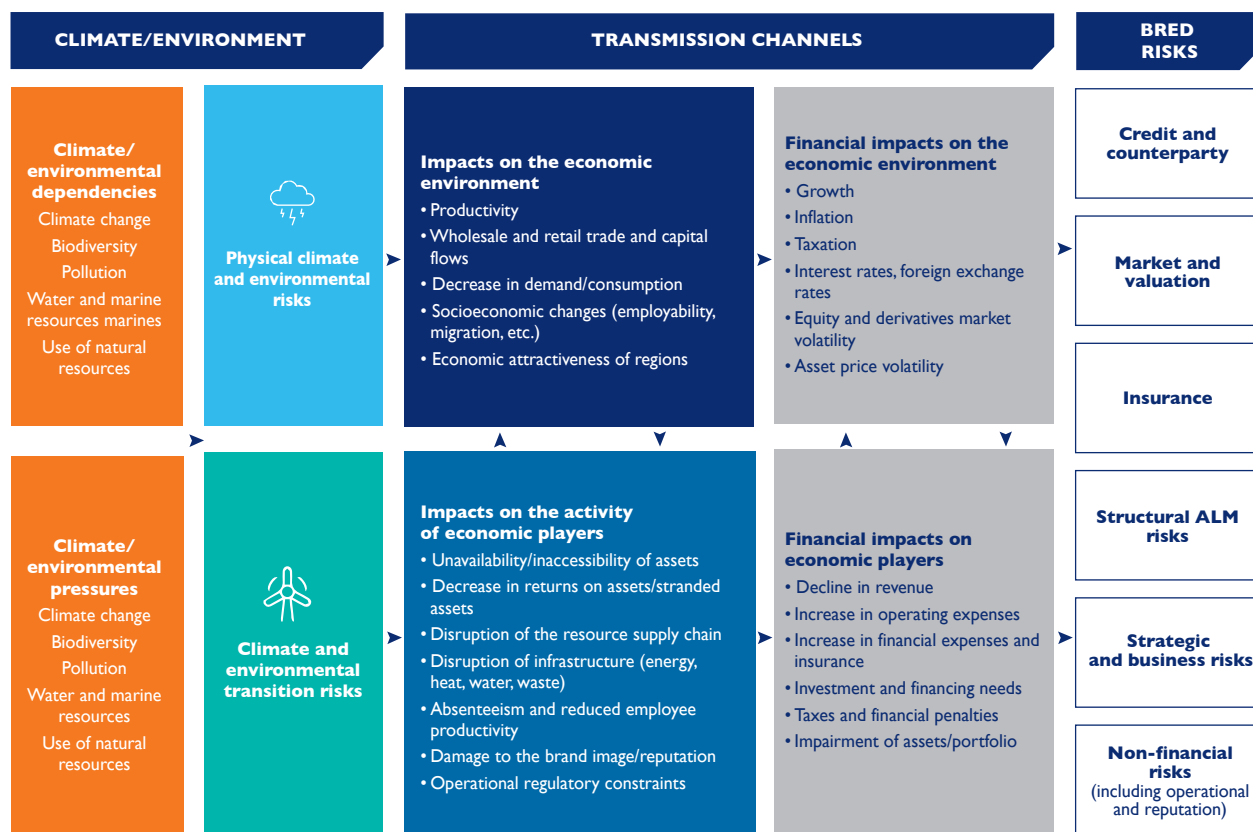
Climate risks are risk factors underlying the other risk categories to which Groupe BPCE is exposed, namely credit and counterparty risks, market and valuation risks, insurance

risks, structural balance sheet risks, strategic and business risks and non-financial risks (operational risks, reputation risks, non-compliance risks, insurance risks, etc.), as identified in Groupe BPCE's risk taxonomy.

In 2024, Groupe BPCE systematically identified and described transmission channels linking climate risk factors to the main risk categories of its risk taxonomy. For this work, Groupe BPCE relied on its internal experts as well as on the impact mapping carried out by leading institutions such as NGFS and SBTN or the OCARA methodology.

These transmission channels involve the impacts of climate risks on activities and business models, which are reflected in financial variables at the macroeconomic or microeconomic level and ultimately modify Groupe BPCE's risk exposure. They may materialize directly, in connection with Groupe BPCE's own activities, or indirectly, through the counterparties to which Groupe BPCE is exposed as part of its financing or investment activities.

This work will be subject to an annual review in order to integrate changes in knowledge on climate and environmental risks and to extend the scope of risks covered to include social and governance risks.



Materiality assessment

Based on the transmission channels identified, Groupe BPCE assesses the materiality of the climate risks in relation to the main risk categories to which it is exposed. This assessment distinguishes between physical risks and transition risks. It is carried out according to three time horizons: short-term (one to three years, financial planning horizon), medium-term (strategic planning horizon, five to seven years), and long-term (~2050).

This assessment is based on quantitative or qualitative indicators, making it possible to assess the risk exposures from a sectoral and geographical point of view, when these are available, as well as on expert assessments. The internal experts involved in these assessments include the ESG Risk department, the other Risk divisions, as well as representatives from other departments (impact, compliance, legal) and the business lines concerned.

In 2024, the assessment of the climate risks was carried out by almost all of Groupe BPCE's physical entities and aggregated at Groupe BPCE level. It was supplemented by an initial assessment of the environmental risks carried out solely at Groupe BPCE level. As part of the assessments' annual update, the climate and environmental risk assessment processes will be converged and extended to social and governance risks.

As part of the assessment of the financial materiality of the risks in accordance with the ESRS, the assessment of the materiality of the climate risks was cross-referenced with the materiality assessment of each of the "traditional" risks carried out annually as part of the work on the Risk Appetite Framework in order to obtain an assessment of the intrinsic materiality for each risk on the same criteria applied to other risks (probability of occurrence/magnitude of financial impact), making it possible to ensure consistency between the assessments. An expert's overall consistency check was carried out to validate the materiality levels obtained.

Climate risk assessment methods

Groupe BPCE has adopted specific methodologies to systematically and consistently address the climate risks associated with its exposure portfolios. These methodologies are based on internal and external expertise and reflect the state of scientific knowledge, current technologies, regulatory environment and market practices. They are regularly reviewed, supplemented and enriched with the aim of gradually improving the accuracy of the assessment of climate risks and taking into account changes in the context.

Groupe BPCE has developed an internal methodology for assessing climate issues and risks, based on sector notes documenting the main issues and risks related to the sector, according to criteria aligned with the definitions of European taxonomy.

All of these criteria are then rated by in-house experts, according to the principles of double materiality. The scores for the climate criteria are also aggregated in order to provide a summary score enabling the sectors to be compared. The

proposed scores were validated by the Non-Financial Risk Committee.

This analysis methodology was deployed in the 26 economic sectors used to manage Groupe BPCE's financing portfolio. It is shared with all Groupe BPCE entities.

Work was carried out in 2024 to improve methods for assessing physical and transition environmental risks. These methods are intended to replace this methodology in 2025.

Process for identifying and assessing opportunities

BRED Banque Populaire is the offspring of century-old brands deeply rooted in the regions, the needs of society and its customers. Faced with the challenges of transitions in general and the environmental emergency in particular, BRED Banque Populaire includes climate change among the priority areas of its ESG strategy, placing itself in a transition position as a company and as a player in the financing of the economy.

In terms of opportunities, BRED Banque Populaire has business teams whose mission it is to study market opportunities, develop business plans and launch useful offerings to support the environmental transition of its customers.

7.2.2.1.1 EI-I Transition plan for climate change mitigation

As a Groupe BPCE company, BRED Banque Populaire contributes, through its business model and specificities, to the implementation and execution of the transition plan defined at Groupe BPCE level. However, the bank has not yet formalized a transition plan for its terminals within the meaning of the CSRD directive or defined all the targets that will be associated with it. These elements will be developed, in accordance with the requirements of the CSRD, and will build on the climate change actions and initiatives already deployed (see Section EI-3) over the next three years.

Groupe BPCE has placed the climate at the heart of its VISION 2030 strategy, with specific ambitions to make the impact accessible to all:

- alignment of its financing, investment and insurance portfolios with trajectories compatible with the objectives of the Paris Agreement;
- support for all customers in their environmental transition;
- extension of the sustainable refinancing strategy in order to have the resources necessary to achieve its objectives;
- accelerated reduction of its own footprint;

It is accelerating the transformation of its activities with the aim of extending its impact solutions to all its customers on climate issues and more broadly on sustainability issues.

Groupe BPCE has undertaken a transformation of all its companies, at all levels, by launching an internal transformation plan, named "Impact Inside", to support its customers' environmental and societal transitions. The transition plan to mitigate climate change is part of this global approach.

Compatibility of the company's targets with limiting climate change [E-I-1-16 (a)]

BRED Banque Populaire's local model makes it possible to conduct pragmatic action plans anchored in the reality of its regions, with the objective of climate neutrality and limiting global warming to 1.5°C in accordance with the Paris Agreement.

BRED Banque Populaire's commitments are consistent with BPCE's strategic plan, in which Groupe BPCE has pinpointed climate-related issues as a priority for all its business lines and companies. Three objectives have been set:

- aligning all portfolios with a "net zero" trajectory;
- supporting customers in their environmental transition;
- reducing the bank's own footprint.

BRED Banque Populaire is convinced that the banking sector plays a key role, through its financing, investment and insurance activities. The growing awareness and the expectations of stakeholders regarding the challenges related to climate change is also creating a positive dynamic of demand for sustainable solutions.

BRED Banque Populaire's cooperative model allows it to meet customer expectations and the company's aspirations by ensuring a fair transition for each customer. Its decentralized model and regional presence are real assets for supporting transitions and contributing to a fair and sustainable transformation of society.

Financing activities

BRED Banque Populaire is developing support for its customers by providing them with products to help them decarbonize their activities. BRED Banque Populaire participated in workshops with Groupe BPCE as part of the analysis that made it possible to identify the sectors with the highest GHG emissions.

Customer support is differentiated according to location, which may have different requirements and constraints in Mainland France, in the French overseas territories and internationally.

Through Groupe BPCE, BRED Banque Populaire joined the Net Zero Banking Alliance in 2021 and the Net Zero Asset Owners Alliance in 2022, and participated in the climate strategy and commitments published by Groupe BPCE in its 2023 Task Force on Climate related Financial Disclosures (TCFD) report.

Insurance activities

In 2024, based on the methods and tools available, Prépar Vie studied the implementation of a strategy that incorporates the objective of a temperature trajectory of less than +2°C by 2100, and steps to aim for the neutrality of its portfolio's CO₂ emissions by 2050.

In 2024, Prépar Vie strengthened the exclusion policy for its direct bond investments by ceasing to invest in issuers that finance new coal mining and coal-fired electricity generation projects.

The exclusion policy will also cover the use of unconventional hydrocarbons.

Asset management activities

Promepar Asset Management contributes to the development of sustainable finance:

- by being a signatory of the PRI (Principles for Responsible Investment);
- by regularly informing the BRED Banque Populaire network and its customers about sustainable finance news (companies, investors, regulators, governments, supranational organizations, civil society, etc.), via a monthly SRI news flash;
- by supporting and working with organizations committed to responsible finance, including *Association Éthique et Investissement*, which initiated the first French ethical fund in 1983, *Association Française de la Gestion Financière*, *Forum pour l'Investissement Responsable* and the Carbon Disclosure Project, among others.

Furthermore, Promepar Asset Management participates in the objectives of the Paris Agreement by implementing a policy to phase out thermal coal.

Own activities

BRED Banque Populaire has not yet defined a 2050 trajectory compatible with the Paris Agreement on its own footprint. Nevertheless, several responsible initiatives have been taken to reduce the carbon footprint related to clean operations.

Description of decarbonization levers and key actions [E-I-1-16 (b)]

In concrete terms, BRED Banque Populaire is mobilized to decarbonize the economy, by making impact accessible to all economic players in society and in all its areas of expertise. This is reflected in increased support for its customers and in actions on its own operations through the following levers:

Financing activities**Integrating ESG criteria in investment and/or credit decisions**

The increase in volumes since 2021 stemmed from the centralization of ESG risk analyses by the CSR teams; previously they were managed by the Corporate & Investment Banking sales teams. BRED Banque Populaire has set up a process to manage the decarbonization of its loan portfolio, by integrating ESG (Environmental, Social and Governance) criteria into the credit granting process for Corporate & Investment Banking corporate customers, whose loan requests exceed €1 million.

BRED Banque Populaire's ESG analysis is based on 18 indicators spread over three main areas:

- Environment: GHG emissions, existence of plan to reduce or optimize resource and energy consumption, existence of water consumption management monitoring, existence of management monitoring and/or waste recycling, existence of actions to reduce the CO₂ impact of travel (customers, employees), existence of actions for the benefit of biodiversity;
- Social: absenteeism rate, frequency rate of workplace accidents, equality index, actions on gender equality, rate of employees trained, rate of employment of employees with a disability;

- Governance: existence of a CSR policy, publication of an ethics code or charter, existence of a responsible purchasing policy, meeting of standards, obtaining general and sectoral certification or labels.

It is supplemented by an analysis of the controversies regarding the seven areas defined by ISO 26000, the international standard for social responsibility. The data used for this analysis come from the reports published by companies under the NFRD (Non-Financial Reporting Directive), guaranteeing a solid and verifiable information base.

It also incorporates the sector-based analysis of ESG risks developed by BPCE's Risk, Compliance and Permanent Control department, taking into account all aspects of the European green taxonomy (physical climate risks, transition climate risks, biodiversity, water, non-greenhouse gas pollution and the circular economy). Based on this analysis, an environmental sector classification is established, making it possible to identify specific points of attention for each business sector.

BRED Banque Populaire's ESG analysis results in a rating out of 100, reflecting the company's relative non-financial performance compared to the best practices in its sector. It also evaluates the level of ESG risk on a scale of three: low, medium or high. A high ESG risk can jeopardize the success of a financing application.

Thus, 97% of the Corporate & Investment Banking's eligible projects were subject to an ESG analysis in 2024 (98% in 2023) with a number of files assessed up by 8%, demonstrating BRED Banque Populaire's commitment to supporting its customers in the environmental transition and to integrating climate and social issues in its credit policy.

The ESG rating of companies is updated for the submission of credit applications to the Credit Committee. This mechanism has been validated by the Executive Committee and the executive Risk Committee and is referred to in BRED Banque Populaire's corporate credit policy.

Impact of the Métamorph-Ose program on the reduction of financed GHG emissions

The Groupe BPCE Impact Program aims to support its customers in their transition to carbon neutrality, in accordance with its 2030 vision of Impact. BRED Banque Populaire is committed to decarbonizing the economy by providing the necessary expertise to integrate ESG issues into the analysis of business models, whether for small companies or large industries.

This approach is based on three major areas:

- engaging in dialogue with BRED Banque Populaire customers on environmental transition issues, while incorporating risks and opportunities according to their size and business sector;

- measuring and managing the carbon footprint of financing, linking credit and GHG emissions;
- enhancing BRED Banque Populaire's customer understanding with non-financial data to verify the integration of ESG issues.

The Métamorph-Ose program embodies this strategy at Groupe BPCE, with a harmonized and synchronized approach, integrating the Fronts, Commitments, ESG Risks and the BRED Banque Populaire CSR department.

The Métamorph-Ose program links to three related projects: Net Zero trajectories, Green Hub offering and financing footprint ("GEM"), while strengthening the ESG risk management system.

The program breaks down into five key elements:

- Virtue: Collecting data to assess the green nature of a project;
- ESG sub-sectoral sheets: Understanding sectoral transition issues;
- ESG analysis method: Integrating ESG criteria into the granting process;
- Dedicated training: Providing specific training;
- ESG dialogue: Using questionnaires to identify customers' ESG appetite and trajectory.

Reducing the carbon footprint of financing portfolios

BRED Banque Populaire supports the carbon-pricing task force in Europe, as it believes that climate change is a major challenge for the coming decades. In line with this conviction, since 2018, BRED Banque Populaire has incorporated the analysis of ESG risks into the decision-making process about loans granted to its large corporate customers.

Thus, at the end of 2024, 91% of outstandings were held by players outside the most risky sectors from an environmental point of view⁽¹⁾, according to the breakdown of Groupe BPCE's Corporate outstandings.

The assessment of the climate performance of loans to individual customers is calculated using home loans as a basis by looking at the estimated energy performance of the homes (the "DPE" energy audit certificate). This data is systematically required for home loan applications since 2021.

BRED Banque Populaire monitors how the distribution of its stock of home loans evolves based on energy rating, using the climate risk dashboard developed by Groupe BPCE's Risk division.

At the end of 2024, 23% of assets financed by the home loan for which a DPE⁽²⁾ is collected had a rating between A and C, 30% a rating of D and 47% a rating between E and G.

(1) Score out of 100 according to an assessment based on six themes (climate transition, climate mitigation, biodiversity, pollution, circular economy, water). The five sectors with a score greater than or equal to 85 are considered to be the most emitting sectors.

(2) In the French overseas territories, the DPE was partially rolled out in 2024.

BRED Banque Populaire's credit policy highlights the importance of energy performance in decision-making for real estate financing. It underlines the need for an in-depth analysis for real estate assets with a DPE higher than E, in order to ensure that the borrower can cover the future expenses related to the improvement of the energy performance. This approach ensures that the financing granted supports the transition to more sustainable housing that complies with environmental regulations.

Financing green mobility in the professional market

As a partner of *Chambre de Métiers et de l'Artisanat*, BRED Banque Populaire supports its professional customers in their ecological transition, notably through the electrification of their car fleet.

Financing of renewable energy projects with positive environmental and social impacts

BRED Banque Populaire is active in financing the development of renewable energies (solar, wind, biomass and anaerobic digestion), even in what remains a highly aggressive and competitive market. It positions itself primarily on projects in French overseas territories, to support long-standing customers, or on projects that offer satisfactory returns given their complexity and granularity.

In addition to projects relating to the energy transition, BRED Banque Populaire's aim is to get involved in and support the financing of projects with a high ESG impact.

Own activities

Investing activities on its own behalf

BRED Banque Populaire has a long and established history of medium- and long-term investment of its capital surpluses. The Consolidated Investment Management team invests in different asset classes and has integrated ESG rules into its investment policy for several years.

The share of investments in funds that have defined an ESG policy has been rising steadily for several years, reaching 22% of total investments in 2024, for a total amount of over €650 million in 2024, up 14% on the previous year.

This includes investments to support the energy and ecological transition and contributing to climate risk mitigation, which increased by 59% year-on-year.

These are mainly green bonds (three new ABSs, +€73 million), infrastructure funds, and direct investments. Overall, as a whole they represented 6.8% of investments at the end of December 2024.

Asset-backed securities (ABSs)

The vast majority of ABSs in which GCI invests are residential mortgages, vehicle loans or leases and consumer loans. GCI does not invest in leveraged loans on corporates (CLOs) and therefore does not finance activities that would be overtly contrary to ESG values.

In the absence of a standardized ESG label for the ABS sector, it is difficult to define relevant objectives with regard to the ESG quality of the portfolio, even if initiatives are under way at the European level on this subject. Bloomberg thus lists transactions that officially benefit from certain ESG labels. As this is a new impetus in the market, this proportion is set to grow in the portfolio.

The STS (simple, transparent and standardized) label introduced in January 2019 also attempts to partly address this theme. In this case, the originator and the sponsor must publish data regarding the environmental impacts of assets underlying the securitizations. Since the implementation of the label, 78% of the securities acquired have the STS label.

The objective in the future is to continue to build a portfolio that respects the intrinsic objectives of this theme and to have as many ESG-labeled securities as possible while respecting the necessary diversification of the portfolio.

Bond portfolio

This portfolio, managed on a run-off basis, is subject to ESG monitoring through the rating provided by the ISS ESG agency.

Portfolio of unlisted assets - unlisted equities, infrastructure debt, private debt

There is no standardized, authoritative ESG quality indicator for this asset class. In coordination with Groupe BPCE, GCI therefore developed its own ESG analysis grid, the completion of which is a prerequisite for any investment. This analysis makes it possible to assign an internal score out of 100 to the management companies in which GCI intends to invest, providing information for comparison to the Investment Committee, which makes the decision-making.

Reducing the carbon footprint of its own operations

In order to reduce the environmental footprint of its own operations, BRED Banque Populaire has initiated various responsible initiatives:

- Responsible buildings;
- Responsible digital;
- Sustainable mobility.

In addition to these three themes, BRED Banque Populaire is also involved in the recycling of its waste, with a view to developing the circular economy and short circuits in its regions. Its electronic and electrical waste is recycled by ESAT ATF GAIA, a company in the sheltered disabled sector, located in the Paris region.

Description and quantification of the company's investments and financing to support the implementation of the transition plan [E1-I 16 (c)]

This data point is of little relevance and materiality to BRED Banque Populaire's business.

Qualitative assessment of potential locked-in GHG emissions [E1-I 16 (d)]

At this stage, this data point is not covered because BRED Banque Populaire assumes that the notion of locked-in GHG emissions is not significant given the nature of the assets operated. This requirement will be reviewed in more detail when the BRED Banque Populaire transition plan is formalized and when it is brought into compliance with DR E1-9.

Explanation of any objectives or plans that the company has set to align its economic activities [EI-I 16 (e)]

The KPI (Key Performance Indicator) required by the Taxonomy Regulation for the banking sector is the GAR (Green Asset Ratio). BRED Banque Populaire has not set a target in terms of GAR at this time (see Section 2.1 "Indicators of the European taxonomy on sustainable activities").

Publication of investment amounts related to fossil fuel activities [EI-I 16 (f)]

This data point is not relevant to BRED Banque Populaire's business. Moreover, the policies and action plans are detailed in the report.

Exclusion or otherwise of the "Paris Agreement" benchmarks [EI-I 16 (g)]

BRED Banque Populaire is not excluded from the "Paris Agreement" benchmarks.

Description of how the transition plan is integrated into the business strategy and financial planning

BRED Banque Populaire, although it has not yet formalized its transition plan to date, places Corporate Social Responsibility (CSR) at the heart of its strategy through its strategic plan "Aligning energies - BRED 2027 Goals".

Indeed, one of BRED Banque Populaire's strategic priorities for the next three years is CSR, integrating the environmental concerns of stakeholders into its overall strategy.

BRED Banque Populaire is thus demonstrating its desire to support its customers, cooperative shareholders and regions in their decarbonization efforts, which is essential to reducing greenhouse gas emissions and combating climate change.

The CSR department is now attached to the Development department in order to create greater synergies and improve the effectiveness of the implementation of CSR initiatives.

It is responsible for carrying out an in-depth diagnosis that will serve as a basis for the development of a roadmap that will define precise indicators and clear objectives to ensure the monitoring and implementation of strategic CSR orientations.

These initiatives demonstrate BRED Banque Populaire's desire to play an active role in the ecological transition, by aligning its operations and strategies with the needs of its stakeholders and current environmental requirements.

The approach promises to be structured and focused on measurable results, thus ensuring a positive and sustainable impact.

BRED Banque Populaire's participation in Groupe BPCE stress tests is presented in Chapter EI - Climate change - Section ERS 2 SBM-3.

Approval of the transition plan by the company's administrative, management and supervisory bodies [EI-I 16 (i)]

To date, BRED Banque Populaire has not formalized its transition plan. However, all the sections of this report were submitted for approval to the members of the administrative and management bodies of BRED Banque Populaire.

Description of the progress made by the company in implementing the transition plan [EI-I 16 (j)]

In the absence of a transition plan, this data point is not relevant for BRED Banque Populaire.

7.2.2.1.2 SBM 3 - Material impacts, risks and opportunities and their interaction with strategy and business model

BRED Banque Populaire contributes to BPCE's Internal Capital Adequacy Assessment Process (ICAAP), which takes into account physical climate risk through the implementation of adverse scenarios including climatic hazards (e.g., drought, flooding, etc.). The transition risk was also quantified as part of the BPCE 2025 ICAAP. BRED Banque Populaire also contributes to Groupe BPCE's ILAAP, which integrates physical and transition risks. Risk quantification is based on modeling the impact of a physical risk on the financial strength of customers, the ability of insurers to replace liquidity with Groupe BPCE, and the behavior of investors.

Furthermore, BRED Banque Populaire manages its ESG risk appetite through a dashboard presented quarterly to the Executive Risk Committee by the Head of the ESG Risk department, which presents:

- breakdown of Corporate/Professional outstandings according to sectoral environmental risk;
- breakdown of gross the environmental risks of Corporate/Professional outstandings;
- breakdown of Corporate/Professional outstandings Identification of ACPR 2020 sensitive sectors;
- DPE breakdown of housing loans (an indicator on the share of DPE on rental investments is taken into account in the RAF);
- market risk - Liquidity reserve.

Investment management and asset management activities (focus on the Promepar Asset Management and Prépar Vie subsidiaries)

Promepar Asset Management

Promepar Asset Management is a signatory of the Principles of Responsible Investment (PRI). By signing the PRI, Promepar Asset Management undertakes to take ESG issues into account in its investment analysis and decision-making processes.

Promepar Asset Management manages ESG risks/opportunities, including those related to climate change, through several channels:

Across its management,

- monitoring the ESG ratings of each security invested;
- analyzing ESG controversies;
- using an ESG rating, according to an internal process for the funds, equity mandates and all external UCIs (excluding ETFs, absolute performance funds and other funds such as those investing in commodities) in which we invest.

And more specifically, for BRED Sélection ISR

- selecting funds from issuers keen to limit their greenhouse gas (GHG) emissions;
- measuring the carbon footprint and aiming to be better than the benchmark.

Prépar Vie

Pursuant to European Regulation (EU) 2019/2088 on the publication of sustainability information, Prépar Vie is committed to integrating sustainability risks into its investment processes.

Sustainability risks are any event or situation in the environmental, social or governance field that, if they occur, could have a material adverse impact on the value of the investments.

Thus, the entity's risk mapping identifies and assesses ESG risk. The risks identified in the mapping are assessed according to their potential impacts (from low to critical) and their frequency (from low to probable). The analysis is carried out by experts and presented to the Supervisory Board.

Sustainability risks break down into three risks:

- environmental risks;
- social risks;
- governance risks.

The risk assessment process is focused on environmental risks and particularly on climate risks, studied through the prism of physical and transition risks.

For Prépar Vie, the ORSA 2024 exercise studied a stress test with a climate component. This scenario includes an increased climate transition, notably by taking into account more severe flooding in the Eurozone.

7.2.2.1.3 EI-2 — Policies related to climate change mitigation and adaptation

Through its activities, BRED Banque Populaire is exposed to risks and opportunities related to climate change (e.g., Financial risks related to financing/investment in counterparties not making the transition). In addition, its activities also have an impact on the environment (e.g., Negative impact on the environment via the greenhouse gas (GHG) emissions of the investment/financing portfolio (indirect emissions - Scope 3). All impacts, risks and opportunities are listed in Section ESRS 2 - IRO-1. In addition, the policies and action plans associated with the own footprint are detailed in EI-3.

Thus, in order to mitigate the challenges arising from climate change, BRED Banque Populaire complies with Groupe BPCE's CSR policies highlighting exclusion criteria for targeted sectors that contribute to climate change mitigation ⁽¹⁾:

ESG sector policy - Oil and gas industry

Groupe BPCE is committed to a reduction trajectory by 2030 of its carbon emissions linked to the end use of financed oil or gas production, in line with the IEA (International Energy Agency) Net Zero Emissions by 2050 scenario.

Groupe BPCE's CSR policy aims to define the assessment and exclusion criteria applicable to customers and to dedicated transactions, products and services, by specifying the conditions for the Group's intervention in this high-stakes sector.

BRED Banque Populaire's professional and corporate market credit policy refers to Groupe BPCE's CSR policy. In particular, BRED Banque Populaire complies with Groupe BPCE's CSR policy applicable to the oil and gas industry and its policy applicable to the coal industry.

For companies and projects, the policy details assessment criteria to assess their environmental and social performance, covering in particular pollution issues, working conditions and the adoption of ESG best practices.

For more details, please consult the public document available at the following address: <https://www.groupebpce.com/en/csr/ratings-international-standards/>

Scope of application

The policy applies globally and to the following activities in the value chain:

- non-dedicated corporate financing, when the facilities are used for the general needs of the company or its operations (working capital, pre-export financing, sale and trading of oil and gas products, etc.);
- dedicated acquisition financing to finance or refinance the acquisition of one or more project(s) or an entity holding one or more projects in operation;
- dedicated financing - in the form of project financing - with a view to (i) financing or refinancing a new project to be built or under construction (greenfield), or (ii) financing or refinancing an investment aimed at extending, renovating or transforming an existing project in operation (brownfield), or (iii) refinancing a project already in operation (brownfield);
- all types of related products and services (banking or related to capital market transactions), including guarantees, letters of credit, swaps and other related facilities;
- other market activities (debt or equity issuances for oil and gas companies);
- financial advice in relation to the aforementioned financing.

⁽¹⁾ See Section EI-3 for the management of GHG emissions, GHG absorption, and transition risks at the level of BRED Banque Populaire's own operations and of its value chain.

Implementation

BRED Banque Populaire will not participate in any non-dedicated financing for a company whose business is 25% or more based on the use and production of shale oil and gas. BRED Banque Populaire will not participate in any non-dedicated financing for a borrower whose business is 25% or more based on the exploration, production, transport, storage or export of oil from tar sands, or of extra-heavy oil, or on the operation of coal-to-liquids type facilities ⁽¹⁾. BRED Banque Populaire will not participate in any financing of the acquisition of a company whose business is 25% or more based on the exploration, production, transport, storage or export of oil from tar sands, or of extra-heavy oil, or on the operation of coal-to-liquids type facilities.

ESG sector policy - Thermal coal industry

As the leading source of greenhouse gases (GHG), coal combustion accounts for 40% of global CO₂ emissions, compared to 32% for oil and 19% for natural gas; the remaining 10% are related to industrial processes (excluding energy combustion). In addition, electricity generation from thermal coal combustion is more than twice as carbon-intensive as that from natural gas, i.e., according to Ademe, 1,050 gCO₂e/kWh compared to 443 gCO₂e/kWh.

In 2021, Groupe BPCE committed to reducing its financial exposure to thermal coal to zero by 2030 for the European Union and OECD countries, and by 2040 for the rest of the world.

The ESG sector policy applicable to the thermal coal industry covers the extraction, storage, transport, trading and processing activities of thermal coal, as well as the production and distribution of electricity produced from thermal coal.

This policy includes exclusion and assessment criteria for companies and projects in this sector.

The policy also includes assessment criteria to assess the environmental and social performance of companies, covering in particular pollution issues, working conditions and the adoption of ESG best practices. Exceptions may be granted only for transactions aimed at supporting the low-carbon transition.

For more details, please consult the public document available at the following address: <https://www.groupebpce.com/en/csr/ratings-international-standards/>

Scope of application

The policy applies to the following activities in the value chain:

Bank financing (BGC)

Dedicated financing, in the form of project or corporate financing, with a view to (i) financing or refinancing a new project to be built or under construction (defines as greenfield), or (ii) financing or refinancing an investment in order to extend, reorganize or transform an existing project in

operation (defined as brownfield), or (iii) financing or refinancing one or several projects or an entity in charge of one or several projects already in operation (brownfield); - Corporate financing, when the facilities must be used for general non-dedicated purposes. - Financing for selling or trading thermal coal. For the purposes of this policy, the term "financing" also covers all types of banking or related capital market products and services, including guarantees, letters of credit, swaps and other related arrangements.

Capital markets (BFI)

Issuance of bonds or shares - Trading and sale of coal-related financial derivatives - Origination of capital market transactions involving listed shares. The three types of activities listed above being referred to as "banking products and services".

Third-party asset management (AM)

As regards management on behalf of third parties, the Group's companies may adapt this policy to their activity.

Insurance

The investment activities (assets or funds managed directly) of the Group's Insurance companies.

Proprietary trading (Portfolio management - Assets)

Medium- and long-term investments of BRED Banque Populaire's surplus capital invested in various asset classes

This policy applies worldwide.

Implementation

As a general rule, before entering into a relationship with a prospect or renewing the facilities of an existing client company, BRED Banque Populaire performs an analysis to ensure that the following cumulative criteria are met:

1. 25% or more of the company's business is not based on coal-fired electricity generation and thermal coal extraction. For companies operating in the energy sector, this could mean that their electricity generation comes from renewable energy;
2. the company is not a Developer ⁽²⁾, i.e., it does not develop new capacities in its coal-fired electricity generation or thermal coal extraction portfolio;
3. the company has provided, or has ensured that it has provided, all the evidence that it has undertaken a transition plan aligned with Groupe BPCE's exit schedule, i.e., a complete withdrawal of thermal coal by 2030 or 2040, depending on the geographical area.

Promepar Asset Management's phase-out policy for thermal coal

Aware of the urgent need to contain global warming to +1.5°C by 2100 and of the importance of the financial sector's role in achieving this goal, Promepar Asset Management is committed to limiting its investments in thermal coal through a policy of gradually phasing out thermal coal.

(1) A coal-to-liquid project is a project in which a liquefaction process is used to convert coal into liquid fuels or petrochemicals.

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

This policy, initiated in 2020, consists of regularly reducing the thermal coal exposure thresholds of the companies in which it will be able to invest, according to the following schedule:

- 2020-2021: threshold limited to 33% of turnover;
- 2022-2024: threshold limited to 20% of turnover;
- 2025-2027: threshold limited to 10% of turnover;
- 2028-2030: threshold limited to 5% of turnover;
- 2030: total discontinuation of financing for companies involved in thermal coal, regardless of the percentage of turnover concerned.

A more restrictive review may be implemented, depending on regulatory changes, changes in practices, company commitments and at the discretion of each manager.

Management of BRED Banque Populaire's physical climate risks and its transition risks related to climate change adaptation

BPCE's Climate Risk division coordinates the implementation of the climate risk management framework through a dedicated program. This program, which is in line with the Group's climate and environmental commitments, sets precise targets for all business lines and sectors. The proposed system is designed to ensure maximum coverage of the 13 pillars proposed by the ECB in its guide on climate-related and environmental risks of November 2020. It also integrates the most recent national or international regulatory perspectives. This program is regularly updated with the points of attention specified by the ECB, initially based on the feedback of the self-assessment questionnaire, formalized through discussions at the end of 2021, then through the thematic review carried out in early 2022. In concrete terms, this program is organized around nine major projects (governance, risk appetite framework, stress testing, financial and market risks, operational risks, credit risks, the risk control system, the dashboard, and data).

For more details, please refer to Pillar III of BRED Banque Populaire.

7.2.2.1.4 EI-3 - Actions and resources in relation to climate change policies

The actions described in this section aim to respond to the impacts, risks and opportunities identified in ESRS 2 - IRO-1.

Financing activities (financed emissions)

Financing of renewable energy projects with positive environmental and social impacts

In 2024, BRED Banque Populaire demonstrated a strong commitment to the energy transition and sustainable development through several key initiatives.

It continued to support its customers in the financing of projects related to the development of wind, photovoltaic and biomass power plants, these projects being essential to diversifying energy sources and reducing dependence on fossil fuels and being mainly deployed in the French overseas territories, where BRED Banque Populaire has a strong presence.

In addition to energy projects, BRED Banque Populaire provided support for projects with a strong Environmental, Social and Governance (ESG) impact. This includes activities that meet the criteria of the European Taxonomy, particularly of the "Clean Transport" category.

The bank has thus participated in financing the acquisition of electric locomotives and the modernization of regional express train (French TER) fleets into regional electric trains. These initiatives contribute to the reduction of carbon emissions in the transport sector. It is also the leader in refinancing Eurostar green term loans.

BRED Banque Populaire is the leading European distributor of short-term debt. As part of this activity, its trading desk is a long-standing partner of French rail financing players. In 2024, it distributed €1 billion in securities issued by SNCF. It also made a significant contribution to the investment of French para-public companies in the energy sector, with €12.5 billion, contributing to the maintenance of low-carbon electricity generation in France.

As part of the national program to dismantle copper by 2030, BRED Banque Populaire has financed fiber optic roll-out projects. This transition to fiber optics is essential to improve the efficiency of communication infrastructures and reduce the ecological footprint associated with the former copper network.

Moreover, BRED Banque Populaire committed to restoring degraded land by joining the investor pool of the Land Degradation Neutrality (LDN) fund managed by Mirova, Groupe BPCE's asset management company dedicated to responsible investment, for €9 million. The fund's objective, supported by the United Nations, is to restore 500,000 hectares of degraded land around the world, create 100,000 local jobs and save 35 million tons of CO₂ through agricultural projects, reforestation and eco-tourism.

Through this transaction, BRED Banque Populaire provided support for three degraded land restoration projects in Peru, Indonesia and Kenya.

These actions illustrate BRED Banque Populaire's desire to play an active role in the transition to a more sustainable economy, by providing support for projects that have a positive impact on the environment and society.

Financing of renewable energy projects with positive environmental and social impacts in the French overseas departments

In addition to its historical presence in mainland France and in the Paris region notably, BRED Banque Populaire is present in almost all the French overseas territories and has subsidiaries abroad in countries with a level of economic development that is lower than France's. Due to the lesser prioritization of ESG issues, the regulations relating to the protection of human rights and the environment applicable in these countries are generally less restrictive than those applicable in France. For example, the countries where it operates do not have regulations such as the right to an account or to protection for vulnerable customers.

In each of these locations, each entity acts at its own level to preserve the environment, comply with labor standards, establish best governance practices and develop financial inclusion.

In terms of governance, the fight against money laundering and the financing of terrorism, the policy applied at the BRED Group is to apply European rules if they are more restrictive and if the local law does not preclude them.

Through its subsidiary SOFIDER, BRED Banque Populaire is deploying financing dedicated to the energy transition in the French overseas territories. By way of example, in 2024:

- financing for private individuals of solar water heaters and photovoltaic installations - approximately 1,200 in Reunion Island and 200 in the Antilles. These types of facilities are particularly suited to local conditions;
- financing of around 600 electric vehicles in Reunion Island, i.e., 15% of car financing in 2024.

Insurance activities

Prépar Vie incorporates environmental criteria into its investment strategy, notably for its portfolio of bonds held directly. ESG criteria are taken into account at the level of the assets in which Prépar Vie invests, i.e., bonds mainly for direct management and funds for other asset classes. For bond investments managed directly, the ESG analysis appears to be a complement to the traditional financial analysis; it enhances it by shedding light on issues of growing importance within the Prépar Assurance group.

At December 31, 2024, this portfolio represented €4,018 million, i.e., 54% of Prépar Vie's assets (excluding unit-linked commitments).

Prépar Vie's investment strategy is based on three main levers:

- investments with an environmental and social impact, and gradually aligned with sustainability regulations (taxonomy for directly managed bonds, SFDR classification for UCIs);
- exclusion rules for certain sectors;
- and an ESG engagement strategy with issuers and funds.

Investments with a positive environmental and social impact

Investing in green, sustainable and social bonds is highlighted in Prépar Vie's investment strategy.

Prépar Vie has therefore set itself a percentage of investments of 10% to be made directly in bonds devoted to these emission categories during each fiscal year. Prépar Vie's purchases of impact bonds (according to the definition used in 2023) amounted to 20.37% in 2023. The share of green bonds in the 2023 portfolio represents 6.79% of outstanding bonds and 3.63% of total outstanding at market value.

Moreover, a significant portion of investments is classified under Articles 8 and 9 of the SFDR, indicating a strong commitment to sustainability. For 2023, the share of investments in funds classified under Article 8 or 9 amounted to €1,191.02 million, i.e., 52.02% of investments in UCIs under

consideration (i.e., +18 points between 2022 and 2023 and a €381 million increase in volume).

Lastly, 3.7% of the bond portfolio is aligned with the sustainability criteria of the European taxonomy (excluding government bonds and green bonds).

Exclusion rules for certain sectors

There are two sets of exclusions:

- a first series of normative exclusions consists of the list of countries excluded by Groupe BPCE ("black list");
- the second set of exclusions concerns the tobacco sector (producers) and coal extraction (mining activity).

An ESG engagement strategy with issuers and funds

Prépar Vie uses ESG ratings, carried out by Sustainalytics, to assess the exposure to environmental risks and the management of these risks⁽¹⁾. Prépar Vie assesses the ESG criteria of the issuers and funds it selects for its investments.

The ESG rating established by Sustainalytics enables investors to identify the ESG issues presenting the most significant risks to the value of a company.

The rating is based on two dimensions:

- a company's exposure to ESG risks;
- company management; the rating informs investors about a company's ability to manage said risks.

The risk score (rating on a scale of 0 to 100 - with a rating of 0 being awarded to the best issuers) is absolute and makes it possible to compare companies in different sectors.

Prépar Vie will study, over the coming periods, the implementation of a strategy that incorporates the objective of a temperature trajectory of less than +2°C by 2100, and steps to aim for the neutrality of its portfolio's CO₂ emissions by 2050.

Asset management activities

All Promepar Asset Management employees, notably managers, are made aware of SRIs and the ESG approach. Promepar Asset Management has dedicated a team of three experts working on the development of SRIs and ESG. This team is in charge of integrating ESG into all management, as described in its policy.

For the BRED Sélection ISR fund more specifically, it analyzes companies' CSR reports and meets with dedicated and/or sustainable development managers to assess the relevance and sincerity of the environmental, social and governance strategies put in place. This team also analyzes controversies, their severity, their frequency, and companies' responsiveness in resolving them. Promepar Asset Management's SRI analysts process all the ESG data collected for each issuer (ESG performance and progression). Access to non-financial data is a real issue (whether the information is available or not, the cost of accessibility, data quality). For ESG and SRI analyses of live securities, the team has access to ESG data and ratings from non-financial agencies, and to analyses from consulting firms, from brokers (analysts or data suppliers) and from various public data sources.

(1) https://www.prepar-vie.fr/wp-content/uploads/2024/06/Rapport-Article-29_PREPARVIE_EXERCICE-2023-VERSION-DEFINITIVE.pdf

Sustainable investment

In addition to its normative and sectoral exclusion policies, ESG analysis, controversy monitoring, and commitment, Promepar Asset Management has defined an internal methodology to qualify a sustainable investment within the framework of the SFDR regulation.

To be classified as sustainable, an investment must meet the following three conditions:

1. it contributes to an environmental or social objective: alignment of 10% of turnover with the green taxonomy OR contribution of 10% of turnover to the Sustainable Development Goals (SDGs) OR climate strategy validated by the Science Based Targets initiative SBTi (validation at least of a short-term strategy) OR green, social or sustainable bond meeting the Green Bonds Principles and in the presence of a Second Party Opinion;
2. it does not significantly harm any environmental or social objective (DNSH), i.e., it is not involved in any of the following controversial activities (max. % of turnover): tobacco (5%) - thermal coal (5%) - pornography (5%) - gambling (5%) - oil sands (5%) - fossil fuels (33%) AND it has an E and S rating of 35/100 or higher AND it does not have more than one level 4 controversy;
3. it follows good governance practices: has a G score greater than or equal to 35/100.

Controversy monitoring

A controversy is public information, from reliable sources, that involves an issuer on various subjects (human rights - environment - governance - relations with stakeholders - corruption, etc.) that may have consequences for its reputation, but also, in certain cases, for its share price.

A controversy is therefore, potentially, a source of risk for an investor. This is why monitoring controversies is an integral part of Promepar Asset Management's ESG integration policy.

As regards the analysis and monitoring process, as is the case for the ESG rating of securities, it is carried out via an external data provider (Moody's ESG Solutions) which assesses three parameters:

- severity of the controversy: assessment of the degree of impact on stakeholders and the company highlighting the scale, scope and capacity for reversibility;
- company responsiveness: the company's ability to quickly engage with stakeholders from a risk management perspective;
- frequency: exposure of the company to controversies at large.

Each parameter is rated on a scale from 1 (low) to 4 (high). All of these three scores are used to determine a risk management score.

Every week, a list of level 3 and 4 controversies is circulated and commented on internally to all employees. In the event of a proven controversy and depending on its degree of seriousness, the managers may decide to reduce, sell or vote on a sanction at the General Meeting.

It should be noted that, at the heart of ESG risk, the subject of controversies is one of the most difficult to understand, and is often difficult to anticipate, verify and analyze objectively, or even to deduce sufficiently early in terms of its stock market risk. Furthermore, to be classified as sustainable, an investment must not have more than one level 4 controversy, according to the scale defined by Promepar Asset Management.

Shareholder engagement

Promepar Asset Management wishes to continue and intensify its commitments to issuers by increasing the number of meetings via individual and/or collaborative commitments with other national and international SRI players. This is done in order to participate more closely in initiatives to defend and promote ESG, SRI and CSR best practices among the financial sector, as well as among issuers, institutional customers and individual customers.

Since 2020, Promepar Asset Management has undertaken to gradually reduce its exposure to issuers involved in the production or use of thermal coal. The turnover threshold tolerated in 2020 was 33%, then 20% in 2022, 10% in 2025, 5% in 2028 and will be 0% by 2030 at the latest. A more restrictive review may be implemented, depending on regulatory changes as well as changes in practices and companies' commitments.

Own activities

BRED Banque Populaire has implemented an ambitious action plan, divided into three themes, to reduce its carbon footprint.

Responsible buildings

BRED Banque Populaire has an Environment unit within the Real Estate, Security, Logistics and Environment department (DISLE), within which the "energy and environment" officer is responsible for ensuring that the objective of reducing by 40% the energy consumption of tertiary buildings of more than 1,000 m² by 2030 is achieved, by:

- improving the energy label for all of the bank's sites;
- deploying home automation for a centralized and harmonious control of energy sources in head offices and branches in mainland and overseas France;
- applying an energy sobriety plan throughout the year;
- eliminating electric heaters and the closing of hot air curtains in branches.

Responsible digital

Groupe BPCE has taken full account of the environmental and social impacts of digital technology by including a Responsible Digital component in its BPCE 2024 strategic plan and by setting a target to reduce its IT carbon footprint by 15% and improve the energy efficiency of its data centers by 10%.

As part of the BPCE 2024 strategic plan, several actions are underway to implement a more responsible digital ecosystem by relying on more efficient application development techniques, extending the lifespan of equipment, improving the energy efficiency of data centers and raising the awareness of all Group employees about eco-responsible actions.

BRED Banque Populaire is a natural part of this policy and works in three areas:

- Reducing its IT infrastructure:
 - 86% reduction in the number of desktop PCs to be replaced by laptops between 2019 and 2024;
 - Gradual withdrawal of tablets and individual printers not essential in branches.
- Extending the life of equipment:

BRED Banque Populaire is also careful not to allow unnecessary servers to run and is exploring the most sustainable solutions to manage the withdrawal of end-of-life hardware. To do so, it calls on external companies to ensure that this equipment (telephones, computers), after anonymization and deletion of the data they contain, undergo a second cycle of use by companies in the adapted and protected sector.

- Raising awareness of digital eco-behaviors among employees:

A working group representing the institutions and entities of the BPCE Community has selected awareness-raising tools and compiled them into a dedicated catalogue, which all Group institutions can avail of in order to step up their awareness-raising initiatives.

BRED Banque Populaire thus provided several occasions for its employees to take part in:

- An DSI plenary session was organized in June 2024 on the theme of CSR, with Climateworkout;
- Specific training was made available on the ClickAndLearn platform;

- On-site training was provided in the MyDSI tool;
- A video of its partnership with ATF Gaia to raise awareness and communicate to the DSI about equipment recycling.

Sustainable mobility

BRED Banque Populaire has set itself the target of converting its business vehicle fleet to 20% electric, 30% plug-in hybrid and 50% internal combustion vehicles by 2024.

This transformation is accompanied by:

- the installation of charging stations for electric vehicles at head offices, and the creation of secure premises for bicycles;
- the installation of a secure bicycle room at the Joinville building to encourage the use of bicycles.

As regards business travel, BRED Banque Populaire has a business transport policy that makes it possible to assess the need for travel and to promote the use of trains for distances that allow it, rather than air or car travel, and which has a dashboard that shows the mileage by type of transport. The goal being:

- A 28% reduction in the number of kilometers traveled by plane and train.
- A 26% reduction in car journeys from 2019 to 2024.

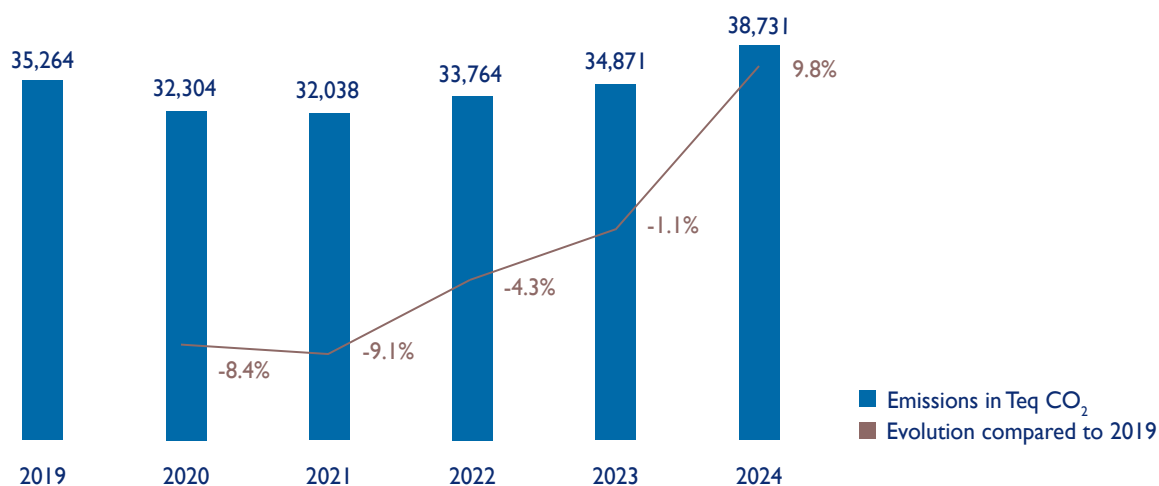
Lastly, BRED Banque Populaire's goal was to enable 25% of its own workers to telework 1.5 days a week by 2024, in order to reduce the need for commuting, while optimizing the use of new technologies to make video and audio conferencing more widespread.

Results of the actions undertaken

On the France scope

In 2024, BRED Banque Populaire's annual carbon emissions amounted to 38,731.44 tCO₂e (Scope 1 to 3, excluding investments and financing), up 9.8% compared to 2019.

Change in carbon emissions - France scope



Focus on the analysis of changes: some important methodological factors contributed to the 9.8% increase in emissions from 2019 to 2024:

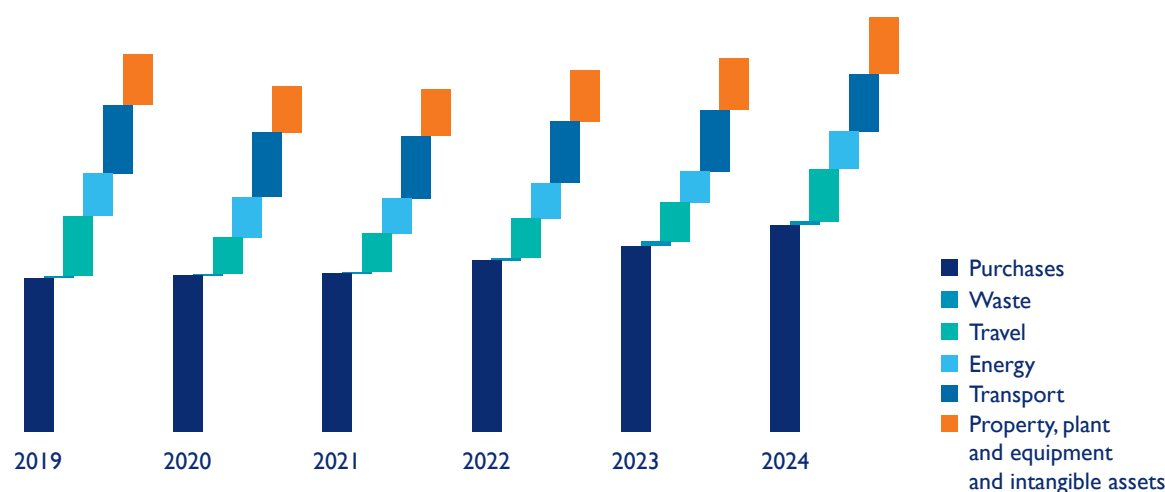
- In 2024, BRED Banque Populaire's scope was extended to all French subsidiaries, resulting in a 4.5% increase in issuances from 2019 to 2024.
- Pursuant to the Groupe BPCE methodology, in 2024, the measurement of the carbon emissions from purchasing was refined by providing details on the measurement based on 16 purchasing categories, instead of on 2 previously, and by assigning more precise emission factors to each category. This greater degree of precision initially resulted in a sharp increase in the emissions for this item. The purpose of this new segmentation is to highlight the categories with the highest emissions, to identify relevant reduction levers, and to monitor their implementation with a view to reducing BRED Banque Populaire's own footprint.

The transformation plan put in place to reduce its own footprint on the three pillars (responsible buildings, sustainable mobility, responsible digital) highlights the results described below.

The actions undertaken in the areas of responsible buildings and sustainable mobility (detailed below) have resulted in a 13% reduction in travel-related emissions and an 11% drop in energy-related emissions.

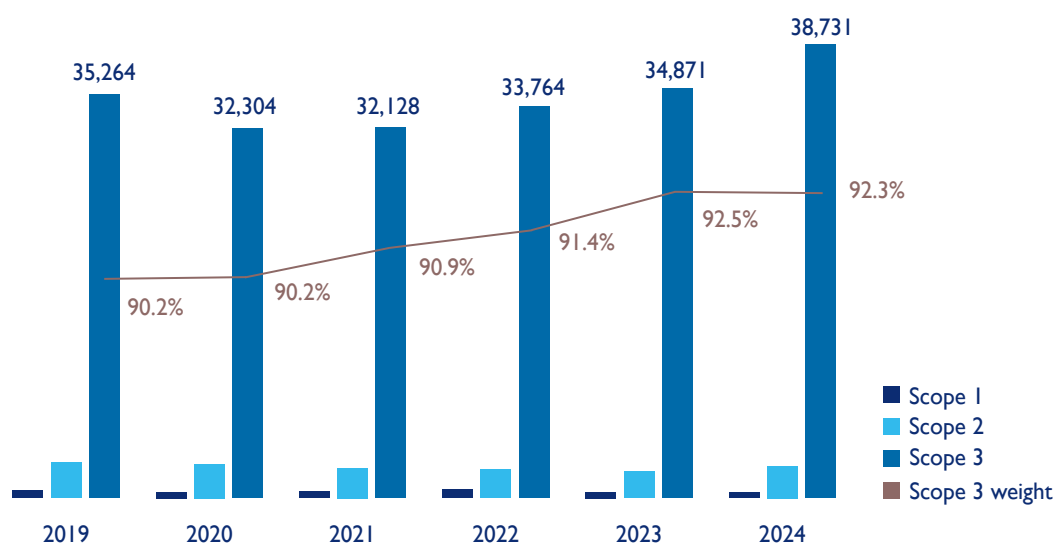
However, these results were offset by the 34% increase in the most significant item in BRED Banque Populaire's carbon footprint - purchasing - which represents 50% of total GHG emissions (compared to 41% in 2019).

Breakdown by emission category in tCO₂e



This increase was mainly due to the purchase of services, which represents 54% of Scope 3 emissions, and to a lesser extent to property, plant and equipment.

Breakdown by scope in tCO₂e



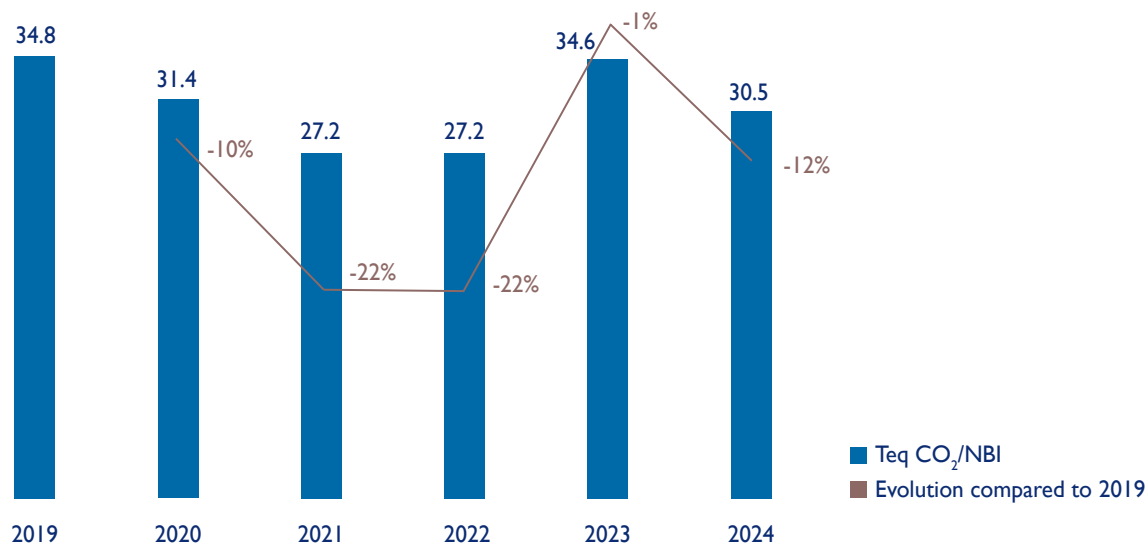
Purchases of services include:

- Consulting services (marketing, audit, risk and compliance, actuarial, finance, organization, CSR, human resources, recruitment, legal and tax), the increase of which was related to certain entity acquisition and disposal missions, as well as the expansion of the scope (integration of Prépar);
- And the services item (printing, advertising, architecture and engineering, multi-technical maintenance of buildings), the change in relation to which was mainly related to the expenditure relating to the 2024 Olympic Games.

As BRED Banque Populaire continues to expand throughout its regions, it is therefore relevant to compare the evolution of its GHG emissions with that of its NBI.

Thus, in 2024, emissions relative to NBI amounted to 30.5 tCO₂e for every €1 million, down 12% compared to 2019.

Evolution of carbon emissions as a proportion of NBI - France scope



This decrease takes into account the expansion of the scope in 2024.

On a like-for-like basis, the decrease would be 4%.

Responsible buildings:

- An 11% reduction in energy-related emissions thanks to measures taken to reduce consumption, such as reducing heating, installing reversible air conditioning and controlling management through home automation;
- Offset by a 14% increase in emissions related to fixed assets (building surface areas). However, this increase is directly correlated with the inclusion of Prépar in the scope of BRED Banque Populaire's carbon audit.

Responsible digital:

- The 8.7% increase in IT assets was mainly due to the expansion of the scope.
- BRED Banque Populaire has begun to transform its IT assets:
 - 80% of the 6,097 computers deployed are laptops, in line with the teleworking and open space deployment policy;
 - all tablets (around 1,600) were removed from the branches and replaced by new workstation functionalities.
- A solution was rolled out to put unused applications on standby in the development and acceptance environments.
- In the second cycle, over 60% of the equipment replaced and still functional was reconditioned and offered on the retail site of its service provider ATF (fixed PCs, laptops, screens, etc.).

Sustainable mobility:

- The 13% reduction in travel-related emissions was the result of several actions:
 - a 12.3% decrease in commuting from 2019 to 2024, linked to an 11.5% increase in teleworking employees;
 - a 2% increase in business travel, mainly due to a 17% increase in air travel for the bank's international development, offset by a 30.5% reduction in car travel;

- a 12.8% reduction in the vehicle fleet from 2019 to 2024 (i.e., 20 fewer vehicles), with low-emission vehicles now accounting for nearly 38% of the fleet;
- in mainland France, BRED SA's fleet of diesel vehicles was entirely replaced by gasoline, hybrid and electric vehicles.
- the replacement of internal combustion vehicles in French overseas territories is under way, leading to a decrease in diesel consumption.
- BRED Banque Populaire encourages its employees to travel by bicycle, which contributes to reducing the carbon footprint of commuting. Thus, nearly 580,000 km were traveled by bicycle in 2024.

An analysis of the other results highlights:

- the nearly 7% reduction in freight-related emissions, mainly due to the reduction in cash transport costs;
- the increase in waste-related emissions (+92%), although these emissions represent less than 1% of total GHG emissions. It was mainly attributable to changes in furniture during the renovation of branches and storage spaces, as well as to the recycling of content after the digitization of documents in the head offices (recycled ordinary industrial waste).

These results highlight the impact of methodological changes and specific activities on BRED Banque Populaire's overall carbon audit.

While progress has been made in some areas, others require adjustments and targeted strategies to optimize GHG emissions reduction.

For example, as part of its "green" strategy, BRED Banque Populaire wants to equip its sites with photovoltaic panels, notably in order to reduce its carbon footprint.

Nine sites were pre-selected, in mainland France and the French overseas territories, to benefit from this equipment, and feasibility studies were carried out during 2024.

EI-3 Reduction of GHG emissions as a result of climate change mitigation actions

BRED Banque Populaire - France scope

Actions and resources in relation to climate change policies	2024
Achieved reduction of Scope 1 and 2 tCO ₂ emissions	+391.54
Expected reduction of Scope 1 and 2 tCO ₂ emissions	Target being defined
Achieved reduction of absolute Scope 3 tCO ₂ emissions (Categories 1 to 14 as defined by the GHG Protocol)	+3,468.45
Expected reduction of Scope 3 tCO ₂ emissions (Categories 1 to 14 as defined by the GHG Protocol)	Target being defined

On the international scope

Since 2023, BRED Banque Populaire has extended the scope of the *Bilan Carbone®* audit to its foreign subsidiaries.

As the Group tool has not yet been configured for these subsidiaries, BRED Banque Populaire has developed a calculation grid based on priority items defined by ADEME for the banking sector.

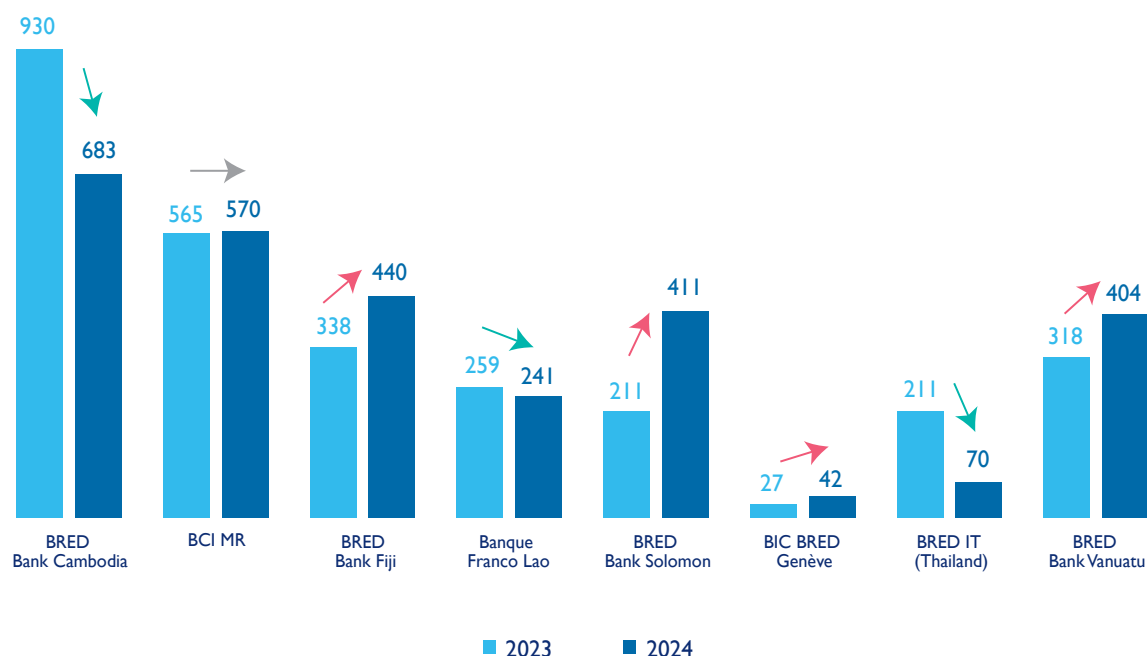
The emissions factored in are as follows:

- in Scope 1, those relating to fuel consumption (natural gas, fuel oil, etc.), and those relating to company and service vehicles used;
- in Scope 2, those relating to electricity consumption, all uses combined;
- in Scope 3, those relating to business travel.

The data are collected directly from each foreign subsidiary, and the emission factors used come from ADEME, the US Energy Information Administration (EIA), and the Swiss Federal Office for the Environment. These were audited and validated in 2023 by KPMG as an independent third-party body.

In 2024, the annual carbon emissions of BRED Banque Populaire's international subsidiaries (Scopes 1 to 3, excluding investments and financing) totaled 2,860 tCO₂e, virtually stagnant compared to 2023 (+0.07%).

Change in greenhouse gas emissions in tCO₂e - International subsidiaries



The virtual stagnation of greenhouse gas emissions hides a disparity of actions and results in the various international subsidiaries.

While Banque Franco Lao participated in the first project to assess its carbon footprint in 2024 with a view to establishing a future action plan, there is currently no plan for BRED Bank Solomon because the Solomon Islands as a whole have a very low carbon footprint compared to developed countries.

Responsible buildings:

- In 2023, BCIMR installed solar tiles on the roof of its head office (700 m² with a total installed power of 77,165 KWC) and continued its improvements in 2024 with the installation of reflective paints to reduce the use of air conditioning.
- BRED Bank Cambodia registered its head office for the 2023-2024 edition of the Cambodia energy efficiency competition.
In 2024, its Property and Green team worked on the electricity consumption of the head office (temperature control, replacement of neon tubes with LED tubes, installation of timers on water dispensers) reducing electricity consumption by 11% compared to 2023.
BRED Bank Cambodia drew up a draft CSR policy that includes 10 working groups on sustainability, which will work in 2025 on the energy consumption of buildings and more specifically on the electricity consumption of the branch network with a view to reducing the electricity consumption of buildings by 5% (head office and branches).
- BIC BRED Genève continued its efforts to lower heating temperatures, enabling it to reduce the IDC index (Heat Expenditure Index) by 40% in two years. The building occupied by the BIC BRED Geneva teams has a very good IDC index, ranking it at the level of Minergie buildings (Swiss label for comfort, efficiency and climate protection).
- BRED Bank Fiji installed solar panels at its Labasa branch, which have been operating since October 2024, and continued to install solar panels in some branches.
- BRED Bank Solomon has also studied the installation of solar panels, but no project is currently in place due to the high cost of switching to renewable energies.

Responsible digital:

- BCIMR has signed a partnership agreement with D-money, in order to enhance its service offering and be part of the country's digitization process.
- BRED Bank Cambodia, as part of its sustainability working groups, has highlighted the use of digital technology to achieve its goal of zero paper for internal processes by 2028.
- Since 2024, BRED Bank Fiji has opted to send electronic customer statements and encourages the use of digital technology among its customers.
- BRED Bank Vanuatu is working on the use of electronic forms for banking.

Sustainable mobility:

- BRED Bank Cambodia, as part of its sustainability working groups, is looking into opportunities and solutions to produce less CO₂ when traveling, with the 2025 target of a 15% reduction in air travel.
- BRED Bank Fiji purchased hybrid vehicles and aims to increase its fleet of hybrid vehicles in order to reduce its environmental footprint. It is also studying the purchase of electric cars from certain importers, as these cars are not yet available on the Fijian market.
- BRED Bank Vanuatu has focused its efforts on reducing fuel consumption by limiting travel.

These initiatives demonstrate BRED Banque Populaire's commitment to promoting global sustainability, adapting its strategies to local contexts, and aiming for continuous improvement.

MDR-M EI-3**Definition**

Calculation of carbon emissions caused by BRED Banque Populaire's own activities using Groupe BPCE's common methodology. As part of the production of indicators related to the "own footprint" data universe, BRED Banque Populaire includes the following scopes:

1. Scope 1: direct company emissions;
2. Scope 2: indirect emissions related to power generation;
3. Scope 3: Categories 1 to 14, in accordance with the GHG Protocol classification. It should be noted that Category 15 of Scope 3 is not included in the scope of the own footprint, as it is treated separately in the "financed emissions" universe.

Calculation method

The emissions are calculated for each of the above scopes and each of the items that make up these scopes according to the breakdown of the GHG Protocol.

The Emission Factors used for the calculations are updated every year and are mostly those provided by the Footprint database administered by ADEME, the reference database in France (this is the reference database of Article L. 229-25 of the French Environment Code (BEGES decree)). It is managed by a governance committee bringing together various public and private players (ministries, technical bodies, associations, MEDEF, etc.).

Four specific emission factors were used for the purchase categories "digital services companies", "general consulting", "strategy consulting" and "software and digital services". These specific emission factors were calculated by Wavestone.

The indicators collected from entities within the consolidated scope are, in terms of numbers, physical indicators (75%) and monetary indicators (25%).

To reduce the uncertainties relating to the indicators collected, automated information circuits were implemented in 2024. The program to automate the collection of indicators will continue in the coming months.

Checks on any variation of +/-15% of the indicators between year N and year N-1 are systematic in the tool for collecting indicators and calculating GHG emissions. This blocking control requires the production of proof of these changes.

In 2024, Groupe BPCE improved the accuracy and granularity of the measurement of the carbon emissions related to its purchases. The new methodology is based on a segmentation of purchases into 16 categories, compared to only two previously, thus allowing the application of emission factors better suited to each of them. In addition, work has been undertaken with certain suppliers to improve the reliability of the assessment of the CO₂ emissions associated with the goods and services they provide. This work will eventually make it possible to replace monetary data with physical data, guaranteeing a more rigorous measurement in line with best practices.

This approach, although leading to a significant increase in emissions in this item, makes it possible to highlight the categories with the highest emissions, to identify relevant reduction levers, and to monitor their implementation in close consultation with suppliers.

Lastly, the monitoring of the achievement of objectives for the 2019-2024 period is based on the old methodology.

Scope covered

Own footprint - France scope: For the 2024 fiscal year, the scope of entities included in the carbon audit of the France zone was extended to all French subsidiaries. The data provided in this report for periods prior to 2024 have not been backcast.

Own footprint - International scope: As the tool used by Groupe BPCE to calculate the carbon audit is not yet configured for international purposes, BRED Banque Populaire has developed a calculation grid based on the priority items defined by ADEME for the banking sector. Thus, a simplified presentation of the carbon audit is given for a scope covering the eight significant international banking entities.

Each year, a review of the scope of collection is carried out, in conjunction with Groupe BPCE companies, in order to extend coverage.

7.2.2.2.1 EI-4 Targets related to climate change mitigation and adaptation

No targets have been defined at BRED Banque Populaire to date. The regulatory requirement is therefore not applicable for this first publication exercise. However, initiatives are in place and decarbonization levers have been identified. Section EI-3 presents some objectives associated with actions.

7.2.2.2.2 EI-5 Energy consumption and energy mix

N/A

7.2.2.2.3 EI-6 Gross Scope 1, 2, 3 and Total GHG emissions

Total GHG emissions by Scope 1, 2 and 3

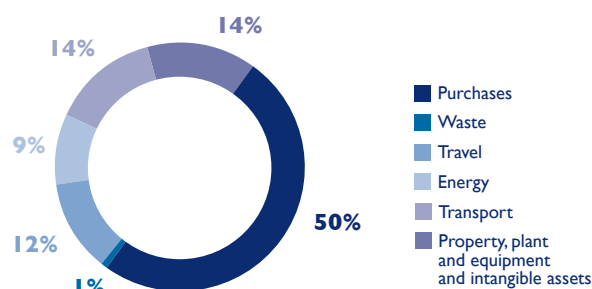
	Historical data				Milestones and target years		
	Reference year	Comparative data (N-1)	N	% N/N-1	2026	2030	Annual target (as a %) / Reference year
Scope 1 GHG emissions							
Gross Scope 1 GHG emissions - Emissions [tCO ₂ e]	12/31/2024	487.87	465.42	-4.60%			
Percentage of Scope 1 GHG emissions resulting from regulated emission trading schemes (as a %)	12/31/2024	0%	0%				
Scope 2 GHG emissions							
Gross Scope 2 GHG emissions based on location (in tCO ₂ e)	12/31/2024	2,117.02	2,531.02	19.56%			
Gross Scope 2 GHG emissions based on the market (in tCO ₂ e)	12/31/2024	767.97	1,007.79	31.23%			
Significant Scope 3 GHG emissions							
Total gross indirect Scope 3 GHG emissions (in tCO ₂ e)	12/31/2024	32,266.56	35,735.00	10.75%			
1. Goods and services purchased	12/31/2024	17,364.09	19,311.13	11.21%			
[Optional subcategory: Cloud Computing & Data Center Services]	12/31/2024	-	-				
2. Investment assets	12/31/2024	4,804.77	5,273.81	9.76%			
3. Activities relating to the fuel and energy sectors (not included in Scopes 1 and 2)	12/31/2024	695.73	878.60	26.28%			
4. Upstream transport and distribution	12/31/2024	-	-				
5. Waste generated during operations	12/31/2024	388.12	357.53	-7.88%			
6. Business travel	12/31/2024	895.78	1,424.31	59.00%			
7. Employee commuting	12/31/2024	1,877.05	2,650.90	41.23%			
8. Upstream leased assets	12/31/2024	-	-				
9. Forwarding	12/31/2024	6,241.03	5,838.73	-6.45%			
10. Processing of products sold	12/31/2024	-	-				
11. Use of products sold	12/31/2024	-	-				
12. End-of-life treatment of products sold	12/31/2024	-	-				
13. Downstream leased assets	12/31/2024	-	-				
14. Franchises	12/31/2024	-	-				
Total GHG emissions - excluding scope 3 category 15							
Total GHG emissions (location-based) (in tCO ₂ e) - excluding scope 3 category 15	12/31/2024	34,871.45	38,731.44	11%			
Total GHG emissions (market-based) (in tCO ₂ e) - excluding scope 3 category 15	12/31/2024	33,522.40	37,208.21	11%			
Portfolio emissions							
15. Investments (Banking)	12/31/2024	6,638,380.31	6,545,785.86	-1%			
15. Investments (Asset Management)	12/31/2024	852,480.93	781,460.51	-8%			
15. Investments (Insurance)	12/31/2024	1,661,632.01	2,242,863.45	35%			
Total GHG emissions							
Total GHG emissions (location-based) (tCO ₂ eq)	12/31/2024	9,187,364.69	9,608,841.27	5%			
Total GHG emissions (market-based) (tCO ₂ eq)	12/31/2024	9,186,015.64	9,607,318.04	5%			

Milestones and target years are being set for future publication.

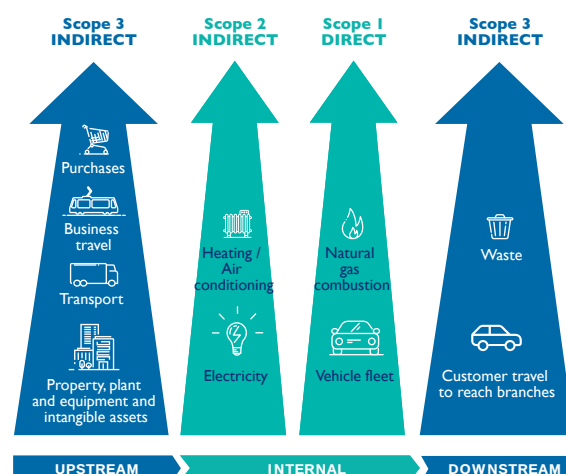
The above table covers all of BRED Banque Populaire's activities within the defined scope and presents its own footprint pour la France scope (including all of Scopes 1 and 2 and several categories of Scope 3 - see details below in the MDR-M), as well as the breakdown of issues financed in Scope 3 Category 15, broken down into banking activities and insurance activities. It should be noted that the calculation of

the carbon measures financed follows the Partnership for Carbon Accounting Financials (PCAF) methodology in accordance with the requirements of the GHG Protocol for corporate credit financing. As of December 31, 2024, the PCAF score for the average data quality of the financed emissions of the financed footprint was 3.3 (on a decreasing quality scale from 1 to 5 linked to data availability).

Breakdown of own footprint by emission items



Scope of the calculated greenhouse gas (GHG) emissions



Gross Scopes 1, 2, 3 and Total GHG emissions

2024

Biogenic CO₂ emissions resulting from the combustion or biodegradation of biomass separately from Scope 1 GHG - emissions, but including emissions of other types of GHG (in particular CH₄ and N₂O)

Breakdown of information by indicating separately the Scope 1 emissions from: - the consolidated accounting group - (parent company and subsidiaries); and - companies benefiting from investments, such as associates, joint ventures or unconsolidated subsidiaries that are not fully consolidated in the financial statements of the accounting group, as well as contractual agreements that are joint agreements that are not structured through an entity (i.e., jointly controlled operations and assets) over which the company exercises operational control.

Breakdown of information by indicating separately the Scope 2 emissions from: - the consolidated accounting group - (parent company and subsidiaries); and - companies benefiting from investments, such as associates, joint ventures or unconsolidated subsidiaries that are not fully consolidated in the financial statements of the accounting group, as well as contractual agreements that are joint agreements that are not structured through an entity (i.e., jointly controlled operations and assets) over which the company exercises operational control.

MDR-M emissions financed by BRED Banque Populaire - Banking activities

The scope of greenhouse gases related to financing corresponds to the corporate financing and dedicated financing of the banking book. It also includes home loan financing. The home loan financing covered corresponds to home loans granted to individual customers and to self-employed customers.

Calculation methodology

The calculation of the carbon measures financed follows the Partnership for Carbon Accounting Financials (PCAF) methodology in accordance with the requirements of the GHG Protocol for corporate credit financing (in its guide "The Global GHG Accounting and Reporting Standard Part A: Financed Emissions" published in 2022).

The calculation is carried out on Scope 1, Scope 2 and Scope 3 aligned with the regulatory requirements and scope materiality issues. The sources of carbon data used for corporate financing are mainly based on supplier data (Carbone 4, CDP, Trucost, MSCI): when the data is not available at the company level, the Group's carbon data is used.

In the absence of information, sectoral proxies are used: for companies or projects belonging to sectors with good supplier data coverage, the sectoral carbon data are extrapolated. For companies related to other sectors, the sectoral proxies provided by PCAF are applied (by NACE code and geographical area). As the coverage by the PCAF proxy is significant (applied to more than 70% of outstandings) on the basis of outstandings related notably to exposures to small- and medium-sized companies, the estimated nature of the measures should be highlighted for this segment.

The carbon measurements used for home loan financing correspond to the carbon emissions related to the use of the building. The data sources are based on Energy Performance Diagnostics (EPDs) when available. Otherwise, proxies are used, relying in particular on data from the French Scientific and Technical Center for Building (*Centre scientifique et technique du bâtiment*).

ESRS 2 - MDR-M - Emissions financed in respect of insurance activities (Scope 3 - Category 15)**Calculation methodology**

Indicator EI-122 corresponds to PAI 1 (aggregated Scope 1, 2 and 3 emissions), assessed using the portfolio of directly managed bonds, on the basis of data produced by ISS ESG. The issues are weighted according to Prépar Vie's investments in the EI-122 indicator.

The PAIs are assessed with the data produced by ISS, using the Sequantis STM tool.

Scope and limitations

The scope used to measure Scope 3 Category 15 of the Prépar Vie investment portfolio consists of bonds managed directly. It represents 54% of Prépar Vie's non-unit-linked investments (see the Energy and Climate law report (1)). The coverage rate of ISS data used to measure CO₂ emissions from directly managed bonds is 74%. To date, no extrapolation of the scope via the use of proxies has been carried out.

Areas for improvement

The objective is to continue to seek solutions to extend the assessment of greenhouse gas emissions to funds invested in listed strategies. Moreover, a GHG emission reduction trajectory associated with directly managed bond investments should be included.

ESRS 2 - MDR-M - Emissions financed in respect of asset management activities (Scope 3 - Category 15)**Calculation methodology**

Promepar Asset Management has selected MSCI as the supplier of non-financial data on environmental impacts and greenhouse gas (GHG) emissions published by companies.

The method for calculating greenhouse gas (GHG) emissions from investments is based on the calculation methodology used by MSCI ESG and specified below:

"Sum of portfolio companies' Total GHG Emissions (Scopes 1, 2 and 3) (MSCI data point: CARBON_EMISSIONS_SCOPE123) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash (MSCI data point: EVIC_EUR)." The latter is itself based on the definition mentioned in Commission Delegated Regulation (EU) 2022/1288 of April 6, 2022:

$$\sum_{i=1}^n \left(\frac{\text{present value of the investment}_i}{\text{company enterprise value}_i} \times \text{company's level (x) of GHG emissions}_i \right)$$

MSCI ESG Research collects data on greenhouse gas emissions disclosed by companies in its coverage universe. Data is generally collected once a year from the company's most recent sources. The data comes directly from company reports (annual reports, 10-K documents and other regulatory documents), data providers such as the Carbon Disclosure Project (CDP) and the Science Based Targets initiative (SBTi), as well as other publicly available information such as government databases. Other data sets come from non-governmental organizations and university collaborations.

In the absence of published data, MSCI ESG Research applies internal methodologies to estimate Scope 1, 2 and 3 emissions. MSCI also estimates GHG emissions if a company's emissions reports do not align with the GHG Protocol framework, or have a reporting scope that does not align with the reporting scope of its financial reports, or do not represent emissions in all of its geographical areas and operations.

MSCI ESG Research has developed a specific methodology for estimating Scope 3 when data is unavailable. Depending on the specific Scope 3 category, different data points, collection methods and data sources may be used.

The indicator production process is as follows:

1. Extraction of all live securities present in the solutions provided by Promepar Asset Management and creation of the import file for the MSCI platform.
2. Import and control of its due execution (weight, value, etc.).
3. Calculation and generation of reports from the provider's platform (MSCI), and consistency check of parameters allowing the calculation of CSRD indicators and results.
4. Controls carried out throughout the production process.

(1) https://www.prepar-vie.fr/wp-content/uploads/2024/06/Rapport-Article-29_PREPARVIE_EXERCICE-2023-VERSION-DEFINITIVE.pdf

Scope and limitations

The analysis carried out covers all of the live securities held directly by Promepar Asset Management (multi-management is not included) in discretionary management, advised management and collective investment. This represents 58% of Promepar Asset Management's total assets under management as of December 31, 2023 and 57% of Promepar Asset Management's total assets under management as of December 31, 2024.

The calculation scope is limited to live securities held in solutions managed by Promepar Asset Management (equities and fixed income) and hedged by MSCI ESG. The funds held are outside the scope.

Areas for improvement

The objective is to extend the calculation scope of this indicator to multi-management via the European ESG Templates (EET).

MDR-M Own footprint

Definition

The standard requires the sum of the emissions calculated for the own footprint scope and the scope of the portfolio's emissions (banking, asset management and insurance).

Calculation methodology

Two amounts are presented at the end of Table AR48:

1. Total own footprint emissions (with Scope 2 emissions calculated using the location-based method);
2. Total own footprint emissions (with Scope 2 emissions calculated using the market-based method).

The emissions are calculated for each of the items presented in Table AR48 according to the distribution of the GHG Protocol items in the three GHG emission scopes.

The methodology applied to fixed assets is based on the BEGES principles, which differ from the normative requirements of the GHG Protocol. More specifically, the calculation of emissions associated with fixed assets is based on the collection of data from the inventories of the various fleets (IT equipment, real estate, vehicles, etc.) and on the application of amortization coefficients making it possible to distribute the emissions over the useful life of the assets concerned.

Work to improve this methodology is planned in the coming months in order to align the calculation of the GHG assessment with the methodological standards of the GHG Protocol. To date, this approach has resulted in an increase in the "fixed assets" item compared to a methodology based solely on the emissions related to the annual purchases of fixed assets.

It should be noted that, in 2024, two important methodological factors contributed to the increase in emissions:

- Groupe BPCE refined the measurement of the carbon emissions from Purchasing by providing details on the measurement based on 16 purchasing categories, instead of on two as previously, and by assigning more precise emission factors to each category. This greater degree of precision initially resulted in a sharp increase in the emissions for this item.
- Moreover, in 2024, BRED Banque Populaire's scope was extended to all French subsidiaries, resulting in an increase in emissions.

Consequently, to measure the achievement of the objectives set for the 2019-2024 period, a *Bilan Carbone* audit calculation was carried out using the old calculation method.

See details of changes in the measurement of purchases in E1-3.

Scope limitation

The scope of calculation of the own footprint covers 19 entities whose permanent contracts (CDI) represent 66% of the Group's employees with permanent contracts. This scope is gradually extended every year.

7.3 SOCIAL INFORMATION

7.3.1 SI - Own workforce

7.3.1.1 SBM 3 - Material impacts, risks and opportunities and their interaction with strategy and business model

BRED Banque Populaire has identified three key workforce-related themes: “Attractiveness, employee loyalty and commitment”, “Working conditions” and “Equal treatment and opportunities”.

- Attractiveness, employee loyalty and commitment: an inclusive recruitment strategy reinforces the employer brand image. The support and loyalty programs have positive impacts, but a lack of listening to employees is a risk for commitment.
- Working conditions ⁽¹⁾: quality of life at work and safety are essential for the well-being of employees. Shortfalls in these areas may result in increased costs. Strong social dialogue and a transparent remuneration policy are crucial.
- Equal treatment and opportunities: BRED Banque Populaire implements initiatives for diversity, inclusion and professional equality, supported by its Groupe BPCE Human Rights Charter and its Code of Conduct and Ethical Standards.

These commitments aim to effectively manage material impacts, risks and opportunities.

7.3.1.2 Impact, risk and opportunity management

7.3.1.2.1 (SI-1) Policies related to the own workers

All signed agreements apply to the Economic and Social Unit (UES) ⁽²⁾.

Human rights

Groupe BPCE's Human Rights Charter ⁽³⁾ has been approved by the Management Board of Groupe BPCE. BRED Banque Populaire's management guarantees it will be complied with.

BRED Banque Populaire's convictions and commitments have been set out in the form of “Guidelines” in its Code of Conduct and Ethical Standards. “Promoting respect for human rights in all our activities” is thus anchored in BRED Banque Populaire's values framework.

The alert reporting mechanism (described in Section SI-3) enables BRED Banque Populaire to be aware of breaches of the Code of Conduct and initiate the necessary controls. Permanent control systems are put in place to ensure the proper implementation of the Group's rules (for example on contractual clauses).

As part of its activities, BRED Banque Populaire strives to comply with the provisions of the conventions of the International Labour Organization, in compliance with local regulations:

- respect for freedom of association and collective bargaining rights;
- elimination of discrimination in employment and professional life;
- as part of its international activities, each Groupe BRED entity ensures compliance with the rules relating to freedom of association and working conditions;
- elimination of forced or compulsory labor and effective abolition of child labor.

In accordance with its signature of and commitments made under the Global Compact, BRED Banque Populaire refrains from using forced, compulsory or child labor within the meaning of the conventions of the International Labour Organization, even if local legislation may allow it. This obligation is specified in the contracts with BRED Banque Populaire's suppliers and subcontractors and is included in the charter that will be made public on the websites of the foreign subsidiaries in the coming months. It will be addressed as of the criteria of the ESG approach that is being formalized and will apply to financing projects.

Social dialogue and working conditions

At BRED Banque Populaire, there are four regional social and economic committees and a central social and economic committee. This method makes it possible to position social dialogue as close as possible to its regions since locations in Reunion Island, Martinique and Guadeloupe have their own bodies while strict application of the law would have required BRED Banque Populaire to set up only one single body based in mainland France.

The Social and Economic Committee (CSE) plays a crucial role in employee conditions within a company. Here are some of its main social functions:

- Employee representation: the CSE represents the interests of employees vis-à-vis the employer, particularly with regard to working conditions, personnel management and the company's social policies.
- Improvement of working conditions: it participates in the implementation of measures to improve employee working conditions, health and safety. This includes the prevention of occupational risks and the improvement of the working environment.
- Management of social and cultural activities: the CSE is often responsible for the management of social and cultural activities for staff, such as the organization of events, travel or leisure, and the provision of services such as crèches or sports clubs.

⁽¹⁾ The business sector and geographical locations of BRED Banque Populaire do not involve any operations that present a significant risk of forced or compulsory labor.

⁽²⁾ The entities included in the Economic and Social Unit, including employees, are BRED SA, Adaxtra, Cofilease, Promepar Asset Management, Soredom, Sofider.

⁽³⁾ <https://www.groupebpce.com/app/uploads/2024/10/2024-charte-des-droits-humains-du-groupe-bpce.pdf>

- Consultation on social issues: the employer must consult the CSE on a number of social issues, such as professional training, professional equality, inclusion of disabled workers, and more.
- Workplace monitoring and analysis: the CSE monitors social developments within the company, analyzes social data (absenteeism, turnover, etc.), and proposes actions to improve the climate of the workplace.
- Conflict management: it plays a role in mediating and resolving conflicts between employees and management.

Remuneration policy

The remuneration policy is structured to promote long-term employee commitment and strengthen the company's attractiveness. It reflects the individual and collective performance of the business lines and employees, while ensuring that it is not a vector of conflicts of interest between employees and promoting behavior in accordance with BRED Banque Populaire's culture.

The remuneration policy also aims to offer competitive remuneration levels in its reference markets. BRED Banque Populaire thus compares its practices with those of other similar players in France by using the expertise of a specialized player such as LHH. These studies ensure that the remuneration policy remains competitive and appropriate for each of BRED Banque Populaire's business lines and entities.

The remuneration policy also incorporates the fundamental objectives of professional equality and non-discrimination. In this respect, BRED Banque Populaire ensures, in particular, the equal treatment of women and men in terms of remuneration (details of the action plan in the section Diversity & Inclusion).

The remuneration of BRED Banque Populaire employees is structured around the following three components:

- fixed pay that reflects the skills, responsibilities and expertise expected in the performance of a position, as well as the role and weight of the function in the organization. This is determined according to the specificities of each business line in its local market;
- individual variable remuneration, awarded annually based on the performance of the activity and/or the achievement of predetermined individual targets. It may be paid in full in cash in the year of the grant. For certain employees with material risk taker (MRT) status, payment may also be partially deferred, indexed to a financial instrument and subject to conditions to foster employee loyalty and alignment with BRED's long-term interests;
- collective variable remuneration associated with employee savings schemes, particularly in France (profit-sharing and incentive schemes), as well as other local savings and/or social protection schemes offered in each jurisdiction.

Each employee benefits from all or some of these various components, depending on their job, their responsibilities, their skills and their performance.

The objectives and main principles of the Group's remuneration policy apply to all its employees in France. This policy is applied in all business lines, functional departments and BRED Banque Populaire entities according to their specificities and market practices, and in compliance with local laws and regulations that apply to them. The foreign subsidiaries, which are subject to specific regulations, have their own remuneration policy.

The remuneration policy is in strict compliance with the legal obligations that apply to the company at the national, international, European and/or local level in terms of labor law and social and tax legislation.

In France, employee representatives are involved in determining the remuneration policy. Each year in France, mandatory annual negotiations (NAO) are held with employee representative bodies on remuneration issues.

Employee savings schemes (including profit-sharing and incentives), as well as social protection schemes (healthcare costs, personal protection insurance) are also governed by collective agreements negotiated with employee representatives. Lastly, the theme of equal pay is included in the agreements signed on gender equality.

Quality of life, risk prevention and safety at work

At BRED Banque Populaire, within the scope of the Economic and Social Unit, an agreement on Quality of Life and Working Conditions (QLWC) was signed with employee representatives. It is a variation of the branch agreement, but with more formal commitments for the company. The agreement addresses workloads and the free expression of employees in the context of participatory management interviews. This agreement is due to be renewed in 2025.

Promoting equal opportunities and combating discrimination

Diversity and gender equality

At BRED Banque Populaire, a gender equality agreement is regularly renewed with employee representatives. The commitments are more restrictive than the ones contained in Groupe BPCE's framework, especially when it sets quotas for the appointment of high-level women, a classification level at which the company is likely to identify future female managers.

In addition, it significantly improves the salary support system for women returning from maternity leave or employees returning from adoption leave.

Fight against discrimination and harassment

BRED Banque Populaire's HR teams are the entry point for the Diversity, Equity & Inclusion policy with all stakeholders, employees and their representatives.

As indicated above, the agreements monitoring committees (Professional Equality, Disability, Management of Jobs and Career Paths (GEPP)) draw up the quantitative and qualitative assessment of the actions deployed and are part of a constructive social dialogue.

Through its recruitment policy, BRED Banque Populaire aims to guarantee the principle of equal treatment and non-discrimination. It focuses in particular on gender equality and disability. For example, any recruitment of people with disabilities is primarily based on the assessment of skills, and all business lines are open to all differences.

In terms of interaction, BRED Banque Populaire relies on a number of key HR players. They cover several distinct scopes and are spread across all companies in France:

- The diversity & gender equality officers: Their role consists in particular of promoting, leading and coordinating the implementation of the Diversity & Gender Equality policy within the company. They deploy training systems, manage key indicators and relay the tools and special initiatives made available to employees.
- The HR harassment officers: in accordance with the laws in force, their role is to guide, inform and support employees in the fight against sexual harassment and sexist behavior.
- The CSE officers are appointed within each CSE to fight against sexual harassment and sexist behavior. They are trained *via* the Group system made available to them or *via* another training program of their choice.
- The disability officers: in each company of Groupe BPCE, a disability officer supports people with disabilities throughout their career in the company (recruitment, integration, training, job retention, support in the process of recognizing their disability, etc.) in conjunction with Human Resources managers, managers, occupational health services and disability missions.

These groups of officers are key contacts for employees, who can call on them as needed.

Skills development

Skills at the heart of our HR policies

BRED Banque Populaire is committed to the long-term employability of its employees by offering them the possibility of broadening their experiences through rewarding career opportunities and the continuous development of new skills. In a constantly changing environment, BRED Banque Populaire is committed to developing its high-potentials and its leaders to ensure succession in the company's key positions and manage the achievement of its commitments, particularly in terms of diversity and inclusion.

BRED Banque Populaire's skills development policy is part of an evolving context of its business lines and strong competition. The transformation of activities and business lines within BRED Banque Populaire entails increased support for employees to enable them to develop the skills necessary for their development. This applies to both new skills to be developed and skills that should be strengthened in order to facilitate the career path of employees.

In addition, BRED Banque Populaire interacts with the own workers of its subsidiaries in the deployment of mandatory training. The HR departments of each subsidiary ensure compliance with local regulations.

Attractiveness, employee loyalty and commitment

Attractiveness

At its heart, BRED Banque Populaire is distinguished by an employee-centered ethos that is nourished by cooperative values, strong local roots, and a desire to act as a responsible employer. BRED Banque Populaire's strategy is based on four key dimensions that guide its approach to recruitment, employee retention and commitment.

1. **Skills:** towards the development of each BRED Banque Populaire employee

Faced with the profound changes in its business lines, BRED Banque Populaire firmly believes in the importance of supporting its employees in their professional development. It is determined to promote their employability through proactive career management. Its actions, such as the development of adapted training programs and internal career mobility paths, demonstrate its commitment to investing for the long term so that everyone can flourish.

2. **Equality and inclusion:** ever richer in its differences

BRED Banque Populaire is convinced that diversity is a strength. By integrating initiatives to promote gender equality, the employment of people with disabilities, and pay equity, it makes inclusion a performance and solidarity issue. Its actions, in particular awareness-raising and educational support programs, illustrate its commitment to creating an environment where each employee feels valued and respected (see diversity and gender equality).

3. **Well-being at work:** towards an ever-improving Employee Experience

The well-being of its employees is a key focus of its concerns. BRED Banque Populaire works to ensure a working environment that reconciles customer satisfaction, employee aspirations and economic performance. The signature of a QLWC agreement within the Banque Populaire Branch, for a period of three years, strengthened the reference framework and made it possible to negotiate a local agreement with its own representatives, in the interests of consistency and clarity, for all QLWC fields. The purpose of provisions such as workload regulation, the right to make mistakes, the right to disconnect, participatory management and the establishment of self-regulated teams is to continually improve the experience of each employee.

4. **Meaning and pride in belonging:** towards a positive and powerful impact

The weight of BRED Banque Populaire in the economy, its commitment to solidarity and its integration of CSR dimensions are all factors that give meaning to its mission. It supports the commitment of its employees through solidarity and skills-based sponsorship initiatives, thus strengthening its positive impact in the regions.

Recruitment and employer brand

Cooperative values of proximity, trust and commitment are conveyed through the BRED Banque Populaire website and disseminated through various internal and external communication channels.

BRED Banque Populaire's recruitment process allows candidates to join a company that will provide it with the right level of professional support, with the possibility of later growth. Its size and locations and the diversity of its business lines create many opportunities.

Attractiveness of Groupe BPCE brands

BRED Banque Populaire, under the strong guidance of Groupe BPCE, has developed a coherent communications strategy based on three pillars:

- placing the employee at the center by including employee testimonials in its publications;
- conducting communication campaigns to promote the business lines and support recruitment operations;
- promoting all its commitments in terms of inclusion (gender equality, disability, diversity) with dedicated communication plans (Pride Month, European Week for the Employment of People with Disabilities (SEEPH), diversity week, etc.).

BRED Banque Populaire has strengthened its presence and visibility on LinkedIn to promote the Group's culture and professional commitments by expressing its values through its employees.

Strong markers around Sport, Health and Collective engagement

BRED Banque Populaire's attractiveness policy, in line with the Groupe BPCE policy, involves strong societal commitments. The year 2024 saw the development of sporting activities for as many people as possible, in particular through our partnership with Paris 2024, our sponsorship of the Torch Relay, and the organization of recruitment campaigns in all our regions.

Strengthening BRED Banque Populaire's employer brand and its commitments to young people

Groupe BPCE is resolutely committed to strengthening its employer brand among young talent. BRED Banque Populaire is also aware of the importance of this new generation for the future of the company.

The youth campus, a part of the Human Resources department, implements a dedicated strategy aimed at attracting, developing and recruiting young professionals. Each year, BRED Banque Populaire welcomes more than 250 work-study students and nearly 400 interns.

Diversifying recruitment: OPIE and retraining of athletes

BRED Banque Populaire has set up the Operational Preparation for Individual Employment (OPIE) system offered by France Travail, which makes it possible to train and recruit job seekers.

In 2024, a partnership was also signed with a specialized service provider to hire high-level sportspeople undergoing career changes. Groupe BPCE accompanies the athletes supported during Paris 2024 who wish to join the corporate world after the competition. BRED Banque Populaire is committed to this program.

Integration of new employees

Enhanced support and monitoring for a positive newcomer experience

BRED Banque Populaire company undertakes to implement an onboarding process and carries out tangible actions that anticipate and support the arrival of all new employees. This approach is structured around several major stages:

- A pre-boarding program to prepare for the arrival of the new employee, maintain a link and distribute information about their future environment (group history, HR policies, etc.) in several smooth and fun formats;
- on arrival, an onboarding process organized around welcome sessions, meetings with the team and key stakeholders, the stages of which are structured;
- reinforced monitoring during the first months, with regular interviews with the manager and the HR manager.

BRED Banque Populaire uses a dedicated platform to streamline support for employees in the pre- and onboarding stages. These tools offer an innovative, game-based employee experience and facilitate the onboarding of new employees.

Employee loyalty

Offering rewarding professional development through internal mobility and supporting for employee projects and career paths

BRED Banque Populaire has made internal mobility one of its priorities, in order to strengthen the sense of belonging and commitment of its talent. Mechanisms are made available to employees to boost internal mobility:

- an internal mobility space, to facilitate access to available opportunities for all employees of BRED Group companies;
- business line webinars organized to promote better knowledge of the business lines;
- access to Groupe BPCE's platform, which summarizes career paths by mapping the bridges between jobs and associated skills and supports employees in their mobility projects.

Encouraging mobility is expressed through comprehensive and varied career paths with many gateways (sales professions, support functions) to provide great opportunities for professional and geographical development.

7.3.1.2.2 (SI-2) Interaction process on impacts with the company's own workers and their representatives

Social dialogue and working conditions

Dynamic social dialogue

Social dialogue is based on a series of interactions both within the Group's Human Resources/Labor Relations function, with the Employee Representatives appointed throughout the scope as well as with employees via the Human Resources divisions in particular.

In addition, Employee Representatives are the local contacts for employees within BRED Banque Populaire to raise their concerns and questions and obtain answers.

Collective agreements are negotiated ⁽¹⁾ with union representatives. When agreements are signed, all employees concerned are informed of the measures negotiated applicable to them.

Managing conflicts of interest

The system developed by BRED Banque Populaire for the prevention and management of conflicts of interest encountered during the fiscal year, is in accordance with the regulations in this area. It consists of organizational measures and administrative procedures for processing and controlling transactions with the aim of preventing and detecting situations that will or may result in conflicts of interest.

In order not to place employees in a situation of conflict and guarantee transparency in terms of remuneration, the Compliance department validates each commercial activity.

In order to manage conflicts of interest arising from the personal situation of employees, BRED Banque Populaire has also included in its Internal Rules the obligation for its employees to declare any external link of interest that may generate a conflict of interest. These links are the links that all employees have with people or organizations that are customers or third parties of Groupe BRED. They represent financial, professional or family interests that may lead them to make subjective assessments in the context of the missions entrusted.

The Compliance department is responsible for collecting these declarations of external interests in order to define, if necessary, the appropriate management measures for each resulting conflict situation and to keep an up-to-date register of all these situations and the measures that govern them. The latter are defined operationally on a case-by-case basis, but consist in particular of the systematic withdrawal of employees from any decision-making process that places them in a situation of conflict.

Pay and data protection

Pay

Pay is subject to a regular individual review *via* annual appraisal interviews conducted by management under the supervision of the HR division. In addition, employees can contact their line managers or the HR division at any time to discuss the subject of pay. Collectively, remuneration is subject to mandatory annual negotiation with employee representatives.

Data protection

The data protection officer (DPO) of the employee's parent entity is competent for the exercise of rights or requests for information on the processing of personal data. For this purpose, a generic mailbox is used to collect requests made by employees.

The responses are sent directly by the DPO to the requester, using the same communication channel as the referral. Pursuant to the General Data Protection Regulation (GDPR), returns made following a right of access are made in a clear and accessible format.

Quality of life at work

The quality of life and working conditions is a collective and concerted momentum of action by employees, managers, executives, occupational health and social assistance players, and social partners.

At BRED Banque Populaire, the creation of a QLWC (quality of life and working conditions) officer, who coordinates and carries out local policy, makes it possible to define and carry out actions as close as possible to the ground according to the context unique to companies.

Risk prevention and safety at work

Agreements are shared at the national level with employee representatives at the level of the Association Française de Banque (AFB), Caisse d'Epargne (CE) and Banque Populaire (BP) branches. They are distributed to member companies with the aim of informing their departments responsible for implementing the agreement (real estate, sales, security departments, etc.), the employee representatives and the employees concerned.

Promoting equal opportunities and combating discrimination

The HR teams are the entry point for the Diversity, Equity & Inclusion policy with all stakeholders, employees and their representatives.

As indicated above, the agreements monitoring committees (Professional Equality, Disability, GEPP) draw up the quantitative and qualitative assessment of the actions deployed and are part of a constructive social dialogue.

In terms of interaction, BRED Banque Populaire relies on a number of key HR players. They cover several distinct scopes and are spread across all companies in France:

- The diversity & gender equality officers: Their role consists in particular of promoting, leading and coordinating the implementation of the Diversity & Gender Equality policy within the company. They deploy training systems, manage key indicators and relay the tools and special initiatives made available to employees.
- The HR harassment officers: In accordance with the laws in force, their role is to guide, inform and support employees in the fight against sexual harassment and sexist behavior.
- The CSE officers are appointed within each CSE to fight against sexual harassment and sexist behavior. They are trained *via* the Group system made available to them or *via* another training program of their choice.
- The disability officers: In each company of Groupe BPCE, a disability officer supports people with disabilities throughout their career in the company (recruitment, integration, training, job retention, support in the process of recognizing their disability, etc.) in conjunction with Human Resources managers, managers, occupational health services and disability missions.

(1) Gender Equality Agreement and Quality of Life and Working Conditions Agreement.

These groups of officers are key contacts for employees, who can call on them as needed.

To carry out their duties, the officers are trained and coordinated through regular meetings and exchanges of best practices.

Attractiveness, employee loyalty and commitment

Attractiveness

The HR functions are coordinated by the Group around the themes of Recruitment & employer brand, integration & loyalty, listening systems, enabling employees and their representatives to be informed of all projects and news.

Diapason barometer

The Group diapason barometer, developed with IPSOS, has become a key tool for interaction with own workers and for measuring the transformation of BRED Banque Populaire. It is a measure of trust and commitment. Rolled out to all employees, the purpose of this annual engagement survey is to collect employees' opinions on their professional situation and their perception of the company at local and Group level.

In 2023, the results of the Diapason barometer at BRED Banque Populaire were:

- 60,698 respondents;
- 77% participation rate;
- 72% engagement rate;
- 76% of employees confident in the future of their company.

Specific listening systems

In addition, the "Employee Key Moments" system set up at BRED Banque Populaire makes possible regular on-the-spot interviews with employees during the main moments of their career, leading to the implementation of specific action plans.

BRED Banque Populaire is very keen and committed to maintaining a constructive and permanent dialogue by involving employee representatives, along with all or some of the employees, depending on the themes addressed during the listening sessions in order to avoid any decline in its employees' engagement.

Developing interactions between Groupe BPCE companies

BRED Banque Populaire participates in meetings organized by BPCE between corporate HR managers to discuss all recruitment-related topics. The practices and tools used by companies are compared in order to optimize them.

Centralized management of the main recruitment tools (application management software, recruitment processes, interviews, tests) are referenced and integrated for a majority of solutions.

Lastly, the service providers also solicited and used to complete this offer are subject to agreements and partnerships widely communicated within the companies and they give rise to benchmarks, best practices and experience sharing that boost Groupe BPCE's recruitment management.

Making BRED Banque Populaire employees ambassadors

BRED Banque Populaire employees are active on social networks, promoting their business lines, sharing behind-the-scenes stories and highlighting their commitment.

Employees can also be stakeholders in the recruitment activity, by:

- participating in actions to promote BRED Banque Populaire's business lines with partner schools;
- co-opting candidates for job offers.

Allowing employees to be ambassadors or co-opters is also a strong commitment driver.

Employee satisfaction and loyalty

In a sector undergoing profound change, BRED Banque Populaire must adopt a strategy that creates value for the community of men and women who work in it by training them, valuing its employees and ensuring that they can constantly evolve professionally and enjoy working.

Improving the professional satisfaction of employees, better adapting management to concrete realities, undertaking training actions adapted to issues, enabling them to better adapt to changes, contributing to the quality of social dialogue and acting for the well-being of employees are all good ways to improve the company's competitiveness and performance. BRED Banque Populaire's employment policy is based on a significant investment in training, a permanent high-quality social dialogue and an organization that promotes employability and develops autonomy at the same time as collective recognition, via BRED incentives and profit-sharing.

It is with this in mind that BRED Banque Populaire is developing a human relations policy based on three ambitions that constitute a key focus of its CSR policy: promotion, a favorable salary environment and continuous and significant investment in training or self-training;

- respect for differences and equal opportunities in all areas of management and human resources management;
- job satisfaction thanks to high-quality social dialogue, favorable working conditions and a non-centralized organization that promote autonomy as well as collective recognition.

Skills development

The training orientations at BRED Banque Populaire meet the strategic guidelines of the 2027 "Aligning energies" strategic plan, which is based on three main areas: development, CSR and teams.

These ambitions and their translation into skills development areas are naturally in line with Groupe BPCE's guidelines and in particular the BPCE campus, which enables more targeted and agile skills development.

- Decentralized: BRED Banque Populaire relies on the BPCE Campus to pool the design of the training programs it deploys

- No middlemen: the best teaching partners in the industry design the most effective learning solutions at the BPCE Campus directly with the expert professions in each bank.

The 2025 guidelines are based on four priority areas and will be broken down into training actions as part of BRED Banque Populaire's skills development plan:

- supporting the network's new organization;
- developing managerial skills around a united model;
- supporting the development of expertise and support functions;
- strengthening the pedagogy of regulatory training.

7.3.1.2.3 (SI-3) Processes to remediate negative impacts and channels for own workforce to raise concerns

Social dialogue and working conditions

There are different channels for raising employee concerns. In particular, they can contact their manager and their Human Resources Manager. Complaints can also be made *via* employee representatives or trade unions. Employee representatives can be contacted at any time to take into account employee concerns.

The labor inspectorate may also be solicited directly by employees.

In addition, social dialogue at the level of the Group, the Banques Populaires and Caisses d'Epargne branches and BPCE allows for rapid meetings when the social partners solicit management on a particular and extraordinary topic, outside of the monthly meetings of employee representative bodies. The regularity of these meetings as well as the social highlights at Group level, such as the Group Works Council (at least two per year) and the Strategy Committee (also at least two per year), make it possible to report all complaints and demands made by the working community through the trade unions.

Generic addresses (delegate-protection-donnees@, etc.) are available in each Group company, and enable the DPO to be contacted in the event of a personal data breach. A response is provided within the legal deadlines, where applicable.

The Human Resources divisions of each company define their remedy procedures, manage and support the collective and individual situations identified.

BRED Banque Populaire offers employees specialized psychological support to prevent psychosocial risks. Employees have free access to a telephone listening platform in complete confidentiality. Listed service providers also intervene occasionally at the request of companies to support crisis situations.

Risk prevention and safety at work

All employees who are victims of an accident related to a professional activity or while commuting, inform their employer of the occurrence of a workplace accident by any means (email, telephone, SMS, etc.). This procedure is carried out on the day of the accident or within 24 hours at the latest.

The components of an accident or occupational illness are listed on the basis of the victim's declarations and declared to the corresponding Primary Health Insurance Fund according to national procedures.

Cases of serious accidents are analyzed and investigated by the Health, safety and security departments, and the results are shared in extraordinary meetings with employee representatives.

Faced with the constant increase in crime figures across the country, as a preventive measure, in 2023, Groupe BPCE's HR division decided to strengthen measures to report incivilities. The system includes a reporting tool to identify incidents, a management and processing workflow, an innovative training program based on virtual reality, awareness-raising guides adapted to managers and employees, and support measures for victims (psychological assistance, legal assistance, etc.). BRED Banque Populaire, which already had its own tool, joined this system in 2025.

Discrimination and equal opportunities

In 2024, the Group rolled out a "Whistleblowing" system to all employees, in which it is now possible to report information relating to a crime, an offense, a threat or an act harmful to the general interest. In particular:

- a breach of the Groupe BPCE Code of Conduct and Ethical Standards;
- a violation, or an attempted violation, of the laws or regulations in force;
- any action that has a negative impact on the environment;
- any behavior that is inappropriate in the workplace or that could harm everyone's safety.

Employees who are victims or witnesses of discrimination or harassment can contact the aforementioned officers. Their contact details are available on the company intranet. Some companies have also set up dedicated pages to remind people of the best practices to adopt and facilitate access to the whistleblowing system.

Several contacts are able to answer employees' questions on diversity, inclusion and disability in complete confidentiality in order to inform them and support them in their approach depending on the situation and the subject.

Disability officers are available to take into account disability compensation needs. They receive, inform and provide guidance in complete confidentiality on issues relating to each individual disability situation and its impact on professional life.

The occupational physician is the essential contact person who can help to take stock of the impact of a health problem on professional activity and to formulate a request for adaptation of the position. He/she is bound by medical confidentiality. At BRED Banque Populaire, two occupational physicians and three nurses hold these positions.

The Social Worker manages all legal and internal procedures to support employees in administrative procedures, including in their private lives, and ensures a listening, information and guidance role.

The Human Resources Manager is also a privileged contact at all times of professional life.

Employee representatives of each company can be solicited as part of the diversity, inclusion and disability policy. They contribute to the protection of the physical and mental health and safety of employees within the company.

Attractiveness, employee loyalty and commitment

Attractiveness

Listening systems and continuous process improvement plans

The Diapason survey and additional listening mechanisms are opportunities for employees to express their annoyances and dissatisfaction. BRED Banque Populaire has endeavored to report on the results by entity by involving HR representatives. This makes it possible to identify operational action plans to be put in place to better support employees and initiate a continuous improvement process.

An open and transparent application process

All candidates may request directly via the recruitment site to delete their applications and associated data in compliance with the laws and regulations in force.

In addition, to allow candidates more proactivity and simplified interaction, Groupe BPCE has also set up - with its partner who manages the application management software that BRED Banque Populaire uses - a link system sent directly by email when the application is submitted to manage and even withdraw their applications and associated data.

Finally, all data is automatically archived and destroyed at the end of the legal period, and all data exchanged as part of the monitoring and reporting necessary for the proper functioning of these tools are coded to make anonymous all statistical processing necessary for the performance and evaluation of the effectiveness of the systems used.

Skills development

The risk for Groupe BPCE companies could be that they may not identify the skills suited to future needs. To update and take into account future skills needs, Groupe BPCE and BRED Banque Populaire have a certain number of tools and systems:

Observatories

Among these resources, the studies carried out annually by the Business Line Qualification Observatories (OPMQ) exist in each branch. Through these studies, the observatories offer an

enlightened vision of current or future changes and the impacts of these changes on organizations, employment and skills.

The Group thus relies on those of the Banque Populaire, Caisse d'Épargne, AFB and Insurance branches with, in particular:

- specific studies on the Banque Populaire and Caisse d'Épargne scope (example in 2023 "What levers to attract and retain employees in the banking sector, in a changing environment?");
- inter-branch studies between the banking and mutualist divisions (example: on the challenges of generative AI in the banking sector, ongoing in 2024).

In addition, studies are also carried out by OPCO ATLAS. They are accessible, as well as those carried out by the branches of the scopes, from the Prospective Atlas platform set up in 2024.

7.3.1.2.4 (SI-4) Actions on material impacts on own workforce, approaches to managing material risks and pursuing material significant opportunities related to own workforce, and effectiveness of those actions and approaches

The Human Resources division of BRED Banque Populaire, made up of around 80 FTEs including 13 Human Resources Managers, is responsible for implementing actions concerning own workers.

Social dialogue and working conditions

Quality of life at work

The Real Estate, Security, Logistics and Environment department (DISLE) of BRED Banque Populaire rolls out specific operations to improve hygiene conditions and safe work environments, such as improving workspaces, redeveloping them to allow physical distancing, or monitoring and access control, installing access control and surveillance systems to ensure employee safety and protection premises.

In addition to expenses related to specific operations to improve hygiene conditions⁽¹⁾ and to ensure the safety of employee working environments, in particular with its autonomous health service, BRED Banque Populaire implements traditional monitoring and prevention systems such as a mandatory medical check-up every two years for each employee, during which an update on health and working conditions takes place.

There are no specific occupational health agreements signed. The occupational medical service is, in fact, one of the key players that employees can rely on to detect risky situations and intervene when necessary. Its primary role is to prevent any deterioration in health due to professional activity. It can be alerted and take the necessary measures.

It should be noted that there have been no fatal accidents or accidents at work with lost time according to local regulations for the last two years in the foreign establishments within the scope studied.

(1) Occupational health expenses amounted to €176,000 in 2024, compared to €115,000 in 2023.

The severity rate and frequency rate of workplace accidents with lost time are monitored as part of the action plan against stress implemented in 2011.

A special section of BRED's intranet site has been reserved for use by the occupational health department to discuss a number of risks such as repetitive strain injuries, mental health issues and addiction to smoking. The existence of occupational medicine is there, among other things, to combat stress at work and prevent or detect occupational diseases, where applicable.

In addition, training sessions are regularly organized to prepare new people joining the sales network to handle any aggressive behavior (anti-social behavior, armed attacks).

Similarly, the prevention and handling by management of antisocial behavior is monitored and all employees receive regular information updates, reminding them how to react in specific circumstances.

Mindful of the importance of sporting and cultural activities to job satisfaction, BRED Banque Populaire facilitates, to the extent possible, sporting activities, providing showers for employees in these two main offices and making spaces available to employees who participate in the choir and theater company. The BRED sports club encompasses several disciplines.

Relaxation premises are made available to employees in the Paris and Joinville offices, such as cafés and rest areas.

Discrimination and equal opportunities

In accordance with the policy on professional equality, the action plans undertaken are broken down into three themes:

- Actions in terms of professional equality
- Disability actions
- Actions to combat discrimination and harassment.

All action plans are included in company agreements for a period of three years. They are monitored annually, according to the provisions of the policy in force, and reviewed when they expire.

Actions on professional equality

In terms of professional equality, several corrective actions are applied to prevent the risk of discrimination and promote equality.

In terms of pay: these are monitored annually, in particular as part of the production of gender equality indices and mandatory annual negotiations with employee representatives. In 2023 and 2024, the gender equality index was 92/100. Also, as part of the mandatory annual negotiations (NAO), a significant amount of data related to requested is requested to be studied with the trade unions. An audit by SECAFI, commissioned by the trade unions, is also planned to verify remuneration at BRED Banque Populaire. Lastly, a study conducted with LHH (Adecco) aims to annually compare the remuneration practices of BRED Banque Populaire with other French banks.

In this respect, pay gaps are closely monitored. Dedicated budgets, amounting to €135,000 in 2024, are thus reserved to reduce the discrepancies observed and not justified by the nature and/or positioning of the job.

In terms of recruitment: Job offers are formulated in a neutral and objective manner. In addition, the Group strives to promote gender diversity in the business lines and to guarantee, as much as possible, a mixed final recruitment phase for management functions and certain business lines. Recruiters also receive training on non-discrimination in hiring. These initiatives are monitored through the professional equality index.

Other initiatives focus on highlighting the testimonials of women or men in jobs where they are less represented in order to combat stereotypes. For example, BRED Banque Populaire, on International Women's Day and Gender Diversity Week, rolled out several initiatives to promote gender equality, such as the provision of podcasts about inspiring career paths by several employees of BRED Banque Populaire, which are accessible to all employees.

In terms of parenthood: BRED Banque Populaire ensures that maternity leave does not hinder the professional development and remuneration of women. Thus, in France, women returning from maternity leave benefit from the average increase granted to employees in accordance with the legal provisions applicable in France.

Actions related to disability

The Disability Mission of BRED Banque Populaire manages the disability policy and has a dedicated budget. The intervention levers explained in the agreement are as follows:

- information for employees experiencing health difficulties about the specific support measures from which they could benefit by having their disability recognized;
- support for employees wishing to apply for recognition of the status as a disabled worker (RQTH);
- assistance in financing disability compensation needs in a professional and personal field;
- organization of training (internal or external) according to the constraints related to the person's disability.

Actions to combat discrimination and harassment

Systems to raise awareness and train employees with several levels of granularity according to the themes and challenges:

- non-discrimination training for recruiters;
- e-learning programs have been widely rolled out to employees, enabling them to:
 - distinguish non-discrimination, diversity and inclusion;
 - understand the challenges of inclusion;
 - identify the impact of stereotypes on daily working life;
 - identify and know how to react to micro-attacks.

Attractiveness, employee loyalty and commitment

Attractiveness

Attractiveness, employee loyalty and commitment are essential components of the HR strategy. They directly influence the performance and competitiveness of BRED Banque Populaire.

Attracting talent begins with the creation of a strong employer brand, which promotes authentic corporate values, continuous professional development opportunities and flexible working conditions that meet the expectations of new generations.

Employee loyalty relies on the implementation of effective retention programs, such as personalized career plans, regular recognition policies and constructive feedback mechanisms.

Another crucial aspect is employee engagement, which is fueled by an inclusive and collaborative corporate culture, where every employee feels valued and listened to. Initiatives such as continuous training and participation in innovative projects help to strengthen this commitment.

By integrating these elements into BRED Banque Populaire's HR strategy, it is possible not only to reduce the turnover rate, but also to increase productivity and job satisfaction, thus creating an environment where talents want to be involved over the long term. This holistic approach transforms employees into true brand ambassadors, propelling the company to new heights of success.

Skills development

Supporting the network's new organization

Support for network managers in a context of transformation

As part of the network's reorganization, it was agreed that a training program would be set up to support and secure the assumption of managerial positions, especially for RA/DA. Four additional objectives were addressed:

- clarify the distribution of roles and responsibilities of each player in the managerial line (RA/DA, DS, DR);
- define the priority managerial dimensions to be developed for each managerial level;
- identify the main changes in managerial posture, particularly in for DS and DR to support the action of RA/DA;
- translate the key skills to be developed for RA/DA.

On this basis, ad hoc training programs have been developed and will continue to be deployed for:

- RA/DA - assumption of position - 4 days + 1 day then BRED Management School (EMB) - Assumption of position;
- DS-DGS - 1 day + EMB - Manager of manager;
- DR - 1 day.

Changes in training courses for bank advisors

- The BRED Advisors Academy (ECB) with targeted "business line" training courses for Neobankers and RCP/confirmed RCP and CPRI / PRO

In parallel with the mandatory training systems with the three mandatory certifications (AMF, DCI 14-40H, Insurance authorization).

- The "CAP PART - PRI - PRO" career paths include a dual approach to increasing technical and behavioral skills.
- Professional qualification courses - License in Banking Insurance /Master 1 and 2 in wealth engineering /Master 1 and 2 in professional engineering

Developing managerial skills around a united model

In line with the three values, CONQUEROR - HUMAN - ENGAGED, selected to support the ambition of BRED Banque Populaire, the bank's managerial model will be revisited in 2025 to meet the objectives of its strategic plan and shared through the EMB.

Supporting the development of expertise and support functions

- The three departments (DSI DO and DISLE) joined forces to create the DTSO.

Synergies will emerge with joint programs to support the transformation as well as the development of employee skills and learning.

- Compliance and Risk business lines

In a complex and constantly evolving environment, banking systems with regard to product surveillance, business conduct, ethics and financial security, risk management, etc., have been strengthened and require regular updating of knowledge.

Strengthening the teaching of regulatory training

BRED Banque Populaire meets its regulatory obligations in terms of training to ensure that all the teams affected are familiar with the rules applicable to banking and insurance activity. A mapping of Mandatory Regulatory Training (FRO), which mentions the obligations, the regulatory sources and the jobs concerned, is drafted by the BPCE Campus and transposed by BRED Banque Populaire;

All of these FROs are an essential part of the banking-insurer business line and make it possible to integrate regulations into the rituals of each business.

To this end, wherever possible and with the support of the Group, BRED Banque Populaire is working to improve the teaching of mandatory regulatory training courses, and is implementing a comprehensive training program covering several essential aspects of compliance, professional ethics, anti-corruption, data protection, etc.

Particular attention is paid to monitoring the implementation of FROs, with the support of the management chain.

7.3.1.3 Metrics and targets

7.3.1.3.1 (SI-5) Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Quality of life at work - Risk prevention and safety at work

Preserving health in the workplace through work organization and support

This may involve simplifying and appropriating digital tools, assisting sensitive individual situations, supporting caregivers, assessing and preventing occupational risks, and adapting organizations to deal with exceptional situations.

BRED Banque Populaire's commitments to achieve this:

- for all new digital tools, implementation of a pilot with a representative panel of employees concerned by the project;
- creation of one IT officer per department;
- establishment of a Teams team to discuss IT problems encountered by employees;
- for long absences, BRED Banque Populaire is committed to providing the best possible support to employees when they return to work and to promoting work-life balance.

Positioning management and labor relations at the heart of QLWC

It is essential to develop respectful and caring working relationships, regulate workloads, value work through feedback, empower employees, promote the right to disconnect and the right to make mistakes, develop participative and collaborative management, strengthen managerial support, manage incivilities, or have transparency for commercial challenges and variable remuneration.

BRED Banque Populaire's actions for efficient management:

- Better communication from superiors (global objectives of the bank and objectives deployed locally).
- Supporting everyone's duty to lead by example, in particular through the implementation of playful "nudge" processes that reiterate the rules of respect, listening and trust.
- Group discussion and discussion by business line or entity.
- During the Periodic Activity Assessments (APA), the focus is on workload and work-life balance.
- Establishment of a "self-regulation" test team to promote consultation with the teams and require reduced managerial intervention.
- Promote the right to disconnect, by adding a reminder in emails informing employees that there is no obligation to respond outside of working hours.
- Encourage initiative through the right to make mistakes.
- Continuation of training actions to support managers.
- Reinforced monitoring of incivilities and face-to-face training for new employees on this topic.

Transforming the organization and working environment, a lever for QLWC

Set up flexible organizations by anticipating transformations, in particular through meaningful communications, or the promotion of new ways of working based on trust and autonomy, as well as the adaptation of the physical work environment.

The transformation of the organization and working environment is based on the following tools:

- the creation of a pilot for any major reorganization and the reporting of the results thereof to the employees concerned;
- the adaptation of workspaces, the limitation of noise pollution or the creation of convivial and relaxation areas.

Diversity & inclusion - Disability

In 2022, Groupe BPCE renewed its commitment to the employment of people with disabilities through the signing of four agreements approved for the period 2023-2025. These agreements are applicable to BRED Banque Populaire and define targets as of December 31, 2025 for each of the scopes (Banque Populaire branch, Caisse d'Epargne branch, GFS):

Banque Populaire branch

Overall rationale

Targets set in the approved BP branch agreements in line with French legislation, which imposes a minimum of 6%

- **Target:** achieve an employment rate of 6% by the end of 2025
 - Reference value: 5.94% at the end of 2023
- **Target:** recruit a minimum of 200 people recognized as BOETH over 3 years (recruitments taken into account: permanent contracts, fixed-term contracts of more than 6 months or work-study contracts - professionalization or apprenticeship), including a minimum share of 30% of permanent contracts (i.e., a minimum of 60)
 - Reference value: 90 people recognized as BOETH recruited in 2023
- **Target:** welcome at least 45 work-study students with disabilities over the term of the agreement
 - Reference value: 22 work-study students recruited in 2023
- **Target:** maintain and promote actions that promote purchases entrusted to the structures of the Protected and Adapted Work Sector (STPA) as part of a commitment led by CSR and the Solidarity Purchasing department

Metrics - Scope of coverage

Scope of publication of SI indicators for the 2025 CSRD (for the 2024 reference year)

All SI indicators were calculated for the entire scope of the sustainability report.

For some of its entities whose employment data is not reported natively in BPCE's HR information system tools, BRED Banque Populaire has set up a specific data collection process in order to guarantee complete coverage of the established sustainability scope.

It should be noted that for entities within the international scope, which also comply with national legislation, different employment requirements may apply.

Populations concerned:

Population exclusions (fixed-term contracts / work-study students / international business volunteers (VIE)) according to the indicators may have been made for reasons of data availability and/or the relevance and reliability of the calculations. In conjunction with Groupe BPCE, BRED Banque Populaire will aim to harmonize the scope of calculations for future publications as far as possible.

7.3.1.3.2 (SI-6) Characteristics of the undertaking's employees

General introduction: definition and transversal methods for SI-6 indicators

Preliminary reminder: SI-6 only concerns employees; non-employees are thus excluded from the scope

Transversal definition

Definition of the scope of salaried workers/employees in the calculated indicators: the total number of employees was calculated on the basis of the following sustainability scope and definition of employee status:

- permanent internal employees (CDI);
- temporary internal employees (fixed-term contracts - CDD);
- work-study employees;
- VIE (for France).

Note: interns were not included in the scope, insofar as in France, interns are not considered as company employees.

Transversal calculation method

Methodology for calculating the total number of employees based on:

- a counting of the number of own workers on a contractual basis;
- the number of employees present at the end of the reference period;
- closing date: December 31 of the reference year.

Scopes

The metrics are produced on the basis of the France and international scope.

Concerning the BRED Madagasikara Banque Populaire entity, the following actions will be rolled out in 2025:

- a study will be carried out to assess the feasibility of collecting the required data from that subsidiary's information systems;
- dedicated communication and information sessions, already initiated at the end of 2024, will be continued to define an operating mode for data collection.

Lastly, for the purposes of operational simplification, and in view of the non-material impacts, certain source data relating to New Caledonia are not restated from the overall indicators. The collection process will be adjusted in 2025 for the next publication of the report.

Breakdown of own workers

Breakdown of own workers by gender

12/31/2024

Gender	Number of employees
Male	3,088
Female	3,853
Other	
Not declared	
TOTAL SALARIED EMPLOYEES	6,941

Own workers by country

Metric definition

"The company" is to be considered within the meaning of the CSRD remittance scope.

Metric calculation

The calculation basis for own workers is that applied to the scope of publication of the CSRD.

Presentation of the number of employees in countries where the company has at least 50 employees representing at least 10% of its total number of employees

12/31/2024

Country	Number of employees
France	4,765

Employees by type of contract**Definition**

The definition mentioned above is applicable: Definition of the scope of salaried workers/employees in the calculated indicators: the total number of employees was calculated on the basis of the scope of entities subject to the CSRD and the following definition of employee status:

- permanent internal employees (CDI);

Calculation

- temporary internal employees (fixed-term contracts - CDD);
- work-study employees;
- VIE (for France).

It should be noted that BRED Banque Populaire has no employees in non-guaranteed hours, as this type of contract is not included in the bank's business model.

- for a breakdown by gender: see SI-6, section Breakdown of own workers;
- the breakdown by contract is detailed in the Section I. Transversal definitions;
- publication of the full-time/part-time split on a voluntary basis;
- is considered as full-time, any employee with a contractual FTE of 100%. All others are considered part-time. Note: work-study students are excluded from the scope of calculation of the indicator because they have a specific working time format.

Presentation of information on employees by type of contract, broken down by gender

12/31/2024

	Women	Men	Other ⁽¹⁾	Not communicated	TOTAL
Number of employees	3,853	3,088			6,941
Number of permanent employees	3,614	2,890			6,504
Number of temporary employees	239	198			437
Number of non-guaranteed hours employees					
Number of full-time employees	3,360	2,889			6,249
Number of part-time employees	493	199			692

(1) Gender as specified by the employees themselves.

Employees by type of contract, by region**Definition**

Definition of the term "Region": In line with Groupe BPCE, BRED Banque Populaire uses the definition of region in the sense of geographical area. This definition distinguishes between four types of regions: France / Americas / APAC / EMEA (excluding France).

Calculation

- For a breakdown by gender: see SI-6, section Breakdown of own workers;
- The breakdown by contract is detailed in the Section I. Transversal definitions.

Presentation of information on employees by type of contract, broken down by region

12/31/2024

	France	EMEA ⁽¹⁾	AMER	APAC ⁽¹⁾	TOTAL
Number of employees	4,765	361		1,815	6,941
Number of permanent employees	4,415	358		1,731	6,504
Number of temporary employees	350	3		84	437
Number of non-guaranteed hours employees					
Number of full-time employees	4,144	343		1,762	6,249
Number of part-time employees	621	18		53	692

(1) See Section SI-6 for more details.

EMEA: Europe, Middle East and Africa region - APAC: Asia-Pacific region.

Total number of employees who left the Group during the reference period

- The following reasons for departure were used in the calculation of the indicator: contractual terminations, resignations, deaths in the course of employment, dismissals and retirements.
- Note: departures related to internal mobility have not been included in the calculation of the indicator.
- The indicator presented only concerns permanent (CDI) contracts.



Employee turnover during the reference period:

Calculation

- Two indicators are published: the departure rate and the turnover rate.
- The calculation is based on permanent employees present at the end of 2023.
- Fixed-term contracts, work-study employees and VIE employees have been excluded from the calculation of the turnover rate, as their presence in the Group is by definition temporary.
- Calculation formulas applied:
 - Departure rate: Number of permanent contract departures over the reference period/number of employees on permanent contracts at December 31 of the reference year A-1;
 - Turnover rate: (number of permanent contract hires over the reference period + number of permanent contract departures during the reference period)/2/number of employees on permanent contracts at December 31 of the reference year A-1.



Reconciliation between the own workers mentioned in Section “(SI-6) Characteristics of the undertaking’s employees” and the most representative workforce in the financial statements

The Groupe BCPE Human Resources division relies on a notion of number of contracts and not FTE, it is therefore not relevant to reconcile the FTEs with the financial statements for the 2024 reference year, as the latter are not comparable.

7.3.1.3.3 (SI-7) Characteristics of non-employees in the undertaking’s own workforce

In accordance with the transitional application measure provided for by the regulations, this indicator is not published for the 2024 reference year.

The action plan for future publications is as follows:

- agree on a common definition of “non-salaried employee” and on the populations concerned: service providers, temporary workers and/or interns based on the standard;
- list the companies for which the data can be collected via the tools (Group employee reference framework);
- the Group will collect manually and in declarative form, the number of service providers from HR Data correspondents, before companies integrate the RPG tool. The notion of “non-salaried employee” will be defined beforehand with the HR Data correspondents.

7.3.1.3.4 (SI-8) Collective bargaining coverage and social dialogue

General introduction

- For the France scope, regulations require that all employees meeting the definition criteria in Section “SI-6 - Characteristics of the undertaking’s employees” be covered by a collective agreement and by social dialogue/employee representation.
- Employees: the employees covered by a collective agreement are the fixed-term contracts (CDD), permanent contracts (CDI), work-study students and VIE
- The Group indicates in which countries of the European Economic Area (EEA) it employs a significant number of own workers (i.e., at least 50 employees representing at least 10% of the total number of employees).

Percentage of all employees covered by collective bargaining agreements;



- The percentage of employees covered by collective agreements is calculated using the following formulas:
 - $100 \times (\text{Number of employees covered by collective bargaining agreements} / \text{total number of employees})$

Social dialogue coverage rate & workplace representation

To calculate the required information, the Group indicates in which of the EEA countries it employs a significant number of employees (i.e., at least 50 employees representing at least 10% of the total number of employees) and indicates the percentage of employees by country and by establishment, that

have employee representation. The notion of “establishment” includes any place of operations where the company carries out an economic activity on a non-temporary basis with human resources and goods.

$100 \times (\text{Number of employees working in establishments in which employees are represented by representatives/number of employees})$

Percentage of employees covered by a collective agreement (outside the EU)

Employees: employees covered by a collective agreement are fixed-term contracts (CDD), permanent contracts (CDI), work-study students and VIE

12/31/2024

Coverage rate	Collective bargaining coverage		Social dialogue
	Employees - EEA (for countries > 50 employees representing > 10% of total employees)	Employees - non-EEA (estimate for regions with > 50 employees representing > 10% of total employees)	Workplace representation (EEA only) (for countries with > 50 employees representing > 10% of total employees)
0-19%			
20-39%			
40-59%			
60-79%		APAC	
80%	France		France

7.3.1.3.5 (SI-9) Diversity metrics

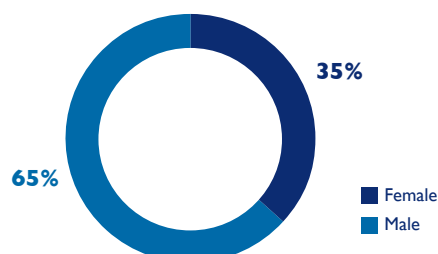
Definition

Senior management metric

- Three conditions make it possible to identify senior executives:
 - autonomy in decisions and organization of working hours;
 - remuneration at the highest levels;
 - status excluding working hours (excluding annualized working days).
- Breakdown of employees by age group metric;
- Taken into account in the calculation of indicators: fixed-term contracts (CDD), permanent contracts (CDI), work-study students and VIE.

Calculations

Breakdown by gender at senior management level in number and percentage



- % of women in senior management: Number of women in senior management (47) / number of employees in senior management (133);
- % of men in senior management: Number of men in senior management (86) / number of employees in senior management (133).

Breakdown of employees by age group and percentage - Own workers

Calculation formula: Number of employees by age group/total number of employees (within the meaning of indicator SI-6)

12/31/2024

Age groups	Number of employees (own workers)	%
< 30 years	1,550	22.33
≥ 30 and < 50 years	3,973	57.24
≥ 50 years	1,418	20.43
TOTAL SALARIED EMPLOYEES	6,941	100

7.3.1.3.6 (SI-10) Adequate wages

All Group employees receive an adequate wage in accordance with the applicable benchmarks. The adequate wage refers to the minimum social wages set by legislation or collective bargaining or applicable benchmarks.

7.3.1.3.7 (SI-11) Social protection

In terms of social protection (health and personal risk coverage)

In France, all employees have social protection covering the five major life events: illness; unemployment, workplace accidents and disabilities, parental leave and retirement.

Internationally, according to the legal systems and local practices of the countries in which the Group operates, all employees benefit from health and/or personal protection insurance ⁽¹⁾.

In the various countries in which it operates, the social protection and benefit schemes available to employees take into account not only applicable laws and regulations, but also market practices.

Through the systems in place, BRED Banque Populaire ensures that employees or their beneficiaries, for example, benefit from coverage in the event of a health situation that could lead to a loss of income, such as illness, maternity leave or accidents at work, or in the event of death.

In addition to the legal and contractual arrangements, depending on the regulations and practices of the countries in which BRED Banque Populaire operates, employees may benefit from additional social security in personal risk and/or health coverage.

In France, BRED Banque Populaire, pursuant to the French Social Security Code, offers all of its employees comprehensive supplementary social protection through collective health insurance and personal risk, disability and death insurance plans. The social protection policy is managed directly by the Human Resources division.

In addition, as members of the Banque Populaire Branch, employees are covered by a personal risk plan negotiated at the level of the Banque Populaire branch, while their health plan is negotiated at the level of each Banque Populaire.

With regard to employee benefits, BRED Banque Populaire strives to implement an appropriate management system that complies with regulations, intended to limit risks as much as possible, in particular URSSAF.

In terms of pensions, Groupe BPCE employees may benefit from supplementary pension plans, the characteristics of which are set in accordance with local legislation and the HR practices and policies defined locally.

These plans supplement the mandatory and statutory plans to which the entities contribute for employees. They can be of

two different types (defined benefit plans or defined contribution plans).

For example, employees of the Banque Populaire Branches benefit from supplementary defined-contribution pension plans paid for mainly by the employer; these plans being negotiated at the level of each of the Branches with the social partners. All social protection plans are made available to employees according to the terms defined locally (employment contract, HR intranet, etc.).

7.3.1.3.8 (SI-12) Persons with disabilities

Calculation

Calculation formula: Own workers registered with disabilities at December 31 of the reference year / total own workers (at December 31 of the reference year)

Scope

The metrics are produced in France and internationally. For more details on the scope covered, please refer to the general introduction.

Definition of the indicator

- Number of beneficiaries of the Obligation to Employ Disabled Workers (BOETH) at December 31 of the reference year. Only BOETHs present on December 31 and with a valid disability recognition on that date are taken into account;
- In order to maintain consistency between this indicator and the other indicators published under the CSRD, the "own workers" data is to be considered as registered workforce.



In France only, the percentage of employees with disabilities is 3.9%.

7.3.1.3.9 (SI-13) Training and skills development metrics

Performance assessment

Calculation

- Population: permanent contracts (CDI)
- Calculation formula: number of employees who participated in regular assessments of their performance and career development / total number of employees present as of December 31 of the reference year.

(1) With the exception of entities present in Fiji or Solomon Islands, for which employees on fixed-term contracts do not have social security coverage.

Definition

All performance, career development and professional appraisal interviews must be taken into account.

Breakdown by gender of employees who participated in regular performance and career development reviews

12/31/2024

Gender	Number of assessments	%
Male	1,706	59.03
Female	2,498	69.12
Other		
Not declared		
TOTAL SALARIED EMPLOYEES	4,204	64.64%

Training hours completed in 2024**Calculation**

- Population: fixed-term contracts (CDD), permanent contracts (CDI), work-study students and VIE
- Calculation formula: number of training hours completed in the reference year / total number of employees as of December 31 of the reference year.

Definition

The metrics are produced in France and internationally. For more details on the scope covered, please refer to the general introduction.

Average number of training hours by type of contract and by gender

12/31/2024

	Women	Men	Other ⁽¹⁾	Not communicated	TOTAL
Average number of training hours	44	49			46
Permanent employees	27	28			27
Temporary employees	301	364			330
Non-guaranteed hours employees					

(1) Gender as specified by the employees themselves.

7.3.1.3.10(SI-14) Health and safety metrics**Health and Safety Management System****Definition**

- For the France scope: the regulations require that all employees, according to the criteria defined in SI-6, are covered by a health and safety management system.
- For the international scope: data will be collected in accordance with local obligations and/or practices. For more details on the scope covered, please refer to the general introduction.

Calculation

- Population: permanent contracts (CDI), fixed-term contracts (CDD), work-study students, VIE;
- Calculation formula: number of employees covered by the health and safety management system/total number of employees;

- Percentage of own workers covered by the health and safety management system according to legal obligations and/or applicable standards or guidelines.



Work-related accident frequency rate

Definition

The indicator used relates to the frequency rate of workplace accidents.

- the notion of “days lost” is interpreted as “days of absence” linked to work stoppage due to workplace/commuting accidents;
- the Group measures and collects data related to workplace and commuting accidents recognized by the social security;
- however, for occupational illnesses, the Group is not in a position to collect similar data.

Calculation

The calculation of the indicator excludes:

- data on occupational illnesses (not applicable for Groupe BPCE)
- absences and accidents of non-salaried workers (in accordance with the publication deadline granted by the standard)

The indicator used for the workplace accident rate is the frequency rate of workplace accidents involving permanent (CDI) and fixed-term (CDD) contracts. The formula for calculating the frequency rate, according to INSEE, is as follows: number of accidents with lost time/hours worked x 1,000,000;

The number of days of absence due to workplace/commuting accidents is to be considered in number of calendar days.

Scope

The metrics are produced in France and internationally. For more details on the scope covered, please refer to the general introduction.

Occupational health and safety

12/31/2024

Number of fatalities due to work-related accidents or illnesses	I
Number of work-related accidents over the period	95
Work-related accident rate (in %)	9.11
Number of days lost due to work-related accidents	1,790.5

Action plan on health and safety indicators that BRED Banque Populaire will not meet:

Limitation on published information:

- The quantitative information required by the CSRD standard is not published in BRED Banque Populaire's CSRD sustainability report, given the unavailability of data.

Action plan:

- determine a common definition of the term “occupational illness”;
- list the companies for which the data can be collected via the information systems;
- list the scopes on which the data can be collected manually (if unavailable in the tools);
- define data collection methods.

7.3.1.3.11 (SI-15) Work-life balance metrics

Scope

The metrics are produced in France and internationally. For more details on the scope covered, please refer to the general introduction.

Definition

- The concept of family leave takes into account the following arrangements and are provided for under the rules of the collective bargaining agreement:
 - maternity leave;
 - paternity leave;
 - parental leave;

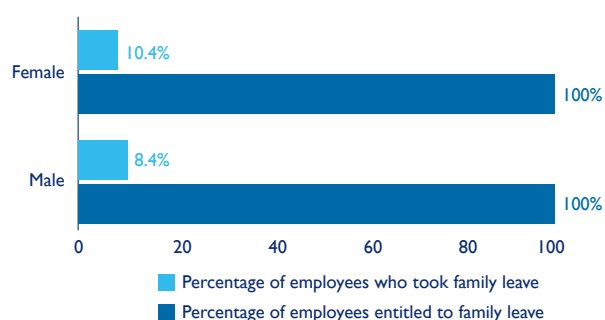
- caregiver leave provided for by legislation or collective agreements.
- Population: permanent contracts (CDI)/fixed-term contracts (CDD)/work-study students/VIE

Calculation

“% of employees entitled to family leave”.

- Number of employees eligible for family leave / total number of employees
- “% of employees concerned who took such leave, with a breakdown by gender”.
- Calculation formula: number of employees who took family leave / number of eligible employees.



Breakdown by gender of the percentage of employees entitled to and having taken family leave**7.3.1.3.12(SI-16) Pay metrics (pay gap and total remuneration)****Scope**

The metrics are produced in France and internationally. For more details on the scope covered, please refer to the general introduction.

Definition

The following definition is applicable to both indicators:

- The consolidated population includes own workers on permanent contracts (CDI) who are present and paid at full rate throughout the reference year excluding:
 - corporate officers;
 - employees on fixed-term contracts (CDD);
 - temporary workers;
 - work-study employees;
 - expatriate French employees;

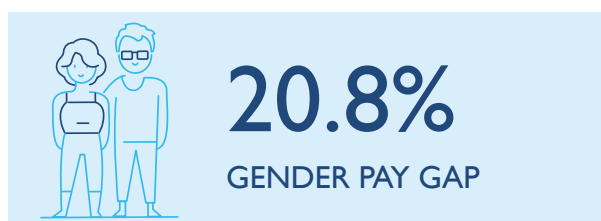
- people without an employment contract and employees on long-term illness (ALD).
- Fixed wage and variable remuneration are taken into account.
- Elements taken into account in the fixed wage: theoretical full-time annual fixed wage + fixed annual duty allowance, if applicable, for the reference year.
- Elements taken into account in the variable remuneration: value-sharing bonus paid in the reference year + performance bonus or any individual bonus + Variable remuneration paid in the reference year

Calculation

Two indicators will be published for this metric:

- Indicator No. 1 - (Average gross annual remuneration of male employees - average gross annual remuneration of female employees / average gross remuneration of male employees) x 100;
- Indicator No. 2 - Annual total remuneration for the highest-paid person in the company / Median level of annual total remuneration excluding the highest-paid individual.

If the maximum annual total remuneration is the same for several employees, then they are excluded from the denominator in the calculation presented above (median level of annual total remuneration (excluding the highest-paid individual)).

**Breakdown of total annual remuneration by business line and by country**

12/31/2024

Countries where BRED Banque Populaire operates	Annual total remuneration ratio
France	13.67
Belgium	NS
Cambodia	8.33
Djibouti	9.71
United Arab Emirates - Dubai	NS
Fiji	6.63
Laos	12.26
New Caledonia	6.89
Solomon Islands	3.25
Switzerland	3.59
Thailand	3.05
Vanuatu	20.40

NS: not significant due to the low number of employees in the country

7.3.1.3.13 (SI-17) Incidents, complaints and severe human rights impacts

Limitation on published information

The quantitative information required by the CSRD standard is not published in BRED Banque Populaire's CSRD sustainability report, given the unavailability of data.

Action plan to publish indicators in future publications

- Identify and support the relevant contacts (compliance, diversity & harassment officer, labor & legal relations);
- Agree on a common definition of the expected terms in the indicators:
 - incidents of discrimination;

- harassment;
- complaints;
- violation of social and human rights matters;
- Severe employee human rights issues and incidents;
- Identify alert reporting channels:
 - Group Whistleblowing Tools;
 - dedicated local email address;
 - harassment or diversity officer;
 - emergency number;
 - listening unit.

7.3.2 S2 - Workers in the value chain

7.3.2.1 SBM 3 - Material impacts, risks and opportunities and their interaction with strategy and business model

BRED Banque Populaire expects a firm commitment from its suppliers and subcontractors to respect the United Nations Guiding Principles on Business and Human Rights. This includes the prohibition of forced labor, the elimination of child labor, the absence of discrimination, and compliance with health and safety standards. In addition, they must comply with all laws, regulations and directives in force in the countries where they operate, particularly with regard to working hours and rest periods. These commitments are included in the Responsible Purchasing Charter and are a crucial issue for BRED Banque Populaire, both in terms of potential impacts on its partners' employees and risks to its reputation.

BRED Banque Populaire is committed to managing its purchases and supplies in such a way as to minimize the risk of human rights violations. Downstream of its value chain, BRED Banque Populaire focuses on the employees of the companies it finances or in which it invests, particularly through its asset management activities. In its Corporate & Investment Banking activities, BRED Banque Populaire incorporates ESG criteria in the analysis of its financing, whether for projects or corporate financing. The geographical and sectoral diversity of BRED Banque Populaire's portfolio of activities is exposed to various potential impacts on employees, and BRED Banque Populaire relies on international standards to minimize these impacts. BRED Banque Populaire does not apply any special treatment to workers who are more exposed to a risk of harm.

A system for monitoring controversies has been set up that integrates Environmental, Social and Governance (ESG) dimensions to identify and analyze risks, in particular those relating to working conditions within the companies financed and projects. As part of its asset management and investment activities, BRED Banque Populaire pays particular attention to working conditions, equal opportunities and labor rights, including the fight against forced labor, taking into account sector exposures of assets under management and investments.

7.3.2.2 Impact, risk and opportunity management

7.3.2.2 (S2-I) Policies related to value chain workers

BRED Banque Populaire's commitments to value chain workers are broken down at the purchasing level. The institution deploys a Responsible Purchasing Policy with suppliers and subcontractors with whom the Group has an established commercial relationship. This policy is made available on the institutional website and incorporates the main CSR guidelines (see ESRS G1 - Code of Conduct section) and is part of the framework provided by Groupe BPCE. It is approved by the Board of Directors of BRED Banque Populaire and applies to all BRED Banque Populaire entities. The responsible purchasing charter is one of the reference documents in the tender documents sent to suppliers. The aim is to involve suppliers in the application of diligence measures in this area.

The Responsible Purchasing Policy incorporates the commitments of the United Nations Global Compact and adheres to its "Ten Principles", two of which relate to Human Rights.

- Promote and respect the protection of international human rights law in its areas of activity and sphere of influence. This responsibility relates to the internationally recognized human rights set out in the International Bill of Human Rights and the principles set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, including human trafficking, forced or compulsory labor and child labor;
- Make sure they are not complicit in human rights violations.

BRED Banque Populaire is also committed to applying the guiding principles on business and human rights set out in the United Nations' "Protect, Respect and Remedy" framework. These convictions and commitments have been set out in the form of "Guidelines" in the Groupe BPCE Code of Conduct and Ethical Standards through the Responsible Purchasing Charter "Promoting respect for human rights in all our activities" and are thus anchored in the BRED Banque Populaire values framework.

No instances of non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for multinational companies that involve workers in the value chain was declared to BRED Banque Populaire in 2024.

BRED Banque Populaire's commitments with its suppliers in terms of sustainable development and social responsibility are enshrined in the "Groupe BPCE Responsible Purchasing Charter". In addition, BRED Banque Populaire attaches great importance to the traceability of its supply chain. A Responsible Purchasing Charter is included in our supplier contracts, and we are seeking to work more closely with companies in the protected worker sector. BRED Banque Populaire's regular service providers include several establishments where disabled people can work in special conditions (ESATs) and adapted companies that promote the professional integration of disabled persons (EAs). They contribute to the increase in the indirect employment rate of people with disabilities.

BRED Banque Populaire has set up a risk management system to comply with the duty of care with the aim of identifying, preventing and remedying negative impacts related to human and environmental rights (IROs).

BRED Banque Populaire uses Groupe BPCE's CSR risk mapping, which identifies, ranks and prioritizes, by purchasing category, the CSR risks to be monitored with suppliers, taking into account the risk related to the country in which most of the value-added of the product or service (IRO) is realized.

BRED Banque Populaire's Purchasing team is in constant contact with the team in charge of Purchasing at Groupe BPCE level, which is itself in continuous interaction with the team in charge of monitoring BPCE SA's regulatory changes and the team in charge of relations with the European regulators.

7.3.2.2.2 (S2-2) Processes for engaging with value chain workers about impacts

Relationship monitoring system

BRED Banque Populaire has set up regular meetings with its strategic and major suppliers, particularly in the context of essential critical or important services (PECI)⁽¹⁾ described below in the "Integration of specific contractual clauses" section. Strategic and major suppliers are defined according to the volume of purchases, the criticality of services provided for the continuity of banking activities and/or their essentialness to the development of BRED Banque Populaire. These meetings allow for a privileged exchange with suppliers on all aspects of the service.

The Groupe BPCE and BRED Banque Populaire Responsible Purchasing Charter is a joint initiative of French players in the "Banking & Insurance" sector who wish to involve their suppliers in the implementation of vigilance measures as part of their Corporate Social Responsibility (CSR) initiatives.

Its purpose is to inform suppliers of:

- the commitments made by BRED Banque Populaire to them in terms of responsible purchasing; and
- BRED Banque Populaire's expectations regarding compliance with major principles.

The ability of suppliers to commit and translate these commitments through appropriate practices is one of the assessment criteria used by BRED Banque Populaire throughout the relationship with their suppliers (see also Sections S2-3 and S2-4).

However, BRED Banque Populaire has not adopted a process for directly interacting with workers in its value chain.

7.3.2.2.3 (S2-3) Processes to remediate negative impacts and channels for value chain workers to raise concerns

Risk management system and duty of care

The level of risk for each purchasing category is assessed along three axes covering the following issues:

- **fair practices and ethics:** fraud and corruption, personal data protection, property rights and patents;
- **human rights and social conditions:** child labor, forced labor and modern slavery, discrimination, health and safety, working conditions and freedom of association;
- **environment:** climate change and greenhouse gases, loss of biodiversity, depletion of natural resources, pollution, waste and end-of-life management.

Each purchasing category is assessed on a scale of four CSR risk levels: low, limited, high, very high. To assess the level of risk, the AFNOR expert takes into account the probability and potential severity of the risk for each factor.

Based on the risk assessment work, specific mitigation measures were developed:

- for other purchasing categories, CSR requirements are gradually being implemented in the consultations;
- the professionalization of the purchasing function, through the gradual dissemination of best practices and the deployment of training.

In addition, BRED Banque Populaire is exploring the possibility of deploying an additional module to the CSR risk mapping already in place at Groupe BPCE level sometime in 2025. This Afnor module makes it possible to integrate specific criteria into specifications in order to mitigate risks according to the category of purchases.

Integration of specific contractual clauses

In the tender documents and on the institutional website, BRED Banque Populaire communicates its commitments in terms of responsible purchasing, with the expectation of reciprocity by suppliers, via the Responsible Purchasing Charter.

(1) Critical or Significant Outsourced Services.

BRED Banque Populaire systematically includes clauses in its contracts to ensure that its subcontractors comply with all regulations relating to fundamental rights and freedoms, health and safety of people, social and labor regulations, and environmental regulations that are applicable to it, be they of contractual (company agreements, business unit agreements, collective agreements), national, European or international origin. The supplier must justify this at the customer's request.

BRED Banque Populaire also includes clauses in its contracts allowing employees to rely on a whistleblowing system and to be explicitly informed by their employer of the existence of this system. Workers in the value chain have the option to use the whistleblowing system set up by BRED Banque Populaire (see ESRS G1 - Business conduct).

Through the Responsible Purchasing Charter, BRED Banque Populaire wishes to involve its suppliers in the duty of care as part of its Corporate Social Responsibility (CSR) approach. The ability of its suppliers to commit to and translate the commitments of the Responsible Purchasing Charter through appropriate practices is one of the assessment criteria used by BRED Banque Populaire throughout its relationship with its suppliers. Suppliers undertake to provide, at all times, supporting documents for the application of the principles set out in the Responsible Purchasing Charter and to receive auditors (internal or external) appointed by BRED Banque Populaire to verify the application of the Charter.

7.3.2.2.4 (S2-4) Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

The actions implemented for BRED Banque Populaire as a whole to limit the negative impacts and seize important opportunities are as follows:

Duty of care

Within BRED Banque Populaire

BRED Banque Populaire verifies the legal status of its suppliers through the Provigis platform. This centralized solution allows it to monitor the compliance of its partners in a simplified and secure manner thanks to the pooling and automation of information collection.

For each service provider, we collect, verify and archive the three key documents relating to the customer's duty of care towards its subcontractors: the company's registration document, the certificate of compliance issued by URSSAF and the Nominative List of Foreign Workers (LNTE). The LNTE, which is required when the value of the contract exceeds €5,000 excluding VAT for the year, is governed by the French Labor Code. The threshold of €5,000 excluding VAT also applies via Provigis. The LNTE enables BRED Banque Populaire to exercise its legal duty of care with regard to the employment by its suppliers of workers outside the European Economic Area.

In this way, through this system, which is supervised internally by the Finance department, BRED Banque Populaire ensures that its subcontractors comply with their labor obligations and adopt a responsible approach to combating undeclared work.

In addition, the Responsible Purchasing Charter allows for the implementation of measures to remedy the negative impacts on workers in the value chain. These are detailed in Section S2-3.

Within Groupe BPCE

- Integration of the principles and actions related to the duty of care in the internal purchasing procedures of BPCE Achats & Services: January 2025.
- Implementation of Duty of Care obligations (BPCE Achats & Services scope: General Purchasing Procedure): January 2025.

In addition, within Groupe BPCE, BPCE Achats & Services has set up dedicated tools for the Purchasing function:

- since 2021, CSR questionnaires covering all purchasing categories have been made available to the function to measure the CSR performance of suppliers;
- since 2022, an Afnor online CSR risk mapping platform has been deployed for Groupe BPCE's entire purchasing function. An internal control system has been in place for several years to ensure the compliance of the purchasing process deployed by BPCE Achats & Services on behalf of its internal specifiers. This system includes an initial operational level, a second level for risks and/or permanent control and a third level for audit. These controls verify the proper application of the clauses of the purchasing charter;
- in 2024, a "listening to the voice of suppliers" system was set up for Group companies;
- in 2025, BPCE Achats & Services intends to monitor the integration of CSR criteria into specifications.

The effectiveness of this plan is currently measured using several annual indicators:

- the rate of consultations including the consideration of supplier CSR performance assessments;
- the compliance rate of purchasing files measured during internal controls.

The Purchasing department of BRED Banque Populaire, like BPCE Achats et Services, favors, wherever possible, suppliers in the Inclusion market, in particular by integrating the CSR component into its rating grid. Within Groupe BPCE, BRED Banque Populaire was a pioneer in using the company "EA Atelier du Courrier" as an alternative to La Poste.

To support these actions, the Purchasing department of BRED Banque Populaire, composed of five buyers, participates in the various morning sessions and purchasing meetings offered by BPCE Achats et Services during the year. In addition, in 2024, an employee from the DISLE (Real Estate, Safety, Logistics and Environment department) took part in the Inclusive Procurement training provided by BPCE Achats et Services.

7.3.2.3 Metrics and targets**7.3.2.3.1 (S2-5) Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities****Duty of care target**

For several years, BRED Banque Populaire has been raising awareness and tools in the purchasing process in order to comply with the law on the duty of care.

To date, no quantified target has yet been defined.

As part of the launch of the new strategic plan “Aligning energies - BRED ambitions 2027”, BRED Banque Populaire has set itself the target of assessing 100% of suppliers in the categories at high and very high CSR risks at the time of entry in order to prevent risks in high-risk categories by the end of 2026. This change will be made possible by the implementation of a specific Responsible purchasing procedure.

7.3.3 S3 - Affected communities**7.3.3.1 SBM 3 - Material impacts, risks and opportunities and their interaction with strategy and business model**

BRED Banque Populaire identified two material issues as part of the double materiality analysis: the financing of the economy and regional players, and philanthropic commitment, solidarity actions and sponsorship. It plays a key role in financing critical infrastructure and supporting local economic development, which improves living conditions and supports environmental transitions. Conversely, financing or investing in projects that have a negative impact on communities or in projects that are not aligned with society's actual needs could damage BRED Banque Populaire's reputation or increase the organization's legal risks.

In addition, as part of its philanthropic commitment, BRED Banque Populaire mobilizes to support local and national initiatives to promote such causes as social inclusion and the reduction of inequalities. These multiple actions have a positive impact on the regions, helping to strengthen the social, sporting and cultural fabric, etc.

As part of its financing activities, BRED Banque Populaire identifies as potentially affected communities those that live or work near its customers' companies, sites and projects, and that could be impacted by its activities.

7.3.3.2 Impact, risk and opportunity management

BRED Banque Populaire reaches communities through two areas of activity. It influences the regions where it operates, in the broadest sense, via its commercial network (including insurance activities), which supports individuals, SMEs and large companies in their projects and day-to-day business. BRED Banque Populaire also has a broader and international impact, linked to its corporate and investment banking and asset management activities on the one hand, and its international operations on the other.

Regions as affected communities

The activities of BRED Banque Populaire relate to banking and financial services, and their impact therefore necessarily goes beyond the framework of the affected communities, in the strict sense of the CSRD, to include the regions and their development. The BRED Banque Populaire network is, by vocation, closely linked to its regions and anchored firmly in them, working side by side with the inhabitants and the local ecosystem. It brings strong added value to life and economic dynamism by meeting the needs of all stakeholders: households (financing and inclusion), companies, local authorities, social housing players, associations, etc. This presence and geographical proximity are central to BRED Banque Populaire, whose impact is reflected in the financing of projects and the needs of all players who create value. As a cooperative bank dedicated to regional growth that strengthens the socio-economic fabric through its presence, BRED Banque Populaire's “affected communities” are extended to the regions in which it is based.

7.3.3.2.1 (S3-1) Policies related to affected communities**Financing the economy and regional players****Financing local businesses**

As a cooperative bank created by and for entrepreneurs in 1919, BRED Banque Populaire occupies a unique place in the French banking landscape. Unlike traditional banks, the bank is owned by its cooperative shareholders, whose elected representatives sit on the Board of Directors. Each cooperative shareholder has a voting right that enables them to attend General Meetings and influence the major strategic orientations of their bank. Voting rights are also capped at 0.25% per member regardless of the number of shares held, which ensures the representative nature of voting rights.

BRED Banque Populaire's cooperative model promotes a people-centered approach. The interest paid on shares is capped by law. Its profits are not paid to shareholders but reinvested in the economic development of its regions. Ensuring regional economic momentum is a priority for BRED Banque Populaire.

Its core business is commercial banking in France, through its regional offices ⁽¹⁾ and through its international banking subsidiaries ⁽²⁾. Its business model is characterized by a strong position on the professional market and by a leading role in the social and solidarity economy sector, serving SMEs, tradespeople, merchants and farmers.

BRED Banque Populaire has also diversified its activities: corporate and institutional markets, private banking, asset management, market finance, insurance, and international trade financing. The synergies between the different business lines make it a complete multi-service bank that offers investment solutions which make sense.

Certain financing decisions are made locally, in the regions, and savings are collected within one region.

In addition, Groupe BPCE's sectoral CSR policy applicable to the oil and gas industry, with which BRED Banque Populaire complies, does not provide any dedicated financing for projects with significant impacts in an area classified as a UNESCO World Heritage site, registered by the Ramsar Convention, or protected by categories I to IV of the International Union for Conservation of Nature (IUCN). This criterion contributes to the protection of the natural resources on which local communities depend for their livelihoods and supports the conservation of the cultures and traditions of the indigenous communities living in these areas.

Finally, BRED Banque Populaire is a member of the Global Compact through BPCE. As a consistent annual signatory to this initiative since 2012, the bank continues to reinforce the commitment undertaken by the Banques Populaires network. The Global Compact is an internationally-recognized code of conduct. The guidelines on which it draws (issued by the UN, the OECD, the ILO, etc.) enable BRED Banque Populaire to initiate, pursue and develop its sustainable development policy in accordance with international standards. This section is covered by the BRED Banque Populaire Code of Conduct, of which the Chief Executive Officer of BRED Banque Populaire is a signatory and is responsible for its proper implementation.

BRED Banque Populaire: committed to financing the real economy and societal needs

BRED Banque Populaire assumes its role as a provider of financing to all economic agents (companies, professionals, local authorities, households, operators of the social and solidarity economy).

For the fourteenth consecutive year, the Banque Populaire network, which includes BRED Banque Populaire, is the leading corporate banking network (source: KANTAR 2023 Barometer). The Banques Populaires operate locally in all regions and are the reference banking partners of nearly one in two companies in France. BRED Banque Populaire, like its counterparts, interacts with many partners, such as the National Council of the Order of Chartered Accountants (CNOEC), which works in each region with the Regional Council of Chartered Accountants (CROEC), to promote an ESG approach in business development.

In addition, as part of its ecosystem in Metropolitan and Overseas France, BRED Banque Populaire works in the regions to support business projects, in partnership with the Chambers of Commerce and Industry, the Chambers of Trades and the Craftsmanship Network, the *Entreprendre* Network and the initiative networks, the MEDEF regional delegations and the CPMEs.

Lastly, BRED Banque Populaire provides support to the business lines through professional organizations, in particular thanks to the Socama Board of Directors, which includes representatives of the General Confederation of Food and Retail Trades (CGAD) and the renewal of the partnership between BRED Banque Populaire and the Hauts-de-Seine Chamber of Commerce and Industry to support businesses, from their creation to their transfer.

Social and solidarity economy (SSE)

The SSE has a positive social and environmental impact on the French economy by responding to strong societal challenges: health, care, dependency, aging, the fight against poverty, the collaborative economy, well-being and sport. In a context of stagnating economic activity, decline in public services (health, education, etc.) and problems of seeking profitability in the for-profit private sector, the SSE plays its role as a shock absorber. Thus, according to the National SSE Observatory: 31,600 jobs were created by SSE companies in 2023. With +1.4% of jobs over one year, employment in the SSE is more dynamic than in the private sector excluding SSE (+0.7%).

BRED Banque Populaire is an important player in the financing of companies and social economy structures in its regions. It has a responsibility to work hand-in-hand with these players to support regional initiatives that fuel the momentum of local communities. The 2014 law on the SSE marked a turning point, making it possible to define, support and structure the SSE ecosystem. In addition, as the SSE is composed of private non-profit structures, numerous related laws govern its activity, such as the French General Tax Code (CGI) on specific tax aspects or relations with public supervisory bodies on solidarity budgets.

Structural involvement in the SSE through mutual guarantees

BRED Banque Populaire is a cooperative, governed by the Act of September 10, 1947 on the status of cooperatives. This requires it to be reviewed by an independent expert every five years to verify the compliance of the organization and operations with the principles and rules of cooperatives. This is a positive act of cooperative governance.

To promote access to credit for small businesses, tradespeople and liberal professions, BRED Banque Populaire relies on SOCAMA, the leading mutual guarantee company in France. Created by and for entrepreneurs, SOCAMA guarantees the loans of these customers, thereby limiting recourse to their personal guarantee. It assists them in achieving their plans to create, grow and/or takeover businesses.

(1) Île-de-France, Seine-et-Marne, Aisne, Normandy, Reunion Island, Mayotte, Guadeloupe, Northern Islands, Martinique, French Guiana.

(2) South-East Asia, Pacific and Africa.

SOCAMA is administered by business line representatives who are familiar with the professionals and the regions. These experts provide their know-how and validate the granting of the SOCAMA guarantee to local credit committees. This approach favors a personal, local approach.

As a long-term partner of all SSE players, the Banques Populaires, including BRED Banque Populaire, have direct relations with:

- SSE co-funders such as France Active and Adie;
- major non-profit organizations such as UNIOPSS and its regional representations, URIOPSS which together bring together 750,000 employees in the health and social sector, UNAPEI and ADPEI (by department);
- the major bodies representing the sector, namely the CRESS and their national representation (ESS France),
- the Impact France movement, which created a solution to measure the impact of various private employers with the Impact Score;
- the Caisse Nationale d'Assurance Vieillesse, to pay retirement pensions to beneficiaries.

Business transfers, a real challenge for BRED Banque Populaire's regions

The transfer of companies is a major issue for regions: without it, the risk of collapse is high for companies, particularly in the event of the manager's retirement.

The association CRA (Cédants et Repriseurs d'Affirmaires) has been a key player in business takeover for 35 years. Its actions to promote the transfer of VSEs and SMEs supports the economic and social dynamism of the regions. Committed to entrepreneurs, BRED Banque Populaire recently strengthened its partnership with that association to contribute to the protection, sustainability and development of companies.

BRED Banque Populaire provides connections between the CRA advisor and the BRED Banque Populaire advisor in each region in Normandy and in Île-de-France.

In addition, BRED Banque Populaire is a long-standing partner of the only transfer-related fair in Île-de-France (Salon Transfair) in conjunction with the bar, lawyers, the notarial chamber and the CCLs, and the Order of Chartered Accountants of Île-de-France.

In 2024, a recovery transmission kit was developed for the network of professionals in mainland France and French overseas territories to train advisors to properly support their customers in recovery transmission. An offer was put forward that combines financial and wealth engineering, with audit services to value the business to be transferred.

The healthcare sector

The involvement of BRED Banque Populaire and its employees in the healthcare sector

BRED Banque Populaire supports several initiatives in the health sector. It actively participates in the financial community's AFM Téléthon, a key event for medical research into rare diseases. It is also involved in events held to raise funds for the *Ligue Contre le Cancer*, Pink October events, and

other actions around sport relating to disability in particular, such as those held by the Fondation du Sport Français - Henry Sérandour, which encourages sport as a vector of social ties through innovative community actions.

The ODYSSEA race, on October 5 and 6, 2024, mobilized many employees. This initiative, supported by BRED Pluriel, the bank's social network that promotes values and actions to foster diversity and inclusion, and the BRED Sports Club, mobilized employees in the fight against breast cancer. The funds raised by the Odyssea association were donated to the Institut Gustave Roussy and the Prolific association, which supports cell biology research.

In addition, BRED Banque Populaire helps the Alzheimer Foundation, through its solidarity sponsorship program, to finance flagship research projects; the development of digital applications to identify cognitive disorders and the creation of a clinical research center dedicated to Alzheimer's disease at the Salpêtrière site.

Sports Economy

Olympic Games partner

Through Groupe BPCE, BRED Banque Populaire is a premium partner of the 2024 Olympic Games. The Paris 2024 Olympic and Paralympic Games were held respectively from July 26 to August 11, 2024, and from August 28 to September 8, 2024. This commitment was an opportunity for BRED Banque Populaire to mobilize and support the Paris 2024 Games, particularly for the challenges they involve. In addition to the sporting aspect, this event will offer many economic opportunities and job creation throughout France.

BRED Banque Populaire was the official sponsor of the Paris 2024 Olympic and Paralympic Torch Relays. As part of this role, it offered its partners, customers and cooperative shareholders who have an inspiring life story, are involved in associations and/or are committed to certain causes or sports-related actions, the opportunity to proudly carry the Olympic flame through all parts of mainland France and overseas in which BRED operates. The Olympic Committee has selected 76 relay candidates to carry this iconic symbol of the Games.

BRED Banque Populaire rolled out specific support tools for its customers for the Olympic Games:

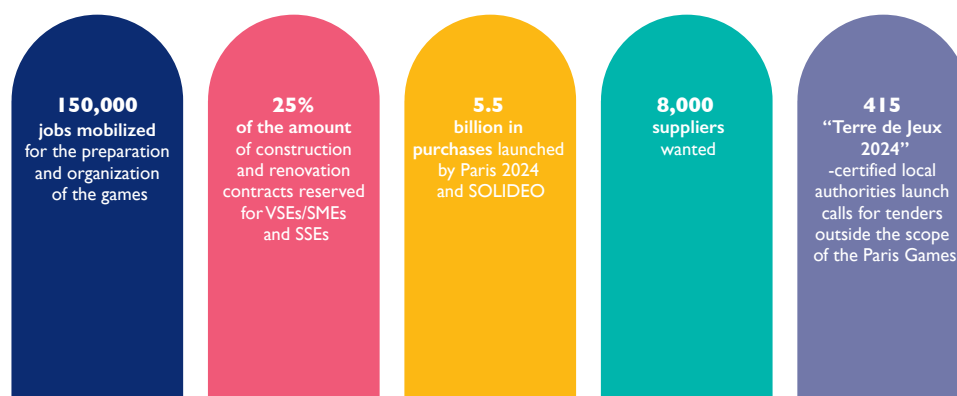
- The SSE 2024 platform supports companies in the Social and Solidarity Economy as well as social entrepreneurs wishing to respond to tenders for contracts related to the organization of the Paris 2024 Olympic and Paralympic Games.

For SSE 2024, all market information and news related to the social and solidarity economy of the Paris 2024 Games are available. It therefore offers the opportunity to publicize entrepreneurial solutions to the organizers and thus receive market offers corresponding to the desired expertise.

- The *Entreprises 2024* platform is intended for VSEs/SMEs and allows them to stay informed of public and private tenders related to the Paris 2024 Olympic and Paralympic Games.

Information meetings and support sessions were offered to facilitate access to economic and social opportunities related to the organization of the Paris 2024 Games.

A few figures about the opportunities offered by the Paris 2024 Games



Philanthropic commitment, solidarity actions and sponsorship

Sponsorship at BRED Banque Populaire takes place in two ways: through the BPCE network and the Banques Populaires, and directly.

Commitment through Groupe BPCE and the Banques Populaires

The Banque Populaire network, including BRED Banque Populaire, is the sixth-largest sponsor in France. BRED Banque Populaire's philanthropic policy is supported not only by Groupe BPCE's dedicated structures in which BRED Banque Populaire participates, but also by the Fondation Nationale Banque Populaire and the endowment fund of the Fédération Nationale des Banques Populaires (FNBP).

The Fondation Nationale Banque Populaire's action is based on four principles: give priority to young people and talent, play a role in discovering candidates for original and innovative projects, play a decisive role in the completion of projects, and play a long-term role for its winners over several years.

This policy is based on the three pillars of its purpose: promoting entrepreneurship, supporting local communities and those who live there, encouraging sustainable and cooperative development. The year 2025 also saw the birth of a new cross-functional priority that brings together the players in the Banques Populaires' commitment to water, sustainable water management and/or restoration of natural spaces through philanthropic and awareness-raising solutions. BRED Banque Populaire is currently working on projects in its regions, particularly in Normandy.

Direct commitment of BRED Banque Populaire

BRED Banque Populaire's direct sponsorship policy is mainly focused on education, culture and entrepreneurship. BRED Banque Populaire provides particular support for initiatives that work towards the economic and social integration of persons experiencing hardship in order to contribute to local social cohesion. In addition, BRED Banque Populaire provides assistance to communities affected by natural disasters in the regions where it operates.

7.3.3.2 (S3-2) Processes for engaging with affected communities about impacts

The engagement processes described in S2-2 and S4-2 for the workers of the financed companies and projects apply for the processes for engaging with affected communities (see Sections S2-2 and S4-2).

Support for humanitarian associations and NGOs

BRED Banque Populaire, drawing on its dense network of banking correspondents and its international department, plays a pivotal role in supporting humanitarian associations and NGOs. Thanks to a global infrastructure, it secures the transfer of funds to areas that are difficult to access, ensuring extensive geographical coverage and a rapid response capacity. International management is proactive in maintaining and developing strong relationships with this network, ensuring reliable and efficient financial transfers.

At the same time, BRED Banque Populaire Institutional Customers department plays a key role in ensuring day-to-day relations with humanitarian associations and NGOs. This department acts as a privileged contact, offering personalized support and financial solutions adapted to the specific needs of each organization. Through an in-depth understanding of the issues and challenges faced by these entities, the Institutional Customers department ensures that the services provided meet expectations, thus building trust and long-term collaboration. BRED Banque Populaire guarantees comprehensive monitoring of funds. This traceability is essential to maintain the trust of donors and partners and to ensure that funds reach projects on the ground, thus maximizing the impact of humanitarian actions. As a strategic partner, BRED Banque Populaire is committed to offering advisory services and innovative solutions, such as multi-currency accounts and competitive foreign exchange services, that help NGOs optimize their cash management. Its commitment to social responsibility and sustainable development strengthens its support for humanitarian efforts on a global scale.

7.3.3.2.3 (S3-3) Procedures to address negative impacts and channels for affected communities to raise concerns

As is the case for workers in funded companies and projects, ESRs S2-2 and ESRs S4-2 interactions also serve as processes to address negative impacts and channels for affected communities to raise concerns (see Sections S2-2 and S4-2).

The growing awareness and sensitivity of citizens and economic players to ESG issues leads to increased exposure to the reputational risks associated with these issues, particularly in the following cases:

- communication using the ecological/sustainable argument in a misleading manner (greenwashing);
- non-compliance with voluntary commitments made by BRED Banque Populaire or voluntary commitments deemed insufficient;
- controversial activities of BRED Banque Populaire, customers and/or suppliers.

All of BRED Banque Populaire's activities may incur reputational risk, on a greater or lesser scale depending on their nature. In this respect, reputational risk is given close attention in the main decision-making processes (purchasing, entering into a relationship, investment, granting of credit) and is based on several cross-functional systems (new products / new activities and exceptional operations processes, professional conduct and ethics system, business continuity, etc.).

In particular, BRED Banque Populaire implements the following systems to assess and mitigate reputational and legal risks:

- monitoring and awareness-raising actions carried out by the CSR department of BRED Banque Populaire for regulatory changes and best practices in communication on climate and environmental issues, in particular through the organization of workshops for the Climate Fresco;
- the new products / new activities system (NPNA) concerning the characteristics and communication related to BRED Banque Populaire's products and activities and providing for a mandatory analysis of risk points in the process of launching new products. A validation and control system is implemented to ensure that new products and processes developed do not violate regulatory provisions, professional or ethical standards or the strategic guidelines defined by the company's governance. The quality of the permanent Members of this system makes it possible to ensure the control of reputational and legal risks;
- the analysis of customer controversies performed for Corporate & Investment Banking customers;
- the responsible purchasing policy, which requires the knowledge and assessment of suppliers' ESG risks using a form.

7.3.3.2.4 (S3-4) Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

The consideration of impacts on affected communities is covered by specific contractual clauses regarding procurement (see Section S2-3), as well as by the assessment and monitoring of impacts on customers (see Section S4-3).

Financing the economy and regional players

Financing local businesses

By providing advice and expertise to companies, BRED Banque Populaire, via its networks, contributes to the transition and competitiveness of the players in its regions. Its ability to finance the life and professional projects of its customers is increasing thanks to the regular increase in its equity capital (consisting of share capital and the placing in reserves of profits) and all of the savings collected and redistributed locally in the form of financing.

- Supporting corporate customers in their decarbonization processes is facilitated by the deployment of new actions or the amplification of offers already developed, such as the acceleration of the production of green financing, etc.
- To reinforce this, the Group has developed an approach dedicated to its employees. It aims to give all the means and keys of knowledge to Corporate account managers to support Corporate customers in the transformation of their business model by integrating ESG issues, in order to enable them to become more competitive, capture opportunities and ensure their sustainability.
- This new approach is based in particular on a dedicated training course/redesigned paths, sectoral sheets and explanatory sheets on priority sectors, a tool and a process for qualifying green exposures and a new ESG dialogue questionnaire intended to deepen the knowledge and maturity of customers' ESG criteria. BRED Banque Populaire encourages its employees with training and courses dedicated to sustainability themes available via a training platform, and focusing in particular on the prevention of ESG-related risks and decarbonization issues.

This commitment to financing the local economy is also reflected in investment in the economic fabric and the targeting of savings in the regions.

The environmental transition of companies

BRED Banque Populaire is committed to working alongside companies involved in the environmental transition by supporting them on various projects:

- For several years, BRED Banque Populaire has been supporting Albioma, an independent renewable energy producer, for the biomass plant project on Reunion Island, which acts for the energy transition through biomass, solar and geothermal energy. This energy mix is already 85% renewable and the Albioma Group's ambition is to completely phase out fossil fuels by 2030.

- In early 2024, BRED Banque Populaire contributed €1 million to a €4.5 million round of fundraising by the FoodPilot Group. This company offers an all-in-one digital solution for managing the sustainable development strategy of agri-food companies, helping to reduce the environmental footprint and decarbonize products from farm to consumer. FoodPilot was twice recognized by the France 2030 awards for its innovative approach.

Social and solidarity economy

BRED Banque Populaire rolled out a few emblematic SSE projects in 2024:

- BRED Banque Populaire and the Normandy Regional Chamber for the Social and Solidarity Economy have formed a partnership to support companies in the region and the SSE through a group of structures (associations, cooperatives, mutual societies, foundations and commercial companies with social utility accreditation) through the system set up by the region “*Ici je monte ma boîte*”, which offers a course in four phases: from diagnosis to monitoring for young companies in creation or development.
- On the occasion of the Paris 2024 Olympic and Paralympic Games, VSEs, SMEs and SSE players were able to take advantage of the *Entreprendre 2024* program to participate in tenders issued by Paris 2024 and SOLIDEO, the company responsible for delivering the Olympic facilities.
- Lastly, BRED Banque Populaire became the leading institutional investor in the Groupe SOS impact fund, strengthening its links with this major non-profit player in the social and solidarity economy in Europe. An operation that also meets the CSR challenges of its “aligning energies for 2027” strategic plan. With an investment of €300,000, BRED Banque Populaire is demonstrating its desire to promote ecological transition, sobriety, social cohesion and sustainable consumption. This approach is part of the desire to develop ESG investments, one of the pillars of BRED Banque Populaire’s strategic plan.

Financing the social and solidarity economy on the financial markets

BRED Banque Populaire is the leading European distributor of short-term debt. As part of this activity, its trading desk is a long-standing partner of the issuing agencies for the French social economy agencies. In 2024, BRED Banque Populaire will have contributed to a wide distribution of the issues of the French State’s specialized refinancing agencies, allowing refinancing of the public social sector under the best conditions, including:

- €60 billion in securities issued by ACOSS (Central Agency for Social Security Bodies), which manages the cash flow of the Social Security;
- €12.5 billion in securities issued by UNEDIC;
- €50 million issued by AHPH (Assistance Publique Hôpitaux de Paris).

Management of pension flows

BRED Banque Populaire has been a partner of the Caisse Nationale d’Assurance Vieillesse for more than 40 years. It manages the payment of one in two pensions in France and allows beneficiaries to receive their pensions abroad in more than 170 countries.

Local authorities and social housing

Local authorities

BRED Banque Populaire has a team of experts dedicated to public sector financing. It is committed to the public players in its region (mainland and overseas France) and supports them in particular with regard to the ecological transition. The approach focuses mainly on the implementation of innovative financing solutions adapted to the specific needs of each local authority.

The main projects financed concern water and sanitation management, waste management, the development of clean transport and the energy efficiency of buildings. All of these issues may be the granted green loans.

BRED Banque Populaire also offers local authorities the services of its trading desk, which supports them in their search for sustainable (“green or social”) market financing with short (Commercial Paper) to long (bond) maturities.

In 2024, BRED Banque Populaire will have placed €11.2 billion in short-term debt of French local authorities on the financial markets.

This dual approach, combining disintermediated and banking financing, demonstrates BRED Banque Populaire’s commitment to being a global partner for local authorities in their transition to a more sustainable and environmentally-friendly future.

Social Housing

BRED Banque Populaire has a business unit specialized in supporting public housing providers, intermediary housing providers and public developers, both in mainland France and in the French overseas territories. Among the major operators supported by the bank, we can cite CDC HABITAT and its subsidiaries in the French overseas departments and territories or ACTION LOGEMENT and its real estate subsidiaries. Loans and signature commitments granted to operators in the sector amount to more than €700 million and are allocated to financing:

- work to improve buildings, particularly their energy performance. To date, the bank’s customers have fully processed their properties with G or F energy labels in order to keep them on the rental market, given the regulatory constraints in force;
- the acquisition or construction of new homes, especially in high-demand areas. These units all meet the best current standards, i.e., RE2020 or less for buildings currently under construction. These are either family homes or managed residences (student and senior residences or nursing homes);
- public development projects that aim either to restructure or renovate city centers or to make former brownfield sites constructible for housing or economic real estate projects. These operators then rent these social or intermediate housing at rents capped according to the tenant’s standard of living. The rent gap between the private portfolio and the intermediate market is thus 10% on average in favor of the tenant and can go up to 50% for the most social rents. They make it possible to offer housing solutions to households whose means are not sufficient to have access to private housing or to housing adapted to their needs.

The healthcare sector

BRED Banque Populaire and the Banques Populaires network are committed to health and access to healthcare for all. To meet the specific needs of all healthcare professionals, it deploys two systems: a dedicated platform for advice and expertise called NEXTSANTÉ and dedicated financing to facilitate their installation in partnership with the European Investment Bank.

- NEXTSANTÉ is a digital platform for all healthcare players in France: hospital officials, self-employed professionals, mixed-use practitioners, students, etc. It was designed jointly with the partners and customers of the Banques Populaires. Accessible free of charge from the Banque Populaire website, it contains all the useful and necessary information to help healthcare professionals in their daily lives, including the latest news from the sector. For example, professionals looking to set up shop will find practical advice, administrative procedures, help with creating a business plan and tools such as a financing simulator. They will also have access to all the banking and insurance solutions that meet their needs and moments of life, as well as access to a dedicated Banque Populaire expert for personalized support.
- An envelope of EIB loans at subsidized rates of €150 million dedicated to healthcare professionals: BRED Banque Populaire and the Banques Populaires network, as well as the European Investment Bank (EIB) provide an envelope of €150 million earmarked to facilitate the installation of health professionals and thus improve access to patient care. They will be able to invest at a preferential rate in equipment, real estate or intangible assets such as goodwill to finance their installation and support the development of their business. The Banques Populaires will devote 25% of this amount to financing the installation of first-time buyers and in areas experiencing stress, in order to offer better access to local care in the regions.

Sports Economy

Commitment to the world of sailing: the “La Route du Café” transatlantic race

BRED Banque Populaire has been the main partner of the *Transat Jacques Vabre* since 2021. This transatlantic sailing race between Le Havre in Normandy and Fort-de-France in Martinique connects territories that are dear to BRED Banque Populaire. It reflects the shared values of the world of yachting and BRED Banque Populaire: to be a link between its mainland and overseas territories, cultivate entrepreneurial adventurousness and promote team spirit.

In 2025, the race was renamed *Transat Café L'Or*; BRED Banque Populaire remains its Premium Partner. The team of the Maxi Banque Populaire will challenge its title in the Ultim category during this prestigious race.

Sports inclusion program: the “3,2,1 Entreprenez” program

In May 2024, BRED Banque Populaire joined forces with Entreprendre Pour Apprendre and the Fédération des Banques Populaires to create the “3,2,1 Entreprenez” program. This

program aims to encourage 1,600 young people across France to develop entrepreneurial projects focused on inclusion in sport.

This partnership will make young people aware of the importance of inclusion and accessibility in sport, while being supported by volunteer mentors from BRED Banque Populaire and athletes.

BRED Banque Populaire is particularly active within the EPA Réunion with three mini-companies that will be created. Immersion sessions enabled young people to measure the obstacles that disabled athletes may encounter: a particularly rewarding experience.

Through an obstacle course entitled “Live my visually impaired life”, the students of the third year of vocational training played the game at the Collège Marcel Goulette in Saint Leu.

By making its employees available as mentors and with financial support, BRED Banque Populaire reaffirms its commitment to youth and social inclusion through entrepreneurship.

Clinic Médico Sport partnership

In addition, BRED Banque Populaire supports local initiatives to promote sports, thus contributing to the economic and social development of the regions where it operates. For example, it is a partner of Clinic Médico Sport, supporting physiotherapists in their sporting life.

These commitments illustrate BRED Banque Populaire's desire to promote sports in all their forms, by supporting emblematic events, financing essential infrastructures and encouraging local initiatives, thus contributing to the development of the sports economy in France.

Higher education and vocational training

Support for educational institutions

BRED Banque Populaire plays an important role in supporting higher education and vocational training institutions, as well as skills operators (OPCO) and France Compétences. It offers tailor-made financial solutions to meet the specific needs of these institutions, facilitating their cash management, project financing, and providing strategic advice to support their development and sustainability.

Support for students

In partnership with schools, BRED Banque Populaire also offers a range of financial services for students designed to facilitate their daily life and their academic career. These services offered by BRED Espace include student bank accounts with favorable conditions, student loans, and budget management tools. These initiatives aim to reduce the financial burden on students and offer them support adapted to their needs.

In addition, BRED Banque Populaire is actively involved in the financing of “green” and welcoming campuses, thus helping to strengthen the attractiveness of educational institutions. By supporting sustainable construction and renovation projects, BRED Banque Populaire helps schools create modern learning environments that are environmentally friendly and adapted to the needs of students and staff.

These initiatives include the integration of green technologies, improving energy efficiency, and creating user-friendly and innovative living and working spaces. Through its commitment to education, professional training and sustainable development, BRED Banque Populaire contributes to improving the attractiveness of educational institutions in France.

Philanthropic commitment, solidarity actions and sponsorship

Commitments of BRED Banque Populaire

As evidenced by its “cooperative and social footprint”, BRED Banque Populaire’s commitment to societal initiatives resulted in 218 actions in 2024 valued at €17 million, compared with €15.5 million in 2023.

The cooperative and societal footprint

Each year, BRED Banque Populaire measures the cooperative and responsible actions it carries out in its regions and values them in euros in the Cooperative and Social Footprint (EC&S), a tool based on ISO 26 000, an international standard for CSR. This tool lists all the voluntary, non-regulatory and non-commercial actions carried out by BRED Banque Populaire and centers them around seven central themes.

The EC&S measures the resources mobilized by BRED Banque Populaire towards its main stakeholders (customers, cooperative shareholders, employees, suppliers, associations, regional players), whether financial, physical or human.

The cooperative and societal approach is an extension of its purpose: “Resolutely cooperative and innovative, BRED Banque Populaire supports all those who live and do business in each region in a long-term local relationship.” It illustrates BRED Banque Populaire’s commitment choices and the actions implemented are a concrete illustration of this. The seven central themes of the EC&S feed into the three main areas of commitment defined by BRED Banque Populaire: 1- Local proximity 2- Entrepreneurial culture 3- Cooperative and sustainable commitment.

Humanitarian aid and crisis response

Interventions in response to Cyclone Chido in Mayotte

The French overseas departments and international subsidiaries, in which BRED Banque Populaire has a strong presence, are more frequently affected than mainland France by violent climatic or geological events such as cyclones, hurricanes or earthquakes. BRED Banque Populaire stands in solidarity with its regions and supports them when they are affected by such tragedies.

In December 2024, Mayotte was hit by one of the most devastating cyclones in its history. BRED Banque Populaire is committed to responding to the humanitarian situation and has been able to mobilize the other Banques Populaires to support Acted’s emergency program, which has been present on site since December 19, 2024 with the population in Mayotte. This support of €550,000 is used by Acted to distribute micro-donations and honorary loans to households and small family businesses and to support community canteens that feed thousands of people every day.

At the same time, BRED Banque Populaire has undertaken, alongside Groupe BPCE as a whole, to partner with the French

Red Cross to support its actions in Mayotte, such as the evacuation of victims and their sheltering, reuniting families, distribution of first aid kits and the deployment of psychological support teams.

These measures complement the emergency measures (in particular moratoriums on loans) taken for individual and small business customers of BRED Banque Populaire, a major local banking player.

BRED Bank Vanuatu and the December 2024 earthquake

Vanuatu suffered an earthquake in December 2024 that caused significant damage. BRED Bank Vanuatu has put in place a four-month moratorium and extension of loans for loans to individual customers, and has implemented case-by-case solutions for its professional customers.

Social inclusion

SOS Group, European leader in SSE

By becoming the first institutional investor in the SOS Group’s impact fund, BRED Banque Populaire, marks a new step in a long-standing collaboration. The SOS Group, with its Impact Business Angels network, launched Impact Seed Ventures, a €8 million fund dedicated to economic projects with a strong social and environmental impact. This initiative focused on the ecological transition and social cohesion strengthens BRED Banque Populaire’s ESG commitments. Each year, the SOS Group reaches two million beneficiaries in 50 countries.

Actions with and for the benefit of the Salvation Army

BRED Banque Populaire donated €50,000 to the Army of Salvation in Le Havre to create a laundromat. Together, they also led a large solidarity drive for new and warm socks to meet a crucial need for those who live on the streets.

Education

BRED Banque Populaire is committed to education and equal opportunities by supporting several national or local initiatives:

- For more than 10 years, BRED Banque Populaire has supported the Café de l’Avenir. More than 300 volunteers support young people in their professional projects; BRED Banque Populaire invites its cooperative shareholders to participate in this program. Since the implementation of this system, more than 4,000 young people have been given support to find their first job, with 70% signing a contract in three months.
- BRED Banque Populaire has signed a partnership agreement with the Collège de France, supported by the French Ministry of Education, and supports the *Campus de l’innovation* project for high schools. The aim of the program is to give final-year students in general, technological and vocational high schools in disadvantaged urban and rural areas, and their teachers, access to “research in the making”, by enabling them to meet leading researchers specializing in their field.
- BRED Banque Populaire is a sponsor of the Coup de Pouce association, whose mission is to prevent children from dropping out of school at an early age. The objective is in particular to acquire fundamental knowledge by arousing their curiosity and giving them the pleasure of learning.

- In Reunion Island, BRED Banque Populaire supported participants in the 2024 national festival of *Entreprendre pour Apprendre* (EPA). Among the teams supported, the winners of the 2024 edition with the “Bus Connect” project have developed a connected watch intended to facilitate the autonomy of visually impaired people. This success underlines the importance of social innovation and the ability of young people to respond to current societal challenges.
- In Guadeloupe, BRED Banque Populaire is a partner of the *Lire au Grand Large* festival, which aims to promote reading and promote this knowledge necessary for educational success, to fight against dropping out of school and against illiteracy. It is also committed to the Odyssée association, which fights against dropping out of school among young Guadeloupeans through entrepreneurship awareness and introduction to business management, in connection with the Guadeloupe education authorities.

Culture

BRED Banque Populaire supports several artistic associations.

- Since its creation in 2014, it has supported the association “Les 12 courts de Minuit”, which organizes an annual short film festival aimed at promoting works that are often unknown to the general public.
- BRED Banque Populaire is a sponsor of the Art Without Exclusion Fund, which has contributed since 2017 to building a collection of raw and contemporary works of art by artists with mental or physical disabilities, vulnerable or in a situation of exclusion.
- In Reunion Island, it is a partner of the Réunion des Talents fund, which aims to highlight the artistic talents of Reunion Island through exhibitions, calls for projects, visits to artistic residences and cultural conferences.

Environment

BRED Banque Populaire is a partner of several structures aimed at supporting the environment and sustainable local development.

- In Metropolitan France, it is committed to the ecological transition and the fight against energy poverty by supporting Sol Solidaire. This association enables tenants of social housing to reduce their electricity bill by 20% by financing the installation of photovoltaic panels.
- In Guadeloupe, it has partnered with Synergiles, an association dedicated since 2017 to supporting innovation in the ecological and energy transition sectors in Guadeloupe. Thanks to this partnership, BRED Banque Populaire has become a key player in issues such as sustainable buildings, the circular economy and mobility.
- In Reunion Island, it is associated with the Interprofessional Technical Center for Cane and Sugar to win back the tonnages of cane necessary to maintain this pivotal sector of Reunion’s agriculture. The main objective is to increase sugar

cane production by 2027. This will contribute not only to the economic balance of the sector, but also to the production of renewable electricity, thus strengthening the economic well-being of Reunion Islanders.

Equal opportunities

BRED Banque Populaire supports several projects aimed at developing equal opportunities.

- For 15 years, BRED Banque Populaire has supported the Val-de-Marne Departmental Sailing Committee. This structure allows young people from priority areas of the city to practice sailing in competition. The CDV also runs a “handivoile” sailing program for adults and young people with disabilities.
- It is a sponsor of the Habitat et Humanisme Île-de-France association, which aims to provide families and people in difficulty with access to affordable housing in balanced neighborhoods and to benefit from local support promoting integration
- In Guadeloupe, BRED Banque Populaire is committed alongside the M’Guadeloupe Foundation, which aims to promote inclusion, fight against inequality and poverty and develop links of mutual aid for better living together.

Business creation assistance

True to the values instilled by its creators, BRED Banque Populaire actively supports entrepreneurship.

- BRED Banque Populaire has been a partner of Adie for more than 25 years, an association that defends the idea that everyone, even without share capital, even without a diploma, can become an entrepreneur, if they have access to credit and professional support. In particular, BRED Banque Populaire is a sponsor of the “je deviens entrepreneur” program and grants credit lines to finance projects at preferential rates.
- BRED Banque Populaire is a patron of the Fondation de la 2ème Chance, whose mission is to offer a helping hand to people aged between 18 and 62, faced with difficulties of various origins, who intend to rebound in life either by setting up or taking over a small business, or by taking a retraining course leading to qualifications that will enable them to re-enter working life.
- In Overseas France, since 2019, BRED Banque Populaire has been a sponsor of the HEC Stand Up academic program. Located in Overseas France, this training allows women from all backgrounds wishing to quickly launch an entrepreneurial project to be supported.
- Also in Overseas France, BRED Banque Populaire is partnering with the Institut Choiseul on the occasion of the first Choiseul Outre-mer Awards, which honors entrepreneurs under the age of 40 who are boosting French overseas territories through their innovation and leadership.

Actions related to the management of financial products

Socially Responsible Investment

Promepar Asset Management, the asset management subsidiary of BRED Banque Populaire, offers its customers the BRED Sélection SRI fund for investors who want to give meaning to their savings. Holds the Socially Responsible Investment (SRI) label granted by the French Ministry of the Economy and Finance after an independent audit. As such, the fund donates 25% of its management fees (a total amount of €300,000 in 2024) to foundations or associations involved in the transmission of knowledge and equal opportunities. The fund supports the following associations:

- the Fondation HEC's Stand Up project, dedicated to women with limited access to training and entrepreneurship;
- the SODEL association in Laos, which promotes access to education in rural societies in Laos;
- the Sport dans la ville association, which aims for social and professional integration through sports in disadvantaged neighborhoods;
- the Télémaque association, which promotes equal opportunities in education;
- Salle à Manger, a solidarity restaurant offering meals at €1 for people in great poverty;
- the Cambodian association Pour un Sourire d'Enfant, an association that helps poor children in Cambodia;
- the Imagine Institute, the leading European center for research, treatment and education on genetic diseases;
- in New Caledonia, the BCI foundation for equal opportunities.

Sustainable and Solidarity Development Passbook Savings Account (LDDS)

BRED Banque Populaire is committed to supporting associations through innovative initiatives such as the Sustainable and Solidarity Development Passbook Savings Account. This product allows its individual customers to participate in solidarity actions by choosing to donate part of the interest on their savings accounts to partner associations. Thanks to this approach, BRED Banque Populaire facilitates the financing of projects led by organizations such as the Salvation Army and ACTED, with which it has forged trusted partnerships.

By offering this opportunity, BRED Banque Populaire enables its customers to directly contribute to the causes that are close to their heart, while benefiting from the benefits of a savings product. This mechanism for sharing interests embodies its commitment to social responsibility and sustainable development, by strengthening the link between its customers and associative initiatives that work for a positive impact on society.

Through the Sustainable and Solidarity Development Passbook Savings Account, BRED Banque Populaire encourages a culture of solidarity and generosity among its customers. This action is part of a broader vision of the bank, which aims to promote the values of sharing and mutual support.

Actions in international locations

Though its presence in countries whose level of economic and social development is generally lower than France's, BRED Banque Populaire is committed to taking action in its offices to help local development, beyond the purely economic sphere.

Cambodia

Since its creation, BRED Bank Cambodia has been developing partnerships with local NGOs to provide better education for underprivileged children. In this respect, it carried out the following actions:

- donation of 50 computers to the NGOs Pour un Sourire d'Enfant (education for orphaned and/or disadvantaged children), Tous à l'École (education for girls) and Paul Dubrule (professional hotel school);
- development of partnerships with schools and implementation of specific recruitment programs for interns and employees.

The bank also carried out several operations with a view to sustainable development:

- financing of water production and bottling units in a country where running drinking water is not yet available everywhere;
- financing of school networks.

Laos

Banque Franco-Lao donated a rescue vehicle to a local volunteer association (€45,000), and is working on a program to donate computer equipment to educational aid associations.

Fiji

In 2024, BRED Bank Fiji (BBF) allocated €65,000 to various projects with a societal impact: organization of sporting events, educational programs, cancer awareness, fundraising for community projects.

BBF also contributes to financial inclusion in the country and in 2024 integrated the electronic wallet services developed by local telephone operators.

Vanuatu and Solomon Islands

BRED Bank Vanuatu and its BRED Bank Salomon branch support local communities through grants in the field of entrepreneurship, health (approximately €13,000) as well as the practice of sport in Vanuatu.

Djibouti

In particular, the BCIMR contributed (€15,000) in partnership with the Center for Studies and Research of Djibouti to the financing of the PSPCA program of archeological, paleo-climatological and paleo-ecological research.

The healthcare sector is also one of the key sectors of BCIMR's strategic plan; in this respect, in 2024, the bank granted €15.5 million in financing for the equipment needed for the construction of the hospital in Djibouti.

As the first bank in the country, BCIMR has launched an offer to develop financial inclusion with a package including account and payment card for less than USD 2/month. It is also the only bank in the country to meet the debt criteria recommended by the Central Bank.

Thailand

In 2024, BRED-IT contributed to social support actions (hiring disabled employees, massage services provided by the blind, subsidizing of a paper reuse association) for a total of approximately €8,000.

Actions carried out through the Banque Populaire network

The Banque Populaire Foundation has been a patron of the 14 Banques Populaires, including BRED Banque Populaire, and their cooperative shareholders since 1992. It is active in the fields of music, disability and arts and crafts. The Foundation's award winners are affiliated with their local bank and receive a grant ranging from €1,000 to €15,000, renewable for three years.

BRED Banque Populaire has 125 award winners with whom it maintains regular, long-term links: talent showcases at cooperative shareholder meetings, studio visits for craftsmen, cooperative shareholder invitations to music concerts, and so on. In these areas, only the Foundation with this level of expertise to support the winners and BRED Banque Populaire is present on the Foundation's Board of Directors.

In 2024, the Foundation supported various exhibitions, particularly in the regions where BRED Banque Populaire operates, where its award-winning craftspeople were able to present their works and their remarkable *savoir-faire* to the general public.

As every year, the classical music festival "Les Musicals de Bagatelle", which fulfills its role as a springboard for talent by allowing young winning musicians, whether performers or composers, to perform for the general public through four concerts, is an opportunity for BRED Banque Populaire to invite its cooperative shareholder customers and the bank's employees.

For the past seven years, the Foundation has been giving a voice to its award-winners with disabilities during the program "Un handicap, des talents" on Vivre FM. It is a question of valuing these exceptional winners, and of demonstrating that it is possible to undertake and succeed when one is in a situation of disability. BRED Banque Populaire participates in the issues of its winners.

Thanks to its regional presence and the expertise of its juries, in 2024, the Foundation supported nine new award winners for BRED Banque Populaire. For example, in classical music, the instrumentalists Trio Parrhèsia or ceramicist Yoann Michaud, and Kim Youngmi, who suffers from myopathy and creates exceptional embroideries.

There is also the FBNP endowment fund to which BRED Banque Populaire contributes and which makes it possible to finance nationwide sponsorships for the benefit of each Banque Populaire. The projects we support are in the field of entrepreneurship, for example, with Entreprendre pour Apprendre; and research, with the Chaire Lyon 3 Coopération, which works on collaborative differences, and the Chaire de l'immatériel de Paris Sud/Saclay, which has created territorial innovation indices based on artificial intelligence.

This year, BRED Banque Populaire supported three EPA mini-companies in Reunion Island, a department that saw two teams selected for the final of the national competition. The candidates were mentored by BRED Banque Populaire employees to present a viable and innovative business project on the subject of disability and sport.

7.3.3.3 Metrics and targets

7.3.3.3.1 (S3-5) Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Financing the economy and regional players

BRED Banque Populaire aims to be a key player in regional development by financing the local economy with a strong societal impact. Its objective is to stimulate the growth of SMEs, encourage financial inclusion and support the ecological transition while strengthening social cohesion through support for social and solidarity-based economy structures. By adopting a cooperative model, it stands out through an approach based on proximity, sustainability and support for local players, thus affirming its role as a committed and responsible bank serving the regions.

Social and solidarity economy

Financing for the SSE, public housing and public actors

BRED Banque Populaire's social and solidarity economy (SSE) objectives focus on several key aspects to support and promote a more equitable and sustainable economy.

- **Supporting local development:** BRED Banque Populaire aims to strengthen the local economic fabric by supporting SSE companies that contribute to the development of local communities.
- **Promoting financial inclusion:** one of the objectives is to facilitate access to banking services for populations often excluded from the traditional financial system, by offering adapted and inclusive solutions.
- **Encouraging social innovation:** the bank seeks to encourage and support innovative initiatives that provide new solutions to social and environmental problems.
- **Strengthening partnerships:** BRED Banque Populaire strives to develop strategic partnerships with SSE players to maximize the impact of the actions undertaken and promote the exchange of best practices.
- **Incorporating ESG criteria:** a major objective is to integrate environmental, social and governance criteria into its activities to promote responsible and sustainable finance.
- **Supporting social entrepreneurs:** the bank wants to offer personalized support to social entrepreneurs to help them develop their projects and maximize their positive impact.

These objectives reflect BRED Banque Populaire's commitment to play an active role in promoting the social and solidarity-based economy, with a focus on sustainability, inclusion and innovation.

The healthcare sector

In 2025, the Banques Populaires intend to continue to develop among all players in the Health sector; whatever their time in life or their mode of practice (health students, civil servants, employees, freelancers or innovative entrepreneurs) for their private or professional projects. As part of its support for the healthcare sector, BRED Banque Populaire has an EIB refinancing facility of €17 million via Groupe BPCE (see Section S3-4).

The healthcare sector

BRED Banque Populaire is actively involved in the development of the sports economy through the financing of infrastructure, clubs and local players in order to boost economic activity and promote inclusion through sports. Its objective is to support professional and professional clubs, federations, as well as

companies in the sports sector to promote access to practice, encourage excellence and strengthen the attractiveness of the regions. By supporting projects related to sports innovation and the ecological transition of equipment, BRED Banque Populaire affirms its role as a committed partner with sports players, thus contributing to its economic and social development.

7.3.4 S4 - Consumers and end-users

BRED Banque Populaire, a universal cooperative bank, serves its 1.6 million customers, in France and around the world, including individual customers, professionals, companies, investors and local authorities, both consumers and end-users.

7.3.4.1 SBM 2 - Interests and views of stakeholders

Customers and end-users are considered to be one of BRED Banque Populaire's main stakeholders. To best serve the interests of its customers, they are included in a dialogue process, the terms and purposes of which are described in Section SBM 2.

7.3.4.1 SBM 3 - Material impacts, risks and opportunities and their interaction with strategy and business model

Among the three central themes related to customers and end-users, "Information-related impacts for consumers and/or end-users" and "Financial inclusion and accessibility of the offer" and "Consumer safety", four major issues have been identified for BRED Banque Populaire: access to information, protection of personal data and cybersecurity, access to products and services, and responsible marketing practices, non-discrimination and the personal safety of consumers and/or end-users. BRED Banque Populaire's commitments are clearly expressed in its Code of Conduct and Ethical Standards⁽¹⁾ which highlights the vision centered on the interests of customers and cooperative shareholders, while stressing the commitment to be a lasting useful player.

With regard to "Information-related impacts for consumers and/or end-users", two material issues in terms of positive impact or of risks were identified: BRED Banque Populaire employees are responsible for passing on offers to customers in a transparent and correct manner, as part of a relationship of trust. They must:

- **protect the interests of customers and cooperative shareholders:** it is essential to always prioritize the interests of customers, to ensure that they understand the proposed solutions, and to protect their personal data;
- **communicate with full transparency:** BRED Banque Populaire is committed to offering services and products that best meet the needs and long-term interests of its customers, by guaranteeing transparent and honest communication.

In terms of access to information, BRED Banque Populaire has set up a set of rules to validate the products marketed and commercial processes, regardless of the channel used. It also improves the transparency of its offers by offering adapted financial products that incorporate ESG criteria to enable customers to make informed decisions.

The protection of personal data and cybersecurity are crucial issues for BRED Banque Populaire, which must comply with strict regulations such as the General Data Protection Regulation (GDPR). Strong privacy and cybersecurity measures are in place to protect customer data and avoid the risk of sanctions or financial loss.

The development of new innovative products and services to meet customer expectations is an opportunity for BRED Banque Populaire, by stimulating creativity and innovation, and by strengthening customer interest in these offers. BRED Banque Populaire's regional network, its international offices and its adapted digital solutions have a positive impact in terms of proximity and accessibility.

With regard to the topic "Financial inclusion and accessibility of the offer", two material challenges were identified: access to products and services and responsible marketing practices and non-discrimination. BRED Banque Populaire is committed to:

- **guaranteeing fair treatment for customers:** we offer a hotline for customers in vulnerable situations, adapting its services to their specific needs;
- **contributing to a humane and responsible market economy:** it finances regional players with personalized offers, ranging from microloans to the financing of major projects;
- **being an inclusive bank open to all:** it acts to avoid situations of over-indebtedness and offers adapted solutions, in particular for protected persons.

In terms of financial inclusion, BRED Banque Populaire deploys measures to support financially vulnerable customers and people with disabilities, taking care to avoid any discrimination.

(1) <https://www.bred.fr/medias/pdf/informations-reglementaires/code-conduite-groupe-bred-fr.pdf>

7.3.4.2 Management of impacts, risks and opportunities

7.3.4.2.1 (S4-I) Policies related to consumers and end-users

Policies related to consumers and end-users

For BRED Banque Populaire, a fair treatment of its customers is a fundamental principle. To this end, it acts to promote non-discrimination in its relationships with individuals and legal entities, and professional ethics are fully integrated into the compliance system. Compliance with the rules of good conduct enables each entity to carry out its activities honestly, loyally and professionally, and to serve the best interests of its customers.

Customers must be served with diligence, loyalty, neutrality and discretion, within the framework of the legislative and regulatory provisions in force. Employees must provide equal service to all customers without unduly privileging some of them and ensure that they are appropriately informed.

All services offered or transactions carried out on behalf of BRED Banque Populaire customers must comply with the procedures laid down by BRED Banque Populaire.

Understanding the needs of BRED Banque Populaire customers is an essential condition for the relationship of trust that we intend to establish with them. It is therefore necessary to establish honest, transparent and non-misleading communication. The products offered to them must be the subject of appropriate advice and in line with their needs and knowledge.

The sections detailed below are covered by the BRED Banque Populaire Code of Conduct, of which the Chief Executive Officer of BRED Banque Populaire is a signatory and the due implementation of which he is responsible for. Furthermore, a system for detecting and supporting financially vulnerable customers is available at BRED Banque Populaire.

Understanding the customer's needs and protecting their interests

Understanding customers' needs is a fundamental component of the quality of service provided to them. This involves, notably, appropriate advice, and the design and distribution of products whose operation, risks and pricing are well understood by the customer.

Compliance with these principles must apply in the context of commercial campaigns during which BRED Banque Populaire ensures that it communicates with its customers in a transparent, honest and non-misleading way; promoting products that cannot be used to their detriment.

BRED Banque Populaire intends to maintain these high standards in the partnerships it establishes, both with the producers and business-makers with whom it has relations with, through a clear and effective definition of roles and a good understanding of the products offered to customers. BRED Banque Populaire also pays particular attention to the absence of conflicts of interest with its partners that could have a negative impact on customers.

Acting fairly with all our customers

BRED Banque Populaire's business activity also requires it to act fairly with its customers. No customer should benefit from favors or gestures that would not find real commercial justifications, while customers in the most difficulty should be treated appropriately to find a solution that is satisfactory to all.

BRED Banque Populaire's commitment to fairness is notably reflected in the diligence with which it handles customer complaints. The satisfaction of its customers also depends on its involvement in correcting any errors identified and its transparency with them.

Conflicts of interest

A conflict of interest arises from a situation in which a person employed by a public or private body has interests that could influence or appear to influence the way in which they perform the duties and responsibilities that were entrusted to them by this organization.

Conflicts of interest may be between two customers, or between the bank and its customer, or even between an employee and the bank or a customer. BRED Banque Populaire's role is to protect privileged information that is communicated to it by various customers, prospects or counterparties in the normal course of their business or as part of the preparation or execution of a particular financial transaction. Through its organization and the procedures in place, BRED Banque Populaire looks to proactively identify and manage potential conflicts of interest. In order to meet these obligations, BRED Banque Populaire established a conflict of interest management policy, which must remain operational.

Prevention and awareness-raising measures may be insufficient to eliminate all potential conflict situations. It is therefore necessary to inform customers, before acting on their behalf, of the general nature and origin of these conflicts of interest. The transaction may only be carried out with the explicit agreement of the customers.

All BRED Banque Populaire employees are required to complete the mandatory "Conflict of Interest" regulatory training within six months of taking up their position.

Financial inclusion

BRED Banque Populaire is actively involved in the financial inclusion of the most vulnerable people. While the company is facing profound transformations, the latter must not take place to the detriment of the most modest customers or customers in a situation of economic fragility. Thus, the bank is committed to supporting protected people, vulnerable people, and companies in difficulty. This inclusive approach aims to ensure that the transition to more sustainable models is fair, protecting vulnerable populations and promoting economic inclusion.

To meet the support needs of this vulnerable clientele⁽¹⁾, BRED Banque Populaire, through the Banque Populaire network, provides various inclusive finance schemes to:

- enable as many people as possible to access banking services (offering for vulnerable customers (OCF) or microloans);
- provide banking support for protected persons;
- develop financial education for these populations and raise employee awareness of these issues.

The systems notably cover:

- an early detection score of a potential future occurrence of financial fragility, which triggers a notification to the customer concerned, inviting them to contact their banking advisor to carry out a budget review and find appropriate solutions;
- information for customers identified as being financially vulnerable according to the established normative criteria materializing the OCF proposal.

Following its double materiality analysis, BRED Banque Populaire identified a potential negative impact on human rights in the event of abusive sales, unethical practices (including forced sales). It intends to reduce the potential of this impact by relying on each of the elements presented in this section. Taken together, these elements:

- contribute to reducing the probability of this impact through their positive action on the most vulnerable groups;
- also reduce its occurrence by framing the actions of employees through strict and demanding policies, and by promoting values and a group identity focused on people and positive impact.

Thus, the internal procedures relating to the support of financially vulnerable customers were reviewed, clarified and republished in July 2024 for BRED advisors, via the BRED Intranet:

- detection and support of financially vulnerable customers;
- OCF procedure - sale of incompatible products to financially vulnerable customers.

Being an inclusive bank by supporting vulnerable customers

In terms of supporting vulnerable customers, BRED Banque Populaire wants to give as many people as possible, and in particular people in difficulty, access to banking services. To manage the risk of exclusion, it has put in place systems that enable low-income customers to access financing and customers in vulnerable economic situations to manage their bank accounts with greater peace of mind.

After a period of high inflation that is gradually returning to normal, unemployment, although at a historically low level, is once again increasing slightly. More than 4.3 million customers have been identified as vulnerable by Banks in France, a 4% increase from 2023 to 2022.

At the same time, the number of OCF beneficiaries has changed more significantly: +24% compared to 2022 and +168% over the last five years. At the end of 2023, more than one million customers benefited from this specific offering.

BRED Banque Populaire is vigilant in this context, and is continuing its efforts to provide the best possible support to its vulnerable customers. As such, a training module dedicated to over-indebtedness and support for vulnerable customers is available and mandatory for advisors. Moreover, BRED Banque Populaire relies on the regulations in force to carry out its actions for vulnerable customers, namely:

- the Banking act of July 26, 2013 on the separation and regulation of banking activities imposes several measures to protect individual customers and support banking inclusion⁽²⁾;
- decree No. 2014-738 of June 30, 2014, relating to the specific offer to limit costs in the event of an incident (published in the Official Gazette on July 1, 2014 and which entered into force on October 1, 2014) specifies the conditions of application of this legal obligation;
- decree No. 2020-889 of July 20, 2020 (published in the Official Journal on July 22, 2020 and which entered into force on November 1, 2020) modifies the conditions for assessing the financial vulnerability of their account-holding customers in order to identify these people more quickly and manage the duration of the financial fragility.

To complete this body of regulations, the French Banking Federation published commitments in September and December 2018. The latter were introduced in a charter published by the French Association of Credit Institutions, Financing Companies and Investment Companies (AFCEI). It applies to all banks and aims to promote banking inclusion and prevent indebtedness.

(1) Societal impact, BPCE website, Societal impact (groupebpce.com).

(2) <https://www.legifrance.gouv.fr/loda/id/JORFTEXT000027754539>

When banks, payment institutions and electronic money institutions, and asset management companies offer a payment account management service accompanied by means of payment (transfer, direct debit, payment card, etc.), they commit in this charter to:

- implement measures to improve access to banking services for natural persons not acting for business purposes and to facilitate their use;
- develop mechanisms to detect and deal with customers' difficulties early in order to better prevent indebtedness.

Thus, the banks of Groupe BPCE, of which BRED Banque Populaire is a part, identify vulnerable customers on the basis of regulatory criteria:

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

Since 2021, BRED Banque Populaire has extended its method of identifying the risk of overindebtedness to the individual customers and sole traders of both networks. The aim is no longer to restrict itself to credit holders alone, but to target a wider audience in order to be more effective in terms of prevention.

Microloan for financial inclusion

Microloans are specific loans dedicated to groups in need of economic and social inclusion and excluded from traditional loans. The microloan makes it possible to finance a project of access to employment or mobility, to create a business, or to cover expenses related to housing, health and other unforeseen events. The implementation of microloan is backed by a public guarantee and support from a general interest organization.

In line with its entrepreneurial positioning, BRED Banque Populaire focuses on professional microloan with the support of Adie (*Association pour le Droit à l'Initiative Économique*). Adie

defends the idea that everyone, even without capital or a diploma, can become an entrepreneur or have access to a job if they obtain a microloan and personalized professional support based on trust, solidarity and responsibility. Adie acts by:

- financing all types of professional activity with microloans of up to €12,000 thousand (€15,000 thousand in French overseas territories);
- providing free personalized monitoring for each project thanks to the support of specialists;
- by fighting against obstacles and stereotypes, so that anyone who wants to can become an entrepreneur.

Youth entrepreneurship is the cornerstone of the partnership between BRED Banque Populaire and Adie. It is a dynamic subject that is consistent with the values of the Banque Populaire network.

The purpose of the agreement is to define the terms and conditions of the partnership between Adie and BRED Banque Populaire on the "*J'entreprends avec l'Adie*" program and to provide support for young people in business creation. Without excluding other joint actions, the Parties agree to make their best efforts to continue and expand their partnerships in the following areas:

- provision by BRED of credit lines enabling Adie to finance the microloans it grants to micro-entrepreneurs who do not have access to bank credit;
- philanthropic actions to support young people and notably as part of the "*J'entreprends avec l'Adie*" program;
- provision of premises, such as an auditorium and meeting room, for internal working sessions at Adie. These services are valued in the Cooperative and Societal Footprint of BRED Banque Populaire (a tool developed by the FNBP), to the tune of €6,000/half-day. BRED Banque Populaire does not cover food costs.

In terms of governance, for BRED Banque Populaire, the relationship with Adie on microloans is governed by the endowment fund at the sponsorship level. The Fédération nationale des Banques Populaires (FNBP), a body for reflection, expression and representation of the Banques Populaires and their executives⁽¹⁾, participates in funders' clubs, partners' meetings and boards of directors.

Securing the banking offer of protected persons

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

The protected persons market is regulated by the law on planning and reform for the justice system of March 23, 2019, which made it possible to strengthen the autonomy of protected adults. A "norma", an internal document, lists all the regulatory obligations relating to this market.

(1) Fédération nationale des Banques Populaires (fnbp.fr).

Digital accessibility: ensuring inclusion for all

Digital accessibility is essential to meeting the objective of universality of digital services, since it aims to ensure that the information and functionalities of a digital service or content are accessible to everyone, regardless of the person's disability or their way of accessing information. It is a vector of inclusion and autonomy for all.

This means that everyone can perceive and understand the information and functionalities of a digital service, as well as navigate and interact with it.

BRED Banque Populaire, as a Groupe BPCE entity, is part of the multi-year accessibility plan for 2025-2027 which presents the Group's commitments in this area. This plan focuses on digital accessibility in the digital strategy of Groupe BPCE entities, as well as in their policy to promote the integration of people with disabilities. Its launch reflects the desire to include the inclusion of people with disabilities or those experiencing digital difficulties as one of its long-term strategic priorities.

This multi-year plan is common to all Groupe BPCE entities.

Groupe BPCE's accessibility governance is based on an accessibility network created to:

- ensure regulatory compliance;
- define the Group's ambitions and priority actions to be carried out, and monitor and manage the application of accessibility standards by all Group entities;
- improve the user experience of the Group's customers and employees;
- enable operational efficiency.

The Accessibility function is structured to ensure optimal coordination and effective implementation of digital accessibility initiatives. It is composed of:

- the Group accessibility officer, supporting the Group's entities, promoting awareness-raising and training, and ensuring the monitoring and management of accessibility;
- a core team, made up of representatives of various key functions within the Group, acting as intermediaries for the various entities and internal and external regulators, steering the implementation of the Group's ambitions, centralizing best practices;
- local accessibility officers, entry points for their entity guaranteeing compliance and continuous improvement of digital accessibility. It ensures compliance with accessibility standards, manages accessibility (relay between the core team and its entity, etc.) and raises awareness among the various audiences;
- and the IT relays of the various entities concerned.

Digital accessibility is part of a broader regulatory framework. It is a fundamental right, recognized by:

- the United Nations in the Convention on the Rights of Persons with Disabilities in particular;

- the implementation of Article 47 of the act of February 11, 2005 on equal rights and opportunities, participation and citizenship of people with disabilities; it is more specifically Article 47 of this act that makes accessibility a requirement for all online communication services of public bodies, as well as for certain private bodies;
- the RGAA (*Référentiel Général d'Amélioration de l'Accessibilité* - General Accessibility Improvement Reference System), a dedicated reference system drawn up to complement this regulatory framework and define the technical requirements it entails.

It should be noted that in accordance with the latest changes in European regulations, French accessibility obligations have also been extended to certain categories of products and services.

It is within this framework that BRED Banque Populaire works to guarantee that its digital content and services are accessible to all its customers and employees, as well as to the general public.

The multi-year accessibility plan for 2025-2027 is a public document, accessible on all of the Group's institutional websites and mobile and web applications. A Coordination Committee meeting attended by a business line and IT correspondent from each Group entity and department (around 70 people), meets on a monthly basis. Specific workshops are also set up to work with the Group's entities.

Guaranteeing a transparent offering

In the context of the distribution of financial products and services to individual customers, the protection system includes a set of rules relating to the validation of marketed products, commercial processes (whatever the sales channel used: direct sales, online sales, telephone sales, etc.) and advertising.

Employees are responsible for passing on offers to customers in a transparent and correct manner, as part of a relationship of trust. Customer protection must be effective at each stage of the relationship.

Cybersecurity

Information Systems (IS), resources essential to the BRED Banque Populaire's business, contain and process multiple sensitive data relating to the commercial information of its customers, the BRED Banque Populaire's strategy, its financial results, its commercial development or its commitments, as well as personal information relating to customers, partners and employees.

Thus, IS must be protected from any known or emerging threat by taking into account the vulnerabilities inherent in the technologies on which they are based.

To achieve this objective, BRED Banque Populaire has adopted an information systems security policy (ISSP-G) to enable it to address IS security issues in its best interests and image, and to do so in line with best practices. This policy defines the guiding principles for IS protection and specifies the provisions to be followed by all BRED Banque Populaire entities.

The ISSP applies from its publication:

- to all BRED Banque Populaire entities and subsidiaries regardless of their activities and geographical locations;
- to all employees, whether permanent or occasional, authorized to access the resources comprising the Group's IS.
- contractually, to customers, partners and suppliers, as soon as they access the Group's IS or their Information System is connected to the BRED Banque Populaire IT network.

The ISSP covers all the resources necessary for the automated processing of information: applications, data in all its forms, infrastructures and people. It aims to be independent of technologies in order to guarantee its applicability in different technical contexts.

It is overseen by the ISS, BCP and External Fraud department.

The challenges of the ISSP are as follows:

- preserve the value of assets and secure business line processes;
- comply with legal and regulatory obligations;
- contribute to measuring and managing non-financial risks;
- look for possible optimizations;
- meet the IS Security requirements extended to third parties;
- contribute to protecting and enhancing the BRED Banque Populaire's image.

They are part of BRED Banque Populaire's desire to control and manage the risks associated with Information Systems, to preserve and increase its performance, to strengthen the trust of its customers and partners and to ensure the compliance of its actions with national and international laws and regulations.

BRED Banque Populaire undertakes to comply with the directives of European and international regulators, notably on the management of IT risks. The strictest rule of the local rule versus the French/European rule is applied. The chronology of regulations shows a shift towards stricter regulations, particularly in terms of data protection, transparency and control of technological risks.

In summary, here are the major changes observed:

- Since 2014, the review and assessment process of the European Banking Authority (EBA) has covered ICT (Information and Communication Technology) risks.
- In 2017, the EBA issued guidelines on the assessment of ICT risks as part of the SREP (Supervisory Review and Evaluation Process).
- Since June 30, 2020, the guidelines on the management of risks related to information and communication technologies (ICT) published by the EBA in 2019 are applicable.
- The future DORA regulation (Digital Operational Resilience Act) should take over the EBA guidelines and include them in positive law.

Personal Data Protection

BRED Banque Populaire's data protection policy aims to describe the standards related to the processing of personal data and applies to all entities. It thus lays down the principles of use and ethics for the use of personal data.

The policy describes in particular:

- the organization and governance of BRED Banque Populaire to ensure the protection of personal data, through roles, responsibilities and reporting relationships;
- the data protection principles and practices to be respected by the players concerned;
- the tools provided by BRED Banque Populaire available to players in the sector.

This Policy applies to all transactions that involve the processing of Personal Data by BRED Banque Populaire. As a result, it concerns:

- all BRED Banque Populaire employees;
- all BRED Banque Populaire entities and subsidiaries.

BRED Banque Populaire is subject to several local and European standards and legal texts, among which:

- the European Data Protection Regulation (Regulation (EU) 2016/679) and its application in French law, the Data Protection act of January 6, 1978 as amended,
- the guidelines of the G29 - now the European Data Protection Committee - provide clarifications on the reading of the Regulation;
- the guidelines of the European Data Protection Board also including the ePrivacy directive.

In addition to the regulatory texts in force, data protection must comply with Groupe BPCE's standards affecting this activity. This is the case of the CSR commitment or the Code of Conduct.

The contracts with service providers processing personal data are concluded in accordance with the legislation on the protection of personal data and the Group's standards and instructions. They thus guarantee the strict use of personal data solely for the purpose of performing their services.

Any sharing of data within or outside Groupe BPCE is strictly limited to legal obligations such as those relating to the fight against money laundering and the financing of terrorism.

BRED Banque Populaire ensures that all new projects include the responsible and ethical use of "personal data". Thus, projects must comply with a formalism aimed at ensuring strict compliance with the obligations related to the General Data Protection Regulation (GDPR) through a Privacy by Design approach. In this context, the opinion of BRED Banque Populaire's Data Protection Officer (DPO) is required for all projects.

A Data Protection Committee meets quarterly in the presence of two Deputy CEOs and the main functions of the bank. The role of this committee is to oversee the implementation of the Data Protection Policy. Its scope covers BRED SA and all BRED subsidiaries, whether or not they are subject to the GDPR. It ensures consolidated monitoring of the action plan and schedule, identifies difficulties, and makes the necessary decisions.

A multi-year training plan is in place for all BRED Banque Populaire employees. Basic and regular training for all employees, specific training according to business lines (business line officers, IT project managers, subsidiary focal points, etc.). Employees of the Data and AI Risk division follow specific training courses and all have DPO certification.

7.3.4.2.2 (S4-2) Processes for engaging with consumers and end-users about impacts

Policies related to consumers and end-users

BRED Banque Populaire, with the support of Groupe BPCE, has structured an ambitious plan to accelerate performance in terms of “customer satisfaction”, which is based on actions with a high leverage effect. This mobilization has created a favorable environment for commercial development.

Customer satisfaction measurement

With its robust listening tools for customers, BRED Banque Populaire effectively assesses the feedback from each of its customers in all its markets: BRED Banque Populaire deploys several systems to listen to its customers, such as:

- mystery surveys, one or two waves per year, notably with branches, *BRED Espace* and Advisors;
- daily “hot” satisfaction surveys sent by email following a sale, an email, a CRE, a telephone call or a connection to the web or app customer space;
- “cold” satisfaction surveys including the measurement of Branch Satisfaction with the Establishment (SAE) sent monthly by email to 10% of individual and professional customers on the entire relationship between the customer and the bank, the Business Survey conducted in four waves by telephone on the entire relationship between Corporate customers and the bank, as well as the Private Banking Survey sent by email to 100% of BRED Banque Populaire customers managed in private banking for the entire relationship between the customer and the bank.

Customer satisfaction is calculated in real time, resulting in faster deployment of improvement actions, whether regarding the mobile experience or the relationship with the branch and the advisor. These systems make it possible to survey 100% of customers once a year, and every time they have a proven contact with their advisor or the bank. These systems also extend to the Corporate and Private Banking markets.

Over the year, BRED Banque Populaire received more than 100,000 customer feedback messages. A monthly dashboard is produced for the executives in relation to the markets. Customer satisfaction data is presented to the Executive Committee several times a year.

In addition to listening to customers, very concrete actions are carried out to improve the satisfaction of BRED Banque Populaire customers. For example, a new system allows its customers to be kept informed of their new advisor and to be able to save their contact details on their phone. Furthermore, customers who gave a negative opinion in the satisfaction surveys are called back by managers to resolve their point of annoyance. Actions are carried out several times a year in each of the sales regions, to carry out a diagnostic on customer satisfaction and to roll out specific actions and disseminate best practices. In addition, BRED Banque Populaire has implemented measures to measure internal satisfaction, through the support functions and the sales network, with the ultimate objective of better serving its customers.

These actions contributed to improving BRED Banque Populaire's NPS (Net Promoter Score) by 10 points in 2024 in the Individual and Professional customer markets. This performance reflects the mobilization of all institutions on the fundamentals of customer satisfaction: strengthening of service quality, strong responsiveness to requests, continuity of the relationship and proactivity.

The SAE survey rolled out by BRED Banque Populaire was supplemented by a new question in 2024, on BRED Banque Populaire's advice and solutions on energy renovation. The results of this survey are being collected.

The listening system also covers some of the BRED Banque Populaire subsidiaries, in particular the French subsidiaries. A survey of French subsidiaries is conducted each year to measure the satisfaction of the BRED Banque Populaire advisors and account managers who distribute these products. The end customers of these subsidiaries may also be asked about their level of satisfaction ⁽¹⁾.

Cybersecurity

BRED Banque Populaire ensures that the measures taken by all the entities and subsidiaries of the BRED Banque Populaire Group are sufficient to ensure compliance with commitments to customers, employees, partners, regulators and cooperative shareholders. To do so, BRED Banque Populaire, as an entity belonging to Groupe BPCE, is structured to:

- lead the development and evolution of the ISSP-G and monitor its deployment according to the management system described below;
- ensure the security of the Group's IS;
- for this purpose, BRED Banque Populaire appoints an IS Security Officer for the BRED Banque Populaire Group (RSSI-BRED Group), as well as an alternate head.

The RSSI reports to the Director of Risk, Protection and Control, who in turn reports to the Chief Executive Officer.

(1) Prépar and Coflease in 2024.

BRED Banque Populaire, within the BPCE ISSP-G, adopts the RCCP Charter, the ISS Framework and the ISS rules and instructions repository, without adaptation.

Concretely, this translates into the implementation of security measures to protect its end-users, among them:

- enhanced authentication: use of two-factor authentication (2FA) devices to secure access to online accounts;
- data encryption: sensitive data, such as personal and banking information, is encrypted to prevent unauthorized access;
- transaction monitoring: implementation of fraud detection systems that monitor transactions in real time to identify any suspicious activity;
- application security: development of mobile and web applications with robust security protocols to protect users against cyber threats;
- training and awareness: training programs for users on best practices in online security, including the recognition of phishing attempts;
- assistance and support: the provision of assistance services to assist users in the event of a security issue, such as identity theft or fraud;
- regular updates: application of regular updates to correct vulnerabilities in systems and applications;
- access controls: limitation of access to data and systems according to roles, in order to minimize the risk of unauthorized access.

These measures aim to guarantee the security of end-user information and transactions, thus reinforcing confidence in the services provided by BRED Banque Populaire to its customers.

Personal Data Protection

BRED Banque Populaire's Data Protection Policy defines the principles of information and transparency for all persons concerned, including the bank's customers. These principles are based notably on an information notice for customers regarding the processing of their personal data, which is given to all customers when entering into a relationship and which is accessible online. Any new data collection medium intended for customers must include a statement of information on the processing of personal data, which must be submitted to the DPO for approval.

7.3.4.2.3 (S4-3) Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Complaint management

The collection of customer feedback in real time makes it possible to detect any customer dissatisfaction and to deal with them as quickly as possible in the complaints management process. The listening system deployed and the complaints management system provide food for thought on how to continuously improve the range of banking products and services offered by BRED Banque Populaire.

Analysis and use of information about complaints

BRED Banque Populaire analyzes complaints in order to detect any malfunctions, breaches and bad practices. This analysis allows them to establish corrective measures to be implemented by the relevant divisions.

The complaints handling process

Complaints are handled as follows:

- the branch or structure in charge of the local commercial relationship, is the customer's main contact;
- the customer relations department of the bank or subsidiary may be called upon, even if the answer or solution provided by the customer's main contact is not suitable;
- the mediator, an independent figure, may be solicited when no solution has been found with the bank, or in the absence of a response from the bank. The mediator has their own website, where the customer can submit a request for mediation via an online form.

Informing customers about the complaints handling process

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

- on the websites of the bank's establishments: Complaints and claims | BRED;
- in fee guides;
- in SRC responses to customers.

Monitoring of the complaints handling process

This management concerns in particular the grounds for complaint, the products and services concerned by these complaints and the processing times. BRED Banque Populaire receives periodic reports on the management of complaints from Groupe BPCE.

Among the reasons for complaints, indicators are monitored which may reveal discrepancies between the service expected by the customer and the service provided, such as information and advice for 0.53% of complaints handled in 2024 and unauthorized transactions for 2.6%, up compared to 2023.

In 2024, 74.46% of complaints were handled within 10 working days. The average processing time was 8.98 days. Complaints processing times improved in 2024.

	2024	2023	2022
Average processing time	8.98	12.59 days	17.47 days
% within 10 days	74.46%	64.92%	35.79%

The following sections set out by topic the policies (S4-1), action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and the effectiveness of those actions (S4-4) and related targets and metrics (S4-5).

Cybersecurity

In order to be able to listen to incidents affecting end-users, BRED Banque Populaire has made various communication channels available to them to report their incidents and express their concerns:

- A customer service *via* phone, email or online chat allows users to ask questions and report issues.
- Users can visit branches to discuss their concerns with an advisor.
- BRED Banque Populaire uses social media platforms to interact with customers and collect their feedback.

After a complaint or incident is reported, BRED Banque Populaire conducts an in-depth analysis of the incidents to identify the root causes and implement corrective actions.

In addition, performance indicators are used to assess the effectiveness of remedial measures and make continuous improvements.

In the event of persistent dissatisfaction, customers may turn to a banking mediator, who intervenes to resolve disputes.

Regular surveys collect customer opinions on services and identify areas for improvement.

These procedures and channels are essential to ensure that consumer concerns are taken into account and addressed effectively, thus helping to improve customer satisfaction and trust in BRED Banque Populaire's services.

BRED Banque Populaire also implements preventive actions to raise awareness among consumers and end-users of the threats to which they may be exposed. "Safety" pages are published on the BRED Banque Populaire website.

Personal Data Protection

BRED Banque Populaire continues to spread the data protection culture by strictly managing commercial prospecting, and notably:

- By obtaining consent for commercial prospecting purposes.
- By bringing the Cookie policy into compliance in April 2021 with the new guidelines published by the CNIL in October 2020. Thus, Internet users have access to comprehensive information through a Policy made available on the websites and App. Internet users are also asked to give or refuse their

consent for the processing of their data according to the purposes pursued.

- By implementing the consent of its customers for commercial solicitations based on payment data.

7.3.4.2.4 (S4-4) Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

BRED Banque Populaire ensures that procedures are put in place to remedy or make it possible to remedy significant negative impacts, notably through listening systems, and manages these issues through the measurement of customer satisfaction (Section S4-2).

Financial inclusion

Being an inclusive bank by supporting vulnerable customers

In terms of supporting vulnerable customers, BRED Banque Populaire wants to give as many people as possible, and in particular people in difficulty, access to banking services. To manage the risks of exclusion, it has put in place systems that enable customers in economically vulnerable situations to manage their bank accounts more serenely.

BRED Banque Populaire provides a specific offering for vulnerable customers, billed at a maximum rate of €1/month and guaranteeing access to banking services essential to the management of the account - the offering dedicated to customers in situations of financial vulnerability (OCF). This offer includes (non-exhaustive list):

- a systematically authorized payment card;
- the specific cap on intervention fees and commissions at €4 per transaction and €20 per month. (Article R. 312-4-2 of the French Monetary and Financial Code);
- capping of fees for payment incidents and irregularities in the operation of the account at €16.50/month;
- an alerts service on the status of the account (level of the account balance). BRED Banque Populaire provides details of the specific offering for vulnerable customers on its website.

"Vulnerable" customers who do not wish to benefit from the specific offering nonetheless benefit from a cap on fees for payment incidents and account irregularities, set at €25/month in accordance with the commitments of the French Banking Federation. Since January 1, 2025, minor customers in this situation benefit from a cap of €16.50/month even if they have not subscribed to the specific offering

In terms of support for its customers in potential risk of indebtedness or in a situation of proven financial vulnerability, the treatment of this customer is an essential topic of customer protection.

Advisor awareness-raising campaigns on the situation of their vulnerable customers have been carried out and each advisor is informed on a monthly basis of the identification of a customer in their portfolio presenting the characteristics of financial vulnerability. These campaigns make it possible to monitor and evaluate the expected results for consumers and end-users.

BRED Banque Populaire has deployed a tool to predict a risk of over-indebtedness or financial fragility.

In the “Support for customers at risk of potential debt distress and financially vulnerable customers” procedure deployed at BRED Banque Populaire, if a customer is identified as at risk of debt distress, they receive a letter inviting them to make an appointment with their advisor in order to review their situation and possibly readjust their banking products and services by introducing them the specific offering designed for this purpose.

Reinforcing the reception of and listening to customers in difficulty

BRED Banque Populaire has also continued its commitment to strengthening the reception of and listening to customers in difficulty. Notably, it has branches or specialized services, both in Mainland France and in its overseas territories, dedicated to the reception, handling and monitoring of difficult banking situations, notably in the management of over-indebted customers.

Training the financial advisors of BRED Banque Populaire

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

BRED Banque Populaire has set up a specific training program with a module dedicated to the prevention of over-indebtedness and customers in vulnerable situations and a specific one on the right to an account. This training must be taken every five years by individual advisors in the branches and those on the telephone platforms. In 2024, 247 employees were trained on the AFCEI and 1,424 were trained on the right to an account.

The training module on the prevention of over-indebtedness and for customers in vulnerable situations is carried out in person. This module makes it possible to better understand the issues involved in banking inclusion, and how best to support customers targeted by the prevention of overindebtedness or financial vulnerability.

The training module related to customers' right to an account is available in an online version (e-learning) to facilitate its deployment.

Developing financial education for all audiences

Children discovering BRED Banque Populaire

On September 25, the bank welcomed the children of its employees at its La Rapée and Joinville head offices for a day dedicated to discovering the world of banking. More than a

simple visit, this event aimed to share the pride in working at BRED Banque Populaire and to arouse the interest of young people in the bank's professions.

Since 2024, BRED Banque Populaire has created and distributed a leaflet aimed at minors who receive their first bank card, to raise their awareness of how to manage their very first budget and how to use their first means of bank payment as securely as possible.

Microloan for financial inclusion

A €5 million line loaned by a Banque Populaire makes it possible to create or maintain around 1,000 jobs in its region. In 2024, BRED Banque Populaire granted a line in the amount of approximately €1,200,000, which represented the creation of approximately 250 jobs.

Securing the banking offer of protected persons

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

BRED Espace Tutelles (Tutelles Pro)

BRED Espace (BE) has set up a system specifically designed to manage banking relations with people under professional guardianship. This system aims to guarantee the secure and autonomous management of the accounts of protected adults, while providing comprehensive support to legal representatives, such as legal representatives for the protection of adults (MJPM) and guardian associations. BE Tutelles currently manages over 8,000 relationships on behalf of protected adults nationwide.

Management system for customers under guardianship

- 1. Support and management:** a dedicated team of experts in legal protection measures (safeguarding of justice, trusteeship, guardianship, family housing) is available to the legal representatives of protected adults in order to provide personalized advice, adapted to the specific needs of people under guardianship. When necessary, the protected adult may visit the BRED branch network, with the prior agreement and information of BE Tutelles, to carry out certain transactions.
- 2. Accessibility and Proximity:** the system is accessible from mainland France and the French overseas departments and territories. Guardians can contact the team by email, telephone or videoconference every day of the week. The BE Tutelles team also acts as a point of contact on the subject with all the Bank's players (telephone support for the physical network, support for the management of cases of abuse of weakness, etc.).
- 3. Security and Compliance:** banking transactions are carried out in strict compliance with the regulatory framework applicable to each adult protection regime as well as the GDPR data protection rules, thus guaranteeing the security of transactions.
- 4. Online banking:** a dedicated online guardianship account management application, “BredConnect Tutelles”, is available to legal representatives to carry out most day-to-day transactions independently.

Offering for customers under guardianship

BRED Espace provides a full range of banking services and products specifically tailored to the needs of people under guardianship:

1. **Accounts and Cards:** possibility of opening a resource account and/or a withdrawal account, with a withdrawal card that systematically provides balance inquiries.
2. **Savings:** a selection of high-performance investments focused on the security and availability of capital, with the possibility of drafting tailor-made proposals for presentation to the protection litigation judge.
3. **Insurance:** insurance solutions for property and people, covering damage in the event of loss suffered or caused to a third party, including civil liability, home and vehicle insurance, and adapted protection solutions such as funeral protection.

Supporting companies in difficulty through the turnaround division

The Turnaround Division is part of the CIB of BRED Banque Populaire. Interventions are organized with companies of all sizes (professionals, VSEs/SMEs/ISEs and Large Corporates) under mutual agreement (ad hoc mandate, conciliation), safeguard, receivership and continuation plan procedures.

The Division provides these prospective companies with a complete range of products and services with banking solutions and adapted financing.

Bespoke support is provided by BRED Banque Populaire to enable business to continue in the areas of flow management (domestic and international), financing and guarantees, and specialized services (trading desk, factoring, leasing, employee savings, etc.).

Non-discrimination

Digital accessibility: ensuring inclusion for all

Accessibility of digital services

Inclusion does not stop with access to banking services, as mentioned above; it also involves the accessibility of digital services. In the construction of its customer experience, BRED Banque Populaire is mindful of taking into account all disabilities - hearing disability, visual disability, cognitive disability, motor disability - in order to be an inclusive and accessible bank for all. Beyond ensuring legal compliance, its objectives are to improve the customer experience, increase customer loyalty and differentiate itself competitively. The scope of this program covers both employees and customers. By 2023, 73.5% of the branches of BRED Banque Populaire's international subsidiaries were accessible to people with reduced mobility.

As part of its non-discriminatory "banking for all" policy, over the years BRED Banque Populaire has consistently launched initiatives to facilitate access to banking services for people with a disability to meet a maximum of the requirements set out in the French decree of 2005 covering disabled access. For instance, Braille keypads have been installed at ATMs and cash dispensers, which have been made height-accessible to wheelchair-users.

In accordance with decree 2017-431 of March 28, 2017, BRED Banque Populaire has an accessibility register for its business premises.

In addition, BRED Banque Populaire has extended its telephone access to deaf and hearing-impaired people, across its entire customer relations center, with the help of its partner ACCEO.

Thanks to a free app, available on a smartphone or tablet, deaf and hearing-impaired customers are put in contact with an interpreter (French Sign Language) or a transcriber (Instant Speech Transcription) depending on the chosen method of communication. The interpreter or transcriber communicates by phone with the bank's customer relations center and instantly translates the discussion for the entire interaction.

Cybersecurity

BRED Banque Populaire implements several measures to manage incidents and operational risks (IRO) related to regulatory non-compliance, notably in terms of personal data protection and communication of cybersecurity attacks. These measures concern both BRED Banque Populaire employees and end-users.

In terms of cybersecurity risk management, the main actions are as follows:

- implementation of appropriate policies and procedures in accordance with applicable regulations;
- appointment of an Information Systems Security Officer (RSSI) to participate in the identification and reduction of risks in relation to the other functions, ensure the control of ISS, and manage ICT risks;
- organization of regular training sessions to raise employee awareness of ISS issues;
- internal or external assessments of BRED Banque Populaire's IS security in order to ensure the management of IS Security.

In terms of communication on cybersecurity attacks, procedures are in place to quickly inform customers and regulatory authorities in the event of a significant attack, in accordance with legal obligations. In addition, a partnership has been established with cybersecurity experts and financial institutions to share information on cybersecurity threats and best practices.

Personal Data Protection

In terms of personal data protection risk management, the main actions are as follows:

- implementation of appropriate policies and procedures to comply with current regulations, such as the General Data Protection Regulation (GDPR);
- appointment of a DPO to oversee data processing activities, ensure compliance and serve as a point of contact for regulatory authorities and customers;
- organization of regular training for staff on data protection, to raise employee awareness of best practices and legal obligations;
- implementation of internal audits to assess compliance with regulations and identify weaknesses in data management;
- establishment of procedures to detect, report and remedy data breaches, including notification of competent authorities and the persons concerned where necessary.

7.3.4.3 Metrics and targets**7.3.4.3.1 (S4-5) Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities****Financial inclusion****Being an inclusive bank by supporting vulnerable customers****Metric units**

Based on the criteria for identifying vulnerable people, as of December 31, 2024, BRED Banque Populaire had 32,814 customers identified as vulnerable, i.e., 3.3% of total individual customers. At the end of 2024, 1,027 customers had the OCF offering (i.e., 3.1% of vulnerable customers).

On average, 13,000 customers benefited from a cap each month in 2024. At December 31, 2024, 28,253 financially vulnerable customers benefited from a cap in 2024.

Microloan for financial inclusion**Metric units**

In 2024, BRED Banque Populaire disbursed €1,158,000 in credit lines for Adie (out of €1,500,000 granted), thus helping to maintain 232 jobs⁽¹⁾ among self-employed persons and employees in the regions on the basis of the amounts used.

Cybersecurity

In line with Groupe BPCE's strategic plan, BRED Banque Populaire has defined strategic guidelines as part of its roadmap for the coming years, with a view to achieving the following goals and objectives:

- continuously reinforce security to ensure trust, resilience and compliance;
- evolve practices to be more efficient;
- adapt to new threats and technological developments, notably in terms of AI and quantum applications, as well as to societal changes.

Financial inclusion and accessibility of the offering**Accessibility of the digital offering**

Groupe BPCE's strategic priorities, described in "Vision 2030", notably include "improving the accessibility of digital products and services". The 2025-2027 multi-year accessibility plan and VISION 2030 promote an ethical approach to digital technology, in line with the Groupe BPCE's cooperative values.

In addition, BRED Banque Populaire publishes an accessibility statement for a legal period of three years. BRED Banque Populaire has set up an investment program to improve the accessibility of the digital offering over the coming years.

7.4 GOVERNANCE INFORMATION**7.4.1 GI - Governance****7.4.1.1 Management of impacts, risks and opportunities****7.4.1.1.1 (IRO-I) Description of procedures for identifying and assessing significant impacts, risks and opportunities**

During the process for identifying material impacts, risks and opportunities related to business conduct, BRED Banque Populaire's business model and various locations were taken into account.

7.4.1.1.2 (GI-I) Corporate culture and business conduct policies**Code of Conduct****BRED Banque Populaire within Groupe BPCE**

With its history and its specific nature, BRED Banque Populaire, as a cooperative bank, has made strong commitments to human rights since its creation, particularly to social cohesion and the fight against exclusions.

BRED Banque Populaire is committed to respecting and promoting human rights, which is one of the cornerstones of its corporate social responsibility.

Through Groupe BPCE, BRED Banque Populaire is a signatory of the United Nations Global Compact and adheres to its "Ten Principles," including the two relating to Human Rights:

- promote and respect the protection of international human rights law in its areas of activity and sphere of influence. This responsibility relates to the internationally recognized human rights set out in the International Bill of Human Rights⁽²⁾ and the principles set out in the ILO's⁽³⁾ Declaration on Fundamental Principles and Rights at Work;
- make sure they are not complicit in human rights violations.

The Group's convictions and commitments have been set out in the form of "Principles" in the Groupe BPCE Code of Conduct and Ethics, which includes the BRED Banque Populaire Code. "Promoting respect for human rights in all our activities" is thus anchored in the Group's values framework.

BRED Banque Populaire is also committed to applying the guiding principles on business and human rights set out in the United Nations' "Protect, Respect and Remedy" framework.

⁽¹⁾ Estimate from the Adie impact study.

⁽²⁾ Universal Declaration of Human Rights - 1948, which is codified in international law through the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights.

⁽³⁾ International Labour Organization.

Equally, BRED Banque Populaire is committed to forging long-term relationships of trust with its customers, partners and suppliers, while respecting the highest standards of behavior in terms of transparency and confidentiality.

The BRED Banque Populaire Code of Conduct

The BRED Banque Populaire Code of Conduct is based on a voluntary approach by BRED Banque Populaire of preparing a practical and clear document for employees, suppliers and partners in their relations with BRED. This Code is adapted to BRED Banque Populaire's activities and the diversity of its locations; it highlights the rules of conduct and best practices to be adopted.

The BRED Banque Populaire Code of Conduct was approved by the Executive Committee before being presented and approved by the BRED Economic and Social Committee with a view to being appended to the Internal Rules on July 1, 2023.

The principles of ethical and professional conduct set out in this Code are considered fundamental by the BRED Banque Populaire Board of Directors and its Executive Committee, as well as by all the executives of all the BRED Banque Populaire subsidiaries.

The BRED Banque Populaire Code of Conduct is based on eleven principles of conduct, divided in three parts.

- **customer and member interests:** understanding the customer's needs and protecting their interests; Acting fairly with all our customers; Preventing and managing conflicts of interest arising from the relationships that the BRED Group has with its third parties.
- **employer and employee responsibility:** fighting against money laundering and the financing of terrorism; Fighting against market abuse; Fighting against fraud; Fighting against corruption and influence peddling.
- **social responsibility:** contributing to a market economy that is humanely responsible, being a banking group that is inclusive and open to all; Acting effectively to protect the environment and the energy transition to a low-carbon economy; Promoting respect for human rights in all our activities.

Adapted operationally at the BRED Group's entities, the BRED Banque Populaire Code of Conduct is a guarantee of a high-quality working environment and long-term reputation.

The BRED Banque Populaire Code of Conduct is made available on the BRED Banque Populaire intranet (as well as on the BRED Group website⁽¹⁾). All employees, including new hires, and all persons outside the Group who consult the BRED Banque Populaire website can access it.

Familiarization with the principles of the Code of Conduct is achieved through e-learning training. This training is mandatory for all employees and for all new hires.

Prevention of breaches of the Code of Conduct

Whistleblowing system

BRED Banque Populaire has a whistleblowing system applicable to all BRED Group entities. It is described in the "BRED Group internal whistleblowing system", updated in 2023.

This procedure complies with the standards laid down by Groupe BPCE through the Group's "NORMA whistleblowing system" policy. It was validated by the Control Function Standards Validation Committee on May 5, 2023. This committee, chaired by the Group's control functions, comprises 12 management representatives from Groupe BPCE entities. Before being rolled out, this system was the subject of a consultation with the employee representative bodies in 2022.

The BRED Banque Populaire Compliance department is responsible for managing the system and monitoring the alerts received for the entire BRED Group.

The procedure presents the type of alert that can be submitted, the process for submitting and handling alerts, the confidentiality of the information, the whistle-blower's protected status and the penalties incurred in the event of non-compliance.

The procedure specifies the persons who can launch an alert:

- BRED Group employees, including internal or external, temporary or occasional employees (temporary staff, interns, service providers, etc.), including where their parent company has set up its own professional alert system;
- cooperative shareholders, partners and holders of voting rights at the entity's General Meeting;
- members of the administrative, management or supervisory bodies;
- co-contractors of the entity concerned, their subcontractors or, in the case of legal entities, members of the administrative, management or supervisory body of these co-contractors and subcontractors as well as members their staff;
- customers (excluding complaints processing).

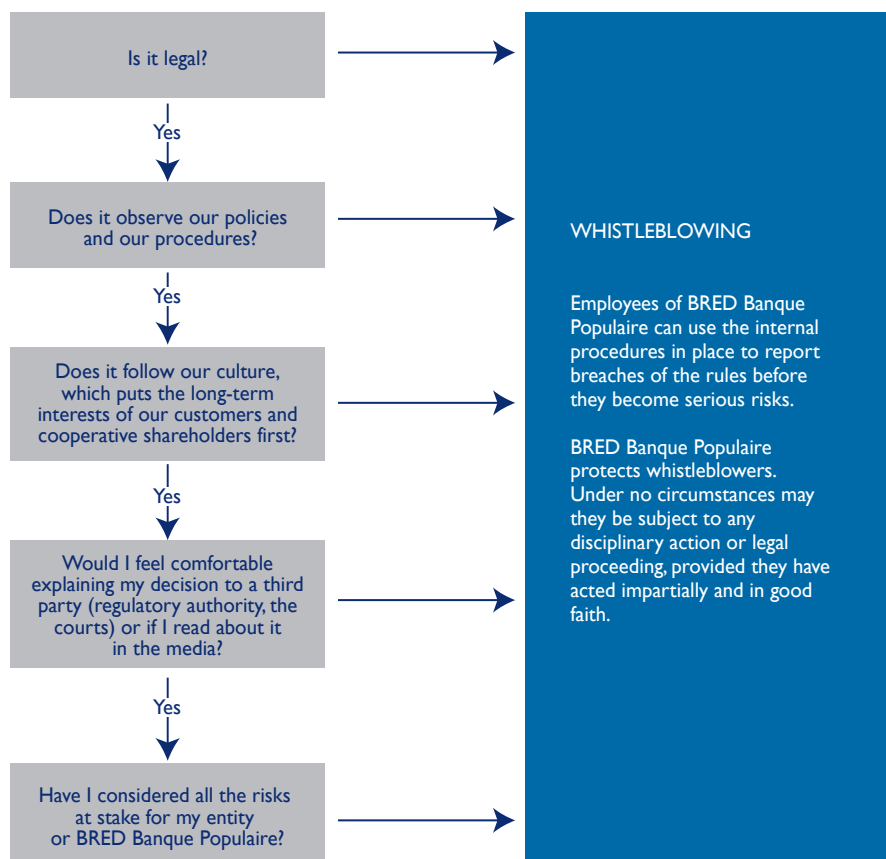
Thus, BRED Group employees and co-contractors have the possibility of reporting any breaches via the internal whistleblowing procedures put in place. An alert may be made via any channel defined by the entity, provided that the anonymity of the person making the alert and confidentiality are fully guaranteed. The main alert transmission channel for the BRED Group is the BKMS platform. It can also be made directly to a person's direct or indirect line manager, employee representative, etc.

The whistleblowing must relate to conduct or situations likely to constitute a breach of the rules applicable to the BRED Group. It may also relate to a crime, an offense, a threat or harm to the general interest, a violation or an attempt to conceal a violation of an international commitment duly ratified or approved by France, or a unilateral act of an international organization made on the basis of such a commitment, or of a European Union or French law or regulation. The whistleblowing system has been extended to allow the reporting of facts falling within the scope of the duty of care (identification of risks and prevention of serious violations of human rights and fundamental freedoms, health and safety of persons as well as the environment).

(1) Available on: <https://www.bred.fr/medias/pdf/informations-reglementaires/code-conduite-groupe-bred-fr.pdf>

The following questions are used to make an ethical decision if there is a doubt:

Whistleblowing right



The BRED Group's whistleblowing system is based on the following pillars:

- act of December 9, 2016, known as the "Sapin 2" act, on the general provisions on whistleblowing;
- directive (EU) 2019/1937 of the European Parliament of October 23, 2019 on the protection of persons who report breaches of EU law;
- act No. 2022-400 of March 21, 2022 aimed at strengthening the role of the defender of rights in terms of whistleblowing;
- act No. 2022-401 of March 21, 2022 aimed at improving the protection of whistle-blowers;
- decree No. 2022-1284 of October 3, 2022 supplementing the act of March 21, 2022;
- decree No. 2022-1686 of December 28, 2022 on the matching contribution to the personal training account of a whistle-blower employee.

A whistle-blower's guide has been made available to the persons concerned on the BRED Group intranet and on the institutional website bred.fr in order to make it permanently accessible. Moreover, the system was the subject of a specific notification in December 2023 following the inclusion of the Code of Conduct in the BRED Internal Rules.

For service providers and suppliers, a clause in their contract calls for dissemination of the policy.

In addition, a regulatory training course, in e-learning format, accompanies the deployment of the BKMS tool and specifies the rights, duties and protections of a whistle-blower. It has been rolled out to Group employees since July 2023.

Whistleblowing channels and associated tools

Whistle-blowers have the opportunity to report any breaches via the internal alert procedures set up by the BRED Group before they turn into serious risks. Alerts can be made through any channel, provided that the anonymity of the person making the alert and confidentiality are fully guaranteed (if the person so wishes).

The Group's BKMS tool

The main transmission channel is the BKMS whistleblowing platform. All BRED Group employees and service providers have direct access to this tool via a URL link. It is a tool chosen for all Group entities, regardless of the country of operation and regardless of the business line (retail banking, Corporate & Investment Banking, etc.).

In order to ensure that they are well understood by all employees, including in the international subsidiaries where knowledge of French or English is not fully widespread, the screens to which the whistle-blower has access are available in English and Lao.

BKMS offers every guarantee in terms of data security, complies with the highest standards in terms of confidentiality and respect for anonymity (encrypted data, impossibility of recovering whistle-blowers' IP addresses, etc.), as required by the act of December 9, 2016, known as the "Sapin 2" act, as amended by act No. 2022-401 of March 21, 2022 aimed at improving the protection of whistle-blowers.

The whistle-blower may submit his or her alert and discuss it with the person managing it, with or without anonymity. The alert is sent directly to the department responsible for handling it, thanks to the routing rules defined in the tool, which ensure confidentiality. By virtue of their position or status, the designated persons or departments have the competence, authority and resources required to carry out their duties impartially.

Other channels for submitting an alert

An alert can also be made directly to a person's direct or indirect line manager, staff representative, etc. However, it is recommended that the whistle-blower's report be sent via the Group's reporting tool, or directly to the Compliance Officer, so that the whistle-blower protection system, of which the line manager is not necessarily aware, can be fully respected (compliance with response and processing deadlines, processing of an oral alert, confidentiality commitment).

Protection of whistle-blowers

Protection system

The "Internal whistleblowing system" procedure, applicable throughout the BRED Group, describes the whistleblowing procedure in order to guarantee the integrity and confidentiality of the information collected, but also to protect eligible persons against any retaliation or threat.

The procedure was updated in 2023 to take into account the changes made by act No. 2022-401 of March 21, 2022 aimed at improving the protection of whistle-blowers and its implementing decree of October 3, 2022.

The main changes to the system concern the extension of the persons benefiting from the guarantees provided for by the law, the collection and handling of alerts falling within the scope of the law, the guarantee of the confidentiality of the identity of the whistle-blower and the information submitted and, lastly, the prohibition of retaliatory measures and/or threats by the employer.

The procedure specifies the categories of persons who are subject to protection: the whistle-blower, the facilitators, the persons linked with the whistle-blower, and the legal entities controlled by a whistle-blower and in which he or she works or with which he or she is connected in a professional context.

The BRED Group protects whistle-blowers (as well as enablers, people in contact with the whistle-blower and the legal entities controlled by a whistle-blower or where they work or with which they are linked in a professional context). Under no circumstances may they be subject to any disciplinary action or legal proceeding, provided they have acted without direct financial compensation and in good faith. They may not be subject to retaliation, threats or attempts to

resort to such measures. The BRED Group procedure mentions the forms of retaliation from which the whistle-blower is protected. The latter is protected against any direct or indirect discriminatory measure, notably in terms of compensation or professional development, or any disciplinary sanction and reprisals based on having reported an alert, in compliance with the procedure. Act No. 2022-401 of March 21, 2022 extends this protection by prohibiting the whistle-blower's working hours from being modified or their reputation being harmed.

The confidentiality of the information gathered in the report, including the identity of the person making the report, the persons targeted or the third parties mentioned, guarantees the protection of whistle-blowers against possible reprisals.

In this respect, the BRED Group has set up secure tools and channels to communicate with whistle-blowers as part of the investigations on and follow-ups to alerts. It has defined a policy for access to personal data and their retention, based on the strict necessity of processing the alert. The content of items reported via the dedicated channels is only accessible to a limited number of duly authorized managers.

The Investment Services Compliance department, which is responsible for the BRED Group's anti-corruption system, has created an Ethics and Business Conduct department whose organization ensures the confidentiality of the data processed. In order to ensure an effective processing of reports received on BKMS, only the Compliance Officer and the Ethics Team Manager receive and process reports in a neutral and impartial manner for the entire BRED Group. Appointed respectively as BRED Group Anti-Corruption Compliance Officer and Anti-Corruption Officer at Groupe BPCE, they take part in all of Groupe BPCE's working groups relating to the deployment of the system and thus benefit from continuous training and support with regard to the processing of professional alerts.

A whistle-blower's guide has been made available to the persons concerned on the BRED Group intranet and on the institutional website bred.fr in order to make it permanently accessible. Moreover, the system was the subject of a specific notification in December 2023 following the inclusion of the Code of Conduct in the BRED Banque Populaire Internal Rules. For service providers and suppliers, a clause in their contract calls for dissemination of the policy.

As regards training, two mandatory regulatory training courses provide support for the whistle-blower protection system: the e-learning course on the Code of Conduct which refers to it and the e-learning course which backs the deployment of the tool and which specifies notably the rights, duties and protections of whistle-blowers. It has been rolled out to Group employees since July 2023.

Training on business conduct

In order to enable the sustainable development of its business relationship with customers and to secure the activity, BRED Banque Populaire requires its employees to participate in regular training. It is mobilized to provide training for employees, enabling them to acquire the skills they need to carry out their activities.

The Groupe BPCE "NORMA" Mandatory Regulatory Training (MRT) policy presents the scope of application of the MRT system, defines what MRT is, describes the bodies in charge of the eligibility of MRT or related decision-making, and specifies the reports produced and the expected controls.

MRTs are applied within BRED Banque Populaire and all its subsidiaries; training is adapted if necessary to the specificities of the countries where it operates. It concerns all employees.

In terms of business conduct, three training courses are identified as mandatory regulatory training courses:

- Code of Conduct and Ethical Standards e-learning course;
- Whistle-blower e-learning course;
- Essentials of professional ethics and the fight against corruption e-learning course.

Due to its various activities and regions of operation, the frequency with which these training courses must be carried out by BRED Banque Populaire employees is higher than that of Groupe BPCE.

Training	Duration	Employees concerned	Time to complete the training	Renewal frequency
Code of Conduct and Ethical Standards	20 min	All permanent and fixed-term contracts, including work-study students	6 months	Annually
Whistle-blower	30 min	All permanent and fixed-term contracts, including work-study students	6 months	Unique training
Essentials of professional ethics and the fight against corruption	1 hour	All permanent and fixed-term contracts, including work-study students	6 months	Annually

Moreover, a specific module on professional ethics is included in the onboarding program for new employees in the network (BRED School of Advisors) and for new managers, in person.

The Compliance department ensures that all employees follow the training courses at the frequencies and within the deadlines set. Monitoring of the completion rate of mandatory training is carried out by the Executive Committee.

7.4.1.1.3 (G1-2) Management of relationships with suppliers

Preventing late payments

For several years now, BRED Banque Populaire has set up a system for monitoring payment terms based on Groupe BPCE's "White Paper on Payment Terms". This white paper is made available to the Group's institutions via an internal Sharepoint. This commitment is also set out in the Group's Responsible Purchasing Policy.

The purpose of this system is to:

- monitor payment terms on a monthly basis;
- recall the regulatory context of the law on the modernization of the economy, with regulations on inter-company payment terms, and the cap on payment terms set by Articles L. 441-10 et seq. of the French Commercial Code;
- monitor the 28-day target defined for the Group;
- share best practices in terms of payment terms.

This white paper and a dedicated dashboard are made available to all Group institutions. The dashboard makes it possible to communicate quarterly to all executives, in particular during the quarterly Group Supplier Risk Committee.

Moreover, BRED Banque Populaire draws up its own dashboard to monitor payment terms at its terminals.

In 2024, BPCE Achats & Services continued to conduct groupwide surveys to measure payment terms, the results of which are included in the Group's purchasing reporting tools. The process was enhanced in 2024 to identify suppliers under in legal proceedings and thus reduce any potential reputational risk. Particular attention was paid to companies undergoing legal proceedings. The Supplier Management and Governance department monitors any ongoing legal actions relating to late payments.

Supplier relations

BRED Banque Populaire is committed to promoting a sustainable and balanced relationship with suppliers.

This is one of the commitments made as part of its Responsible Purchasing Policy. The Purchasing Charters (BRED SA and its subsidiaries) are made available to all BRED Banque Populaire employees on the intranet.

Through its cooperative model, BRED Banque Populaire's companies contribute to the dynamism of and collaboration within their regions by relying on local suppliers. BRED Banque Populaire is very involved in local life and contributes to the development of these often vulnerable suppliers.

Thus, BRED Banque Populaire pays particular attention to the risk of dependency of its vulnerable suppliers.

BRED Banque Populaire attaches particular importance to the professionalization of its Purchasing function. A training plan has been in place for several years for its buyers and its purchasing manager.

Social and environmental criteria to select suppliers

The Groupe BPCE Responsible Purchasing policy, which the BRED Group is applying and which will be updated in 2021 ⁽¹⁾, is in line with the Group's CSR ambitions and commitments, in which the purchasing function has an essential role to play. A driver of transformation and development, the Responsible Purchasing approach is part of a global and sustainable performance objective, involving the Group's companies and their suppliers.

CSR is integrated into BRED Banque Populaire's Responsible Purchasing policy;

- in the purchasing process, which specifies how to implement responsible purchasing;
- in purchasing cases by including appropriate CSR criteria in the decision-making process, by indicating in the specifications the CSR performance of the products and services planned;
- in the professionalization of the purchasing function, with the participation of BRED Banque Populaire buyers in BPCE Achats plenary sessions bringing together all purchasing and CSR functions to share information and best practices. The BRED Group's goal is to continue to deploy and systematize, in 100% of the cases processed, the consideration of CSR in purchasing decision-making.

7.4.1.1.4 (G1-3) Prevention and detection of corruption and bribery

Detecting and preventing cases of corruption and bribery

BRED Banque Populaire's rules and procedures help to prevent and detect behaviors likely to characterize acts of corruption or influence peddling:

- a regular mapping of the corruption risks of the Group's entities, according to a methodology that is in line with the recommendations of the French Anti-Corruption Agency (AFA). It is based on exchanges with the business lines, which are necessary for the mapping exercise to identify and assess the risks of corruption, whether active or passive, direct or indirect (complicity, concealment), and to arrive at a shared vision of the challenges of the fight against corruption. When the risk level of certain scenarios remains too high after mitigation measures have been taken into account, action plans must be formalized to reduce the residual risk. The Group's employees are required to comply with the internal rules and procedures that help to prevent and detect behaviors likely to characterize acts of corruption or influence peddling. The following rules and mechanisms make it possible to comply with the requirements introduced by Article 17 of act No. 2016-1691 of December 9, 2016 on transparency, the fight against corruption and the modernization of the economy ("Sapin 2"):

- anti-corruption principles, with concrete illustrations of behaviors to be avoided based on the risk scenarios identified by the mapping process;
- the anti-corruption principles applied by the BRED Group, which can be consulted on the "Ethics" page of the BRED intranet, a share point accessible to all employees, have been appended to the internal rules. Disciplinary sanctions, up to and including dismissal, are provided for in the event of failure to comply with these rules;
- Group policy on "notification of gifts and benefits": this sets a maximum threshold of €150 (to the first euro for public employees) for gifts received or given, above which prior authorization from the Compliance department is required. As part of the sponsorship of the Paris 2024 Olympic and Paralympic Games, specific vigilance rules have been adopted to secure the allocation of hospitality to customers and other third parties;
- mandatory training in professional ethics and the fight against corruption for all employees;
- a system and tool for collecting and processing professional alerts on serious offenses, including corruption and influence peddling: alerts concerning corruption are subject to annual, anonymized Group reporting;
- a procedure for assessing third parties (customers, suppliers, partners, intermediaries, etc.): this assessment, which takes into account a certain number of criteria (purchasing category, geographical criterion, negative information about the supplier, etc.) leads, if necessary, to additional due diligence aimed at assessing the ultimate risk, notably with regard to the anti-corruption measures established by the third party;
- supervision of relations with intermediaries (including business introducers) and customers: contracts include anti-corruption clauses. Approval committees are planned. More generally, the Group's risk appetite policy provides for an anti-corruption analysis to be carried out when entering into a relationship with or granting credit to customers in the corporate segment who are involved in risky activities. The integrity of the Group's new partners is also assessed by the New Product Validation and Marketing Committee;
- the internal control system: the BRED Group has an extensive body of standards and procedures providing a general framework for the strict separation of operational and control functions, including in particular a system of delegations for granting credit and relations with politically exposed persons, and a KYC framework. As part of the organization of internal control, permanent control plans contribute to the security of the system. The components of this system are explicitly targeted at the corruption risks identified in the risk map;

(1) Available on: <https://www.groupebpce.com/app/uploads/2024/01/politique-achats-responsables-du-Groupe-BPCE-2.pdf>

- accounting controls: the BRED Group applies accounting standards and procedures that comply with professional standards. The Group's internal control system for accounting information is based on a structured audit process to check the conditions in which such information is assessed, recorded, stored and made available, in particular by verifying the existence of the audit trail.

The results of the risk mapping, including any ensuing action plans, are presented for approval to the management bodies of each Group entity (subsidiary or affiliate). A consolidation of the mappings is presented to the Groupe BPCE Risk and Compliance Committee, as well as to BPCE's supervisory body.

Executives, who hold exposed positions, are required to follow the e-learning training. The functions most exposed to the risk of corruption and bribery have been defined at Groupe BPCE level. This definition was communicated to the AFA and, for this year, concerns MRT personnel and executive managers for the territories and entities to which French legislation does not apply. The notion of MRT extends to the entire BRED Group. However, under the principle of proportionality (depending among other things on the size of the balance sheet), certain subsidiaries are excluded from the scope and therefore do not have an MRT. It was therefore agreed with Groupe BPCE to add the Chief Executive Officer (or other effective manager depending on the structure) of each of the subsidiaries recognized as material. In 2024, all BRED Group entities had an MRT program rolled out among all employees. This definition point will be re-specified in 2025. In this context, the percentage of at-risk functions covered by training programs is 100%.

The training provided to members of the administrative and supervisory bodies, organized by the Fédération Nationale des Banques Populaires, was enhanced by a presentation on corruption, which will be systematized.

Internal Fraud

BRED Banque Populaire has set up a system to combat internal fraud, non-compliance with internal rules and breaches of ethics, in line with the Group's Code of Conduct and Ethics Standards. This system meets the requirements of the supervisory authorities. It is formalized in the BRED Group "Internal Fraud" framework procedure, which consists of the following elements:

- internal fraud risk mapping;
- requests for detection and reporting of alerts, in particular to protect the interests of its customers;
- awareness-raising actions adapted to the specificities of each business line;
- a dedicated training program for employees involved in the fight against internal fraud;
- a psychological support system for people suspected of fraud and their close colleagues;
- a declaration and reporting system.

BRED Banque Populaire adopted the following generic definition of internal fraud, in the absence of a legal and unique definition in French criminal law:

"Fraud is an intentional act, contrary to the interests of the company and its customers, and likely to cause them direct or indirect harm, which constitutes a violation of the provisions of the law, professional regulations or an internal standard, in order to obtain an advantage".

Fraud is classified as internal when it involves one or more employees of the institution or another person working in the institution who act intentionally, with or without the assistance or complicity of third parties outside the company. This includes: corporate officers, employees (fixed-term contracts, permanent contracts, apprentices, temporary holiday personnel), any other person made available to the establishment in any context whatsoever (temporary workers, interns, service providers, seconded employees, etc.).

Permanent Level 2 controls on the system are carried out regularly by the BRED Banque Populaire Compliance department. In addition, BRED Banque Populaire's department dedicated to the fight against internal fraud periodically participates, with its Groupe BPCE focal points on the fight against internal fraud (LAFI), in conducting a general analysis of the system for the purposes of continuous improvement. In terms of organization, the handling of internal fraud and misconduct issues requires the establishment of a "LAFI" unit. The main missions of the LAFI unit are as follows:

- operational handling of fraud and internal breaches;
- ensuring prevention through employee awareness-raising;
- organizing the detection of fraud and internal breaches;
- taking charge of the investigation of suspected cases of fraud or misconduct;
- updating the detailed risk mapping; carrying out reports and assessments of the system.

In general, all parties involved in the handling of an internal fraud case are committed to the confidentiality of the information handled during this process and are responsible for the retention and destruction of the data within the allotted time..

To ensure the effectiveness of the system, all departments, through their vigilance, contribute to the fight against internal fraud in addition to Compliance.

Groupe BPCE's internal fraud prevention system is based on the following principles:

- Basel II standards: they indicate that fraud falls under risk control and must therefore be reported as such;
- Ministerial Order of November 3, 2014: classifies fraud as an operational risk. It defines a threshold above which fraud is considered material, and distinguishes between internal and external fraud;

- the Data Protection act and the General Data Protection Regulation (GDPR) govern the processing of personal data in the European Union. It is one of the foundations of the system because of the sensitivity of the subject, notably with regard to issues of respect for privacy and the rights guaranteed to employees. This European regulation imposes constraints on the “processing of personal data”, i.e., the processing of information relating to natural persons and making it possible to identify them. In addition, the handling of anti-fraud matters may not include data relating to offenses, convictions and security measures, unless so authorized by the French Data Protection Authority (*Commission nationale de l’informatique et des libertés* - CNIL) (Art. 25-I-3° of the act). Similarly, anti-fraud handling may not result in the creation of a blacklist of persons suspected of having committed or attempted to commit fraud.

In addition, the BRED Group’s entities provide their employees with the Code of Conduct and Ethical Standards, and the internal rules, policies and procedures regarding training, governance and controls. By relying on the letter but also the spirit of this framework, employees are guided to comply with internal guidelines, exercise their personal judgment and challenge their own decisions as well as those of others.

Lastly, Groupe BPCE has organized a training course for BRED Group employees in charge of the LAFI unit. Employees in charge of the LAFI unit must be registered within six months of taking up their position. The training of the employees assigned to the LAFI unit is mandatory every five years. The LAFI units of the entities carry out awareness-raising actions for new employees as needed.

Fight against money laundering and the financing of terrorism, compliance with national and international sanctions (embargoes and asset freezes)

BRED Banque Populaire is committed to combating money laundering and the financing of terrorism (AML/CFT). To this end, it has set up a Financial Security system with the dual aim of preventing BRED Banque Populaire from being used, directly or indirectly, by criminals to launder their illicitly acquired funds or for terrorist financing purposes, and, in doing so, contributing to the stability and integrity of the financial system. This system is supplemented by a program of compliance with international sanctions, including the circumvention of sanctions, imposed by the United Nations, the European Union, France and the United States, as well as with local sanctions applicable to BRED Banque Populaire entities abroad.

BRED Banque Populaire’s financial security system is based on international AML/CFT standards, French and European laws

and regulations, the guidelines of the French and European regulators, as well as the policies of Groupe BPCE. It consists of procedures relating, in particular:

- to risk assessment;
- to customer identification and knowledge (KYC - Know Your Customer);
- to the monitoring of transactions for AML/CFT purposes, to compliance with asset embargoes and freezes, and to rules governing the transparency of fund transfers;
- to an enhanced review and to the reporting of suspicious transactions and activities to the Financial Intelligence Unit (TRACFIN for France);
- to documentation, archiving and record keeping and information sharing.

These procedures apply to all BRED Banque Populaire entities, in France and abroad. They are supplemented and implemented using computerized tools (screening, filtering and monitoring of transactions) by employees trained in Financial Security risks. Lastly, a dedicated governance, a monitoring system and an internal control framework ensure compliance with the AML/CFT obligations and sanction programs applicable to BRED Banque Populaire and, if necessary, establish action plans.

This entire system is regularly reviewed and continuously improved to ensure that BRED Banque Populaire remains in compliance with its financial security obligations, as well as to respond to the findings of the audit teams and regulators, and improve its effectiveness.

As a credit and financial institution, BRED Banque Populaire is subject to the supervision and control of the *Autorité de Contrôle Prudentiel et de Résolution* and the *Autorité des Marchés Financiers*, the French supervisory authorities for the banking and financial sectors.

7.4.1.2 Metrics and targets

7.4.1.2.1 (G1-4) Confirmed incidents of corruption or bribery

BRED Banque Populaire does not tolerate corruption under any circumstances or in any form. The same applies to influence peddling. People working at BRED Banque Populaire are required to comply with the internal rules and procedures that help to prevent and detect behaviors likely to characterize acts of corruption or influence peddling in their companies. Any employee who engages in such behavior is subject to disciplinary sanctions, up to and including dismissal.

Over the 2024 reference year, no (0) convictions for breaches of the legislation on proven cases of corruption or proven payments of bribes were pronounced.

Background information on the published indicators (MDR-M requirement):

These two indicators are calculated on the scope of BRED Banque Populaire's so-called "material" entities.

As of December 31, 2024, BRED Banque Populaire's material entities were: BRED S.A., Prépar Vie, BCI Mer Rouge, BIC BRED Suisse, BRED Bank Fiji, and BRED Bank Cambodia,

For each entity in the scope, since 2020, the convictions taken into account are as follows:

- administrative sanctions against the company for breaches of anti-corruption legislation, imposed by the French Anti-Corruption Agency's Sanctions Commission or by a foreign supervisor competent to monitor the application of equivalent laws and regulations abroad;
- criminal convictions of the company for offenses of corruption, influence peddling, complicity in corruption, concealment of corruption, complicity in influence peddling, concealment of influence peddling, regardless of the jurisdiction; approved judicial agreements in the public interest or other similar transactions are included.
- criminal convictions of an executive or employee for offenses of corruption, influence peddling, complicity in corruption, concealment of corruption, complicity in influence peddling, concealment of influence peddling committed as part of his or her duties in the company, regardless of the jurisdiction.

For each establishment in the scope, the fines taken into account are those corresponding to the sanctions imposed on the company since 2020:

- administrative sanctions for breaches of anti-corruption legislation imposed by the French Anti-Corruption Agency's Sanctions Commission or by a foreign supervisor competent to monitor the application of equivalent laws and regulations abroad;
- criminal convictions of the company for offenses of corruption, influence peddling, complicity in corruption, concealment of corruption, complicity in influence peddling, concealment of influence peddling, regardless of the jurisdiction;
- approved judicial agreements in the public interest or other similar transactions are included.

The amount of the fines is broken down by currency.

7.4.1.2.2 (G1-6) Payment practices

BRED Banque Populaire undertakes to comply with regulatory payment terms, in accordance with the legal definition, which stipulates a period of 60 days from the date of receipt of the goods or performance of the services. In 2024, 98% of payments (in terms of amounts) met this commitment. In

addition, the Group has implemented a policy of paying suppliers within 30 days (from the date on which the contractual or statutory payment period begins to run), and the average payment period is in line with this requirement, amounting to 17.5 days in 2024. Lastly, there are no (0) ongoing legal proceedings concerning late payments.

Background information on the published indicators (MDR-M requirement):

The average payment term for invoices paid in 2024 includes all invoices paid between January 1 and December 31, 2024, regardless of their date of issue. Expense claims are not taken into account in this analysis.

The payment term is calculated as the difference between the issue date (i.e., not from the date of receipt or recognition) and the settlement date.

Several indicators resulting from this analysis are monitored on a quarterly basis, among which the most significant are: the average payment term (expressed in days) and the total amount of invoices paid after 60 days.

The objective is to achieve the lowest possible values for these two indicators, and thus comply with the regulations in force.

Limitation on published information:

The scope for calculating the average payment term was extended in 2024; however, it does not yet include the full France scope while international subsidiaries are excluded due to different local regulations. An action plan will be drawn up in 2025 on the operational capacity to adapt the information systems of entities not yet covered to automate this calculation.

The indicator "description of the company's standard payment terms (in number of days) by major supplier category and the percentage of payments made within these terms", corresponding to the disclosure requirement of Section 33b of DR G1-6 of the CSRD standard, is not published. Lastly, BRED Banque Populaire is not in a position to publish this indicator for the 2024 reference year, in view of the unavailability of data. An action plan will be put in place at Groupe BPCE level to meet the disclosure requirement.

7.5 INDICATORS OF THE EUROPEAN TAXONOMY OF SUSTAINABLE ACTIVITIES

Summary of KPIs to be published by banks in accordance with Article 8 of the regulation establishing the taxonomy

		Total environmentally sustainable assets	KPI ⁽¹⁾	KPI ⁽²⁾	% coverage (over total assets) ⁽³⁾	% of asset excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2 of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	1,581	2.45%	2.69%	58.64%	30.64%	41.36%
Additional KPIs		Total environmentally sustainable activities	KPI	KPI	% coverage (over total assets)	% of asset excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2 of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1) and Section 1.2.4 of Annex V)
	GAR (flow)	215	1.79%	2.29%	73.96%	32.48%	26.04%
	Trading book ⁽⁴⁾						
	Financial guarantees	213	5.94%	5.04%			
	Assets under management						
	Fees and commissions ⁽⁵⁾						

(1) Based on the KPI of the counterparty's turnover.

(2) Based on the KPI of the counterparty's CapEx, except for general lending activities, for which the turnover KPI is used.

(3) Percentage of assets covered by the KPI, compared to total banking assets.

(4) For banks that do not fulfill the conditions of Article 94 (1) or Article 325a (1) of the CRR.

(5) Fees and commissions on services other than loans and asset management.

Institutions shall provide forward-looking information for these KPIs, in particular on the targets concerned, and relevant explanations of the method applied.

Assets for the calculation of GAR (Turnover basis)

In millions of euros

	a	b	c	d	e	f	g	h	i	j
	Disclosure reference date T									
	Total [gross] carrying amount			Climate change mitigation (CCM)			Climate change adaptation (CCA)			
				o/w towards taxonomy relevant sectors (Taxonomy-eligible)			o/w towards taxonomy relevant sectors (Taxonomy-eligible)			
				o/w environmentally sustainable (Taxonomy-aligned)			o/w environmentally sustainable (Taxonomy-aligned)			
				o/w use of proceeds	o/w tran- sitional	o/w enabling	o/w use of proceeds	o/w enabling		
GAR – Covered assets in both numerator and denominator										
1 Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for the GAR calculation	30,835	9,653	1,581							
2 Financial corporations	7,914	102	81							
3 Banks	3,151	4	0							
4 Loans and advances	1,228	-	-							
5 Debt securities, including specific use of proceeds (UoP)	1,046	4	0							
6 Equity instruments	877	-	-							
7 Other financial corporations	4,764	98	81							
8 o/w investment firms										
9 Loans and advances										
10 Debt securities, including specific use of proceeds (UoP)										
11 Equity instruments										
12 o/w management companies										
13 Loans and advances										
14 Debt securities, including specific use of proceeds (UoP)										
15 Equity instruments										
16 o/w insurance undertakings	403	-	-							
17 Loans and advances	403	-	-							
18 Debt securities, including specific use of proceeds (UoP)										
19 Equity instruments	-	-	-							
20 Non-financial corporations	2,791	813	282							
21 Loans and advances	2,093	584	189							
22 Debt securities, including specific use of proceeds (UoP)	637	229	93							
23 Equity instruments	62	-	-							
24 Households	19,396	8,737	1,218							
25 o/w loans collateralized by residential immovable property	8,712	8,712	1,218							
26 o/w building renovation loans	20	20	-							
27 o/w motor vehicle loans	9	4	-							
28 Local governments financing	733	1	-							

k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
Disclosure reference date T																				
Water and marine resources (WMR)				Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)				
o/w towards taxonomy relevant sectors (Taxonomy-eligible)				o/w towards taxonomy relevant sectors (Taxonomy-eligible)				o/w towards taxonomy relevant sectors (Taxonomy-eligible)				o/w towards taxonomy relevant sectors (Taxonomy-eligible)								
o/w environmentally sustainable (Taxonomy-aligned)				o/w environmentally sustainable (Taxonomy-aligned)				o/w environmentally sustainable (Taxonomy-aligned)				o/w environmentally sustainable (Taxonomy-aligned)				o/w environmentally sustainable (Taxonomy-aligned)				
o/w use of proceeds		o/w enabling		o/w use of proceeds		o/w enabling		o/w use of proceeds		o/w enabling		o/w use of proceeds		o/w enabling		o/w use of proceeds		o/w transitional		o/w enabling

In millions of euros

	a	b	c	d	e	f	g	h	i	j
	Disclosure reference date T									
	Total [gross] carrying amount									
				Climate change mitigation (CCM)			Climate change adaptation (CCA)			
				o/w towards taxonomy relevant sectors (Taxonomy-eligible)			o/w towards taxonomy relevant sectors (Taxonomy-eligible)			
				o/w environmentally sustainable (Taxonomy-aligned)			o/w environmentally sustainable (Taxonomy-aligned)			
				o/w use of proceeds	o/w tran- sitional	o/w enabling	o/w use of proceeds	o/w enabling		
29	Housing financing	1	1	-						
30	Other local government financing	733	-	-						
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-						
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	33,737								
33	Financial and non-financial corporations	29,179								
34	SMEs and non-financial corporations (other than SMEs) not subject to CSRD disclosure obligations	22,401								
35	Loans and advances	20,818								
36	o/w loans collateralized by commercial immovable property	1,761								
37	o/w building renovation loans	0								
38	Debt securities	237								
39	Equity instruments	1,346								
40	Third country counterparties not subject to CSRD disclosure obligations	6,778								
41	Loans and advances	5,803								
42	Debt securities	660								
43	Equity instruments	315								
44	Derivatives	397								
45	On demand interbank loans	1,115								
46	Cash and cash equivalents	366								
47	Other categories of assets (e.g., Goodwill, commodities etc.)	2,679								
48	TOTAL GAR ASSETS	64,571	9,653	1,581						
49	Assets not covered for GAR calculation	45,552								
50	Central governments and supranational issuers	20,530								
51	Central banks exposure	10,820								
52	Trading book	14,202	0	0	0	0	0	0	0	0
53	Total assets	110,123	9,653	1,581						
<i>Off-balance sheet exposures - Undertakings subject to CSRD disclosure obligations</i>										
54	Financial guarantees	3,590	755	213						
55	Assets under management									
56	o/w debt securities									
57	o/w equity instruments									

INDICATORS OF THE EUROPEAN TAXONOMY OF SUSTAINABLE ACTIVITIES

755 213

In millions of euros

	ag	ah	ai	aj	ak	al	am	an	ao	ap
	Disclosure reference date T-1									
	Total [gross] carrying amount	Climate change mitigation (CCM) o/w towards taxonomy relevant sectors (Taxonomy-eligible)				Climate change adaptation (CCA) o/w towards taxonomy relevant sectors (Taxonomy-eligible)				
		o/w environmentally sustainable (Taxonomy-aligned)				o/w environmentally sustainable (Taxonomy-aligned)				
		o/w use of proceeds	o/w transi- tional	o/w enabling		o/w use of proceeds	o/w enabling			
GAR – Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for the GAR calculation	25,576	7,989	1,165						
2	Financial corporations	5,776	-	-						
3	Banks	2,612	-	-						
4	Loans and advances	1,909	-	-						
5	Debt securities, including specific use of proceeds (UoP)	-	-	-						
6	Equity instruments	702								
7	Other financial corporations	3,164	-	-						
8	o/w investment firms									
9	Loans and advances									
10	Debt securities, including specific use of proceeds (UoP)									
11	Equity instruments									
12	o/w management companies									
13	Loans and advances									
14	Debt securities, including specific use of proceeds (UoP)									
15	Equity instruments									
16	o/w insurance undertakings	208	-	-						
17	Loans and advances	208	-	-						
18	Debt securities, including specific use of proceeds (UoP)	-	-	-						
19	Equity instruments	-								
20	Non-financial corporations	2,258	633	175						
21	Loans and advances	2,241	633	175						
22	Debt securities, including specific use of proceeds (UoP)	-	-	-						
23	Equity instruments	16								
24	Households	17,313	7,350	989						
25	o/w loans collateralized by residential immovable property	7,329	7,329	989						
26	o/w building renovation loans	15	15	-						
27	o/w motor vehicle loans	14	5	-						
28	Local governments financing	230	7	-						

7.

In millions of euros

In millions of euros		ag	ah	ai	aj	ak	al	am	an	ao	ap
		Disclosure reference date T-I									
		Total [gross] carrying amount	Climate change mitigation (CCM) o/w towards taxonomy relevant sectors (Taxonomy-eligible)					Climate change adaptation (CCA) o/w towards taxonomy relevant sectors (Taxonomy-eligible)			
			o/w environmentally sustainable (Taxonomy-aligned)				o/w environmentally sustainable (Taxonomy-aligned)				
			o/w use of o/w transi- proceeds tional		o/w enabling		o/w use of proceeds		o/w enabling		
29	Housing financing	7	7	-							
30	Other local government financing	223	-	-							
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-							
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	34,824									
33	Financial and non-financial corporations										
34	SMEs and non-financial corporations (other than SMEs) not subject to CSRD disclosure obligations										
35	Loans and advances										
36	o/w loans collateralized by commercial immovable property										
37	o/w building renovation loans										
38	Debt securities										
39	Equity instruments										
40	Third country counterparties not subject to CSRD disclosure obligations										
41	Loans and advances										
42	Debt securities										
43	Equity instruments										
44	Derivatives										
45	On demand interbank loans										
46	Cash and cash equivalents										
47	Other categories of assets (e.g., Goodwill, commodities etc.)										
48	TOTAL GAR ASSETS	60,400	7,989	1,165							
49	Assets not covered for GAR calculation										
50	Central governments and supranational issuers										
51	Central banks exposure										
52	Trading book	0	0	0	0	0	0	0	0	0	0
53	Total assets	60,400	7,989	1,165							
Off-balance sheet exposures - Undertakings subject to CSRD disclosure obligations											
54	Financial guarantees										
55	Assets under management										
56	o/w debt securities										
57	o/w equity instruments										

aq	ar	as	at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bjbk
Disclosure reference date T-I																			
Water and marine resources (WMR)				Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)			
o/w towards taxonomy relevant sectors (Taxonomy-eligible)				o/w towards taxonomy relevant sectors (Taxonomy-eligible)				o/w towards taxonomy relevant sectors (Taxonomy-eligible)				o/w towards taxonomy relevant sectors (Taxonomy-eligible)							
o/w environmentally sustainable (Taxonomy-aligned)				o/w environmentally sustainable (Taxonomy-aligned)				o/w environmentally sustainable (Taxonomy-aligned)				o/w environmentally sustainable (Taxonomy-aligned)				o/w environmentally sustainable (Taxonomy-aligned)			
o/w use of proceeds		o/w enabling		o/w use of proceeds		o/w enabling		o/w use of proceeds		o/w enabling		o/w use of proceeds		o/w enabling		o/w use of proceeds		o/w enabling	
																7	-		
																-	-		
																-	-		

Assets for the calculation of GAR (CapEx basis)

In millions of euros

	a	b	c	d	e	f	g	h	i	j
	Disclosure reference date T									
	Total [gross] carrying amount			Climate change mitigation (CCM)			Climate change adaptation (CCA)			
				o/w towards taxonomy relevant sectors (Taxonomy-eligible)			o/w towards taxonomy relevant sectors (Taxonomy-eligible)			
				o/w environmentally sustainable (Taxonomy-aligned)			o/w environmentally sustainable (Taxonomy-aligned)			
				o/w use of proceeds	o/w tran- sitional	o/w enabling	o/w use of proceeds	o/w enabling		
GAR – Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for the GAR calculation	30,835	9,908	1,739						
2	Financial corporations	7,914	121	102						
3	Banks	3,151	4	1						
4	Loans and advances	1,228	-	-						
5	Debt securities, including specific use of proceeds (UoP)	1,046	4	1						
6	Equity instruments	877	-	-						
7	Other financial companies	4,764	117	101						
8	o/w investment firms									
9	Loans and advances									
10	Debt securities, including specific use of proceeds (UoP)									
11	Equity instruments									
12	o/w management companies									
13	Loans and advances									
14	Debt securities, including specific use of proceeds (UoP)									
15	Equity instruments									
16	o/w insurance undertakings	403	-	-						
17	Loans and advances	403	-	-						
18	Debt securities, including specific use of proceeds (UoP)									
19	Equity instruments	-	-	-						
20	Non-financial corporations	2,791	1,049	419						
21	Loans and advances	2,093	754	268						
22	Debt securities, including specific use of proceeds (UoP)	637	295	151						
23	Equity instruments	62	-	-						
24	Households	19,396	8,737	1,218						
25	o/w loans collateralized by residential immovable property	8,712	8,712	1,218						
26	o/w building renovation loans	20	20	-						
27	o/w motor vehicle loans	9	4	-						
28	Local governments financing	733	1	-						

7.

In millions of euros

	a	b	c	d	e	f	g	h	i	j
	Disclosure reference date T									
	Total [gross] carrying amount			Climate change mitigation (CCM)			Climate change adaptation (CCA)			
				o/w towards taxonomy relevant sectors (Taxonomy-eligible)			o/w towards taxonomy relevant sectors (Taxonomy-eligible)			
				o/w environmentally sustainable (Taxonomy-aligned)			o/w environmentally sustainable (Taxonomy-aligned)			
				o/w use of proceeds	o/w tran- sitional	o/w enabling	o/w use of proceeds	o/w enabling		
29	Housing financing	1	1	-						
30	Other local government financing	733	-	-						
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-						
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	33,737								
33	Financial and non-financial corporations	29,179								
34	SMEs and non-financial corporations (other than SMEs) not subject to CSRD disclosure obligations	22,401								
35	Loans and advances	20,818								
36	o/w loans collateralized by commercial immovable property	1,761								
37	o/w building renovation loans	0								
38	Debt securities	237								
39	Equity instruments	1,346								
40	Third country counterparties not subject to CSRD disclosure obligations	6,778								
41	Loans and advances	5,803								
42	Debt securities	660								
43	Equity instruments	315								
44	Derivatives	397								
45	On demand interbank loans	1,115								
46	Cash and cash equivalents	366								
47	Other categories of assets (e.g., Goodwill, commodities etc.)	2,679								
48	TOTAL GAR ASSETS	64,571	9,908	1,739						
49	Assets not covered for GAR calculation	45,552								
50	Central governments and supranational issuers	20,530								
51	Central banks exposure	10,820								
52	Trading book	14,202	0	0	0	0	0	0	0	0
53	Total assets	110,123	9,908	1,739						
Off-balance sheet exposures - Undertakings subject to CSRD disclosure obligations										
54	Financial guarantees	3,590	644	181						
55	Assets under management									
56	o/w debt securities									
57	o/w equity instruments									

INDICATORS OF THE EUROPEAN TAXONOMY OF SUSTAINABLE ACTIVITIES

7.

In millions of euros

In millions of euros	ag	ah	ai	aj	ak	al	am	an	ao	ap	
	Disclosure reference date T-1										
	Total [gross] carrying amount	Climate change mitigation (CCM) o/w towards taxonomy relevant sectors (Taxonomy-eligible)				Climate change adaptation (CCA) o/w towards taxonomy relevant sectors (Taxonomy-eligible)					
		o/w environmentally sustainable (Taxonomy-aligned)			o/w environmentally sustainable (Taxonomy-aligned)						
		o/w use of proceeds		o/w transi- tional		o/w enabling		o/w use of proceeds		o/w enabling	
GAR – Covered assets in both numerator and denominator											
1	Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for the GAR calculation	25,576	8,282	1,350							
2	Financial corporations	5,776	3	-							
3	Banks	2,612	-	-							
4	Loans and advances	1,909	-	-							
5	Debt securities, including specific use of proceeds (UoP)	-	-	-							
6	Equity instruments	702									
7	Other financial corporations	3,164	3	-							
8	o/w investment firms										
9	Loans and advances										
10	Debt securities, including specific use of proceeds (UoP)										
11	Equity instruments										
12	o/w management companies										
13	Loans and advances										
14	Debt securities, including specific use of proceeds (UoP)										
15	Equity instruments										
16	o/w insurance undertakings	208	-	-							
17	Loans and advances	208	-	-							
18	Debt securities, including specific use of proceeds (UoP)	-	-	-							
19	Equity instruments	-									
20	Non-financial corporations	2,258	922	361							
21	Loans and advances	2,241	922	361							
22	Debt securities, including specific use of proceeds (UoP)	-	-	-							
23	Equity instruments	16									
24	Households	17,313	7,350	989							
25	o/w loans collateralized by residential immovable property	7,329	7,329	989							
26	o/w building renovation loans	15	15	-							
27	o/w motor vehicle loans	14	5	-							
28	Local governments financing	230	7	-							

7.

In millions of euros

In millions of euros		ag	ah	ai	aj	ak	al	am	an	ao	ap
Disclosure reference date T-I											
	Total [gross] carrying amount	Climate change mitigation (CCM) o/w towards taxonomy relevant sectors (Taxonomy-eligible)					Climate change adaptation (CCA) o/w towards taxonomy relevant sectors (Taxonomy-eligible)				
		o/w environmentally sustainable (Taxonomy-aligned)			o/w environmentally sustainable (Taxonomy-aligned)		o/w environmentally sustainable (Taxonomy-aligned)		o/w environmentally sustainable (Taxonomy-aligned)		
		o/w use of proceeds		o/w transi- tional		o/w enabling		o/w use of proceeds		o/w enabling	
29	Housing financing	7	7	-							
30	Other local government financing	223	-	-							
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-							
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)										
33	Financial and non-financial corporations										
34	SMEs and non-financial corporations (other than SMEs) not subject to CSRD disclosure obligations										
35	Loans and advances										
36	o/w loans collateralized by commercial immovable property										
37	o/w building renovation loans										
38	Debt securities										
39	Equity instruments										
40	Third country counterparties not subject to CSRD disclosure obligations										
41	Loans and advances										
42	Debt securities										
43	Equity instruments										
44	Derivatives										
45	On demand interbank loans										
46	Cash and cash equivalents										
47	Other categories of assets (e.g., Goodwill, commodities etc.)										
48	TOTAL GAR ASSETS	25,576	8,282	1,350							
49	Assets not covered for GAR calculation										
50	Central governments and supranational issuers										
51	Central banks exposure										
52	Trading book	0	0	0	0	0	0	0	0	0	0
53	Total assets	25,576	8,282	1,350							
Off-balance sheet exposures - Undertakings subject to CSRD disclosure obligations											
54	Financial guarantees										
55	Assets under management										
56	o/w debt securities										
57	o/w equity instruments										

aq	ar	as	at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bjbk
Disclosure reference date T-I																			
Water and marine resources (WMR)				Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)			
o/w towards taxonomy relevant sectors (Taxonomy-eligible)				o/w towards taxonomy relevant sectors (Taxonomy-eligible)				o/w towards taxonomy relevant sectors (Taxonomy-eligible)				o/w towards taxonomy relevant sectors (Taxonomy-eligible)							
o/w environmentally sustainable (Taxonomy-aligned)				o/w environmentally sustainable (Taxonomy-aligned)				o/w environmentally sustainable (Taxonomy-aligned)				o/w environmentally sustainable (Taxonomy-aligned)				o/w environmentally sustainable (Taxonomy-aligned)			
o/w use of proceeds		o/w enabling		o/w use of proceeds		o/w enabling		o/w use of proceeds		o/w enabling		o/w use of proceeds		o/w enabling		o/w use of proceeds		o/w enabling	
																7	-		
																-	-		
																-	-		

GAR Information by sector

Breakdown by sector - NACE 4 digits level
(code and label)

	a	b	c	d	e	f	g	h	i	j	k	l
	Climate change mitigation (CCM)		Climate change adaptation (CCA)		Water and marine resources (WMR)							
	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD
	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount
	(in millions of euros) o/w environmentally sustainable (CCM)	(in millions of euros) o/w environmentally sustainable (CCM)	(in millions of euros) o/w environmentally sustainable (CCM)	(in millions of euros) o/w environmentally sustainable (CCM)	(in millions of euros) o/w environmentally sustainable (CCM)	(in millions of euros) o/w environmentally sustainable (CCM)	(in millions of euros) o/w environmentally sustainable (CCM)	(in millions of euros) o/w environmentally sustainable (CCM)	(in millions of euros) o/w environmentally sustainable (CCM)	(in millions of euros) o/w environmentally sustainable (CCM)	(in millions of euros) o/w environmentally sustainable (CCM)	(in millions of euros) o/w environmentally sustainable (CCM)
1	03.11 - Sea fishing	5	-									
2	06.10 - Extraction of crude oil	11	2									
3	08.12 - Mining of gravel and sand pits, extraction of clay and kaolin	-0	-0									
4	08.91 - Extraction of chemical minerals and mineral fertilizers	15	0									
5	08.99 - Other mining and quarrying activities n.e.c.	4	-									
6	09.10 - Support activities for hydrocarbon extraction	3	-									
7	09.90 - Support activities for other mining and quarrying	3	0									
8	10.51 - Dairies and cheese production	27	-									
9	10.89 - Manufacture of other food products n.e.c.	2	-									
10	11.07 - Mineral water and other bottled water and soft drinks industry	5	-									
11	11.07 - Mineral water and other bottled water and soft drinks industry	0	-									
12	13.20 - Weaving	8	-									
13	19.20 - Oil refining	42	0									
14	20.13 - Manufacture of other basic inorganic chemical products	4	-									
15	20.16 - Manufacture of basic plastics	4	-									
16	20.59 - Manufacture of other chemical products n.e.c.	30	-									
17	20.60 - Manufacture of artificial and synthetic fibers	5	-									
18	21.20 - Manufacture of pharmaceutical preparations	16	-									
19	22.21 - Manufacture of plastic plates, sheets, tubes and profiles	1	0									
20	23.51 - Manufacture of cement	10	0									
21	23.63 - Manufacture of ready-mixed concrete	-0	-0									
22	23.91 - Manufacture of abrasive products	9	-									
23	23.99 - Manufacture of other non-metallic mineral products n.e.c.	24	1									
24	24.54 - Casting of other non-ferrous metals	8	-									
25	25.50 - Forging, stamping, powder metallurgy	0	-									
26	25.62 - Machining	5	-									
27	26.11 - Manufacture of electronic components	24	-									
28	26.20 - Manufacture of computers and peripheral equipment	10	-									
29	26.30 - Manufacture of communication equipment	4	-									
30	26.40 - Manufacture of consumer electronics	4	-									
31	27.12 - Manufacture of electrical distribution and control equipment	4	-									
32	27.33 - Manufacture of electrical installation equipment	21	2									
33	27.51 - Manufacture of household appliances	73	0									

m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
Circular economy (CE)						Pollution (PRP)		Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)			
Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	SMEs and other non-financial corporations not subject to CSRD	SMEs and other non-financial corporations not subject to CSRD
[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount
o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)
												5	-		
												11	2		
												-0	-0		
												15	0		
												4	-		
												3	-		
												3	0		
												27	-		
												2	-		
												5	-		
												0	-		
												8	-		
												42	0		
												4	-		
												4	-		
												30	-		
												5	-		
												16	-		
												1	0		
												10	0		
												-0	-0		
												9	-		
												24	1		
												8	-		
												0	-		
												5	-		
												24	-		
												10	-		
												4	-		
												4	-		
												4	-		
												21	2		
												73	0		

Breakdown by sector - NACE 4 digits level
(code and label)

	a	b	c	d	e	f	g	h	i	j	k	l
	Climate change mitigation (CCM)		Climate change adaptation (CCA)		Water and marine resources (WMR)							
	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD
	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount
	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)
34	28.11 - Manufacture of engines and turbines, except aircraft and vehicle engines	0	-									
35	28.22 - Manufacture of lifting and handling equipment	31	6									
36	28.99 - Manufacture of other special-purpose machinery n.e.c.	1	-									
37	29.10 - Manufacture of motor vehicles	101	8									
38	29.32 - Manufacture of other automotive equipment	294	45									
39	30.20 - Construction of locomotives and other railway rolling stock	5	0									
40	30.30 - Aeronautical and space construction	48	0									
41	32.99 - Other manufacturing activities n.e.c.	4	-									
42	35.11 - Generation of electricity	107	42									
43	35.22 - Distribution of gaseous fuels through pipelines	10	-									
44	35.23 - Sale of gaseous fuels through pipelines	52	9									
45	38.11 - Collection of non-hazardous waste	29	21									
46	38.32 - Recovery of sorted waste	25	20									
47	41.10 - Real estate development	15	2									
48	41.10 - Real estate development	7	0									
49	41.10 - Real estate development	8	2									
50	41.20 - Construction of residential and non-residential buildings	10	-									
51	42.11 - Road and motorway construction	0	0									
52	42.21 - Construction of networks for fluids	0	0									
53	42.22 - Construction of electricity and telecommunications networks	1	0									
54	42.99 - Construction of other civil engineering works n.e.c.	25	14									
55	43.21 - Electrical installation	0	0									
56	43.22 - Plumbing, heating and air conditioning installation	0	0									
57	45.11 - Sale of cars and light motor vehicles	9	0									
58	46.14 - Agents involved in the sale of machinery, industrial equipment, ships and aircraft	2	-									
59	46.19 - Agents involved in the sale of miscellaneous goods	5	-									
60	46.34 - Wholesale of beverages	2	-									
61	46.42 - Wholesale trade of clothing and footwear	1	-									
62	46.46 - Wholesale of pharmaceutical products	6	-									
63	46.47 - Wholesale of furniture, rugs and lighting equipment	0	-									
64	46.51 - Wholesale of computers, computer peripheral equipment and software	6	-									
65	46.71 - Wholesale of fuel and related products	133	1									
66	46.72 - Wholesale trade of minerals and metals	0	-									

m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
Circular economy (CE)				Pollution (PRP)		Biodiversity and ecosystems (BIO)		TOTAL (CCM + CCA + WMR + CE + PRP + BIO)							
Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD	
[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
o/w environmentally sustainable (in millions of euros)		o/w environmentally sustainable (in millions of euros)		o/w environmentally sustainable (in millions of euros)		o/w environmentally sustainable (in millions of euros)		o/w environmentally sustainable (in millions of euros)		o/w environmentally sustainable (in millions of euros)		o/w environmentally sustainable (in millions of euros)		o/w environmentally sustainable (in millions of euros)	
(CCM)		(CCM)		(CCM)		(CCM)		(CCM)		(CCM)		(CCM)		(CCM)	
												0	-		
												31	6		
												1	-		
												101	8		
												294	45		
												5	0		
												48	0		
												4	-		
												107	42		
												10	-		
												52	9		
												29	21		
												25	20		
												15	2		
												7	0		
												8	2		
												10	-		
												0	0		
												0	0		
												1	0		
												25	14		
												0	0		
												0	0		
												9	0		
												2	-		
												5	-		
												2	-		
												1	-		
												6	-		
												0	-		
												6	-		
												133	1		
												0	-		

Breakdown by sector - NACE 4 digits level
(code and label)

	a	b	c	d	e	f	g	h	i	j	k	l
	Climate change mitigation (CCM)		Climate change adaptation (CCA)		Water and marine resources (WMR)							
	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD
	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount
	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)
	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)
67	46.73 - Wholesale trade of timber, construction materials and sanitary equipment	0	-									
68	46.73 - Wholesale trade of timber, construction materials and sanitary equipment	0	-									
69	46.74 - Wholesale trade of hardware, plumbing and heating supplies	0	-									
70	46.75 - Wholesale trade of chemical products	3	0									
71	46.90 - Non-specialized wholesale trade	12	-									
72	47.11 - Retail trade in non-specialized stores predominantly of foodstuffs	0	0									
73	47.11 - Retail trade in non-specialized stores predominantly of foodstuffs	0	0									
74	47.11 - Retail trade in non-specialized stores predominantly of foodstuffs	1	0									
75	47.11 - Retail trade in non-specialized stores predominantly of foodstuffs	0	0									
76	47.54 - Retail trade of household appliances in specialized stores	2	-									
77	47.59 - Retail trade of furniture, lighting equipment and other household items in specialized stores	2	-									
78	47.59 - Retail trade of furniture, lighting equipment and other household items in specialized stores	0	-									
79	47.78 - Other retail trade of new goods in specialized stores	1	-									
80	47.91 - Distance selling	0	-									
81	49.41 - Freight transport by road	13	0									
82	49.50 - Transport via pipelines	3	1									
83	50.10 - Maritime and coastal passenger transport	1	0									
84	51.10 - Passenger air transport	17	-									
85	52.10 - Warehousing and storage	0	-									
86	52.22 - Services incidental to water transport	1	0									
87	56.10 - Restaurants and mobile food services	1	-									
88	58.14 - Publishing of magazines and periodicals	4	-									
89	58.21 - Publishing of electronic games	32	-									
90	58.29 - Publishing of other software	17	-									
91	59.11 - Motion picture, video and television program production	0	0									
92	59.11 - Motion picture, video and television program production	1	-									
93	59.13 - Distribution of motion pictures, video and television programs	3	-									
94	60.20 - Television programming and broadcasting	8	1									
95	61.10 - Fixed-line telecommunications	46	0									
96	61.30 - Satellite telecommunications	24	0									
97	62.02 - IT consultancy	22	-									
98	62.09 - Other IT activities	20	3									
99	63.11 - Data processing, hosting and related activities	0	-									

m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
Circular economy (CE)				Pollution (PRP)		Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)					
Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD
[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount
o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)
(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)
												0	-		
												0	-		
												0	-		
												3	0		
												12	-		
												0	0		
												0	0		
												1	0		
												0	0		
												2	-		
												2	-		
												0	-		
												1	-		
												0	-		
												13	0		
												3	1		
												1	0		
												17	-		
												0	-		
												1	0		
												1	-		
												4	-		
												32	-		
												17	-		
												0	0		
												1	-		
												3	-		
												8	1		
												46	0		
												24	0		
												22	-		
												20	3		
												0	-		

Breakdown by sector - NACE 4 digits level
(code and label)

	a	b	c	d	e	f	g	h	i	j	k	l
	Climate change mitigation (CCM)		Climate change adaptation (CCA)		Water and marine resources (WMR)							
	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD
	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount
	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)	o/w environmentally sustainable (in millions of euros) (CCM)
100 64.20 - Holding company activities	57	12										
101 64.30 - Investment funds and similar financial entities	29	0										
102 64.92 - Other credit distribution	14	1										
103 64.99 - Other financial service activities, except insurance and pension funding, n.e.c.	4	0										
104 66.19 - Other activities auxiliary to financial services, except insurance and pension funding	9	-										
105 66.22 - Activities of insurance agents and brokers	1	0										
106 66.30 - Fund management	4	0										
107 68.10 - Activities of real estate dealers	12	-										
108 68.20 - Rental and operation of own or leased real estate	177	16										
109 68.31 - Real estate agencies	2	-										
110 69.20 - Accounting activities	4	0										
111 70.10 - Activities of head offices	208	12										
112 70.22 - Business and other management advice	137	18										
113 71.12 - Engineering activities	50	32										
114 72.11 - Research and development in biotechnology	34	5										
115 73.11 - Activities of advertising agencies	15	-										
116 74.90 - Other professional, scientific and technical activities n.e.c.	6	-										
117 77.11 - Rental and leasing of cars and light motor vehicles	19	-										
118 77.11 - Rental and leasing of cars and light motor vehicles	6	-										
119 77.12 - Truck rental and leasing	80	0										
120 77.21 - Rental and leasing of leisure and sporting goods	3	1										
121 77.35 - Rental and leasing of air transport equipment	1	-										
122 77.40 - Leasing of intellectual property and similar products, excluding copyrighted works	0	0										
123 79.11 - Travel agency activities	8	0										
124 80.10 - Private security activities	0	-										
125 82.99 - Other business support activities n.e.c.	17	3										
126 85.59 - Miscellaneous education	1	-										
127 86.10 - Hospital activities	2	-										
128 87.10 - Residential care	41	-										
129 92.00 - Gambling activities	198	-										
130 93.29 - Other recreational and leisure activities	10	-										
131 94.20 - Activities of trade unions	0	0										
132 95.22 - Repair of household appliances and household and garden equipment	0	-										
133 NACE code not identified	87	-										

(1) In this template, credit institutions provide information on the exposures of the banking book to sectors covered by the taxonomy (level 4 of NACE sectors), using the relevant NACE codes for the counterparty's main activity.

(2) The attachment of the counterparty to a NACE sector is based exclusively on the nature of the direct counterparty. The classification of exposures jointly concerning more than one debtor is based on the characteristics of the debtor that was the most relevant, or the most significant, for the authorization of the exposure by the institution. The breakdown by NACE code of the exposures incurred jointly depends on the characteristics of the most relevant or significant debtor. The information is published by the institutions by NACE code with the level of detail required in the template.

SUSTAINABILITY REPORT
INDICATORS OF THE EUROPEAN TAXONOMY OF SUSTAINABLE ACTIVITIES

m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
Circular economy (CE)				Pollution (PRP)		Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)					
Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD	Non-financial corporations (subject to CSRD)	SMEs and other non-financial corporations not subject to CSRD
[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount
o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)	o/w environmentally sustainable (in millions of euros)
(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)	(CCM)
												57	12		
												29	0		
												14	1		
												4	0		
												9	-		
												1	0		
												4	0		
												12	-		
												177	16		
												2	-		
												4	0		
												208	12		
												137	18		
												50	32		
												34	5		
												15	-		
												6	-		
												19	-		
												6	-		
												80	0		
												3	1		
												1	-		
												0	0		
												8	0		
												0	-		
												17	3		
												1	-		
												2	-		
												41	-		
												198	-		
												10	-		
												0	0		
												0	-		
												87	-		

GAR KPI exposures (Turnover basis)

	a	b	c	d	e	f	g	h	i	j	k	l	m
	Disclosure reference date T												
	Climate change mitigation (CCM)				Climate change adaptation (CCA)				Water and marine resources (WMR)				
	Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
% (compared to total covered assets in the denominator)	o/w use of proceeds		o/w transitional enabling		o/w use of proceeds		o/w enabling		o/w use of proceeds		o/w enabling		
	GAR – Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for the GAR calculation												
	31.31%	5.13%											
2	Financial corporations												
	1.29%	1.02%											
3	Banks												
	0.14%	0.01%											
4	Loans and advances												
	0.00%	0.00%											
5	Debt securities, including specific use of proceeds (UoP)												
	0.42%	0.04%											
6	Equity instruments												
	0.00%	0.00%											
7	Other financial corporations												
	2.05%	1.69%											
8	o/w investment firms												
9	Loans and advances												
10	Debt securities, including specific use of proceeds (UoP)												
11	Equity instruments												
12	o/w management companies												
13	Loans and advances												
14	Debt securities, including specific use of proceeds (UoP)												
15	Equity instruments												
16	o/w insurance undertakings												
	0.00%	0.00%											
17	Loans and advances												
	0.00%	0.00%											
18	Debt securities, including specific use of proceeds (UoP)												
19	Equity instruments												
	0.00%	0.00%											
20	Non-financial corporations												
	29.12%	10.10%											
21	Loans and advances												
	27.89%	9.02%											
22	Debt securities, including specific use of proceeds (UoP)												
	36.00%	14.63%											
23	Equity instruments												
	0.00%	0.00%											
24	Households												
	45.05%	6.28%											
25	o/w loans collateralized by residential immovable property												
	100.00%	13.98%											
26	o/w building renovation loans												
	100.00%	0.00%											
27	o/w motor vehicle loans												
	51.85%	0.00%											
28	Local governments financing												
	0.12%	0.00%											
29	Housing financing												
	100.00%	0.00%											
30	Other local government financing												
	0.00%	0.00%											
31	Collateral obtained by taking possession: residential and commercial immovable properties												
	0.00%	0.00%											
32	TOTAL GAR ASSETS												
	14.95%	2.45%											

7.

	ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as
	Disclosure reference date T-I												
	Climate Change Mitigation (CCM)				Climate change adaptation (CCA)				Water and marine resources (WMR)				
	Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
% (compared to total covered assets in the denominator)	o/w use of proceeds		o/w transi- tional enabling		o/w use of proceeds		o/w enabling		o/w use of proceeds		o/w enabling		
	GAR – Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for the GAR calculation												
2	Financial corporations												
3	Banks												
4	Loans and advances												
5	Debt securities, including specific use of proceeds (UoP)												
6	Equity instruments												
7	Other financial corporations												
8	o/w investment firms												
9	Loans and advances												
10	Debt securities, including specific use of proceeds (UoP)												
11	Equity instruments												
12	o/w management companies												
13	Loans and advances												
14	Debt securities, including specific use of proceeds (UoP)												
15	Equity instruments												
16	o/w insurance undertakings												
17	Loans and advances												
18	Debt securities, including specific use of proceeds (UoP)												
19	Equity instruments												
20	Non-financial corporations												
21	Loans and advances												
22	Debt securities, including specific use of proceeds (UoP)												
23	Equity instruments												
24	Households												
25	o/w loans collateralized by residential immovable property												
26	o/w building renovation loans												
27	o/w motor vehicle loans												
28	Local governments financing												
29	Housing financing												
30	Other local government financing												
31	Collateral obtained by taking possession: residential and commercial immovable properties												
32	TOTAL GAR ASSETS												

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GAR KPI exposures (CapEx basis)

	a	b	c	d	e	f	g	h	i	j	k	l	m
	Disclosure reference date T												
	Climate change mitigation (CCM)				Climate change adaptation (CCA)				Water and marine resources (WMR)				
	Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
% (compared to total covered assets in the denominator)	o/w use of proceeds		o/w transitional enabling		o/w use of proceeds		o/w enabling		o/w use of proceeds		o/w enabling		
	GAR – Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for the GAR calculation												
2	Financial corporations												
3	Banks												
4	Loans and advances												
5	Debt securities, including specific use of proceeds (UoP)												
6	Equity instruments												
7	Other financial corporations												
8	o/w investment firms												
9	Loans and advances												
10	Debt securities, including specific use of proceeds (UoP)												
11	Equity instruments												
12	o/w management companies												
13	Loans and advances												
14	Debt securities, including specific use of proceeds (UoP)												
15	Equity instruments												
16	o/w insurance undertakings												
17	Loans and advances												
18	Debt securities, including specific use of proceeds (UoP)												
19	Equity instruments												
20	Non-financial corporations												
21	Loans and advances												
22	Debt securities, including specific use of proceeds (UoP)												
23	Equity instruments												
24	Households												
25	o/w loans collateralized by residential immovable property												
26	o/w building renovation loans												
27	o/w motor vehicle loans												
28	Local governments financing												
29	Housing financing												
30	Other local government financing												
31	Collateral obtained by taking possession: residential and commercial immovable properties												
32	TOTAL GAR ASSETS												

7.

	ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as
	Disclosure reference date T-I												
	Climate Change Mitigation (CCM)				Climate change adaptation (CCA)				Water and marine resources (WMR)				
	Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
% (compared to total covered assets in the denominator)	o/w use of proceeds		o/w transitional enabling		o/w use of proceeds		o/w enabling		o/w use of proceeds		o/w enabling		
	GAR – Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for the GAR calculation				32.38%				5.28%				
2	Financial corporations				0.05%				0.00%				
3	Banks				0.00%				0.00%				
4	Loans and advances				0.00%				0.00%				
5	Debt securities, including specific use of proceeds (UoP)				0.00%				0.00%				
6	Equity instruments												
7	Other financial corporations				0.10%				0.00%				
8	o/w investment firms												
9	Loans and advances												
10	Debt securities, including specific use of proceeds (UoP)												
11	Equity instruments												
12	o/w management companies												
13	Loans and advances												
14	Debt securities, including specific use of proceeds (UoP)												
15	Equity instruments												
16	o/w insurance undertakings				0.00%				0.00%				
17	Loans and advances				0.00%				0.00%				
18	Debt securities, including specific use of proceeds (UoP)				0.00%				0.00%				
19	Equity instruments												
20	Non-financial corporations				40.85%				15.98%				
21	Loans and advances				41.14%				16.10%				
22	Debt securities, including specific use of proceeds (UoP)				0.00%				0.00%				
23	Equity instruments												
24	Households				42.45%				5.72%				
25	o/w loans collateralized by residential immovable property				100.00%				13.50%				
26	o/w building renovation loans				100.00%				0.00%				
27	o/w motor vehicle loans												
28	Local governments financing				2.99%				0.00%				
29	Housing financing				100.00%				0.00%				
30	Other local government financing				0.00%				0.00%				
31	Collateral obtained by taking possession: residential and commercial immovable properties				0.00%				0.00%				
32	TOTAL GAR ASSETS				32.38%				5.28%				

at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bjbk
Disclosure reference date T-I																
Circular economy (CE)						Pollution (PRP)		Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)				
Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Share of total covered assets
Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
o/w use of proceeds		o/w enabling		o/w use of proceeds		o/w enabling		o/w use of proceeds		o/w enabling		o/w use of proceeds		o/w transitional		o/w enabling

GAR KPI flows

	a	b	c	d	e	f	g	h	i	j	k	l	m
	Disclosure reference date T												
	Climate change mitigation (CCM)				Climate change adaptation (CCA)				Water and marine resources (WMR)				
	Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
	o/w use of proceeds		o/w transitional enabling		o/w use of proceeds		o/w enabling		o/w use of proceeds		o/w enabling		
% (of flows of all eligible assets)													
	GAR – Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for the GAR calculation												
2	Financial corporations												
3	Banks												
4	Loans and advances												
5	Debt securities, including specific use of proceeds (UoP)												
6	Equity instruments												
7	Other financial corporations												
8	o/w investment firms												
9	Loans and advances												
10	Debt securities, including specific use of proceeds (UoP)												
11	Equity instruments												
12	o/w management companies												
13	Loans and advances												
14	Debt securities, including specific use of proceeds (UoP)												
15	Equity instruments												
16	o/w insurance undertakings												
17	Loans and advances												
18	Debt securities, including specific use of proceeds (UoP)												
19	Equity instruments												
20	Non-financial corporations												
21	Loans and advances												
22	Debt securities, including specific use of proceeds (UoP)												
23	Equity instruments												
24	Households												
25	o/w loans collateralized by residential immovable property												
26	o/w building renovation loans												
27	o/w motor vehicle loans												
28	Local governments financing												
29	Housing financing												
30	Other local government financing												
31	Collateral obtained by taking possession: residential and commercial immovable properties												
32	TOTAL GAR ASSETS												

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GAR KPI flows (CapEx basis)

% (of flows of all eligible assets)

% (of flows of all eligible assets)														a	b	c	d	e	f	g	h	i	j	k	l	m	
														Disclosure reference date T													
														Climate change mitigation (CCM)				Climate change adaptation (CCA)				Water and marine resources (WMR)					
														Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
														Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
														o/w use of proceeds		o/w transitional		o/w enabling		o/w use of proceeds		o/w enabling		o/w use of proceeds		o/w enabling	
GAR – Covered assets in both numerator and denominator																											
Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for the GAR calculation														14.02%		4.08%											
1														0.22%		0.08%											
2	Financial corporations													0.23%		0.05%											
3	Banks													0.00%		0.00%											
4	Loans and advances													0.65%		0.15%											
5	Debt securities, including specific use of proceeds (UoP)													0.00%		0.00%											
6	Equity instruments													0.22%		0.10%											
7	Other financial corporations																										
8	o/w investment firms																										
9	Loans and advances																										
10	Debt securities, including specific use of proceeds (UoP)																										
11	Equity instruments																										
12	o/w management companies																										
13	Loans and advances																										
14	Debt securities, including specific use of proceeds (UoP)																										
15	Equity instruments																										
16	o/w insurance undertakings													0.00%		0.00%											
17	Loans and advances													0.00%		0.00%											
18	Debt securities, including specific use of proceeds (UoP)																										
19	Equity instruments													0.00%		0.00%											
20	Non-financial corporations													35.31%		17.77%											
21	Loans and advances													31.23%		12.48%											
22	Debt securities, including specific use of proceeds (UoP)													44.87%		30.17%											
23	Equity instruments													0.00%		0.00%											
24	Households													53.19%		9.44%											
25	o/w loans collateralized by residential immovable property													100.00%		17.86%											
26	o/w building renovation loans													100.00%		0.00%											
27	o/w motor vehicle loans													100.00%		0.00%											
28	Local governments financing													0.00%		0.00%											
29	Housing financing													0.00%		0.00%											
30	Other local government financing													0.00%		0.00%											
Collateral obtained by taking possession: residential and commercial immovable properties																											
31														0.00%		0.00%											
32	TOTAL GAR ASSETS													7.86%		2.29%											

7.

KPI off-balance sheet exposures (Turnover basis)

% (relative to total eligible off-balance sheet assets)

	a	b	c	d	e	f	g	h	i	j	k	l	m
	Disclosure reference date T												
	Climate change mitigation (CCM)				Climate change adaptation (CCA)				Water and marine resources (WMR)				
	Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
		o/w use of proceeds	o/w transi- tional	o/w enabling		o/w use of proceeds	o/w enabling			o/w use of proceeds	o/w enabling		
1	Financial guarantees (FinGuar KPI)	21.03%	5.94%										
2	Assets under management (AuM KPI)												

n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
Disclosure reference date T																
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)				
Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
o/w		o/w		o/w		o/w		o/w		o/w		o/w		o/w		o/w
use of	proceeds	enabling		use of	proceeds	enabling		use of	proceeds	enabling		use of	proceeds	enabling	transi-	
												21.03%	5.94%			

KPI off-balance sheet exposures (CapEx basis)

% (relative to total eligible off-balance sheet assets)

	a	b	c	d	e	f	g	h	i	j	k	l	m
	Disclosure reference date T												
	Climate change mitigation (CCM)				Climate change adaptation (CCA)				Water and marine resources (WMR)				
	Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
		o/w use of proceeds	o/w transi- tional	o/w enabling		o/w use of proceeds	o/w enabling			o/w use of proceeds	o/w enabling		
1	Financial guarantees (FinGuar KPI)	17.95%	5.04%										
2	Assets under management (AuM KPI)												

n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
Disclosure reference date T																
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)				
Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Share of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
o/w use of proceeds		o/w enabling		o/w use of proceeds		o/w enabling		o/w use of proceeds		o/w enabling		o/w use of proceeds		o/w transitional		o/w enabling
												17.95%	5.04%			

Template 1 - Nuclear and fossil gas-related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	<i>Fossil gas related activities</i>	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Template 2 - Taxonomy-aligned economic activities (denominator)

Row	Economic activities	Amount and proportion (information must be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	(as a %)	Amount	(as a %)	Amount	(as a %)
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	1	0%	1	0%	-	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	3	0%	3	0%	-	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1,577	2%	1,577	2%	-	0%
8.	TOTAL APPLICABLE KPI	64,571	2%	64,571	2%	64,571	0%

Template 3 - Taxonomy-aligned economic activities (numerator)

Row	Economic activities	Amount and proportion (information must be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	(as a %)	Amount	(as a %)	Amount	(as a %)
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0%	-	0%	-	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	4	0%	4	0%	-	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	10	1%	10	1%	-	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0%	-	0%	-	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0%	-	0%	-	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0%	-	0%	-	0%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	1,567	99%	1,567	99%	-	0%
8.	TOTAL AMOUNT AND PROPORTION OF TAXONOMY-ALIGNED ECONOMIC ACTIVITIES IN THE NUMERATOR OF THE APPLICABLE KPI	1,581	100%	1,581	100%	-	0%

Template 4 - Taxonomy-eligible but not taxonomy-aligned economic activities

Row	Economic activities	Amount and proportion (information must be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	(as a %)	Amount	(as a %)	Amount	(as a %)
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	8,072	100%	8,072	100%	-	0%
8.	TOTAL AMOUNT AND PROPORTION OF TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES IN THE DENOMINATOR OF THE APPLICABLE KPI	8,072	100%	8,072	100%	-	0%

Template 5 - Taxonomy non-eligible economic activities

Row	Economic activities	Amount	Percentage
1.	Amount and proportion of the economic activity referred to in row 1 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
2.	Amount and proportion of the economic activity referred to in row 2 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	2	0%
3.	Amount and proportion of the economic activity referred to in row 3 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
4.	Amount and proportion of the economic activity referred to in row 4 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
5.	Amount and proportion of the economic activity referred to in row 5 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
6.	Amount and proportion of the economic activity referred to in row 6 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
7.	Amount and proportion of other taxonomy non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	54,917	100%
8.	TOTAL AMOUNT AND TOTAL PROPORTION OF TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES IN THE DENOMINATOR OF THE APPLICABLE KPI	54,918	100%

Template 2 - Taxonomy-aligned economic activities (denominator)

Row	Economic activities	Amount and proportion (information must be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	(as a %)	Amount	(as a %)	Amount	(as a %)
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1,739	3%	1,739	3%	-	0%
8.	TOTAL APPLICABLE KPI	64,571	3%	64,571	3%	64,571	0%

Template 3 - Taxonomy-aligned economic activities (numerator)

Row	Economic activities	Amount and proportion (information must be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	(as a %)	Amount	(as a %)	Amount	(as a %)
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0%	-	0%	-	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0%	-	0%	-	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	1	0%	1	0%	-	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0%	-	0%	-	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0%	-	0%	-	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0%	-	0%	-	0%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	1,738	100%	1,738	100%	-	0%
8.	TOTAL AMOUNT AND PROPORTION OF TAXONOMY-ALIGNED ECONOMIC ACTIVITIES IN THE NUMERATOR OF THE APPLICABLE KPI	1,739	100%	1,739	100%	-	0%

Template 4 - Taxonomy-eligible but not taxonomy-aligned economic activities

Row	Economic activities	Amount and proportion (information must be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	(as a %)	Amount	(as a %)	Amount	(as a %)
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	8,169	100%	8,169	100%	-	0%
8.	TOTAL AMOUNT AND PROPORTION OF TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES IN THE DENOMINATOR OF THE APPLICABLE KPI	8,169	100%	8,169	100%	-	0%

Template 5 - Taxonomy non-eligible economic activities

Row	Economic activities	Amount	Percentage
1.	Amount and proportion of the economic activity referred to in row 1 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
2.	Amount and proportion of the economic activity referred to in row 2 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
3.	Amount and proportion of the economic activity referred to in row 3 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
4.	Amount and proportion of the economic activity referred to in row 4 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
5.	Amount and proportion of the economic activity referred to in row 5 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
6.	Amount and proportion of the economic activity referred to in row 6 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
7.	Amount and proportion of other taxonomy non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	54,664	100%
8.	TOTAL AMOUNT AND TOTAL PROPORTION OF TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES IN THE DENOMINATOR OF THE APPLICABLE KPI	54,664	100%

7.

7.6 GLOSSARY

Climate change adaptation: Measures taken to adjust human and natural systems in response to the current or expected effects of climate change in order to reduce risks and negative impacts.

AR (Application Requirements): Additional regulatory information on data points.

Climate change mitigation: Actions to reduce or prevent greenhouse gas (GHG) emissions in order to limit the magnitude of climate change.

CSRD (Corporate Sustainability Reporting Directive): European directive that defines the reporting obligations of companies in terms of sustainability. The European standards defined for reporting are the ESRS (European Sustainability Reporting Standards).

Double materiality: The CSRD incorporates the concept of double materiality, which includes the identification of both the company's impacts on society or its environment (impact materiality, relative to "inside-out"), but also on the effect of ESG (Environmental, Social and Governance) hazards on the company itself (financial materiality, relative to "outside-in").

Locked-in GHG emissions: Correspond to emissions generated by long-term assets, such as industrial equipment or infrastructure.

ESG: Environment, Social, Governance.

ESRS (European Sustainability Reporting Standards): European standards developed to guide companies in the publication of sustainability information in accordance with the CSRD.

GAR: The GAR (Green Asset Ratio) is a regulatory ratio that

quantifies the share of bank assets financing sustainable activities. It makes it possible to compare financial institutions with each other.

GHG: Greenhouse gases, measured in metric tons of carbon dioxide (CO₂).

GHG Protocol: Global standard frameworks for measuring, accounting and managing greenhouse gas emissions.

IPCC: Intergovernmental Panel on Climate Change.

GOV: Governance disclosure requirements.

GRI: Global Reporting Initiative. It is an NGO that provides the requirements and guidelines for the annual reporting of an organization's sustainability activities.

IEA: International Energy Agency. The International Energy Agency is an autonomous intergovernmental organization attached to the Organization for Economic Co-operation and Development (OECD).

IRO: IRO (Impacts, Risks and Opportunities) is an integrated approach to reporting that assesses the impact, risks and opportunities related to sustainability for an organization. It can be a positive impact, a negative impact, a risk or an opportunity.

MDR (Minimum Disclosure Requirements): Minimum disclosure requirements put in place to address material topics

- MDR-A: Minimum disclosure requirements for actions
- MDR-T: Minimum disclosure requirements for targets
- MDR-P: Minimum disclosure requirements for policies
- MDR-M: Minimum disclosure requirements for metrics

MRT (Material Risk Taker): Risk taker within the meaning of the CRD4IV (Capital Requirement Directive) directive.

Location-based method (calculation of Scope 2 GHG emissions): Location-based emissions refer to greenhouse gases emitted within a specific geographical boundary, generally representing direct emissions from sources located in the area.

Market-based method (calculation of Scope 2 GHG emissions): Market-based emissions include greenhouse gases generated in particular by electricity purchased by a company, adjusted according to supply choices such as purchases of renewable energy credits or use of low-carbon energy sources.

N/A: Not Applicable.

NGFS: Network for Greening the Financial System, which brings together committed players whose objective is to accelerate the work of central banks and supervisors on climate and environmental risks.

NFRD: Non-Financial Reporting Directive. European Non-Financial Reporting Directive, transposed in 2017 in France, it was replaced by the CSRD in 2024.

ILO: International Labour Organization.

NGOs: Non-governmental organizations.

PCAF: Partnership for Carbon Accounting Financials.

PRI: Principles Responsible Investment. Launched in 2006 by the United Nations, the Principles for Responsible Investment are a set of six voluntary principles that investors can voluntarily adhere to.

CSR: Corporate Social Responsibility.

SBM: The concept of SBM (Strategy and Business Model) is a representation standardized by the CSRD of the strategy and business model.

Scope 1, 2, 3: These concepts cover the scopes of grouping of GHG emissions by companies.

- Scope 1 covers direct GHG emissions related to the consumption of fuels (natural gas, fuel oil, etc.), and those related to company and service vehicles operated for BRED Banque Populaire's own operations.
- Scope 2 covers indirect GHG emissions related to BRED Banque Populaire's electricity consumption, all uses combined.
- Scope 3 covers other indirect GHG emissions related to the BRED Banque Populaire value chain. It includes 15 categories defined by regulations.
 - categories 1 to 14 cover emissions generated by the value chain other than its own operations (including, for example, commuting), excluding emissions from companies and projects financed.
 - category 15 covers issues related to financing and investments.

Due to the very nature of the banking business, which consists of raising capital and reusing it in the form of loans and investments, Scope 3, category 15 is predominant for BRED Banque Populaire, as for other banks.

7.7 REPORT ON THE CERTIFICATION OF SUSTAINABILITY INFORMATION AND VERIFICATION OF THE DISCLOSURE REQUIREMENTS UNDER ARTICLE 8 OF REGULATION (EU) 2020/852

Year ended December 31, 2024

This is a translation into English of the Report on the certification of sustainability information and verification of the disclosure requirements under Article 8 of Regulation (EU) 2020/852 issued in French and it is provided solely for the convenience of English speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the general assembly,

This report is issued in our capacity as statutory auditor of BRED BANQUE POPULAIRE. It covers the sustainability information and the information required by Article 8 of Regulation (EU) 2020/852, relating to the year ended 2024 and included in section 7 in the group management report (hereinafter "the Sustainability Report").

Pursuant to Article L. 233-28-4 of the French Commercial Code, BRED BANQUE POPULAIRE is required to include the above mentioned information in a separate section of its management report. This information has been prepared in the context of the first time application of the aforementioned articles, a context characterized by uncertainties regarding the interpretation of the laws and regulations, the use of significant estimates, the absence of established practices and frameworks in particular for the double-materiality assessment, and an evolving internal control system. It enables an understanding of the impact of the activity of BRED BANQUE POPULAIRE on sustainability matters, as well as the way in which these matters influence the development of its business, performance and position. Sustainability matters include environmental, social and corporate governance matters.

Pursuant to Article L.821-54 paragraph II of the aforementioned Code our responsibility is to carry out the procedures necessary to issue a conclusion, expressing limited assurance, on:

- compliance with the sustainability reporting standards adopted pursuant to Article 29 b of Directive (EU) 2013/34 of the European Parliament and of the Council of 14 December 2022 (hereinafter ESRS for European Sustainability Reporting Standards) of the process implemented by BRED BANQUE POPULAIRE to determine the information reported, and compliance with the requirement to consult the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labour Code;
- compliance of the sustainability information included in the Sustainability Report with the requirements of Article L. 233-28-4 of the French Commercial Code, including ESRS; and
- compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852.

This engagement is carried out in compliance with the ethical rules, including independence, and quality control rules prescribed by the French Commercial Code.

It is also governed by the H2A guidelines on "Limited assurance engagement - Certification of sustainability reporting and verification of disclosure requirements set out in Article 8 of Regulation (EU) 2020/852".

In the three separate sections of the report that follow, we present, for each of the sections of our engagement, the nature of the procedures that we carried out, the conclusions that we drew from these procedures and, in support of these conclusions, the elements to which we paid particular attention and the procedures that we carried out with regard to these elements. We draw your attention to the fact that we do not express a conclusion on any of these elements taken individually and that the procedures described should be considered in the overall context of the formation of the conclusions issued in respect of each of the three sections of our engagement.

Finally, where deemed necessary to draw your attention to one or more disclosures of sustainability information provided by BRED BANQUE POPULAIRE in its management report, we have included an emphasis of matter paragraph hereafter.

Limits of our engagement

As the purpose of our engagement is to express limited assurance, the nature (choice of techniques), extent (scope) and timing of the procedures are less than those required to obtain reasonable assurance.

Furthermore, this engagement does not provide guarantee regarding the viability or the quality of the management of BRED BANQUE POPULAIRE, in particular it does not provide an assessment, of the relevance of the choices made by BRED BANQUE POPULAIRE in terms of action plans, targets, policies, scenario analyses and transition plans, which would go beyond compliance with the ESRS reporting requirements.

It does, however, allow us to express conclusions regarding the BRED BANQUE POPULAIRE's process for determining the sustainability information to be reported, the sustainability information itself, and the information reported pursuant to Article 8 of Regulation (EU) 2020/852, as to the absence of identification or, on the contrary, the identification of errors, omissions or inconsistencies of such importance that they would be likely to influence the decisions that readers of the information subject to this engagement might make.

Any comparative information that would be included in the management report are not covered by our engagement.

Compliance with the ESRS of the process implemented by BRED BANQUE POPULAIRE to determine the information reported, and compliance with the requirement to consult the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labour Code

Nature of procedures carried out

Our procedures consisted in verifying that:

- the process defined and implemented by BRED BANQUE POPULAIRE has enabled it, in accordance with the ESRS, to identify and assess its impacts, risks and opportunities related to sustainability matters, and to identify the material impacts, risks and opportunities, that lead to the publication of information disclosed in the Sustainability Report, and
- the information provided on this process also complies with the ESRS.

We also checked the compliance with the requirement to consult the social and economic committee.

Conclusion of the procedures carried out

On the basis of the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies regarding the compliance of the process implemented by BRED BANQUE POPULAIRE with the ESRS.

Concerning the consultation of the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labour Code we inform you that as of the date of this report, this consultation has not yet been held.

Emphasis of matter

Without qualifying the conclusion expressed above, we draw your attention to the information provided in paragraph 7.1 "Informations Générales" of the Sustainability Report, which specifies that regarding the issues related to the ESRS environmental standards (E2 to E5), given the limitations related to the available information and methodologies, the entity will continue its double materiality analysis in the coming years.

Elements that received particular attention

Concerning the identification of stakeholders

Information regarding the identification of stakeholders is mentioned in paragraph 7.1.3.2 "SBM 2 - Interests and viewpoints of stakeholders" of the Sustainability Report.

We reviewed the analysis carried out by BRED BANQUE POPULAIRE relied upon to identify the stakeholders who may affect the entities within the scope of the information or may be affected by them, through their direct or indirect business activities and relationships in the value chain.

We conducted interviews with the individuals whom we deemed appropriate and we inspected the available documentation.

We also assessed the consistency of the main stakeholders identified by BRED BANQUE POPULAIRE with the nature of its activities and its geographical location, taking into account its business relationships and value chain.

Concerning the identification of impacts, risks and opportunities

Information regarding the identification of impacts, risks and opportunities is mentioned in paragraph 7.1.4.1.1 "IRO 1 - Description of procedures for identifying and assessing material impacts, risks, and opportunities" of the Sustainability Report.

We reviewed the process implemented by BRED BANQUE POPULAIRE concerning the identification of impacts (negative or positive), risks, and opportunities ("IRO"), real or potential, in relation to sustainability issues mentioned in paragraph AR 16 of the "Application Requirements" of the ESRS 1.

We particularly appreciated the approach adopted by the entity to determine its impacts, which may give rise to risks or opportunities, notably through the consideration of the interests and viewpoints of stakeholders.

We reviewed the mapping carried out by the entity of the identified IROs, including the description of their distribution across its own activities and value chain, as well as their time horizons (short, medium, or long term), and we assessed the consistency of this list with our knowledge of the entity.

Concerning the assessment of impact materiality and financial materiality

Information on the assessment of impact materiality and financial materiality is presented in paragraph 7.1.4.1.1 "IRO 1 - Description of procedures for identifying and assessing material impacts, risks, and opportunities" of the Sustainability Report.

We reviewed, through interviews and inspection of available documentation, the process of assessing impact materiality and financial materiality implemented by BRED BANQUE POPULAIRE and evaluated its compliance with the criteria defined by ESRS 1.

We particularly appreciated how BRED BANQUE POPULAIRE established and applied the materiality criteria for information defined by ESRS I, including those related to the setting of thresholds, to determine the material information published under the indicators relating to the material IROs identified in accordance with the relevant ESRS thematic standards.

Compliance of the sustainability information included in the Sustainability Report with the requirements of Article L.233-28-4 of the French Commercial Code, including the ESRS

Nature of procedures carried out

Our procedures consisted in verifying that, in accordance with legal and regulatory requirements, including the ESRS:

- the disclosures provided enable an understanding of the general basis for the preparation and governance of the sustainability information included in the Sustainability Report, including the basis for determining the information relating to the value chain and the exemptions from disclosures used;
- the presentation of this information ensures its readability and understandability;
- the scope chosen by BRED BANQUE POPULAIRE for providing this information is appropriate; and
- on the basis of a selection, based on our analysis of the risks of non-compliance of the information provided and the expectations of users, that this information does not contain any material errors, omissions or inconsistencies, i.e. that are likely to influence the judgement or decisions of users of this information.

Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified material errors, omissions or inconsistencies regarding the compliance of the sustainability information included in the Sustainability Report, with the requirements of Article L.233-28-4 of the French Commercial Code, including the ESRS.

Emphasis of matter

Without qualifying the conclusion expressed above, we draw your attention to points 3 and 5 of the 'Methodological Note' paragraph included in Chapter 7.I 'General Information' of the Sustainability Report, which outlines the context of the preparation of this document as well as the methodological clarifications provided by BRED BANQUE POPULAIRE, particularly regarding:

- The data points presented,
- The greenhouse gas emissions balance, and more specifically the financed emissions.

Elements that received particular attention

Information provided in application of environmental standards (ESRS EI)

Information regarding climate change (ESRS EI) is mentioned in section 7.2.2 'EI - Climate Change' of the Sustainability Report.

We present below the elements that have received particular attention from us regarding the compliance with the ESRS of this information.

Regarding the information related to the greenhouse gas emissions balance, our procedures notably consisted of:

- Conducting interviews with the individuals we deemed appropriate to assess whether the description of the policies, actions, and targets implemented by BRED BANQUE POPULAIRE covers the areas of climate change mitigation and adaptation;
- Evaluating the appropriateness of the information presented in paragraph 7.2.2 'EI - Climate Change' of the Sustainability Report and its overall consistency with our knowledge of the entity.
- Concerning emissions related to Scope 3 category 15 for banking activity, our procedures specifically consisted of:
 - Reviewing the calculation methodology and information sources used for their determination;
 - Understanding the scope of the assets covered by the calculation of financed emissions;
 - Verifying that the calculation base for financed emissions corresponds to the scope of the covered assets and reconciling it with the consolidated balance sheet;
 - Assessing the appropriateness of the sectoral proxies selected by BRED BANQUE POPULAIRE and ensuring, based on a sample, their correct application;
 - Verifying the arithmetic accuracy of the emissions calculation based on a sample.

Compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852

Nature of procedures carried out

Our procedures consisted in verifying the process implemented by BRED BANQUE POPULAIRE to determine the eligible and aligned nature of the activities of the entities included in the consolidation.

They also involved verifying the information reported pursuant to Article 8 of Regulation (EU) 2020/852, which involves checking:

- the compliance with the rules applicable to the presentation of this information to ensure that it is readable and understandable;
- on the basis of a selection, the absence of material errors, omissions or inconsistencies in the information provided, i.e. information likely to influence the judgement or decisions of users of this information.

Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies relating to compliance with the requirements of Article 8 of Regulation (EU) 2020/852.

Emphasis of matter

Without qualifying the conclusion expressed above, we draw your attention to the information provided in paragraph 7.2.1 'Indicators of the European Taxonomy on Sustainable Activities', and more specifically:

- the main methodological assumptions used to assess the alignment of loans granted to individuals, as specified in paragraph 7.2.1.2 'Mandatory Green Asset Ratio – Methodology Used';
- the main existing limitations in the presentation of information, including those concerning the presentation of cash flow information regarding the KPI on off-balance-sheet exposures, as specified in paragraph 7.2.1.3 'Off-balance sheet indicators: financial guarantees and assets under management.'

Elements that received particular attention

We have determined that there were no such elements to report in our audit.

Paris-La Défense, the 28 April 2025

The Statutory Auditors

Deloitte & Associés

Charlotte Vandeputte

Partner

Omblin Calmet

Partner

KPMG SA

Sophie Meddouri

Partner

CHAPTER

8.

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8.1 ORDINARY SHAREHOLDERS' MEETING OF MAY 27, 2025

Agenda

1. Approval of the financial statements for the fiscal year ended December 31, 2024.
2. Approval of the consolidated financial statements for the fiscal year ended December 31, 2024.
3. Appropriation of the 2024 fiscal year income and determination of interest to be paid on the cooperative shares.
4. Approval of the agreements and undertakings referred to in Articles L.225-38 et seq. of the French Commercial Code.
5. Consultation on the aggregate amount of remuneration of any kind paid in the 2024 fiscal year to executive management and categories of staff members listed in Article L.511-71 of the French Monetary and Financial Code.
6. Determination of the cap on amounts paid to members of the Board of Directors.
7. Renewal of the term of office of a director (Camille Bougon).
8. Renewal of the term of office of a director (Pascal Drouhaud).
9. Renewal of the term of office of a director (Bruno Giorgianni).
10. Renewal of the term of office of a director (Leïla Turki).
11. Delegation of authority to the Board of Directors to allow the company to buy back its cooperative shares.
12. Powers to carry out all filings, publications and other formalities laid down by law.

8.2 REPORT BY THE BOARD OF DIRECTORS ON THE RESOLUTIONS PUT TO THE ORDINARY SHAREHOLDERS' MEETING

Approval of the 2024 fiscal year financial statements (1st and 2nd resolutions)

Your Board asks you to approve its management report as well as the annual standalone and consolidated financial statements for the 2024 fiscal year.

Appropriation of income and determination of interest to be paid on the cooperative shares (3rd resolution)

Concerning the appropriation of net income for the year period, which totals €197,861,573.69, you are firstly asked, taking account of the capital increases carried out in 2024, to allocate 5% of net income for the year, i.e., €9,893,078.68, to the legal reserve.

Taking into account retained earnings of €110,000,000, distributable profit totals €297,968,495.01.

We propose that you proceed as follows:

- pay interest on cooperative shares at a rate of 2.50% of the average nominal value of the cooperative shares in 20245, i.e., €0.265 on each of the shares with dividend rights accruing from January 1, 2024, i.e., a total amount of €47,577,105.11;
- allocate €140,391,389.90 to other reserves; and
- carry forward the balance, i.e., €110,000,000.

In accordance with the provisions of Article 200A of the French General Tax Code, the interest received by natural persons residing in France for tax purposes is automatically subject to a single flat-rate levy of 12.8% plus social security contributions of 17.2%, i.e., an overall tax rate of 30%.

By way of exception and subject to an explicit and comprehensive option, this interest is subject to income tax at the progressive rate after a rebate of 40% under the conditions provided for in Article 158-3.2 of the French General Tax Code. The interest paid on the shares is also subject to social security contributions at a rate of 17.2%.

A waiver of the flat-rate non-discharging levy of 12.8% (Article 117 *quater*, I.-I of the French General Tax Code) is provided for taxpayers whose "reference tax income" does not exceed a certain threshold, provided that they have made the explicit request when filing the relevant income declaration.

The payment of interest on cooperative shares will be made as from June 1, 2025. All interest on cooperative shares is payable in cash.

It is recalled that the amount of distributions made for the previous three fiscal years is as follows:

Fiscal year	Number of members' cooperative shares	Total amount of interest distributed to shares	Amounts eligible for rebate of 40% ⁽¹⁾
2021	142,871,707	€20,494,050.01	€20,494,050.01
2022	159,680,143	€37,884,972.76	€37,884,972.76
2023	178,841,760	€52,001,198.10	€52,001,198.10

⁽¹⁾ For natural persons.

Approval of the agreements and commitments referred to in Articles L.225-38 et seq. of the French Commercial Code (4th resolution)

The fourth resolution concerns the approval of regulated agreements and commitments referred to in Articles L.225-38 of the French Commercial Code.

In 2024, the Board of Directors authorized various commitments concerning social protection and the remuneration package of the Chief Executive Officer, Mr Jean-Paul Julia.

These commitments are described in the Statutory Auditors' special report on regulated agreements within the scope of

Articles L225-38 et seq. of the French Commercial Code. You are requested to vote on this report and approve the commitments described therein.

The fourth resolution also concerns regulated agreements and commitments entered into and authorized in previous fiscal years that continued to be performed during the last fiscal year.

These agreements were reviewed again by the Board of Directors at its meeting of February 24, 2025, in accordance with the provisions of Article L225-40-I of the French Commercial Code, and are described in the Statutory Auditors' special report.

You are requested to take note of the information about these agreements entered into and authorized in previous fiscal years, the performance of which continued during the 2024 fiscal year.

Consultation on the aggregate amount of remuneration of any kind paid in the 2024 fiscal year to executive management and categories of staff members listed in Article L.5111-71 of the French Monetary and Financial Code (5th resolution).

Pursuant to Article L.511-73 of the French Monetary and Financial Code, you are asked to provide an advisory opinion on the overall budget for remuneration of any kind paid during the past fiscal year:

- to members of the Board of Directors;
- to executive management, i.e., the Chief Executive Officer and Deputy Chief Executive Officer in charge of Sales;
- certain categories of employees, including risk-takers, staff members with a control function, and any other employee in the same remuneration bracket given their aggregate income, whose business activities may have a significant impact on the company's risk profile.

The staff regulated by BRED Group consisted of 142 persons for the 2024 fiscal year.

Given the deferred payment of the variable component of these staff members' remuneration, as required by European Directive CRD III, the aggregate amount of remuneration actually paid in 2024 includes a substantial portion corresponding to payments made for previous fiscal years.

After review by the Remuneration Committee, the aggregate amount of the remuneration actually paid during the fiscal year ended December 31, 2024 amounted to €23,664,788. This amount includes the remunerations established for 2024, the non-deferred variable remunerations paid in 2024 for the 2023 fiscal year and the deferred variable remunerations paid in 2024 for previous fiscal years.

Setting maximum remuneration to be paid to members of the Board of Directors (6th resolution)

You are also requested to set at €970,000 the annual overall amount of remuneration for time spent during the 2025 fiscal year.

Composition of the Board of Directors (7th to 10th resolutions)

The terms of office of four members of your Board of Directors expire at the conclusion of this Meeting. We ask you to approve the renewal of the following persons for a term of office of six years, to expire on conclusion of the General Meeting convened to approve the financial statements for the 2030 fiscal year: Camille Bougon, Pascal Drouhaud, Bruno Giorgianni, and Leila Turki.

Information about these directors is provided below (Article R.225-83-5 of the French Commercial Code).

Furthermore, the functions and offices of all corporate officers are described in the "Corporate Governance" section of the annual report.

Delegation of authority to the Board of Directors to allow the company to purchase its own cooperative shares (11th resolution)

The purpose of the eleventh resolution is to authorize your Board to arrange for BRED to purchase, in compliance with the provisions of Article L225-209-2 of the French Commercial Code, a number of cooperative shares that may not exceed 10% of the company's capital, i.e., a maximum of 18,443,056 cooperative shares. The cooperative shares thus bought by BRED must, within five years of their purchase, be offered to cooperative shareholders who express their intention to buy them at the time of a sale arranged by the bank, within the three months following each Annual General Meeting.

Powers for formalities (12th resolution)

Lastly, the twelfth resolution concerns the granting of powers necessary to carry out all publication and legal formalities required by law in relation to the General Meeting.

8.3 PROPOSED RESOLUTIONS

First resolution: approval of the financial statements for the fiscal year ended December 31, 2024

After reviewing the reports of the Board of Directors and the Statutory Auditors' report on the annual financial statements for the fiscal year ended December 31, 2024, the General Meeting approves such annual financial statements as presented to them, as well as the transactions shown in these statements or summarized in these reports.

Consequently, the General Meeting grants a full discharge to the Board of Directors for its management until December 31, 2024.

Second resolution: approval of the consolidated financial statements for the fiscal year ended December 31, 2024

After reviewing the reports of the Board of Directors and the Statutory Auditors' report on the consolidated financial statements for the fiscal year ended December 31, 2024, the General Meeting approves such consolidated financial statements as presented to them, as well as the transactions shown in these statements or summarized in these reports.

Third resolution: allocation of income and determination of interest to be paid on the cooperative shares

The General Meeting takes note that a profit of €197,861,573.69 was generated in the 2024 fiscal year and resolves to allocate it as follows, in accordance with the proposals of the Board of Directors:

In euros

Profit for the fiscal year	197,861,573.69
Allocation to the legal reserve	-9,893,078.68
Retained earnings	110,000,000.00
Distributable profit	297,968,495.01
Interest on cooperative shares	-47,577,105.11
Allocation to other reserves	-140,391,389.90
The balance, or to be carried forward.	110,000,000.00

On a proposal from the Board of Directors, the General Meeting decided to provide, for the 2024 fiscal year, an interest payment of €0.265 for each dividend-bearing cooperative share from January 1, 2024.

Pursuant to Articles 117 *quater* and 200A of the French General Tax Code, the interest paid on the cooperative shares is subject to a definitive withholding tax (for its gross amount and subject to an income-dependent exemption), except

where the progressive income tax rate has been selected. In this second case, the interest paid on the cooperative shares is eligible for the rebate provided for in Article 158-3.2 of the French General Tax Code and the withholding tax is deductible on the tax due.

The payment of interest on cooperative shares will be made as from June 1, 2025. All interest on cooperative shares is payable in cash.

It is recalled that the amount of distributions made for the previous three fiscal years is as follows:

Fiscal year	Number of members' cooperative shares	Total amount of interest distributed to shares	Amounts eligible for rebate of 40% ⁽¹⁾
2021	142,871,707	€20,494,050.01	€20,494,050.01
2022	159,680,143	€37,884,972.76	€37,884,972.76
2023	178,841,760	€52,001,198.10	€52,001,198.10

⁽¹⁾ For natural persons.

Fourth resolution: approval of the regulated agreements and commitments referred to in Articles L.225-38 et seq. of the French Commercial Code

After having reviewed the Statutory Auditors' special report on the regulated agreements and commitments referred to in Articles L.225-38 et seq. of the French Commercial Code, and voting on that report, the General Meeting:

- approves the agreements and commitments covered by Article L.225-38 described therein that were entered into during the 2024 fiscal year;
- takes note that the agreements previously entered into and authorized have continued.

Fifth resolution: consultation on the aggregate amount of remuneration of any kind paid in the 2024 fiscal year to executive management and categories of staff members listed in Article L.511-71 of the French Monetary and Financial Code

After reviewing the report by the Board of Directors, the General Meeting, which is consulted pursuant to Article L.511-73 of the French Monetary and Financial Code, indicate that they are in favor of the aggregate amount of remuneration of any kind paid during the 2024 fiscal year to the executive management and categories of staff members referred to in Article L.511-71 of the French Monetary and Financial Code, totaling €23,664,788.

Sixth resolution: determination of the cap on amounts paid to members of the Board of Directors

After reviewing the report by the Board of Directors, the General Meeting:

- resolves to set the aggregate amount paid as remuneration for time spent on governance of the cooperative bank at €970,000 for 2025;
- noted that this amount covers compensation for the directors and Chair of the Board of Directors.

Seventh resolution: renewal of the term of office of a director

The General Meeting renews, for a period of six years, the term of office of Camille Bougon as director.

This mandate ends at the end of the General Meeting called to approve the financial statements for the 2030 fiscal year.

Eighth resolution: renewal of the term of office of a director

The General Meeting renews, for a period of six years, the term of office of Pascal Drouhaud as director.

This mandate ends at the end of the General Meeting called to approve the financial statements for the 2030 fiscal year.

Ninth resolution: renewal of the term of office of a director

The General Meeting renews, for a period of six years, the term of office of Bruno Giorgianni as director.

This mandate ends at the end of the General Meeting called to approve the financial statements for the 2030 fiscal year.

Tenth resolution: renewal of the term of office of a director

The General Meeting renews, for a period of six years, the term of office of Leila Turki as director.

This mandate ends at the end of the General Meeting called to approve the financial statements for the 2030 fiscal year.

Eleventh resolution: authorization granted to the Board of Directors to allow the company to buy back its cooperative shares

The General Meeting, after reviewing:

- the report by the Board of Directors;
- the report prepared by an independent expert appointed by the Presiding Judge of the Paris Commercial Court;
- the Statutory Auditors' special report giving their assessment of the conditions for setting the purchase price;

and voting in accordance with the provisions of Article L.225-209-2 of the French Commercial Code:

1. authorizes the Board of Directors to arrange for the company to purchase, in accordance with the terms and conditions set out below, a number of cooperative shares that may not exceed 10% of the company's share capital, i.e., a maximum of 18,443,056 cooperative shares;
2. resolves that this authorization may be used to offer the said shares, within five years of their purchase, to cooperative members who inform the company of their wish to purchase them in the course of a sale organized by the company itself within three months of each Annual Ordinary Shareholders' Meeting;
3. resolves that the purchase price will be equal to the nominal value of the cooperative shares as set out in the company's articles of association on the date this delegation of authority is used;
4. establishes that this delegation of authority will remain valid for 12 months from the date of this General Meeting;
5. takes note that in the event the cooperative shares purchased by the company are not used for the purpose described in point 2 within five years of their purchase, they will be cancelled automatically;
6. grants full powers to the Board of Directors, with the right to sub-delegate as allowed by law, to implement this authorization, place all buy and sell orders, enter into any agreement, including for the administration of registers recording cooperative shares bought and sold, allocate the purchased shares in accordance with the applicable laws and regulations, carry out all procedures, filings and formalities; and, more generally, do everything necessary to implement the decisions taken pursuant to this delegation of authority;
7. takes note that the Statutory Auditors will present a special report on the conditions under which the cooperative shares were purchased and used during the fiscal year at the next Annual Ordinary Shareholders' Meeting.

Twelfth resolution: powers to perform all publication and other formalities required by law

The General Meeting gives full powers to the bearer of an original, copy or excerpt of the minutes of this General Meeting to carry out all legal or administrative formalities and to carry out all filings and publications required by the applicable laws in connection with all of the above resolutions.

8.4 STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS

Annual General Meeting held to approve the financial statements for the year ended December 31, 2024

This is a translation into English of the statutory auditors' report on the related party agreement of the BRED BANQUE POPULAIRE issued in French and it is provided solely for the convenience of English speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Members,

In our capacity as Statutory Auditors of your company, we hereby present our report on related-party agreements.

It is our responsibility to inform you, on the basis of the information provided to us, of the characteristics and essential terms and conditions of the agreements of which we have been informed or which we may have discovered in the course of our work, without having to express an opinion on their usefulness or appropriateness, or on the existence of other agreements. It is your responsibility, under the terms of Article R. 225-31 of the French Commercial Code, to assess the interest involved in concluding these agreements with a view to their approval.

In addition, we are required to inform you in accordance with Article R. 225-31 of the French Commercial Code concerning the execution, during the past fiscal year, of the agreements already approved by the General Meeting.

We performed the procedures we considered necessary to comply with the Professional Code of the Compagnie nationale des commissaires aux comptes (France's National Association of Statutory Auditors) relating to this assignment. Our work consisted in verifying that the information provided to us is consistent with the underlying documents from which it was extracted.

Agreements submitted for the approval of the General Meeting

Agreements authorized and entered into during the past fiscal year

In accordance with Article L. 225-40 of the French Commercial Code, we were informed that the following agreements, authorized and entered into during the past fiscal year to be submitted for the approval of the General Meeting.

1. Chief Executive Officer Compensation System

Person concerned

Mr. Jean-Paul Julia, Chief Executive Officer of BRED Banque Populaire

Nature and purpose

A long-term incentive plan (LTIP) has been established within the framework of the variable compensation scheme for executive directors of Banques Populaires banks and Caisses d'Epargne Banks defined by BPCE. This plan rewards the organic creation of CETI of each institution and the BPCE group, observed annually and ultimately for payments starting in 2027, complying with CRD regulations and potentially representing up to 60% of the annual fixed compensation, including the specific increase at the date of attribution for the CEO. This agreement was authorized by the Board of Directors on March 24, 2024.

Conditions

The amount accrued under this plan in 2024 amounts to €159,552.48.

2. Chief Executive Officer Social Protection System

Person concerned

Mr. Jean-Paul Julia, Chief Executive Officer of BRED Banque Populaire

Nature and purpose

A new redeemable insurance contract was concluded between AXA and BPCE under the supplementary retirement arrangement "Article 82" applicable to the executive directors of the BPCE Group. The conclusion of an endorsement adhering to the contract terms agreed by BPCE was authorized by the Board of Directors on March 24, 2024.

Conditions

This commitment did not impact the financial statements of BRED Banque Populaire during the fiscal year 2024.

Agreements already approved by the General Meeting

Agreements approved in previous fiscal years that were still being executed in the past fiscal year

In accordance with Article R. 225-30 of the French Commercial Code, we were informed that the following agreements, already approved by the General Meeting in previous fiscal years, continued the past fiscal year.

1. Commitments Relating to the Social Protection of the Chief Executive Officer

Person concerned

Mr. Jean-Paul Julia, Chief Executive Officer of BRED Banque Populaire

Nature and purpose

As Chief Executive Officer of your company, Jean-Paul Julia benefits from:

- i) affiliation with the unemployment insurance scheme of the Business Leaders' Social Guarantee (GSC);
- ii) complementary social protection schemes (supplementary health, supplementary provident scheme, and supplementary pension) implemented for all employees of BRED under the conditions applicable within the Bank;
- iii) the remuneration maintenance scheme for a duration of 12 months in the event of temporary incapacity for work, under the conditions applicable to CEOs of Banques Populaires banks. The Board of Directors authorized these commitments on May 31, 2023.

Conditions

This agreement resulted in a payment of €27,698.64 during the 2024 fiscal year.

2. Commitments Relating to the Pension Scheme of the Chief Executive Officer

Person concerned

Mr. Jean-Paul Julia, Chief Executive Officer of BRED Banque Populaire

Nature and purpose

As Chief Executive Officer of your company, Jean-Paul Julia benefits from:

- i) the supplementary pension scheme "Article 82" applicable to executive directors of the BPCE Group, whose contribution is borne by Mr. Jean-Paul Julia
- ii) an indemnity in case of forced departure or retirement, according to the conditions applicable to CEOs of Banques Populaires banks and Chairmen of the Management Boards of Caisses d'Epargne. The Board of Directors authorized these commitments on May 31, 2023.

Conditions

These commitments did not impact the accounts of BRED Banque Populaire during the 2024 fiscal year.

3. Convention relative à la protection sociale du Président du Conseil d'Administration

Person concerned

Mrs. Isabelle Gratiant, Chairwoman of the Board of Directors of BRED Banque Populaire.

Nature and purpose

The Chairmen of Banques Populaires banks can benefit, by decision of the Board of Directors, from the specific complementary and supplementary social protection scheme applicable to company employees. This scheme includes supplementary health insurance, supplementary provident scheme, and retirement. The Board of Directors authorized the extension of this specific complementary social protection scheme to the Chairwoman of the Board on May 28, 2020.

Conditions

This agreement resulted in a payment of €11,355.84 in 2024.

4. Renewal of the Lease Agreement with S.C.I. CBP

Person concerned

Mr. Bruno Blandin, Director of BRED Banque Populaire and Manager of S.C.I. CBP.

Nature and purpose

A lease was granted by S.C.I. CBP to your company for nine consecutive years starting October 1, 2007. This "type 3-6-9" contract covers the rental of various commercial premises located at ZI Les Manges – Acajou 97232 Le Lamentin (Martinique) at the Lamentin branch. The initial net annual rent was set at €86,558.76. This rent is automatically adjusted each year in line with the construction index published by INSEE and may be revised at the end of each triennial period. Please note that the lease was authorized by the Board of Directors on March 29, 2016.

Conditions

This agreement resulted in a payment of €129,618.00 in 2024.

5. Protocol Related to the BPCE Group Solvency Contribution Mechanism

Person concerned

Mrs. Isabelle Gratiant, Chairwoman of the Board of Directors of BRED Banque Populaire.

Nature and purpose

On December 3, 2012, your Board of Directors authorized the signing of the protocol related to the BPCE Group solvency contribution mechanism. This protocol notably includes the implementation of a contribution scheme to the prudential equity of the group, based on a system of bonuses/compensation.

Conditions

This agreement did not impact the financial statements of BRED Banque Populaire in 2024.

Paris-La Défense, the 28 April 2025

The Statutory Auditors

French original signed by

KPMG SA

Sophie Meddouri

Partner

Deloitte & Associés

Charlotte Vandeputte

Partner

8.5 EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 27, 2025

Agenda

1. Amendment of the articles of association.
2. Powers to carry out all filings, publications and other formalities laid down by law.

8.6 REPORT BY THE BOARD OF DIRECTORS ON THE RESOLUTIONS PUT TO THE EXTRAORDINARY SHAREHOLDERS' MEETING

The purpose of this General Meeting is to submit for your approval the amendment of your bank's articles of association.

Amendment of the articles of association (1st resolution)

The purpose of this amendment is to bring article 25 of the Bank's articles of association, on the BPCE representative, into compliance with the model articles of association for Banques Populaires.

The table below sets out this change (old and new wording) with an explanation of the proposed change (comments).

Former wording	New wording	Comments
Article 25: BPCE representative The Management Board of BPCE shall appoint a BPCE representative (the Representative) to Banque Populaire. The Representative is responsible for ensuring that Banque Populaire complies with the laws and regulations in force as well as the rules and guidelines defined by BPCE as part of his or her duties. The Representative shall attend all meetings of the Board of Directors of Banque Populaire without voting rights. At the Bank's initiative, he or she is invited to all meetings of the Remuneration, Audit and Accounts Committees. He or she is invited to these meetings in the same manner and with the same advance notice as those applicable to the members of those bodies. He or she is the recipient of all documents sent or delivered to him or her. The Representative shall also attend the General Meetings of Banque Populaire. (...)	Article 25: BPCE representative The Management Board of BPCE shall appoint a BPCE representative (the Representative) to Banque Populaire. The Representative is responsible for ensuring that Banque Populaire complies with the laws and regulations in force as well as the rules and guidelines defined by BPCE as part of his or her duties. The Representative attends all meetings of the Board of Directors of Banque Populaire without voting rights; he or she is invited to all Board Committee meetings. He or she is invited to these meetings in the same manner and with the same advance notice as those applicable to the members of those bodies. He or she is the recipient of all documents sent or delivered to him or her. The Representative shall also attend the General Meetings of Banque Populaire. (...)	Amendment to bring the articles of association into line with the standard articles of association of the Banques Populaires.

Powers for formalities (2nd resolution)

The purpose of the second resolution concerns the granting of the necessary powers for completing publication and legal formalities with regard to Meetings.

8.7 PROPOSED RESOLUTIONS

First resolution: amendment to the articles of association

After reviewing the report by the Board of Directors, the General Meeting resolves to amend Article 25 of the articles of association with regard to the BPCE representative.

Consequently, the third paragraph of Article 25 of the articles of association now reads as follows:

Article 25 - BPCE representative

"The Representative attends all meetings of the Board of Directors of Banque Populaire without voting rights; he or she is invited to all Board Committee meetings."

Second resolution: powers

The General Meeting gives full powers to the bearer of an original, copy or excerpt of the minutes of this General Meeting to carry out all legal or administrative formalities and to carry out all filings and publications required by the applicable laws in connection with all of the above resolutions.

8.8 RENEWAL OF THE TERM OF OFFICE OF FOUR DIRECTORS

(Article L.225-115 3 of the French Commercial Code)

Camille BOUGON

Main position: Director of the French property division of an international investment holding company - Independent Consultant of Associés en Gouvernance.

Term end date: 2025 General Meeting Number of cooperative shares held: 4,748 Date of birth: April 4, 1981	Mandates or functions within BRED Banque Populaire Group • Director of BRED Banque Populaire. Mandates or functions outside BRED Banque Populaire Group • Director of the French property division of an international investment holding company. • Independent consultant of Associés en Gouvernance. • President of SAS CAMERO. • Manager of SC JEANJO, SCI DES MARAIS, SARL IPC, SCI MINIE. • Partner of SCI BOIS LEVANT.

Pascal DROUHAUD

Main position: Manager of EURL International Consulting Strategy

Term end date: 2025 General Meeting Number of cooperative shares held: 206 Date of birth: July 3, 1964	Mandates or functions within BRED Banque Populaire Group • Director of BRED Banque Populaire. Mandates or functions outside BRED Banque Populaire Group • Manager of EURL International Consulting Strategy.

Bruno GIORGIANNI

Main position: Public Affairs and Security Officer and Chief of Staff to the Chair and CEO of Dassault Aviation

Term end date: 2025 General Meeting Number of cooperative shares held: 100 Date of birth: April 17, 1966	Mandates or functions within BRED Banque Populaire Group • Director of BRED Banque Populaire. • Director and member of the Strategy Committee of Cofibred (Compagnie Financière de la BRED). Mandates or functions outside BRED Banque Populaire Group • Public Affairs and Security Officer and Chief of Staff to the Chair and CEO of Dassault Aviation. • Member of the GIFAS-CIDEF Defense Committee.

Leïla TURKI

Main position: Senior executive in an asset management company

Term end date: 2025 General Meeting Number of cooperative shares held: 3,021 Date of birth: October 25, 1972	Mandates or functions within BRED Banque Populaire Group • Director of BRED Banque Populaire.

8.9 STATEMENT BY THE PERSON RESPONSIBLE FOR THE INFORMATION CONTAINED IN THE REPORT

I hereby certify, having taken all reasonable measures to this end, that the information contained in this report is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

Executed in Paris-La Défense on April 18, 2025

Jean-Paul Julia
Chief Executive Officer of BRED



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www.bred.fr

Document prepared by the Communications Department

Cover: Agence Terre de Sienne

