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PILLAR 3 DISCLOSURES

1. COMPOSITION AND MANAGEMENT OF CAPITAL

Within the framework of Basel 3 agreements, Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 (the Capital Requirements Regulation, or "CRR"), as amended by CRR No. 2019/876 ("CRR2"), requires relevant financial institutions (notably credit institutions and investment firms) to disclose quantitative and qualitative information on their risk management activities. The risk management system and exposure levels of CACEIS are presented in this section.

The Basel 3 agreements are categorised into three pillars:
- **Pillar 1** sets the minimum capital adequacy requirements and level of ratios in accordance with the current regulatory framework;
- **Pillar 2** completes the regulatory approach with the quantification of a capital requirement covering the major risks to which the bank is exposed, on the basis of internal approaches (see section on "Economic Capital Adequacy");
- **Pillar 3** introduces standards for financial disclosure to the market, with the requirement to give details of the regulatory capital components and risk assessments, both for the regulations applied and the business during the period.

CACEIS has chosen to disclose its Pillar 3 information in a separate section from its Risk Factors and Risk Management in order to isolate the items that meet the regulatory prudential publication requirements.

The main purpose of solvency management is to assess CACEIS's equity and to verify that this is sufficient to cover the risks to which CACEIS is or could be exposed, given its activities.

To achieve this objective, CACEIS measures regulatory capital requirements (Pillar 1) and conducts regulatory capital management, by relying on both short- and medium-term prospective measures that are consistent with budgetary projections, based on a central economic scenario.

Moreover, CACEIS relies on an internal process, named ICAAP (Internal Capital Adequacy and Assessment Process), which has been developed in accordance with the interpretation of the regulatory texts specified below. More specifically, the ICAAP includes:
- the governance of capital management, adapted to the specificities of Crédit Agricole Group's subsidiaries, which enables centralised and coordinated monitoring at Group level;
- a measurement of economic capital requirements based on the risk identification process and quantification of capital requirements using an internal approach (Pillar 2);
- conducting ICAAP stress test exercises that aim to simulate the destruction of capital after a three-year adverse economic scenario;
- the management of economic capital (see section on "Economic Capital Adequacy");
- a qualitative ICAAP mechanism that formalises, amongst other items, the major areas for risk management improvement.

The ICAAP is highly integrated within CACEIS's other strategic processes, such as the ILAAP (Internal Liquidity Adequacy and Assessment Process), the risk appetite framework, the budgetary process, the recovery plan and the risk identification process.

Lastly, the solvency ratios are an integral part of the risk appetite framework applied within CACEIS.

1.1 APPLICABLE REGULATORY FRAMEWORK

Tightening the regulatory framework, Basel 3 agreements enhanced the quality and level of regulatory capital required and added new risk categories to the regulatory framework.

In addition, a specific regulatory framework, allowing an alternative to bank default, has entered into force following the 2008 financial crisis.

The legislation concerning the regulatory prudential requirements applicable to credit institutions and investment firms was published in the *Official Journal of the European Union* on 26 June 2013. It includes Directive 2013/36/EU (Capital Requirements Directive, known as "CRD 4") and regulation 575/2013 (Capital Requirements Regulation, known as "CRR") and entered into force on 1 January 2014, in accordance with the transitional provisions specified in the legislation.

Directive 2014/59/EU, the Bank Recovery and Resolution Directive (known as "BRRD"), was published in the *Official Journal of the European Union* on 12 June 2014 and has been in effect in France since 1 January 2016. The European Single Resolution Mechanism Regulation (known as "SRMR", regulation 806/2014) was published on 15 July 2014 and came into effect on 19 August 2016, in accordance with the transitional provisions specified in the legislation.

On 7 June 2019, four pieces of legislation constituting the banking package were published in the *Official Journal of the European Union:*
- CRR2: Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No. 575/2013;
- SRMR2: Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No. 806/2014;
- CRD 5: Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU;
- BRRD2: Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU.

Regulations SRMR2 and CRR2 came into force on 27 June 2019 (although not all the provisions are immediately applicable). The CRD 5 and BRRD2 Directives were both transposed into French law on 21 December 2020 by Decrees 2020-1635 and 2020-1636 and came into force seven days after their publication, i.e., on 28 December 2020.

Regulation 2020/873, known as "Quick Fix", was published on 26 June 2020 and came into force on 27 June 2020, amending regulations 575/2013 ("CRR") and 2019/876 ("CRR2").

Under the CRR2/CRD 5 regime, four levels of capital requirements are calculated:
- the Common Equity Tier 1 (CET1) ratio;
- the Tier 1 ratio;

- the total capital ratio;
- the leverage ratio which is a Pillar 1 regulatory requirement since 28 June 2021.

A phasing-in period of calculation for these ratios shall permit to take into account:
- the transition from Basel 2 calculation rules to Basel 3 rules (the transitional provisions applied to own funds until 1 January 2018 and until 1 January 2022 for hybrid debt instruments);
- the eligibility criteria defined by CRR2 (until 28 June 2025 as capital instruments are concerned);
- the impacts related to the application of the IFRS 9 accounting standard.

1.2 SUPERVISION AND REGULATORY SCOPE

Credit institutions and certain investment activities referred to in Annex 1 of Directive 2004/39/EC are subject to solvency ratios, leverage ratios, resolution ratios and large exposure ratios on an individual, and where applicable, sub-consolidated basis.

The French Regulatory and Resolution Supervisory Authority (ACPR) has accepted that certain subsidiaries of CACEIS may benefit from individual exemption or, as necessary, on a sub-consolidated basis under the conditions specified by Article 7 of the CRR. Accordingly, Crédit Agricole S.A. has been exempted by the ACPR from application on an individual basis.

The transition to single supervision on 4 November 2014 by the European Central Bank did not call into question the individual exemptions previously granted by the ACPR.

The detailed list of entities concerned by a difference between the accounting and prudential scopes is detailed in the part on “Appendix to the regulatory capital”.

1.3 CAPITAL POLICY

The Asset-Liability Management (ALM) Committee is held every quarter, chaired by CACEIS’ Chief Executive Officer in charge of the Steering and Control functions and including the Chief Risk Officer, the Chief Financial Officer and the Head of Treasury. The main roles of this Committee are the following:
- to review the reportings relative to Liquidity, Interest rate risk and structural forex positions;
- to review the short- and medium-term solvency, leverage and resolution ratios projections for CACEIS;
- to approve the structuring assumptions with an effect on solvency in line with the Medium-Term Plan;
- to keep up to date with the latest supervision and regulatory news;
- to examine the relevant problems relating to the subsidiaries;
- to review the ILAAP declaration;
- to prepare decisions to submit to the Board if applicable;
- to study any other subject affecting solvency and resolution ratios at CACEIS Group level.

The management of regulatory capital is performed using a process called capital planning.

Capital planning is designed to provide projections for capital and rare resource consumption (risk-weighted assets and size of the balance sheet) over the current Medium-Term Plan, covering the scope of CACEIS Group with a view to determine the trajectories for solvency ratios (CET1, Tier 1, total ratio and leverage ratio) and resolution ratios (internal MREL, if applicable).

It covers the budgetary components of the financial trajectory, including organisational transaction projects, regulatory, accounting and prudential changes, as well as the review of model effects against risk bases. It also reflects the issuance policy (subordinated debt and debt eligible to MREL) and distribution.

Capital planning is submitted to various governance bodies and is communicated to the competent authorities, either in the context of regular discussions or for specific transactions (such as authorisation requests).

1.4 REGULATORY CAPITAL

Basel 3 defines three levels of capital:
- Common Equity Tier 1 (CET1);
- Tier 1 capital, which consists of Common Equity Tier 1 and Additional Tier 1 (AT1) capital;
- total capital, consisting of Tier 1 capital and Tier 2 capital.

All the tables and remarks below include the retained earnings of the period.

1.4.1 COMMON EQUITY TIER 1 (CET1)

This includes:
- share capital;
- reserves, including share premiums, retained earnings, income net of tax after dividend payments as well as accumulated other comprehensive income, including unrealised capital gains and losses on financial assets held for collection and sale purposes and translation adjustments;

- non-controlling interests, which are partially derecognised, or even excluded, depending on whether or not the subsidiary is an eligible credit institution; this partial derecognition corresponds to the excess capital compared to the amount required to cover the subsidiary's capital requirements and applies to each tier of capital;
- deductions, which mainly include the following items:
  - CET1 instruments held under market-making agreements and share buyback programmes,
  - intangible assets, including start-up costs and goodwill,
  - prudent valuation, which consists of adjusting the amount of the institution's assets and liabilities if, in accounting terms, it does not reflect a valuation that is deemed to be prudent by the regulations
  - deferred tax assets (DTA) that rely on future profitability arising from tax losses carryforwards,
  - expected losses shortfall in relation to the credit exposures monitored using the internal ratings-based (IRB) approach, as well as anticipated losses related to equity exposures,
  - capital instruments held in financial sector equity investments of less than or equal to 10% (non-significant investments), for the amount exceeding a ceiling of 10% of the CET1 capital of the subscribing institution, up to the proportion of CET1 instruments in the total capital instruments held; items not deducted are included in risk-weighted assets (variable weighting depending on the nature of instruments and the Basel methodology),
  - deferred tax assets (DTAs) that rely on future profitability arising from temporary differences for the amount exceeding an individual ceiling of 10% of the institution's CET1 capital; items not deducted are included in risk-weighted assets (weighting at 250%),
  - CET1 instruments held in financial sector equity investments of more than 10% (significant investments) for the amount exceeding an individual ceiling of 10% of the institution's CET1 capital; items not deducted are included in risk-weighted assets (weighting at 250%),
  - the total of deferred tax assets (DTAs) dependent on future profitability related to temporary differences and CET1 instruments held in financial sector equity investments greater than 10% ("significant investments") for the amount exceeding an individual ceiling of 17.65% of the institution's CET1 capital; components not deducted are included in risk-weighted assets (weighting at 250%).

1.4.2 ADDITIONAL TIER 1 (AT1) CAPITAL

This includes:

- eligible AT1 capital, which consists of perpetual debt instruments without any requirements or incentives to redeem (in particular step-up clauses);
- direct deductions of AT1 instruments (including market making);
- deductions of capital instruments held in financial sector equity investments of less than or equal to 10% (non-significant investments), for the amount exceeding a ceiling of 10% of the CET1 capital of the subscribing institution, up to the proportion of AT1 instruments in the total capital instruments held; items not deducted are included in risk-weighted assets (variable weighting depending on the nature of instruments and the Basel methodology);
- deductions of AT1 instruments held in equity investments in the financial sector of more than 10% (significant investments);
- other AT1 capital components or other deductions (including AT1 eligible non-controlling interests).

AT1 instruments eligible under CRR No. 575/2013 as amended by CRR No. 2019/876 (CRR2) include a bail-in mechanism that is triggered when the CET1 ratio is below a threshold that must be set at no lower than 5.125% (or 7% for the CET1 ratio of the Crédit Agricole Group). Instruments may be converted into equity or suffer a reduction in their par value. Payments must be totally flexible: no automatic compensation mechanisms and/or suspension of coupon payments at the issuer's discretion are permitted.

The amount of AT1 instruments used in fully loaded ratios corresponds to the Additional Tier 1 capital instruments eligible under CRR 575/2013 as amended by CRR 2019/876 (CRR2).

The AT1 instruments issued by CACEIS have a loss absorption mechanism that is triggered when CACEIS's CET1 ratio drops below 5.125%.

At 31 December 2023, CACEIS' CET1 ratio was 14.23%, representing a capital buffer of €703 million compared to the loss absorption threshold.

At 31 December 2023, there were no applicable restrictions on the payment of coupons.

At the same date, the distributable items of CACEIS totalled €1,455 million, including €295 million in distributable reserves and €1,160 million in share premiums. The CRR2 regulation adds eligibility criteria. For example, instruments issued by an institution established in the European Union that are subject to the law of a third country must include a bail-in clause in order to be eligible. These provisions apply to each category of AT1 and Tier 2 capital instruments.

These instruments are published on the website (caceis.com) under "Compliance and correspond to deeply subordinated notes (TSS).

1.4.3 TIER 2 CAPITAL

This includes:

- subordinated debt instruments, which must have a minimum maturity of five years and for which:
  - early redemption incentives are prohibited,
  - a haircut applies during the five-year period prior to their maturity date;
- deductions of directly held Tier 2 instruments (including market making);
- the surplus provisions relative to expected eligible losses determined in accordance with the internal ratings-based (IRB) approach, limited to 0.6% of risk-weighted assets under IRB;
- deductions of capital instruments held in financial sector equity investments of less than or equal to 10% (non-significant investments), for the amount exceeding a ceiling of 10% of the CET1 capital of the subscribing institution, up to the proportion of Tier 2 instruments in the total capital instruments held; items not deducted are included in risk-weighted assets (variable weighting depending on the nature of instruments and the Basel methodology);
- deductions of Tier 2 instruments held in financial sector equity investments of more than 10% (significant investments), predominantly in the insurance sector;

- Tier 2 capital components or other deductions (including Tier 2 eligible non-controlling interests).

The amount of Tier 2 instruments used in fully loaded ratios corresponds to the Tier 2 capital instruments eligible under CRR No. 575/2013, as amended by CRR No. 2019/876 (CRR2).

These instruments are published on the Internet (caceis.com) under “Compliance”. They correspond to undated subordinated notes (*titres subordonnés à durée indéterminée* – TSDI), equity investments (*titres participatifs* – TP) and dated subordinated notes (*titres subordonnés remboursables* – TSR).

1.4.4 TRANSITIONAL IMPLEMENTATION

To facilitate compliance by credit institutions with CRR2/CRD 5 (pending the transposition of CRD 5), less stringent transitional provisions have been provided for, notably with the gradual introduction of new prudential treatment of capital components.

All these transitional provisions ended on 1 January 2018; those relating to hybrid debt instruments ended on 1 January 2022.

CACEIS has no hybrid debt in its books, and as such is not concerned by these transitional provisions.

1.4.5 POSITION AT 31 DECEMBER 2023

SIMPLIFIED REGULATORY CAPITAL

Simplified regulatory capital (in millions of euros)	31/12/2023	31/12/2022
Share capital and reserves	3,096	3 096
Consolidated reserves	1,293	1 085
Other comprehensive income	(5)	1
Net income (loss) for the year	392	278
EQUITY – GROUP SHARE	**4,776**	**4 460**
(-) AT1 instruments accounted as equity	(995)	(995)
Eligible minority interests	-	-
(-) Expected dividend	-	-
(-) Prudential filters	(5)	(5)
o/w : Prudent valuation	*(5)*	*(5)*
(-) Regulatory adjustments	(1,787)	(1,615)
Goodwills and intangible assets	*(1,766)*	*(1,597)*
Deferred tax assets that rely on future profitability excluding those arising from temporary differences	*(21)*	*(18)*
Shortfall in adjustments for credit risk relative to expected losses under the internal ratings-based approach	-	-
Insufficient coverage for non-performing exposures (Pillar 1 & 2)	*(0)*	-
Amount exceeding thresholds	-	-
Other CET1 components	(438)	(34)
COMMON EQUITY TIER 1 (CET1)	**1,551**	**1,811**
Additionnal Tier 1 (AT1) instruments	995	995
Other AT1 components	-	-
TOTAL TIER 1	**2,546**	**2,806**
Tier 2 instruments	257	272
Other Tier 2 components	-	-
TOTAL CAPITAL	**2,803**	**3,078**
TOTAL RISK-WEIGHTED EXPOSURE AMOUNT (RWA)	**10,899**	**9,816**
CET1 ratio	**14.23%**	**18.45%**
Tier 1 ratio	**23.36%**	**28.58%**
Total capital ratio	**25.72%**	**31.36%**

Changes during the period

Common Equity Tier 1 (CET1) capital stood at €1,551 million at 31 December 2023, showing a decrease of €260 million compared to year-end 2022.

This change can be explained in particular by translation differences for €12 million, actuarial gains and losses for -€5 million and goodwill for €194 million compensated by the negative impact of unrealised losses and gains down by €13 million, of AT1 coupons for €72 million and a decrease in deductions on intangible assets for €25 million and on irrevocable payment commitments for €12 million.

Tier 1 capital was €995 million, stable verses 31 December 2022.

Tier 2 capital was €257 million, down €15 million compared to 31 December 2022, mainly due to the haircut on 5-year instruments coming to maturity.

In all, total capital stood at €2,803 million, down €275 million compared to 31 December 2022.

1.5 CAPITAL ADEQUACY

The regulatory perspective of capital adequacy is ensured through the monitoring of solvency and leverage ratios. Each of these ratios reports the amount of regulatory capital and/or, when applicable, eligible instruments, to the risk or leverage exposures. These exposures are defined and calculated in section "Composition of and changes in risk-weighted assets". The regulatory perspective is supplemented by the economic internal perspective of capital adequacy, which is ensured by the monitoring of the economic capital requirements' coverage ratio.

1.5.1 SOLVENCY RATIOS

Solvency ratios are intended to check the adequacy of the various categories of capital (CET1, Tier 1 and total capital) to cover risk-weighted assets arising as a result of credit risk, market risk and operational risk. These risk-weighted assets are computed using either a standardised approach or an internal approach (see section "Composition of and changes in risk-weighted assets").

REGULATORY PRUDENTIAL REQUIREMENTS

The CRR regulation governs the requirements with regard to Pillar 1. The supervisor also sets, on a discretionary basis, the minimum requirements within the framework of Pillar 2.

The overall capital requirement is as follows:

SREP own funds requirement	31/12/2023	31/12/2022
Pillar 1 minimum CET1 requirement	4.50%	4.50%
CET1 additional Pillar 2 requirement (P2R)	0.00%	0.00%
Combined buffer requirement	3.28%	2.69%
CET1 requirement	**7.78%**	**7.19%**
Pillar 1 minimum AT1 requirement	1.50%	1.50%
AT1 component of P2R	0.00%	0.00%
Pillar 1 minimum Tier 2 requirement	2.00%	2.00%
Tier 2 component of P2R	0.00%	0.00%
Overall capital requirement	**11.28%**	**10.69%**

MINIMUM REQUIREMENTS WITH REGARD TO PILLAR 1

The Pillar 1 capital requirements include a minimum CET1 capital ratio of 4.5%, a minimum Tier 1 capital ratio of 6% and a minimum overall capital ratio of 8%.

COMBINED CAPITAL BUFFER REQUIREMENT AND RESTRICTION ON DISTRIBUTIONS THRESHOLD

Regulations provide for the establishment of capital buffers, fully covered with CET1 capital and for which the overall capital requirement works out as follows:

Combined buffer requirement	31/12/2023	31/12/2022
Phased-in capital conservation buffer	2.50%	2.50%
Phased-in systemic buffer	0.00%	0.00%
Countercyclical buffer	0.78%	0.19%
Combined buffer requirement	**3.28%**	**2.69%**

More specifically:

- the capital conservation buffer (2.5% of risk-weighted assets since 1 January 2019) aims to absorb losses in a situation of intense economic stress;
- the countercyclical buffer (a rate set within a range of 0% to 2.5%) aims to prevent excessive credit growth. The rate is set by the competent authorities from each country (the *Haut Conseil de stabilité financière* or HCFS/High Financial Stability Board in the case of France) and the buffer applying at the institution's level therefore results from the weighted average of the buffers defined for each country in which the institution operates applied to the relevant exposures at default (EAD); when the countercyclical buffer rate is calculated by one of the national authorities, the application date should be no later than 12 months from the publication date, except in exceptional circumstances;
- the systemic risk buffer (0% to 3% in general, up to 5% after agreement from the European Commission and more exceptionally above that figure) is designed to prevent or attenuate the non-cyclical risk dimension. It is set by the competent authorities from each country (the *Haut Conseil de stabilité financière* or HCFS/High Council for Financial Stability in the case of France) and depends on the structural characteristics of the banking industry, in particular its size, level of concentration and its share in financing the economy;
- the buffers for systemically important institutions (0% to 3% in general, up to 5% after agreement from the European Commission and more exceptionally above that figure); for global systemically important institutions (G-SII), between 0% and 3.5%, or for other systemically important institutions (O-SII), between 0% and 2%. These buffers are not cumulative, and in general, with some exceptions, the highest buffer rate applies. Only Crédit Agricole Group is a G-SII and has a buffer of 1% since 1 January 2019. CACEIS is not subject to these requirements. When an institution is subject to a buffer for systemically important institutions (G-SII or O-SII) and a buffer for systemic risk, the two buffers are combined.

At 31 December 2023, the countercyclical buffers were activated in 18 countries by the relevant national authorities. With respect to CACEIS's exposures in these countries, CACEIS's countercyclical buffer rate was 0.78% at the same date.

Moreover, the HCSF recognises the reciprocal application of the sectoral systemic risk buffers activated by Germany, Lithuania, Belgium, Norway and Estonia. With respect to the methods for applying the above buffers and the materiality of the exposures held by CACEIS, the systemic risk buffer rate was 0.00% at 31 December 2023.

The tables below provide information required by Article 440 (a and b) of CRR2.

GEOGRAPHICAL DISTRIBUTION OF CREDIT EXPOSURES RELEVANT FOR THE CALCULATIONOF THE COUNTERCYCLICAL BUFFER (EU CCYB1)

	31/12/2023 (in millions of euros)	General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
1	Breakdown by country:													
2	Australia	1	-	-	-	-	1	0	-	-	0	1	0.01%	1.00%
3	Belgium	118	-	-	-	-	118	10	-	-	10	119	2.53%	0.00%
4	Bulgaria	-	-	-	-	-	-	-	-	-	-	-	0.00%	2.00%
5	Croatia	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.00%
6	Czech Republic	-	-	-	-	-	-	-	-	-	-	-	0.00%	2.00%
7	Danemark	-	-	-	-	-	-	-	-	-	-	-	0.00%	2.50%
8	Estonia	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.50%
9	France	2 188	-	-	-	25	2 213	167	-	0	167	2 094	44.38%	0.50%
10	Germany	180	-	-	-	-	180	9	-	-	9	114	2.42%	0.75%
11	Hong Kong	4	-	-	-	-	4	1	-	-	1	6	0.13%	1.00%
12	Iceland	-	-	-	-	-	-	-	-	-	-	-	0.00%	2.00%
13	Ireland	240	-	-	-	-	240	19	-	-	19	240	5.08%	1.00%
14	Lithuania	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.00%
15	Luxembourg	1 866	-	-	-	-	1 866	147	-	-	147	1 831	38.82%	0.50%
16	Netherlands	117	-	-	-	-	117	9	-	-	9	117	2.49%	1.00%
17	Norway	0	-	-	-	-	0	0	-	-	0	0	0.00%	2.50%
18	Romania	0	-	-	-	-	0	0	-	-	0	0	0.00%	1.00%
19	Slovakia	-	-	-	-	-	-	-	-	-	-	-	0.00%	1.50%
20	Sweden	0	-	-	-	-	0	0	-	-	0	0	0.00%	2.00%
21	United-kingdom	6	-	-	-	-	6	0	-	-	0	6	0.13%	2.00%
22	Other countries *	188	-	-	-	-	188	15	-	-	15	189	4.00%	0.00%
23	**Total**	**4 907**	-	-	-	**25**	**4 932**	**377**	-	**0**	**377**	**4 717**	**100%**	**0.51%**

*For which no countercyclical buffer has been defined by the competent authority

AMOUNT OF INSTITUTION-SPECIFIC COUNTERCYCLICAL CAPITAL BUFFER (EU CCYB2)

	Amount of institution-specific countercyclical capital buffer (EU CCYB2)	31/12/2023
1	Total risk exposure amount	10 899
2	Institution specific countercyclical capital buffer rate	0.78%
3	**Institution specific countercyclical capital buffer requirement**	**56**

The transposition of Basel regulations into European law (CRD) has established a distribution restriction mechanism applicable to dividends, AT1 instruments and variable compensation. The principle of the Maximum Distributable Amount (MDA), the maximum amount that a bank can allocate to distributions, aims at restricting distributions where they would result in non-compliance with the applicable combined buffer requirement.

The distance to the MDA trigger is the lowest of the respective distances to the SREP requirements in CET1 capital, Tier 1 capital and total capital.

	CET1 SREP requirement	Tier 1 SREP requirement	Overall capital SREP requirement
Pillar 1 minimum requirement	4.50%	6.00%	8.00%
Pillar 2 requirement (P2R)	0.00%	0.00%	0.00%
Conservation buffer	2.50%	2.50%	2.50%
Systemic risk buffer	0.00%	0.00%	0.00%
Countercyclical buffer	0.78%	0.78%	0.78%
SREP requirement (a)	**7.78%**	**9.28%**	**11.28%**
Phased-in ratios 31/12/23 (b)	**14.23%**	**23.36%**	**25.72%**
Distance to SREP requirement (b-a)	645bp	1408bp	1444bp
Distance to MDA trigger threshold	**645 bp (€0.703bn)**		

At 31 December 2023, CACEIS had a buffer of 645 basis points above the MDA trigger, i.e. €703 million in CET1 capital.

1.5.2 LEVERAGE RATIO

REGULATORY FRAMEWORK

The objective of the leverage ratio is to help preserve financial stability by acting as a safety net to supplement risk-based capital requirements and by limiting the accumulation of excessive leverage in times of economic recovery. The Basel Committee, in the context of Basel 3 agreements, defined the leverage ratio rule, which was transposed into European law via Article 429 of the CRR, amended by Delegated Act 62/2015 of 10 October 2014 and published in the *Official Journal of the European Union* on 18 January 2015.

The leverage ratio is defined as the Tier 1 capital divided by the leverage exposure measure, i.e. balance sheet and off-balance-sheet assets after certain restatements of derivatives, transactions between Group affiliates, securities financing activities, items deducted from the numerator, and off-balance-sheet items.

Since the publication of European regulation CRR2 in the Official Journal of the European Union on 7 June 2019, the leverage ratio has been subject to a minimum Pillar 1 requirement applicable since 28 June 2021.

Regulation CRR2 stipulates that certain Central Bank exposures may be excluded from the overall leverage ratio exposure if macroeconomic circumstances so justify. If this exemption is applied, the institutions must satisfy an adjusted leverage ratio requirement of over 3%. On 18 June 2021, the European Central Bank declared that credit institutions under its supervision could apply this exclusion with regard to exceptional circumstances since 31 December 2019; this measure remained applicable until 31 March 2022 included. CACEIS applied this provision and as a consequence had to respect a 3.37% leverage ratio requirement during this period.

As of 1 January 2015 publication of the leverage ratio is mandatory at least once a year; institutions can choose to publish a fully loaded ratio or a phased-in ratio. If the institution decides to change its publication choice, at the time of first publication it must reconcile the data for all of the ratios previously published with the data for the new ratios selected for publication.

CACEIS has opted to publish a phased-in leverage ratio.

POSITION AT 31 DECEMBER 2023

The information below is required by Article 451 of CRR2.

DISCLOSURE OF QUALITATIVE INFORMATION ON THE LEVERAGE RATIO (EU LRA)

The leverage ratio of CACEIS was 4.003% on a phased-in Tier 1 basis.

It is down by -1.2% over the year due to:

- A decrease in CET1 capital of -€260 million, principally due to a higher amount of Goodwill deduction (-€194 million) and a decrease in non-distributed income (-€278 million), offset by an increase in other reserves (+€208 million),
- A decrease in exempted intragroup exposure with an impact of +€3,500 million on exposure,

Offset by:

- A decrease in other assets exposure (-€11,725 million).

The ratio remains at a high level, above the regulatory requirement by 1.003% percentage point. The leverage ratio is not sensitive to risk factors and as such is a measurement that supplements solvency (solvency ratio/resolution ratio) and liquidity risk management, which already limit the size of the balance sheet. Under the excessive leverage monitoring framework, the Group controls and sets limits on the leverage exposure for businesses with low consumption of risk-weighted assets.

LRCOM: LEVERAGE RATIO COMMON DISCLOSURE (EU LR2)

(in millions of euros)

LRCom: Leverage Ratio - common disclosure (EU LR2) - in millions of euros		31/12/2023	31/12/2022
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	97,363	108,777
2	Gross-up for derivatives collateral provided w here deducted from the balance sheet assets pursuant to the applicable accounting framew ork	915	1,747
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(1,234)	(353)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	(1,792)	(1,620)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**95,252**	**108,550**
Derivative exposures			
8	Replacement cost associated w ith SA-CCR derivatives transactions (ie net of eligible cash variation margin)	3,197	5,578
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated w ith SA-CCR derivatives transactions	4,332	4,180
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	(1,423)	(2,841)
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	-	-
11	Adjusted effective notional amount of w ritten credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for w ritten credit derivatives)	-	-
13	**Total derivatives exposures**	**6,106**	**6,917**
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (w ith no recognition of netting), after adjustment for sales accounting transactions	15,023	10,036
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	302	1,237
16	Counterparty credit risk exposure for SFT assets	2,439	1,962
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance w ith Articles 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	**Total securities financing transaction exposures**	**17,765**	**13,235**
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	3,529	2,782
20	(Adjustments for conversion to credit equivalent amounts)	(2,744)	(2,444)
21	(General provisions associated w ith off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
22	**Off-balance sheet exposures**	**785**	**338**

(in millions of euros)			
LRCom: Leverage Ratio - common disclosure (EU LR2) - in millions of euros		**31/12/2023**	**31/12/2022**
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	97,363	108,777
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	915	1,747
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(1,234)	(353)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	(1,792)	(1,620)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**95,252**	**108,550**
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	3,197	5,578
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	4,332	4,180
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	(1,423)	(2,841)
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	**Total derivatives exposures**	**6,106**	**6,917**
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	15,023	10,036
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	302	1,237
16	Counterparty credit risk exposure for SFT assets	2,439	1,962
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	**Total securities financing transaction exposures**	**17,765**	**13,235**
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	3,529	2,782
20	(Adjustments for conversion to credit equivalent amounts)	(2,744)	(2,444)
21	(General provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
22	**Off-balance sheet exposures**	**785**	**338**

(in millions of euros)			
LRCom: Leverage Ratio - common disclosure (EU LR2) next - in millions of euros		**31/12/2023**	**31/12/2022**
Excluded exposures			
EU-22a	(Exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)	(56,308)	(59,808)
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off balance sheet))	-	-
EU-22c	(-) Excluded exposures of public development banks - Public sector investments	-	-
EU-22d	(Excluded exposures of public development banks - Promotional loans)	-	-
EU-22e	(Excluded exposures by non-public development banks (or units) - Passing-through promotional loans)	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	**(Total exempted exposures)**	**(56,308)**	**(59,808)**
Capital and total exposure measure			
23	**Tier 1 capital**	**2,546**	**2,806**
24	**Leverage ratio total exposure measure**	**63,600**	**69,232**
Leverage ratio			
25	**Leverage ratio**	**4.00%**	**4.05%**
EU-25	Leverage ratio (without the adjustment due to excluded exposures of public development banks - Public sector investments) (%)	**4.00%**	**4.05%**
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	**4.00%**	**4.05%**
26	Regulatory minimum leverage ratio requirement (%)	**3.00%**	**3.00%**
EU-26a	Additional leverage ratio requirements (%)	**0.00%**	**0.00%**
EU-26b	of which: to be made up of CET1 capital	**0.00%**	**0.00%**
27	Required leverage buffer (%)	**0.00%**	**0.00%**
EU-27a	Overall leverage ratio requirement (%)	**3.00%**	**3.00%**
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	Transitory	Transitory
Disclosure of mean values			
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	15,493	12,392
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	15,326	11,273
30	Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets	63,767	70,350
30a	Total exposures (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets	63,767	70,350
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets	**3.99%**	**3.99%**
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets	**3.99%**	**3.99%**

LRSUM: SUMMARY RECONCILIATION OF ACCOUNTING ASSETS AND LEVERAGE RATIO EXPOSURES (EU LR1)

Applicable Amount - in millions of euros		31/12/2023
1	Total assets as per published financial statements	116 331
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	305
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustment for derivative financial instruments	(1 973)
9	Adjustment for securities financing transactions (SFTs)	2 741
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	785
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	(56 308)
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12	Other adjustments	1 719
13	**Total exposure measure**	**63 600**

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

CRR leverage ratio exposures (in millions of euros)		31/12/2023
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**46 975**
EU-2	Trading book exposures	-
EU-3	Banking book exposures, of which:	46 975
EU-4	Covered bonds	1 356
EU-5	Exposures treated as sovereigns	33 147
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	717
EU-7	Institutions	4 842
EU-8	Secured by mortgages of immovable properties	-
EU-9	Retail exposures	0
EU-10	Corporates	2 443
EU-11	Exposures in default	1
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	4 470

1.5.3 ECONOMIC CAPITAL ADEQUACY

In order to assess and permanently maintain the adequate capital level to cover the risks to which it is (or may be) exposed, CACEIS supplements its framework for the regulatory perspective of capital adequacy with an economic internal perspective.

Economic capital requirement (Pillar 2) therefore supplements regulatory capital requirement (Pillar 1). Economic capital requirement is based on the risks identification process and on an evaluation using internal approaches. The economic capital requirement must be covered by internal capital which corresponds to the available economic capital as defined by the Group.

The assessment of the economic capital requirement is one of the ICAAP components, which also covers the stress test programme – with the objective to introduce a forward-looking view of the impact of more unfavourable scenarios on CACEIS's risk level and solvency.

The monitoring and management of the economic perspective of capital adequacy has been developed in accordance with the interpretation of the main regulatory texts:

- the Basel agreements;
- CRD 5 through its transposition into French regulation by the Decree of 21 December 2020;
- the guidelines of the European Banking Authority;
- the guide to the ICAAP and ILAAP and the harmonised collection of information on the subject.

ICAAP is first and foremost an internal process, and it is up to each institution to implement it in a proportionate way. The implementation as well as the update of the ICAAP process are the responsibility of each subsidiary.

ICAAP INFORMATION (EU OVC)

The items below provide information required by Article 438 (a and c) of CRR2.

Crédit Agricole Group's approach for measuring economic capital requirement has been implemented at the levels of Crédit Agricole Group, Crédit Agricole S.A. and the Group's main French and foreign entities.

The primary aim of the risk identification process is to accurately identify all major risks that are likely to impact CACEIS's balance sheet, income statement, regulatory prudential ratios, or the reputation of an entity or CACEIS group and to apply a Group-wide, standard approach to placing them in categories and sub-categories. As a second stage, the risk identification aims to assess the importance of these risks in a systematic and exhaustive manner in order to establish the final list of major risks.

The risk identification process brings together several sources: an internal analysis based on the information gathered from the Risk department and other control functions, and an additional analysis based on information obtained from external sources. The process is formalised for each entity and for the Group, coordinated by the Risk department and approved by the Board of Directors.

For each of the major risks, the economic capital requirement is quantified as follows:

- the risk measurements already covered by Pillar 1 are reviewed and, where necessary, completed by economic capital adjustments;
- the risks absent from Pillar 1 are subject to a specific calculation of economic capital needs, based on internal approaches;
- generally, the measures for economic capital needs are carried out with a calculation horizon of one year, and with a quantile (probability of default occurrence) for which the level is set on the basis of the Group's appetite in terms of external rating;
- lastly, the economic capital needs measurement takes into account, with caution, the impacts of diversification resulting from the broad spread of business activities within the Group, including between banking and insurance.

A specific governance within the Group ensures the coherence of all risk quantification methodologies for the economic capital requirement.

The measurement of the economic capital requirement is supplemented by a projection over the current year, consistent with capital planning forecasts at that date, in order to integrate the impact of changes in activity on the risk profile.

At 31 December 2023, all the major risks identified during the risk identification process were taken into account for assessing economic capital requirement. CACEIS notably measures operational risk, interest rate risk on the banking portfolio, variation risk on the securities portfolio, strategic risk, credit risk, and liquidity price risk.

CACEIS ensures that its internal capital covers the economic capital requirements. At the CACEIS level, internal capital covered 195% of the economic capital requirement at 31 December 2023.

Crédit Agricole S.A. entities subject to the requirement to measure their economic capital requirement are responsible for doing so in accordance with standards and methodologies defined by Crédit Agricole Group. In particular, they must ensure that their ICAAP approach is appropriately organised and governed. The economic capital requirement computed by the entities is reported in detail to Crédit Agricole S.A.

In addition to the quantitative aspect, the Group's approach relies on a qualitative component that supplements the calculation of the economic capital requirement with indicators of the business lines' exposure to risk and their permanent controls. The qualitative component meets three targets:

- evaluation of the risk management system and the control of entities within the scope of deployment along different axes, this assessment is a component of the risk identification system;
- if required, identification and formalising of points for improvement of the risk management and permanent control system, in the form of an action plan formalised by the entity;

- identification of any elements that are not adequately captured in quantitative ICAAP measures.

1.5.4 APPENDIX REGARDING REGULATORY CAPITAL

DIFFERENCES IN THE TREATMENT OF EQUITY EXPOSURES BETWEEN THE ACCOUNTING AND REGULATORY SCOPES

Exposure type	Accounting treatment	Basel 3 regulatory treatment
Subsidiaries with financial operations	Fully consolidated	Full consolidation generating capital requirements for the subsidiary's operations.
Jointly held subsidiaries with financial operations	Equity method	Proportional consolidation.
Equity investments of >10% with operations that are financial in nature	– Equity method – Equity investments in credit institutions	– Deduction of CET1 instruments from CET1, beyond an exemption threshold of 17.65 % of CET1. This exemption threshold, applied after calculation of a 10 % threshold of CET1, is common to the non-deducted portion of deferred tax assets that rely on future profitability arising from temporary differences ; – AT1 and Tier 2 instruments deducted from the corresponding class of instruments of CACEIS.
Equity investments of ≤ 10% with financial or insurance operations	Equity investments and securities held for collection and sale	Deduction of CET1, AT1 and Tier 2 instruments, beyond an exemption threshold of 10 % of CET1.
Investments ≤10% in a global systemically important institution (G-SII)	Financial assets	Deduction of eligible elements, or where not available in a sufficient quantity, deduction of Tier 2 instruments, beyond an exemption threshold of 10 % of CET1 (for global systemically important institutions).
ABCP (Asset-backed commercial paper) business securitisation vehicles	Fully consolidated	Risk weighting of the equity-accounted value and commitments on these structures (liquidity facilities and letters of credit).

DIFFERENCE BETWEEN THE ACCOUNTING AND REGULATORY SCOPES OF CONSOLIDATION

Entities consolidated for accounting purposes, but excluded from the regulatory scope of consolidation of credit institutions on a consolidated basis predominantly comprise insurance companies and several ad hoc entities that are equity-accounted for regulatory purposes. In addition, entities consolidated on an accounting basis using proportional consolidation at 31 December 2013 and now equity-accounted in accordance with IFRS 11, are still consolidated proportionally for regulatory purposes. Information on these entities and their consolidation method for accounting purposes is provided in the notes to the consolidated financial statements, "Scope of consolidation at 31 December 2023".

2. COMPOSITION AND STEERING OF RISK-WEIGHTED ASSETS

2.1 SUMMARY OF RISK WEIGHTED ASSETS

2.1.1 OVERVIEW OF TOTAL RISK EXPOSURE AMOUNTS (OV1)

The risk-weighted assets in respect of credit risk, market risks and operational risk were €10.9 billion at 31 December 2023 vs. €9.8 billion at 31 December 2022.

	Total risk exposure amounts (RWA)		Total own funds requirements
(in millions of euros)	31/12/2023	30/09/2023	31/12/2023
Credit risk (excluding CCR)	**4 940**	**5 058**	**395**
Of which the standardised approach	4 940	5 058	395
Of which the Foundation IRB (F-IRB) approach	-	-	-
Of which slotting approach	-	-	-
Of which equities under the simple risk weighted approach	-	-	-
Of which the Advanced IRB (A-IRB) approach	-	-	-
Counterparty credit risk - CCR	**2 487**	**2 996**	**199**
Of which the standardised approach	1 783	2 301	143
Of which internal model method (IMM)	-	-	-
Of which exposures to a CCP	63	53	5
Of which credit valuation adjustment - CVA	16	17	1
Of which other CCR	625	624	50
Settlement risk	**0.2**	**0.2**	**0**
Securitisation exposures in the non-trading book (after the cap)	**4**	**5**	**0**
Of which SEC-IRBA approach	-	-	-
Of which SEC-ERBA (including IAA)	-	-	-
Of which SEC-SA approach	4	5	0
Of which 1250% / deduction	-	-	-
Position, foreign exchange and commodities risks (Market risk)	**306**	**345**	**24**
Of which the standardised approach	306	345	24
Of which IMA	-	-	-
Large exposures	**-**	**-**	**-**
Operational risk	**3 162**	**3 067**	**253**
Of which basic indicator approach	-	-	-
Of which standardised approach	3 162	3 067	253
Of which advanced measurement approach	-	-	-
Amounts below the thresholds for deduction (subject to 250% risk weight)	103	108	8
TOTAL	**10 899**	**11 471**	**872**

2.2 CREDIT AND COUNTERPARTY RISK

Definitions:

- **exposure at default (EAD):** the exposure amount in the event of default. The concept of exposure encompasses balance sheet assets plus a proportion of off-balance sheet commitments;
- **gross exposure:** amount of the exposure (balance sheet + off-balance sheet), after the impacts of offsetting and before the application of any credit risk mitigation techniques (guarantees and collateral) and the credit conversion factor (CCF);
- **credit conversion factor (CCF):** ratio between the unused portion of a commitment that will be drawn and at risk at the time of default and the unused portion of the commitment calculated on the basis of the authorised limit or, where applicable, the unauthorised limit if higher;
- **risk-weighted assets (RWA):** risk-weighted assets are calculated by applying a weighting ratio to each exposure at default. The ratio is a function of the characteristics of the exposure and the calculation method used (IRB or standardised);
- **valuation adjustments:** impairment losses on a specific asset due to credit risk, recognised either through a partial write-down or a deduction from the carrying amount of the asset;
- **external credit ratings:** credit ratings provided by an external credit rating agency recognised by Regulation (EC) No. 1060/2009.

2.2.1 QUALITY OF CREDIT RISK

2.2.1.1 PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS (CR1)

31/12/2023 (in millions of euros)		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk				On performing exposures	On non-performing exposures
			Of which bucket 1	Of which bucket 2		Of which bucket 2	Of which bucket 3		Of which bucket 1	Of which bucket 2		Of which bucket 2	Of which bucket 3			
005	Cash balances at central banks and other demand deposits	29,328	29,321	7	0	-	0	(0)	(0)	-	(0)	-	(0)	-	-	-
010	Loans and advances	35,603	35,603	0	7	-	7	(4)	(4)	-	(7)	-	(7)	-	15,137	-
020	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	*General governments*	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-
040	*Credit institutions*	28,338	28,338	-	-	-	-	(3)	(3)	-	-	-	-	-	10,333	-
050	*Other financial corporations*	7,234	7,234	-	6	-	6	(1)	(1)	-	(6)	-	(6)	-	4,804	-
060	*Non-financial corporations*	30	30	0	1	-	1	(0)	(0)	-	(1)	-	(1)	-	-	-
070	*Of which SMEs*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
080	*Households*	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-
090	Debt Securities	41,602	41,555	45	-	-	-	(18)	(18)	(0)	-	-	-	-	-	-
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	4,373	4,373	-	-	-	-	(2)	(2)	-	-	-	-	-	-	-
120	*Credit institutions*	36,115	36,071	45	-	-	-	(12)	(12)	(0)	-	-	-	-	-	-
130	*Other financial corporations*	1,113	1,111	-	-	-	-	(3)	(3)	-	-	-	-	-	-	-
140	*Non-financial corporations*	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance sheet exposures	16,741	16,741	-	-	-	-	(2)	(2)	-	-	-	-		-	-
160	*Central banks*	9,404	9,404	-	-	-	-	-	-	-	-	-	-		-	-
170	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
180	*Credit institutions*	1,680	1,680	-	-	-	-	(0)	(0)	-	-	-	-		-	-
190	*Other financial corporations*	5,648	5,648	-	-	-	-	(1)	(1)	-	-	-	-		-	-
200	*Non-financial corporations*	8	8	-	-	-	-	(0)	(0)	-	-	-	-		-	-
210	*Households*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
220	**TOTAL**	123,274	123,220	51	8	-	8	(24)	(24)	(0)	(8)	-	(8)	-	15,137	-

	(en millions d'euros) *(in millions of euros)*	Gross carrying amount/ nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk				On performing exposures	On non-performing exposures
			Of which bucket 1	Of which bucket 2		Of which bucket 2	Of which bucket 3		Of which bucket 1	Of which bucket 2		Of which bucket 2	Of which bucket 3			
005	Cash balances at central banks and other demand deposits	35,779	35,779	1	0	-	0	(0)	(0)	-	(0)	-	(0)	-	-	-
010	Loans and advances	39,098	39,098	-	7	-	7	(5)	(5)	-	(7)	-	(7)	-	9,924	-
020	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
040	*Credit institutions*	30,591	30,591	-	-	-	-	(4)	(4)	-	-	-	-	-	5,567	-
050	*Other financial corporations*	8,324	8,324	-	6	-	6	(1)	(1)	-	(6)	-	(6)	-	4,357	-
060	*Non-financial corporations*	182	182	-	1	-	1	(0)	(0)	-	(1)	-	(1)	-	-	-
070	*Of which SMEs*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
080	*Households*	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-
090	Debt Securities	39,823	39,817	-	-	-	-	(14)	(14)	-	-	-	-	-	-	-
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	2,933	2,933	-	-	-	-	(2)	(2)	-	-	-	-	-	-	-
120	*Credit institutions*	35,725	35,721	-	-	-	-	(12)	(12)	-	-	-	-	-	-	-
130	*Other financial corporations*	1,165	1,163	-	-	-	-	(0)	(0)	-	-	-	-	-	-	-
140	*Non-financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance sheet exposures	14,417	14,417	-	-	-	-	(2)	(2)	-	-	-	-		-	-
160	*Central banks*	8,906	8,906	-	-	-	-	-	-	-	-	-	-		-	-
170	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
180	*Credit institutions*	794	794	-	-	-	-	(0)	(0)	-	-	-	-		-	-
190	*Other financial corporations*	4,708	4,708	-	-	-	-	(1)	(1)	-	-	-	-		-	-
200	*Non-financial corporations*	8	8	-	-	-	-	(0)	(0)	-	-	-	-		-	-
210	*Households*	0	0	-	-	-	-	-	-	-	-	-	-		-	-
220	**TOTAL**	129,116	129,110	1	7	-	7	(21)	(21)	-	(7)	-	(7)	-	9,924	-

2.2.1.2 QUALITY OF NON-PERFORMING EXPOSURES BY GEOGRAPHIC LOCATION (CQ4)

31/12/2023 *(in millions of euros)*		Gross carrying/nominal amount	Of which non-performing	Of which defaulted	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
010	**On balance sheet exposures**	77 212	7		(30)		-
020	France	47 298	0		(13)		-
030	United Kingdom	15 384	-		(5)		-
040	Luxembourg	3 345	0		(1)		-
050	Germany	2 084	-		(0)		-
060	Spain	3 116	0		(1)		-
070	Other countries	5 986	7		(9)		-
080	**Off balance sheet exposures**	16 741	-			2	
090	France	12 762	-			1	
100	Netherlands	1298	-			-	
110	Luxembourg	1508	-			1	
120	Germany	153	-			0	
130	Switzerland	21	-			-	
140	Other countries	1000	-			0	
150	**TOTAL**	**93 953**	**7**		**(30)**	**2**	**-**

31/12/2022 (in millions of euros)		Gross carrying/nominal amount			Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing				
				Of which defaulted			
010	**On balance sheet exposures**	78 927		7	(26)		-
020	France	50 658		0	(10)		-
030	United Kingdom	16 434		-	(5)		-
040	Luxembourg	3 717		0	(1)		-
050	Germany	1453		-	(0)		-
060	Spain	1679		-	(1)		-
070	Other countries	4 986		7	(9)		-
080	**Off balance sheet exposures**	14 417		-		2	
090	France	11775		-		1	
100	Netherlands	1220		-		-	
110	Luxembourg	597		-		0	
120	Germany	729		-		0	
130	Switzerlnd	26		-		-	
140	Other countries	70		-		-	
150	**TOTAL**	**93 344**		**7**	**(26)**	**2**	**-**

The CQ4 statement replaces the RC1-C statement in the framework of the application of CRR2.
It distinguishes on- and off-balance sheet items, contrarily to RC1-1.

In this statement, treasury, sight deposits with Central Banks and other sight deposits were removed from the scope of on-balance sheet exposure in order to follow the 2021 FINREP presentation which changed as of 30/06/2021.

CREDIT QUALITY OF LOANS AND RECEIVABLES TO NON-FINANCIAL CORPORATIONS BY BRANCH OF ACTIVITY (CQ5)

31/12/2023 *(in millions of euros)*		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which loans and advances subject to impairment		
				Of which defaulted			
010	Agriculture, forestry and fishing	-	-	-	-	-	-
020	Mining and quarrying	-	-	-	-	-	-
030	Manufacturing	-	-	-	-	-	-
040	Electricity, gas, steam and air conditioning supply	-	-	-	-	-	-
050	Water supply	-	-	-	-	-	-
060	Construction	-	-	-	-	-	-
070	Wholesale and retail trade	-	-	-	-	-	-
080	Transport and storage	-	-	-	-	-	-
090	Accommodation and food service activities	-	-	-	-	-	-
100	Information and communication	-	-	-	-	-	-
110	Financial and insurance actvities	-	-	-	-	-	-
120	Real estate activities	-	-	-	-	-	-
130	Professional, scientific and technical activities	-	-	-	-	-	-
140	Administrative and support service activities	-	-	-	-	-	-
150	Public administration and defense, compulsory social security	-	-	-	-	-	-
160	Education	-	-	-	-	-	-
170	Human health services and social work activities	-	-	-	-	-	-
180	Arts, entertainment and recreation	-	-	-	-	-	-
190	Other services	31	1	1	31	(1)	-
200	**TOTAL**	**31**	**1**	**1**	**31**	**(1)**	**-**

31/12/2022 (en millions d'euros)		Valeur comptable brute			Dont prêts et avances soumis à dépréciation	Dépréciation cumulée	Variations négatives cumulées de la juste valeur dues au risque de crédit sur expositions non performantes
			Dont non performantes				
				Dont en défaut			
010	Agriculture, sylviculture et pêche	-	-	-	-	-	-
020	Industries extractives	-	-	-	-	-	-
030	Secteur manufacturier	-	-	-	-	-	-
040	Production et distribution d'électricité, de gaz, de vapeur et d'air conditionné	-	-	-	-	-	-
050	Distribution d'eau	-	-	-	-	-	-
060	Construction	-	-	-	-	-	-
070	Commerce de gros et de détail	-	-	-	-	-	-
080	Transports et entreposage	-	-	-	-	-	-
090	Hébergement et restauration	-	-	-	-	-	-
100	Information et communication	-	-	-	-	-	-
110	Activités de finance et d'assurance	-	-	-	-	-	-
120	Activités immobilières	-	-	-	-	-	-
130	Activités spécialisées, scientifiques et techniques	-	-	-	-	-	-
140	Activités de services administratifs et de soutien	-	-	-	-	-	-
150	Administration publique et défense, sécurité sociale obligatoire	-	-	-	-	-	-
160	Enseignement	-	-	-	-	-	-
170	Services de santé humaine et action sociale	-	-	-	-	-	-
180	Arts, spectacles et activités récréatives	-	-	-	-	-	-
190	Autres services	183	1	1	183	(1)	-
200	**TOTAL**	**183**	**1**	**1**	**183**	**(1)**	**-**

The CQ5 statement replaces the RC1-B statement in the framework of the application of CRR2.

It presents balance sheet items. It does not include debt securities, loans to central governments and Central Banks, credit institutions and households.

The breakdown by branch of activity being non-significant, all amounts were classified as "other services".

2.2.1.3 MATURITY OF EXPOSURES (CR1-A)

31/12/2023 (in millions of euros)		Net exposure value on balance sheet					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	800	28 003	5 443	1 353	-	35 598
2	Debt securities	-	6 620	25 243	9 721	-	41 584
3	**TOTAL**	**800**	**34 623**	**30 686**	**11 074**	**-**	**77 183**

2.2.2 CREDIT RISK MITIGATION (CRM) TECHNIQUES

2.2.2.1 CRM TECHNIQUES OVERVIEW: DISCLOSURE OF THE USE OF CREDIT RISK MITIGATION TECHNIQUES (CR3)

31/12/2023 *(en millions d'euros)*		Unsecured carrying amount	Secured carrying amount	Of which: secured by collateral	Of which: secured by financial guarantees	Of which: secured by credit derivatives
1	Loans and advances	49,789	15,137	15,137	-	-
2	Debt securities	41,584	-	-	-	
3	**TOTAL**	**91,373**	**15,137**	**15,137**	**-**	**-**
4	Of which on-performing exposures	0	-	-	-	-

31/12/2022 *(en millions d'euros)*		Unsecured carrying amount	Secured carrying amount	Of which: secured by collateral	Of which: secured by financial guarantees	Of which: secured by credit derivatives
1	Loans and advances	64,948	9,924	9,924	-	-
2	Debt securities	39,809	-	-	-	
3	**TOTAL**	**104,756**	**9,924**	**9,924**	**-**	**-**
4	Of which on-performing exposures	0	-	-	-	-

2.2.2.2 STANDARDISED APPROACH – CREDIT RISK EXPOSURE AND CRM EFFECTS (CR4)

(in millions of euros)		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWA and RWA density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWA	RWA density (%)
1	Central governments or central banks	28,051	-	28,051	-	77	0.28%
2	Regional government or local authorities	504	-	504	-	-	-
3	Public sector entities	4,061	-	4,061	-	143	3.53%
4	Multilateral development banks	529	-	529	-	-	-
5	International organisations	717	-	717	-	-	-
6	Banks (Institutions)	55,619	163	54,785	3	1,063	1.94%
7	Corporates	2,710	2,247	1,487	701	2,184	99.82%
8	Retail	0	-	0	-	0	74.99%
9	Secured by mortgages on immovable property	-	-	-	-	-	-
10	Exposures in default	1	-	1	-	1	102.41%
11	Exposures associated with particularly high risk	-	-	-	-	-	-
12	Covered bonds	1,356	-	1,356	-	157	11.58%
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14	Collective investment undertakings	0	-	0	-	0	79.62%
15	Equity	44	-	44	-	63	141.39%
16	Other items	1,424	-	1,424	-	1,252	87.92%
17	**Total**	**95,017**	**2,411**	**92,960**	**704**	**4,940**	**5.27%**

3. LIQUIDITY RISK

3.1 LIQUIDITY RISK MANAGEMENT

Like all credit institutions, CACEIS is exposed to the risk of not holding the necessary funds to face its commitments. This risk occurs, for example, in case of a massive outflow of client deposits or in case of a confidence crisis or general liquidity crisis (access to interbank markets, cash and bonds).

3.1.1 LIQUIDITY RISK MANAGEMENT STRATEGY AND PROCESS

CACEIS' objective in terms of liquidity management is to be able to face, at all times and on long periods of time, liquidity crises of high intensity.

CACEIS is an integral part of Crédit Agricole Group's scope in terms of liquidity risk management and as such, relies on management, measurement and control mechanisms and procedures which aim to ensure a balanced funding of its growth strategy, that it is at all times capable of meeting its commitments toward its clients and standards set by the banking supervisory bodies relative to liquidity, and to maintain the lowest possible cost of funding, including in a situation of liquidity crisis.

Due to its role as a depository bank and custodian, CACEIS' principal source of liquidity is its clients' sight deposits. These deposits are placed by its clients with CACEIS for their settlement needs.

In order to manage the fluctuations of its clients' accounts, CACEIS maintains a significant liquidity buffer under the form of deposits with the Central Bank and investments in low-risk liquid assets.

The stable portion of client deposits is principally invested in a high quality bond portfolio.

Due to its corporate model, CACEIS therefore structurally holds liquidity surpluses and does not resort to market refinancing.

3.1.2 STRUCTURE AND ORGANISATION OF THE LIQUIDITY RISK MANAGEMENT FUNCTION

Within CACEIS, the responsibility for liquidity risk management is shared among several departments:

- The Financial Steering department ensures the steering of liquidity risk (planning of liquidity needs, anticipation of regulatory changes, setting up of funding programme…) in the framework of the strategy defined by the ALM (Asset & Liability Management) Committee;
- The Treasury Execution department carries out the market transactions according to the instructions given by the Financial Steering department and the strategy approved by the ALM Committee;
- The Risk department ensures on a second level that liquidity is soundly managed and is in charge of approving the mechanisms and controlling that the rules and limits are respected.

3.1.3 LIQUIDITY RISK REPORTING AND MONITORING SYSTEMS

In practice, liquidity risk is monitored via a centralised tool common to all entities that are part of Crédit Agricole Group's liquidity risk monitoring scope.

Via a chart of accounts adapted to the monitoring of liquidity risk, this tool makes it possible to identify the homogeneous compartments of the balance sheet of the Group and of each of its entities. This tool also conveys the schedule for each of these compartments. It measures the various indicators standardised by Crédit Agricole Group on a monthly basis:

- internal liquidity model indicators: liquidity balance sheet, reserves, stress scenarios, concentration of short-term and long-term refinancing, etc.;
- regulatory indicators: LCR, NSFR, ALMM.

This system is supplemented by management tools providing a daily view of certain risks (daily production of the LCR and NSFR, of short-term consumption and of the balance sheet).

Liquidity management is also integrated into CACEIS's planning process. Thus the balance sheet is projected, particularly in the context of budget exercises and the medium-term plan.

3.1.4 HEDGING OF LIQUIDITY RISK

The liquidity risk management policies consist in holding assets which can be made liquid in the short term in order to be able to deal with significant liquidity outflows in case of a liquidity crisis.

This essentially involves holding as assets:

- Central Bank deposits (mainly with the ECB),
- securities of high quality, liquid and subject to a low risk of variation in value.

3.1.5 LIQUIDITY CONTINGENCY PLAN

CACEIS has set up a Liquidity Emergency Plan in line with that of Crédit Agricole Group, to be deployed in case of a liquidity crisis.

This Plan has three levels, triggered according to the severity of the crisis situation:

- *Yellow:* the situation requires increased monitoring and low-level measures;
- *Orange:* the situation requires the implementation of unusual means to deal with the crisis;
- *Red:* the situation requires the implementation of exceptional means to deal with the crisis.

The system is based on dedicated governance in the event of the emergency plan being triggered, which notably includes a Crisis Committee chaired by general management. CACEIS' emergency plan is tested annually.

3.1.6 LIQUIDITY STRESS TESTS

CACEIS ensures that it has a sufficient buffer of liquid assets to deal with liquidity crisis situations. These include Central Bank deposits, liquid securities on the secondary market, securities likely to be repoed, or securities or receivables that can be mobilised with Central Banks.

Crédit Agricole Group sets tolerance thresholds in terms of survival time for the following three scenarios:

- a so-called systemic crisis scenario corresponding to a crisis on the refinancing market. The survival time is set at one year;
- a so-called idiosyncratic crisis scenario corresponding to a severe crisis with a smaller impact than the global crisis scenario, in particular because the market liquidity of the assets is not impacted. The survival time is set at three months;
- a so-called global crisis scenario corresponding to a brutal and severe crisis, both specific to the institution, i.e. affecting its reputation, and systemic, i.e. affecting the entire market for funding. The survival time is set at one month.

In practice, these stress tests are carried out by applying a set of hypotheses of deterioration of the liquidity balance sheet. They are considered to be passed if the liquid assets make it possible to maintain positive liquidity over the entire stressed period.

3.1.7 STEERING AND GOVERNANCE

Liquidity risk appetite is defined each year by governance in the Risk Appetite Framework, which reflects the level of risk accepted by CACEIS. This takes the form of alert thresholds and limits on the key indicators of the liquidity risk monitoring system:

- the LCR and the NSFR, controlled with a monitoring margin compared to the regulatory requirements;
- internal indicators, such as the Stable Resource Position (PRS), liquidity crisis scenarios and liquidity reserves are also subject to alert thresholds and limits.

MAIN LIQUIDITY RISK APPETITE AND MANAGEMENT INDICATORS MONITORED BY CACEIS AS OF 31 DECEMBER 2023

	LCR	NSFR	PRS	Stress
CACEIS	176%	122.54%	€95.6 billion	Global >0 Systemic >0 Idiosyncratic >0

The Risk Appetite Framework is presented to and approved by CACEIS' Board of Directors.

CACEIS prepares an annual statement on the adequacy of the liquidity risk management systems, ensuring that the liquidity risk management systems implemented are adapted to CACEIS' profile and strategy. This declaration is approved by the Board of Directors of CACEIS.

3.2 REGULATORY COVERAGE RATIO FOR SHORT-TERM LIQUIDITY NEEDS (LIQUIDITY COVERAGE RATIO)

EU LIQ 1 (LCR disclosure – quantitative data) and EU LIQ B templates (LCR disclosure – qualitative data) – Article 451a-(4) CRR

QUANTITATIVE INFORMATION

Average LCR[1] over 12 rolling months calculated on 31 March 2023, 30 June 2023, 30 September 2023 and 31 December 2023.

1 Average of the last 12 month-end measurements.

Liquidity Coverage Ratio average over 12 months (LCR)		Total unweighted value (average)				Total weighted value (average)			
Scope of consolidation: CACEIS GROUP									
(in millions of euros)									
EU 1a	Quarter ending on	31/12/2023	30/09/2023	30/06/2023	31/03/2023	31/12/2023	30/09/2023	30/06/2023	31/03/2023
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					**29,209**	**30,235**	**34,405**	**36,463**
CASH-OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	**65**	**59**	**65**	**64**	**7**	**6**	**7**	**6**
3	*Stable deposits*	-	-	-	-	-	-	-	-
4	*Less stable deposits*	65	59	65	64	7	6	7	6
5	Unsecured wholesale funding	**85,490**	**88,079**	**98,484**	**102,225**	**24,403**	**24,730**	**27,240**	**28,387**
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	81,450	84,465	94,992	98,451	20,363	21,116	23,748	24,613
7	*Non-operational deposits (all counterparties)*	4,040	3,614	3,492	3,774	4,040	3,614	3,492	3,774
8	*Unsecured debt*	0	0	-	-	0	0	-	-
9	Secured wholesale funding					**21,463**	**21,876**	**23,718**	**21,221**
10	Additional requirements	**2,799**	**2,333**	**2,377**	**2,321**	**1,964**	**1,671**	**1,678**	**1,605**
11	*Outflows related to derivative exposures and other collateral requirements*	1,411	1,232	1,215	1,132	1,411	1,232	1,215	1,132
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	1,388	1,101	1,162	1,188	553	439	463	473
14	Other contractual funding obligations	**501**	**674**	**666**	**663**	**501**	**674**	**666**	**663**
15	Other contingent funding obligations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
16	**TOTAL CASH OUTFLOWS**					**48,337**	**48,958**	**53,308**	**51,882**
CASH-INFLOWS									
17	Secured lending (e.g. reverse repos)	**55,396**	**55,445**	**59,651**	**54,500**	**26,194**	**26,248**	**28,507**	**26,091**
18	Inflows from fully performing exposures	**5,930**	**6,940**	**8,201**	**8,954**	**4,202**	**5,163**	**6,307**	**7,098**
19	Other cash inflows	**590**	**621**	**578**	**464**	**590**	**621**	**578**	**464**
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	**TOTAL CASH INFLOWS**	**61,917**	**63,005**	**68,430**	**63,918**	**30,986**	**32,032**	**35,392**	**33,653**
EU-20a	***Fully exempt inflows***	-	-	-	-	-	-	-	-
EU-20b	***Inflows subject to 90% cap***	-	-	-	-	-	-	-	-
EU-20c	***Inflows subject to 75% cap***	15,797	16,324	17,753	17,921	30,986	32,032	35,392	33,653
						TOTAL ADJUSTED VALUE			
EU-21	**LIQUIDITY BUFFER**					**29,209**	**30,235**	**34,405**	**36,463**
22	**TOTAL NET CASH OUTFLOWS***					**17,352**	**16,926**	**18,115**	**18,428**
23	**LIQUIDITY COVERAGE RATIO**					**154.55%**	**164.17%**	**192.48%**	**201.59%**

*the net cash outflows are calculated on average on the amounts observed (over the 12 regulatory declarations concerned) including the application of a cap on cash inflows (maximum of 75% of gross outflows), if applicable

QUALITATIVE INFORMATION

Explanations on the main drivers of LCR results and the evolution of the contribution of inputs to the LCR over time	CACEIS' LCR is at a comfortable level, benefiting from liquid assets composed principally of Central Bank deposits which largely cover net treasury outflows of which the main part corresponds to client deposits
Explanations on the changes in the LCR over time	Treasury outflows mainly stem from stressed hypotheses on client deposit outflows, down in 2023 (in line with the decrease in inflows). These deposits were mainly invested in liquid assets, enabling the constitution of a liquidity buffer of €29 billion over the period.
Explanations on the current concentration of funding sources	CACEIS does not resort to market refinancing.
Detailed description of the composition of the liquidity buffer	At 31/12/2023, the liquidity buffer is mainly composed of Central Bank deposits (79%) and Level 1 HQLA securities (sovereign or public sector, 9%). More marginally, the portfolio contains Level 1B covered bonds and other Level 2 securities.
Derivative exposures and potential collateral calls	The cash outflows relating to this item materialise for CACEIS the contingent risk of an increase in margin calls on derivative transactions in an unfavourable market scenario. CACEIS' exposure to this risk is very limited and does not materially impact its LCR. Cash outflows relating to this item amount to between €1,000 and 1,500 million over the period.
Currency mismatch in the LCR	As of 31 December 2023, CACEIS hedged its net cash outflows with liquid assets denominated in the same currency EUR and USD. CACEIS has no material exposure to other currencies.

3.3 REGULATORY COVERAGE RATIO OF MEDIUM/LONG-TERM LIQUIDITY NEEDS (NET STABLE FUNDING RATIO)

EU LIQ 2 template (NSFR disclosure – quantitative data) – Article 451a-(4) CRR

QUANTITATIVE INFORMATION

NSFR measured on 31 March 2023, 30 June 2023, 30 September 2023 and 31 December 2023.

Net Stable Funding Ratio (NSFR) at 31/03/2023		a	b	c	d	e
Scope of consolidation : CACEIS GROUP		Unweighted value by residual maturity				Weighted value
(in millions of euros)		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	**4 434**	**-**	**-**	**269**	**4 703**
2	*Own funds*	4 434	-	-	269	4 703
3	*Other capital instruments*		-	-	-	-
4	Retail deposits		**57**	**-**	**-**	**51**
5	*Stable deposits*		-	-	-	-
6	*Less stable deposits*		57	-	-	51
7	Wholesale funding		**97 573**	**1 064**	**610**	**44 829**
8	*Operational deposits*		87 375	-	-	43 687
9	*Other wholesale funding*		10 198	1 064	610	1 142
10	Interdependent liabilities		-	-	-	-
11	Other liabilities	**328**	**5 247**	**-**	**-**	**-**
12	*NSFR derivative liabilities*	328				-
13	*All other liabilities and capital instruments not included in the above categories*		5 247	-	-	-
14	**Total available stable funding (ASF)**					**49 584**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					**162**
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		**2 160**	**-**	**-**	**1 080**
17	Performing loans and securities:		**33 890**	**1 617**	**35 375**	**36 573**
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		5 707	-	-	-
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		23 277	326	7 965	10 177
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*	-	335	2	-	168
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*	-	-	-	-	-
22	*Performing residential mortgages, of which:*	-	-	-	-	-
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	-
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		4 571	1 289	27 410	26 228
25	Interdependent assets		-	-	-	-
26	Other assets:		**10 357**	**0**	**1 077**	**6 325**
27	*Physical traded commodities*				-	-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		3 881	-	-	3 299
29	*NSFR derivative assets*		-			-
30	*NSFR derivative liabilities before deduction of variation margin posted*		1 813			91
31	*All other assets not included in the above categories*		4 663	0	1 077	2 936
32	Off-balance sheet items		-	-	**1 246**	**62**
33	**Total required stable funding (RSF)**					**44 203**
34	**Net Stable Funding Ratio (%)**					**112.17%**

Net Stable Funding Ratio (NSFR) at 30/06/2023		a	b	c	d	e
Scope of consolidation : GROUPE CREDIT AGRICOLE		Unweighted value by residual maturity				Weighted value
(in millions of euros)		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	**4,423**	**-**	**-**	**265**	**4,688**
2	*Own funds*	4,423	-	-	265	4,688
3	*Other capital instruments*		-	-	-	-
4	Retail deposits		**76**	**-**	**-**	**69**
5	*Stable deposits*		-	-	-	-
6	*Less stable deposits*		76	-	-	69
7	Wholesale funding		**91,401**	**2,001**	**610**	**41,699**
8	*Operational deposits*		80,177	-	-	40,089
9	*Other wholesale funding*		11,223	2,001	610	1,610
10	Interdependent liabilities		**-**	**-**	**-**	**-**
11	Other liabilities	**-**	**6,177**	**-**	**-**	**-**
12	*NSFR derivative liabilities*	-				-
13	*All other liabilities and capital instruments not included in the above categories*		6,177	-	-	-
14	**Total available stable funding (ASF)**					**46,455**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)	**-**				**290**
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		**2,009**	**-**	**-**	**1,004**
17	Performing loans and securities:		**33,798**	**663**	**36,535**	**35,859**
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		6,658	-	-	-
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		24,992	368	7,968	10,355
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*	-	47	2	-	25
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*	-	-	-	-	-
22	*Performing residential mortgages, of which:*	-	-	-	-	-
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*	-	-	-	-	-
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*	-	2,100	293	28,567	25,478
25	Interdependent assets	-	**4,186**	**-**	**-**	**-**
26	Other assets:	-	**6,611**	**0**	**1,087**	**4,451**
27	*Physical traded commodities*				-	-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*	-	501	-	-	426
29	*NSFR derivative assets*		740			740
30	*NSFR derivative liabilities before deduction of variation margin posted*		111			6
31	*All other assets not included in the above categories*		5,260	0	1,087	3,280
32	Off-balance sheet items		**-**	**-**	**1,271**	**64**
33	**Total required stable funding (RSF)**					**41,667**
34	**Net Stable Funding Ratio (%)**					**111.49%**

Net Stable Funding Ratio (NSFR) at 30/09/2023		a	b	c	d	e
Scope of consolidation : CACEIS GROUP		Unweighted value by residual maturity				Weighted value
(in millions of euros)		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	**4 408**	**-**	**-**	**261**	**4 669**
2	*Own funds*	4 408	-	-	261	4 669
3	*Other capital instruments*		-	-	-	-
4	Retail deposits		**60**	**-**	**-**	**54**
5	*Stable deposits*		-	-	-	-
6	*Less stable deposits*		60	-	-	54
7	Wholesale funding		**101 054**	**8**	**610**	**43 884**
8	*Operational deposits*		86 540	-	-	43 270
9	*Other wholesale funding*		14 514	8	610	614
10	Interdependent liabilities		-	-	-	-
11	Other liabilities	**-**	**6 960**	**-**	**-**	**-**
12	*NSFR derivative liabilities*	-				-
13	*All other liabilities and capital instruments not included in the above categories*		6 960	-	-	-
14	**Total available stable funding (ASF)**					**48 607**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					**272**
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		**3 475**	**-**	**-**	**1 737**
17	Performing loans and securities:		**31 322**	**3 458**	**35 414**	**35 491**
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		7 495	-	-	-
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		22 409	1 239	6 864	9 405
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*	-	96	1	-	48
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*	-	-	-	-	-
22	*Performing residential mortgages, of which:*	-	-	-	-	-
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	-
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		1 323	2 219	28 549	26 038
25	Interdependent assets		**3 581**	**-**	**-**	**-**
26	Other assets:		**7 202**	**-**	**1 307**	**4 563**
27	*Physical traded commodities*				-	-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		257	-	-	218
29	*NSFR derivative assets*		287			287
30	*NSFR derivative liabilities before deduction of variation margin posted*		148			7
31	*All other assets not included in the above categories*		6 510	-	1 307	4 050
32	Off-balance sheet items		**-**	**-**	**1 441**	**72**
33	**Total required stable funding (RSF)**					**42 135**
34	**Net Stable Funding Ratio (%)**					**115.36%**

Net Stable Funding Ratio (NSFR) at 31/12/2023		a	b	c	d	e
Scope of consolidation : CACEIS GROUP		Unweighted value by residual maturity				Weighted value
(in millions of euros)		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	**4 052**	**257**	**350**	**-**	**4 227**
2	*Own funds*	4 052	257	350	-	4 227
3	*Other capital instruments*		-	-	-	-
4	Retail deposits		**109**	**-**	**-**	**98**
5	*Stable deposits*		-	-	-	-
6	*Less stable deposits*		109	-	-	98
7	Wholesale funding		**100 177**	**511**	**110**	**43 458**
8	*Operational deposits*		86 184	-	-	43 092
9	*Other wholesale funding*		13 993	511	110	366
10	Interdependent liabilities		-	-	-	-
11	Other liabilities	-	**4 975**	-	-	-
12	*NSFR derivative liabilities*	-				-
13	*All other liabilities and capital instruments not included in the above categories*		4 975	-	-	-
14	**Total available stable funding (ASF)**					**47 783**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					**215**
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		**1 619**	-	-	**810**
17	Performing loans and securities:		**27 590**	**4 028**	**37 743**	**36 860**
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		7 620	-	-	-
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		19 744	1 390	6 863	9 180
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*	-	34	-	-	17
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*	-	0	-	-	0
22	*Performing residential mortgages, of which:*	-	-	-	-	-
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	-
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		192	2 638	30 881	27 663
25	Interdependent assets		**3 647**	-	-	-
26	Other assets:		**7 706**	-	**1 294**	**4 504**
27	*Physical traded commodities*				-	-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		247	-	-	210
29	*NSFR derivative assets*		6			6
30	*NSFR derivative liabilities before deduction of variation margin posted*		304			15
31	*All other assets not included in the above categories*		7 149	-	1 294	4 272
32	Off-balance sheet items		-	-	**1 992**	**100**
33	**Total required stable funding (RSF)**					**42 487**
34	**Net Stable Funding Ratio (%)**					**112.47%**

CACEIS's NSFR ratio remains at a comfortable level since its entry into force. The stable financing comes mainly from client resources and CACEIS's capital instruments. Stable financing requirements mainly correspond to the replacement of the stable portion of client deposits under the form of loans or NHQLA securities over one year.

Stable financing covers the stable financing needs since the entry into force of the regulatory requirement in June 2021.

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INVESTOR SERVICES

Declaration concerning the publication of the information required under Part 8 of Regulation (EU) No 575/2013

Jean-Pierre MICHALOWSKI, Chief Executive Officer of CACEIS

STATEMENT BY THE PERSON RESPONSIBLE

I hereby declare that, to the best of my knowledge, disclosures provided according to Part Eight of Regulation (EU) No 575/2013 (as modified) have been prepared in accordance with the internal control processes agreed upon at the CACEIS management body level.

Montrouge October 21, 2024

The Chief Executive Officer of CACEIS

Jean-Pierre MICHALOWSKI