NATIXIS
CORPORATE AND INVESTMENT BANKING

NATIXIS CIB LUXEMBOURG 2023 - PILLAR III DISCLOSURE

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GROUPE BPCE

RISK REPORT

2023 – PILLAR III Disclosure

The purpose of Pillar III is to establish market discipline through a series of reporting requirements.

These requirements – both qualitative and quantitative – are intended to improve financial transparency in the assessment of risk exposure, risk assessment procedures and capital adequacy.

Pillar III therefore enhances minimum capital requirements (Pillar I) and the prudential supervision process (Pillar II).

This report is published on the Bank's website:

https://emea.cib.natixis.com/luxembourg

Contents

1. KEY FIGURES

EU KM1 - Key metrics

	In millions of euros	Q-4 2023	Q-3 2023	Q-2 2023	Q-1 2023	Q-4 2022
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	707.37	706.93	706.49	706.07	700.69
2	Tier 1 capital	707.37	706.93	706.49	706.07	700.69
3	Total capital	707.37	706.93	706.49	706.07	700.69
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	1,454.21	1,537.34	1,455.95	1,485.98	1,906.05
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	48.64%	45.98%	48.52%	47.52%	36.76%
6	Tier 1 ratio (%)	48.64%	45.98%	48.52%	47.52%	36.76%
7	Total capital ratio (%)	48.64%	45.98%	48.52%	47.52%	36.76%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 7b	of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 7d	Total SREP own funds requirements (%)	8.00%	8.00%	8.00%	8.00%	8.00%
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0%	0%	0%	0%	0%
9	Institution specific countercyclical capital buffer (%)	0.10%	0.06%	0.08%	0.05%	0.05%
EU 9a	Systemic risk buffer (%)	0%	0%	0%	0%	0%
10	Global Systemically Important Institution buffer (%)	0%	0%	0%	0%	0%
EU 10a	Other Systemically Important Institution buffer	0	0	0	0	0
11	Combined buffer requirement (%)	2.60%	2.56%	2.58%	2.55%	2.55%
EU 11a	Overall capital requirements (%)	10.60%	10.56%	10.58%	10.55%	10.55%
12	CET1 available after meeting the total SREP own funds requirements (%)	591.04	583.94	590.01	587.19	548.20
	Leverage ratio					
13	Total exposure measure	3,251.70	3,491.60	3,383.67	3,527.16	4,515.60
14	Leverage ratio (%)	21.75%	20.25%	20.88%	20.02%	15.52%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0%	0%	0%	0%	0%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0	0	0	0	0
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%

In millions of euros		Q-4 2023	Q-3 2023	Q-2 2023	Q-1 2023	Q-4 2022
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	0	0	0	0	0
EU 14e	Overall leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	128.35	128.03	133.39	358.38	510.07
EU 16a	Cash outflows - Total weighted value	293.70	343.36	371.61	608.22	570.09
EU 16b	Cash inflows - Total weighted value	765.70	829.04	851.14	814.17	287.68
16	Total net cash outflows (adjusted value)	73.43	85.84	92.90	152.05	296.19
17	Liquidity coverage ratio (%)	174.80%	149.03%	143.98%	223.43%	198.38%
	Net Stable Funding Ratio					
18	Total available stable funding	2,437.81	2,564.54	2,543.96	2,660.43	3,112.85
19	Total required stable funding	2,327.23	2,436.27	2,383.72	2,428.98	3,037.45
20	NSFR ratio (%)	104.75%	105.26%	106.72%	109.53%	102.48%

1.1 Type of risks

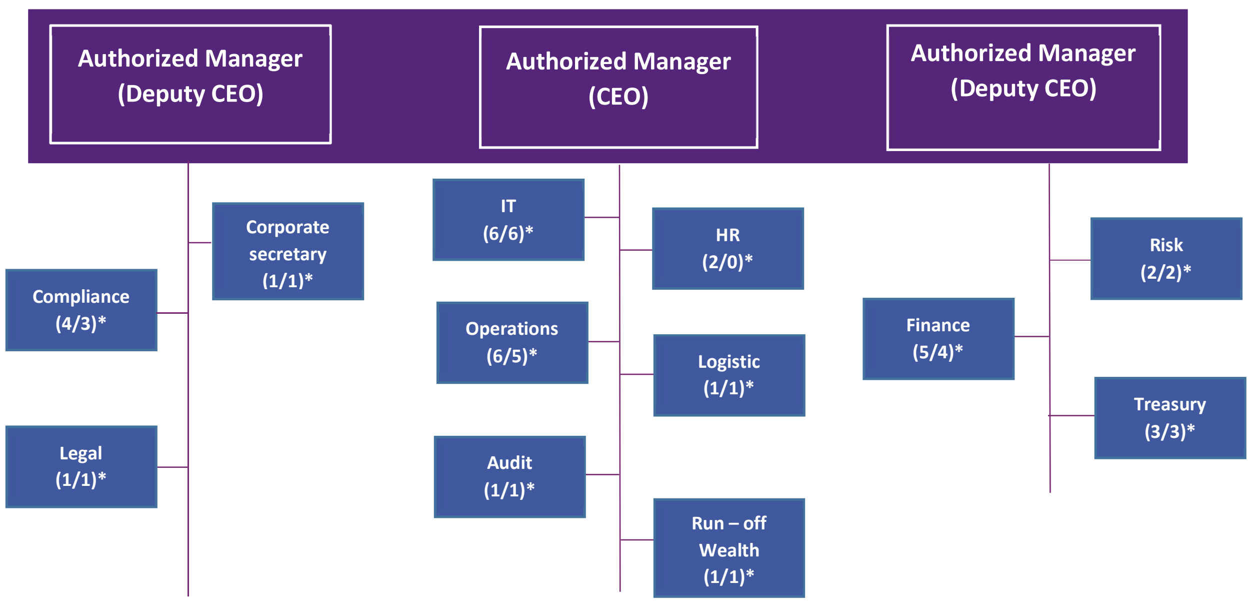
Risk macro-categories	Definition
Credit and counterparty risk	
• Credit risk	The risk of loss resulting from the inability of clients, issuers or other counterparties to honor their financial commitments. It includes counterparty risk related to market transactions (replacement risk) and securitization activities. It can be exacerbated by concentration risk.
Financial risks	
• Market risk	The risk of loss of value on financial instruments resulting from changes in market inputs, from the volatility of these inputs or from the correlations between these inputs. Inputs include exchange rates, interest rates and prices of securities (equities, bonds), commodities, derivatives or any other assets, such as real estate assets.
• Liquidity risk	The risk that the Group cannot meet its cash requirements or collateral requirements when they fall due and at a reasonable cost.
• Exchange rate risk	The risk of loss in interest income or in the value of a fixed-rate structural position in the event of changes in exchange rates. Structural interest rate and exchange rate risks are associated with commercial activities and proprietary transactions.
Non-financial risks	
• Non-compliance risk	The risk of a legal, administrative or disciplinary penalty, material financial loss or reputational risk arising from a failure to comply with the provisions specific to banking and financial activities (whether these are stipulated by directly applicable national or European laws or regulations), with professional or ethical standards, or instructions from executive management, notably issued in accordance with the policies of the supervisory body.
• Operational risk	The risk of losses arising from the inadequacy or failure of internal processes, people and systems or from external events, including legal risk. Operational risk includes risks related to events with a low probability of occurrence but a high impact, the risks of internal and external fraud defined by the regulations, and risks related to the model.
• Legal risk	Legal risk is defined as the risk of any dispute with a counterparty, resulting from any inaccuracy, lacunae or insufficiency that may be attributable to the company in respect of its operations from a legal perspective.
• Reputational risk	Reputational risk is defined as the risk of damage to the trust of the company, its customers, counterparties, suppliers, employees, shareholders, supervisors or any other third party whose trust, in any capacity whatsoever, is a necessary condition for the normal continuation of the activity.
Ecosystem risks	
• Climate and environmental risk	Direct or indirect vulnerability (i.e. via the assets/liabilities held) of banking activities to risks related to the climate and the environment, including physical risks (climate hazards, pollution, loss of biodiversity, etc.) and risks related to the transition (regulatory, technological, customer expectations).

1.2 Bank description

Natixis Corporate and Investment Banking Luxembourg (NCIBL) formerly known as Natixis Wealth Management Luxembourg (NWML) has changed its name on March 24, 2023. This change has been done to reflect the strategic move from Wealth Management activities that have mainly been transferred to Massena Partners (BPCE group sister company) to Corporate and Investment Banking (CIB) activities. NCIBL activities will mainly focus on collateralized notes issuances, corporate loans and deposits and the run-off portfolio from the previous Wealth Management (WM) activities.

Corporate and Investment Bank activities are now planned to be launched during 2024 with the collateralized notes issuance. Corporate loans and deposits change of target operating model is expected going live between Q4-2024 and Q1-2025.

Organizational chart (as of 01/05/2024)



(Total employees/Total Internal employees)

2. RISK MANAGEMENT SYSTEM

2.1 Risk Management

The Bank has put in place a consistent and exhaustive risk management framework, covering all activities and operational units, allowing the management to retain control over all risks to which it is or may be exposed.

The risk management framework includes a set of policies and procedures, limits, controls and alerts ensuring the identification, measurement, management or mitigation and report of these risks and, compliance with the escalation procedure.

The governance body for Risk Management Department is the Bank Risk Committee. The purpose of the Risk Committee is to assist the Authorized Management on aspects related to the overall risk and risk appetite strategy, in assessing the correlation between the incurred risks, the Bank´s ability to manage these risks, the internal and regulatory capital and, the liquidity reserves.

The Bank Risk Committee assists the Authorized Management in implementing the risk strategy, the overall risk-taking and risk management framework and, the adequacy of all incurred risks relating to the strategy, the risk appetite and risk mitigation measures of the Bank. The outcome of the Risk Committee is used to inform and advise the Board of Directors on the following aspects:

- Review and Validation of the Risk Universe according to the Bank's profile
- Determination of the different components of risk appetite (Risk Appetite Framework and Risk Appetite Statement)
- Evaluation of the inherent risk levels and the actions to be taken to better manage these risk
- The adequacy of the risk management strategy in relation to the business objectives

The risk management process within the Bank is based on four main steps:

- Identification of the Risk Universe and Risk Appetite Statement (RAS) definition
- Definition of Risk Appetite Framework (RAF) – limits and appetite
- Execution of the Second level controls program
- Evaluation of inherent risk, steering and reporting of Risk controls and their assessment

2.2 Risk Appetite

The Bank assumes different types of risks inherent to its activities. In order to control and mitigate these risks, the Bank defines an acceptable risk level it is willing to take, and maintains robust controls for identification, measurement, mitigation, monitoring and reporting of risks.

The Risk Appetite of the Bank is determined qualitatively and/or quantitatively and represents the maximum level of loss that the Bank is willing to absorb in implementing its strategy and business objectives while:

- maintaining the financial stability of the entity under all circumstances
- protecting the completeness of its non-own resources, and
- ensuring the minimum regulatory requirement of own resources (prudential capital and liquidity requirements)

The Bank measures its own risks through the implementation of a comprehensive and coherent internal limit system adapted to:

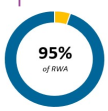
- the organizational and operational structure
- the Bank's strategy and policies
- the Bank's risk appetite and the implementation of an alert system when the risk is approaching internal limits or legal/prudential limits

Warning thresholds are set to enable corrective actions to be done before the limits defined are reached. The level of limits is adapted to each risk profile and set at a level that ensures that regulatory limits should not be reached. These limits and thresholds are regularly monitored and an overview is provided during the quarterly Board of Directors meeting or during the monthly Risk Committee meeting. Some other relevant information are also provided by the Risk department during the Executive committee meetings when necessary.

Summary of NCIBL risk profile in 2023

The Bank is exposed to the following risk factors through its activities:

CREDIT AND COUNTERPARTY RISKS



- Credit and counterparty risks are the most significant risks faced by the Bank in terms of regulatory capital requirements, which arise from its lending activities.
- RWAs: **€1 379.5M**

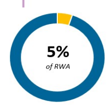
STRUCTURAL ALM RISKS

- Considering its business model and balance sheet structure, NCIBL's liquidity profile is relatively straightforward. In 2023, liquidity was maintained at a high level.
- Average LCR: **172.81%**
- Average NSFR: **106.57%**

MARKET RISKS

- Market risks during 2023 comes from the Bank's assets and liabilities banking book interest rates, in the absence of a securities, commodities and derivatives portfolio.
- Economic value adjustment: **€1.98M**

NON-FINANCIAL RISKS

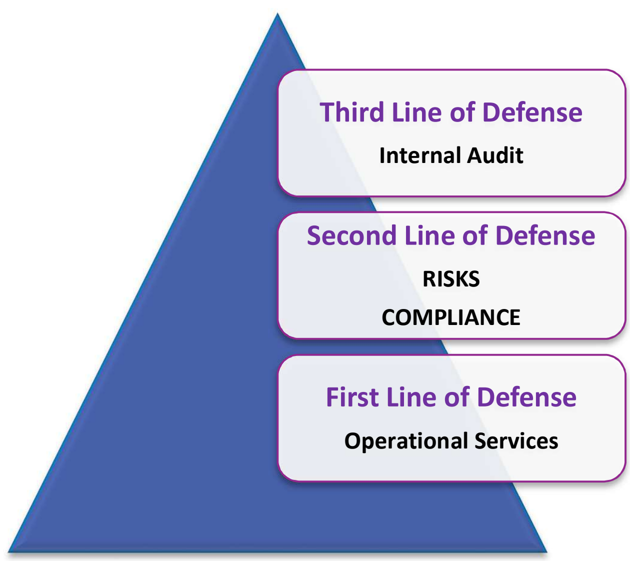


- Non-financial risks are non-compliance, fraud, information system security, reputational and misconduct risks, as well as other operational risks.
- Operational risk-weighted assets: **€74.71M**

2.3 Internal Control

Organization

The Bank complies with the principles of the "three lines of defense" model.



- The first line of defense consists of the business units that take and/or are exposed to risks. These business lines are responsible for the management of incurred risk and the monitoring of compliance with the policies, procedures and limits on a permanent basis.

- The second line of defense consists of control functions, especially Compliance and Risk Departments that control risks on an independent basis and, supports the business units to comply with the applicable policies and procedures.
- The third line of defense is represented by the Internal Audit function which performs an independent, objective and critical assessment of the first two lines of defense and of the internal governance arrangements of the Bank as a whole.

The three lines of defense are complementary, each line assuming its independent responsibilities regardless of the other lines.

Controls carried out by the Group General Inspection and the external auditors also contribute to ensure compliance with the regulatory framework.

In addition, the Authorized Management oversees on a regular basis the activities and functions that are under their direct responsibility. Indeed NCIBL CEO and the two deputy CEO, have on their duties the supervision of NCIBL departments.

Compliance Department

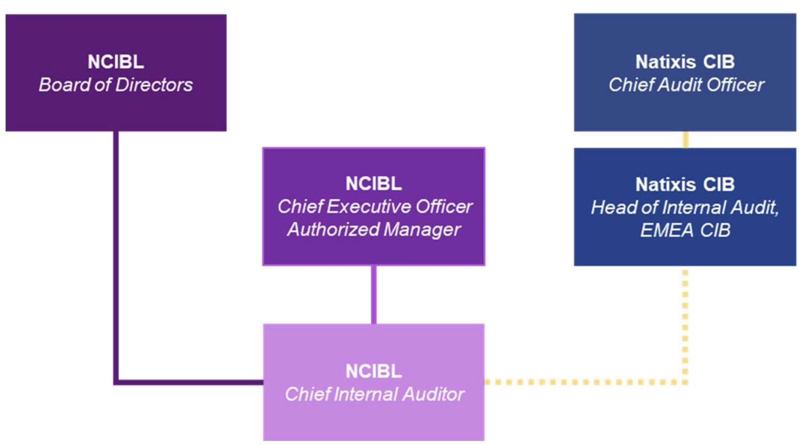
The scope of the compliance function covers non-financial risks and in particular the legislative and regulatory provisions specific to banking and financial activities, as well as professional standards aimed at preventing any risk of non-compliance.

It includes, in particular, compliance of the products or services provided, Anti Money Laundering (AML) and Counter Terrorism Financing (CTF), market integrity, financial security and the fraud prevention, the supervision of technological risk and the processing of personal data.

The compliance department is responsible for controlling the risk of non-compliance, coordinating the first-level permanent control system and, is responsible for ensuring the implementation of second-level controls. It also includes technology risk supervision and business continuity (SSI-CA).

The second-level compliance and permanent controls system of the compliance department is the subject of a dedicated policy that defines its missions and responsibilities in this context.

Internal Audit Department



In the interest of exercising its duties and contributing effectively to the promotion of an auditing culture, the Chief Internal Auditor takes part, without voting rights, in the Bank's Executive Committee, Risk Committee and Compliance Committee and has a standing invitation to participate in the Bank's quarterly Board of Directors meetings.

The annual Audit Plan, the Internal Audit budget, and the appointment, dismissal, performance evaluation and variable remuneration of the Chief Internal Auditor must be approved by the Board of Directors and follow the provisions of the NCIBL and BPCE Group Audit Charters.

In order to preserve independence from any particular business area or function and to establish the standing of Internal Audit alongside the Executive Committee members, the Chief Internal Auditor reports to the Authorized Manager and Chief Executive Officer of the Bank.

The Chief Internal Auditor functionally reports to the EMEA Head of Internal Audit of Natixis SA (hereinafter referred to Natixis), who reports to the Chief Audit Executive of Natixis Corporate and Investment Banking.

The primary role of Internal Audit is to help the Board of Directors and Authorized Management to protect the assets, reputation, and sustainability of the organization. It does this by assessing whether all significant risks are identified and appropriately reported to the Board of Directors and Authorized Management; assessing whether they are adequately controlled; and by challenging Executive Management to improve the effectiveness of governance, risk management and internal controls.

Its top priorities are to assess and to report to the Authorized Management and Board of Directors of the Bank on:

- the adequacy of the entities' governance framework;
- the compliance with laws, regulations and rules by entities;
- the adequacy and compliance of policies and procedures with regard to the risk appetite of the entities;
- the effectiveness of the organization, particularly that of the first and second lines of defense;
- the quality of its financial position;
- the reliability and integrity of accounting and management information;
- the consistency, adequacy and operation of risk assessment and management systems;
- the integrity of the processes guaranteeing the reliability of the entities' methods and techniques, as well as the assumptions and information sources used for its internal models;
- the quality and use of risk detection and assessment tools and the measures taken to mitigate them;
- the security of information systems and their adequacy with regard to regulatory requirements;
- the control of essential critical or important services;
- the level of risks actually incurred;
- the quality of the business continuity system;
- the effective implementation of the recommendations made.

All Internal Audit missions are planned and executed in accordance with the Internal Audit Plan. The plan is established by the Chief Internal Auditor for a period of 3 years. Its purpose is to cover all activities and functions of the Banks, considering both the risks posed by an activity or function and the effectiveness of the organization and internal control in place for this activity or function (risk-based approach). The plan considers the opinions issued by the Board of Directors as well as the Authorized Management. The plan covers all matters of prudential interest (including the competent authority's observations and requests) and also incorporates the developments and innovations provided for as well as the risks which may arise therefrom. It is reviewed on an annual basis, and adapted to developments and emergencies. The approval implies that the Authorized Management provides the Internal Audit department with the means necessary to implement the Internal Audit Plan.

The Internal Audit Plan also provides an adequate coverage of areas with a risk of money laundering or terrorist financing, so that the Internal Audit may give an account of the compliance with the policy regarding the fight against money laundering and terrorist financing in its annual AML-CTF mandatory regulatory audit.

The Internal Audit department regularly informs the Authorized Management and the Board of Directors on the implementation of the Internal Audit Plan.

Each Internal Audit mission is planned, executed and documented in compliance with the professional standards adopted by the Internal Audit function in the Internal Audit charter. Internal audit applies the standards and methods defined and distributed by Natixis Internal Audit, and refers to the audit guides which are, as a matter of principle, common to all Internal Audit function auditors.

A written report is produced for each mission carried out by the Internal Audit department, in general, intended for the audited persons, the Authorized Management as well as the Board of Directors. Internal Audit reports contain recommendations prioritized by order of importance, which are monitored on a monthly basis.

The Chief Internal Auditor issues an annual summary activity report providing a broad, themed overview of significant audit results, the result of status of implementation of internal audit remediation and the status of the Audit Plan. The report is provided to the Authorized Management, Board of Directors, and Natixis CIB Internal Audit as well as to the Commission de Surveillance du Secteur Financier (CSSF), the Luxembourgish prudential authority for the financial sector.

The 2024 audit plan was approved by the Board of Directors in March 2024, and includes the mandatory regulatory audit missions such as the annual review of the Bank’s AML-CTF framework, ICAAP-ILAAP, and Remuneration Policy and a review of the main risky and strategical areas in the specific transition from Wealth Management to CIB activities.

2.4 Monitoring and reporting

To ensure effective communication in the risk management process, the Bank disposes of:

- An information system based on an internal limit system, allowing for the efficient reporting of related identified risks
- A solid reporting process, involving the preparation, review and control of periodic reports related to risk management

The Bank is monitoring on a regular basis:

- the Stress testing program
- sensitivity limits weekly and monthly
- credit ratings, on a regular basis at least monthly for the IFRS-9 provisions
- evolution of the RWA, on a monthly basis
- Liquidity financial ratios (LCR, NSFR) on a daily basis
- Large exposures
- Capital Adequacy Ratio
- Leverage Ratio on a daily basis

Monthly Risk Dashboard

The Bank's Risk Dashboard is presented monthly to the Bank Risk committee and circulated within the Natixis SA Risk Management Department teams. Natixis EMEA CRO is part of the NCIBL Risk committee members.

ICAAP-ILAAP

The Bank conducts the ICAAP-ILAAP process on an annual basis at least, except if there is a triggering event. The Board of Directors may impose a more frequent review if required. In this context, the Risk Management Department and all departments involved in the ICAAP-ILAAP process must take into account changes in the Risk Appetite Framework.

The Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP) are tools which allow the Bank to assess the adequacy of its capital and liquidity with respect to its activities and the resulting risk exposures. The Bank's capital must represent sufficient quantity and quality to absorb losses that may arise with certain probability and frequency. Therefore, the ICAAP-ILAAP do not only take into account the current situation of the Bank but are also forward-looking to ensure the internal capital adequacy on an ongoing basis and following the Bank strategy.

These reports are sent to the CSSF on a yearly basis before March end for the previous business year after being approved by NCIBL Board of Directors.

Annual Risk Report

The Annual Risk Report is intended to present NCIBL´s Risk Management framework to the Authorized Management, the Board of Directors and to the CSSF, reflecting the Risk Appetite Framework of the Bank and the effectiveness of the controls performed by the Risk Department during the previous year. The report is sent to the CSSF on a yearly basis before March end.

3. CAPITAL MANAGEMENT AND CAPITAL ADEQUACY

3.1 Regulatory framework

Credit institutions' capital is regularly monitored in accordance with regulations defined by the Basel Committee. These regulations were reinforced following the introduction of Basel III, with an increase in the level of regulatory capital requirements and the introduction of new risk categories. The Basel III recommendations were incorporated in EU directive 2013/36/EU (Capital Requirements Directive – CRD IV) and Regulation No. 575/2013 (Capital Requirements Regulation – CRR) of the European Parliament and of the Council, as amended by Regulation (EU) No. 2019/876 (the "CRR2"). As of January 1, 2014, all EU credit institutions are subject to compliance with the prudential requirements set out in these texts. Credit institutions subject to CRD and CRR are thus required to continuously observe:

- the Common Equity Tier-1 (CET1) ratio;
- the Tier-1 ratio, i.e. CET1 plus Additional Tier-1 (AT1) capital;
- the total capital ratio, i.e. Tier-1 plus Tier-2 capital;
- since 2016, the capital buffers which can be used to absorb losses in the event of tensions.

These buffers include:

– a capital conservation buffer, comprised of Common Equity Tier-1, aimed at absorbing losses in times of serious economic stress,

– a countercyclical buffer, aimed at protecting the banking sector from periods of excess aggregate credit growth. This Common Equity Tier-1 surcharge is supposed to be adjusted over time in order to increase capital requirements during periods in which credit growth exceeds its normal trend and to relax them during slowdown phases,

In 2023, The Bank's Pillar I capital requirements are set to a minimum of 8%. In addition, the Bank is required to respect a 2.50% CET 1 Capital Conservation Buffer and as from 2016 a CET 1 Countercyclical Buffer (CCyB) depending on NCIBL's relevant exposures (non-government and non-institutional exposures) and the buffer rate required by competent authorities. As of 31/12/2023, the applicable CCyB stood at 0.21%.

Credit institutions must comply with the prudential requirements, which are based on three pillars that form an indivisible whole:

Pillar I

Pillar I sets minimum requirements for capital. It aims to ensure that banking institutions hold sufficient capital to provide a minimum level of coverage for their credit risk, market risk and operational risk. The Bank uses standardized approach (for credit risk) and basic indicator approach (for operational risk) to calculate its capital requirement.

Pillar II

Pillar II establishes a process of prudential supervision that complements and strengthens Pillar I. It consists of:

- an analysis by the Bank of all of its risks, including those already covered by Pillar I;
- an estimate by the Bank of the capital requirement for these risks;
- a comparison by the banking supervisor of its own analysis of the bank's risk profile with the analysis conducted by the bank, in order to adapt its choice of prudential measures where applicable, which may take the form of capital requirements exceeding the minimum requirements or any other appropriate technique.

The assessment of Pillar II is done through stress tests and assumptions in order to estimate the additional capital buffer that is requested in order to remain compliant might some adverse scenarios might arise and negatively impact the Bank.

Pillar III

The purpose of Pillar III is to establish market discipline through a series of reporting requirements. These requirements both qualitative and quantitative are intended to improve financial transparency in the assessment of exposure to risks, risk assessment procedures and capital adequacy.

3.2 Risk-weighted assets

EU OV1 - Overview of risk-weighted assets

		Risk weighted exposure amounts (RWEAs)	Total own funds requirements
		a	c
(in Million of euros)		**31/12/2023**	**31/12/2023**
1	Credit risk (excluding CCR)	1,379.50	110.36
2	Of which the standardised approach	1,379.50	110.36

3.3 Leverage ratio

The leverage ratio is a backstop to excessive leverage and its potential adverse consequences. The Bank's leverage ratio as of 31/12/2023, calculated as the Tier 1 capital over the total leverage ratio exposure, stood at 21.75%, with a regulatory requirement of 3.0% applicable since June 2021 and the entry into force of the CRR II.

EU LR1 - LRSUM – TRANSITION FROM BALANCE SHEET TO LEVERAGE EXPOSURE

	(in Million of euros)	**31/12/2023**	31/12/2022
1	Total assets as per published financial statements	3,242.57	4,492.76
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory prudential consolidation	2.19	(1,247.99)
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 leverage ratio 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	Adjustments for derivative financial instruments	(3,242.57)	-
9	Adjustment for securities financing transactions (SFTs)	-	-
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	11.00	29.18
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-	-
EU-11a	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-11b	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-	-
12	Other adjustments	3,238.51	1,241.66
13	**Leverage ratio total Total exposure measure**	**3,251.70**	**4,515.60**

3.4 Detailed quantitative disclosures

EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

		General credit exposures	**Total exposure value**	**Own fund requirements**		**Risk-weighted exposure amounts**	**Own fund requirements weights (%)**	**Countercyclical buffer rate (%)**
	In Million of euros	**Exposure value under the standardized approach**		**Relevant credit risk exposures - Credit risk**	**Total**			
010	**Breakdown by country:**							
	Country: BE	0.09	0.09	0.01	0.01	0.07	0.043%	0.00%
	Country: CH	8.10	8.10	0.41	0.41	5.12	3.017%	0%
	Country : FR	37.37	37.37	1.53	1.53	19.12	11.27%	0.50%
	Country : GB	0	0	0	0	0	0.00%	2.00%
	Country : IL	0.97	0.97	0.06	0.06	0.73	0.43%	0.00%

	Country : KY	0.00	0.00	0.00	0.00	0.00	0.00%	0.00%
	Country: LU	15.17	15.17	1.22	1.22	15.26	9.00%	0.50%
	Country : US	129.30	129.30	10.34	10.34	129.30	76.24%	0.00%
020	**Total**	**191.01**	**191.01**	**13.57**	**13.57**	**169.59**	**100%**	

EU CCyB2 - Amount of institution-specific countercyclical capital buffer

In Million of euros		31/12/2023	31/12/2022
1	Total risk exposure amount	1,454	1,906
2	Institution specific countercyclical capital buffer rate	0.10%	0.05%
3	Institution specific countercyclical capital buffer requirement	1.474	1.034

EU CC1 - Composition of regulatory own funds

In Million of euros		31/12/2023 Amounts
	Common Equity Tier 1 (CET1) capital: instruments and reserves	
1	Capital instruments and the related share premium accounts	683.54
2	Retained earnings	-
3	Accumulated other comprehensive income (and other reserves)	25.70
EU-3a	Funds for general banking risk	-
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	-
5	Minority interests (amount allowed in consolidated CET1)	-
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**709.24**
	Common Equity Tier 1 (CET1) capital: regulatory adjustments	
7	Additional value adjustments (negative amount)	-
8	Intangible assets (net of related tax liability) (negative amount)	-1.87
9	Not applicable	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-
12	Negative amounts resulting from the calculation of expected loss amounts	-
13	Any increase in equity that results from securitised assets (negative amount)	-
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-
15	Defined-benefit pension fund assets (negative amount)	-
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	-
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-

18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-
20	Not applicable	
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	-
EU-20c	of which: securitisation positions (negative amount)	-
EU-20d	of which: free deliveries (negative amount)	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-
22	Amount exceeding the 17,65% threshold (negative amount)	-
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-
24	Not applicable	
25	of which: deferred tax assets arising from temporary differences	-
EU-25a	Losses for the current financial year (negative amount)	-
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-
26	Not applicable	
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-
27a	Other regulatory adjusments (including IFRS 9 transitional adjustments when relevant)	-
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**-1.87**
29	**Common Equity Tier 1 (CET1) capital**	**707.37**
	Additional Tier 1 (AT1) capital: instruments	
30	Capital instruments and the related share premium accounts	-
31	of which: classified as equity under applicable accounting standards	
32	of which: classified as liabilities under applicable accounting standards	
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	-
EU-33a	Amount of qualifying items referred to in Article 494a(1) subject to phase out from AT1	-
EU-33b	Amount of qualifying items referred to in Article 494b(1) subject to phase out from AT1	-
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-
35	of which: instruments issued by subsidiaries subject to phase out	-
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	-

	Additional Tier 1 (AT1) capital: regulatory adjustments	
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	-
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-
41	Not applicable	
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-
42a	Other regulatory adjustments to AT1 capital	-
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**-**
44	**Additional Tier 1 (AT1) capital**	**-**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**707.37**
	Tier 2 (T2) capital: instruments	
46	Capital instruments and the related share premium accounts	-
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2 as described in Article 486 (4) CRR	-
EU-47a	Amount of qualifying items referred to in Article 494a (2) subject to phase out from T2	-
EU-47b	Amount of qualifying items referred to in Article 494b (2) subject to phase out from T2	-
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-
49	of which: instruments issued by subsidiaries subject to phase out	-
50	Credit risk adjustments	-
51	**Tier 2 (T2) capital before regulatory adjustments**	**-**
	Tier 2 (T2) capital: regulatory adjustments	
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-
54a	Not applicable	
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-
56	Not applicable	
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-
56b	Other regulatory adjusments to T2 capital	-

57	**Total regulatory adjustments to Tier 2 (T2) capital**	-
58	**Tier 2 (T2) capital**	-
59	**Total capital (TC = T1 + T2)**	**707.37**
60	**Total risk exposure amount**	**1,454.21**
	Capital ratios and requirements including buffers	
61	Common Equity Tier 1	48.64%
62	Tier 1	48.64%
63	Total capital	48.64%
64	Institution CET1 overall capital requirements	7.10%
65	of which: capital conservation buffer requirement	2.50%
66	of which: countercyclical capital buffer requirement	0.10%
67	of which: systemic risk buffer requirement	0%
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	0%
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	0%
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	**40.64%**
	Amounts below the thresholds for deduction (before risk weighting)	
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	-
74	Not applicable	
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	-
	Applicable caps on the inclusion of provisions in Tier 2	
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	17.24
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	0
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)	
80	Current cap on CET1 instruments subject to phase out arrangements	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-
82	Current cap on AT1 instruments subject to phase out arrangements	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-
84	Current cap on T2 instruments subject to phase out arrangements	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-

EU LR2 - LRCom: Leverage ratio common disclosure

		CRR leverage ratio exposures	
		a	b
In Million 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)	3,242.57	4,490.00
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
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)	-1.87	-3.58
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**3,240.70**	**4,486.43**
	Derivative exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	-	-
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	-	-
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)	-	-
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**	-	-
	Securities financing transaction (SFT) exposures		
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	-	-
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**	-	-
	Other off-balance sheet exposures		
19	Off-balance sheet exposures at gross notional amount	21.00	54.94
20	(Adjustments for conversion to credit equivalent amounts)	-10.00	-25.77
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures) associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
22	**Off-balance sheet exposures**	**11.00**	**29.18**
	Excluded exposures		
EU-22a	(Exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-

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 (or units) - Public sector investments)	-	-
EU-22d	(Excluded promotional loans exposures of public development banks (or units) - Promotional loans): - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units)): - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	-	-
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)**	-	-
Capital and total exposure measure			
23	**Tier 1 capital**	707.37	700.69
24	**Leverage ratio total Total exposure measure**	3,251.70	4,515.60
	Leverage ratio		
25	Leverage ratio	21.75%	15.52%
EU-25	Leverage ratio (without the adjustment due to excluded exposures of public development banks - Public sector investments excluding the impact of the exemption of public sector investments and promotional loans) (%)	21.75%	15.52%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	21.75%	15.52%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	**Additional own funds requirements to address the risk of excessive leverage (%)**	0.00%	0.00%
EU-26b	**of which: to be made up of CET1 capital (percentage points)**	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		
	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 receivables	-	-
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	-	-
30	Total exposures exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	3,251.70	4,515.60
30a	Total exposures exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	3,251.70	4,515.60
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 (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	21.75%	15.52%

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 (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	21.75%	15.52%

EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		CRR leverage ratio exposures	
In Million of euros		31/12/2023	31/12/2022
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	-3,242.57	-4,490.00
EU-2	Trading book exposures	-	-
EU-3	Banking book exposures, of which:	3,242.57	4,490.00
EU-4	Covered bonds	-	-
EU-5	Exposures treated as sovereigns	129.62	375.78
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	0.84	0.48
EU-7	Institutions	2,272.81	3,046.81
EU-8	Secured by mortgages of immovable properties	22.70	44.24
EU-9	Retail exposures	1.81	9.58
EU-10	Corporate	801.35	984.02
EU-11	Exposures in default	3.24	19.42
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	10.21	9.67

4. CREDIT AND COUNTERPARTY RISKS

4.5 Quantitative disclosures

EU CR1 - Performing and non-performing exposures and related provisions.

		a	b	c	d	e	f	g	h	i	j	k	l	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Collaterals 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 and provisions			On performing exposures	On non-performing exposures
(in Million currency amount)			of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3		of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3		
005	**Cash balances at central banks and other demand deposits**	776.6	775.2	1.4	-	-	-	(0.0)	(0.0)	(0.0)	-	-	-	-	-
010	Loans and advances	2,453.7	2,453.7	-	3.4	-	3.4	(2.0)	(2.0)	-	(0.2)	-	(0.2)	635.3	2.9

020	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
040	*Credit institutions*	1,626.8	1,626.8	-	-	-	-	(0.9)	(0.9)	-	-	-	-	-	-
050	*Other financial corporations*	785.1	785.1	-	0.2	-	0.2	(0.6)	(0.6)	-	(0.0)	-	(0.0)	599.2	-
060	*Non-financial corporations*	25.5	25.5	-	2.8	-	2.8	(0.3)	(0.3)	-	(0.1)	-	(0.1)	23.9	2.6
070	*Of which: SMEs*	4.2	4.2	-	-	-	-	(0.1)	(0.1)	-	-	-	-	3.6	-
080	*Households*	16.3	16.3	-	0.5	-	0.5	(0.2)	(0.2)	-	(0.0)	-	(0.0)	12.2	0.4
090	Debt Securities	-	-	-	-	-	-	-	(0.0)	-	-	-	-	-	-
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
120	*Credit institutions*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
130	*Other financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance sheet exposures	21.0	21.0	-	-	-	-	0.1	0.1	-	-	-	-	-	-
160	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180	*Credit institutions*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
190	*Other financial corporations*	20.0	20.0	-	-	-	-	0.1	0.1	-	-	-	-	-	-
200	*Non-financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
210	*Households*	1.0	1.0	-	-	-	-	0.0	0.0	-	-	-	-	-	-
220	***Total***	**3,251.3**	**3,249.9**	**1.4**	**3.4**	**-**	**3.4**	**(1.9)**	**(1.9)**	**(0.0)**	**(0.2)**	**-**	**(0.2)**	**635.3**	**2.9**

EU CR3 - CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

		31/12/2023				
		Unsecured carrying amount	**Secured carrying amount**	**Of which secured by collateral**	**Of which secured by financial guarantees**	**Of which secured by credit derivatives**
In Million of euros		a	b	c	d	e
1	Loans and advances	2,603.56	630.17	33.35	602.52	0
2	Debt securities	0	0	0	0	
3	**Total**	**2,603.56**	**630.17**	**33.35**	**602.52**	**0.00**
4	*Of which non-performing exposures*	0.48	2.94	2.94	0	0
EU-5	*Of which defaulted*	-	-	-	-	-

EU CQ3 - Credit quality of performing and non-performing exposures by past due days

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount / Nominal amount											
		Performing exposures			**Non-performing exposures**								
			Not past due or Past due < 30 days	**Past due > 30 days < 90 days**		**Unlikely to pay that are not past-due or past-due < = 90 days**	**Past due > 90 days <= 180 days**	**Past due > 180 days < =1 year**	**Past due > 1 year <= 2 years**	**Past due > 2 year <= 5 years**	**Past due > 5 year <= 7 years**	**Past due > 7 years**	**Of which defaulted**
005	Cash balances at central banks and other demand deposits	777	777	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	2,454	2,454	-	3	3	-	0	0	-	-	-	3
020	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
030	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-
040	*Credit institutions*	1,627	1,627	-	-	-	-	-	-	-	-	-	-
050	*Other financial corporations*	785	785	-	0	-	-	0	-	-	-	-	0
060	*Non-financial corporations*	25	25	-	3	3	-	0	-	-	-	-	3
070	*Of which SMEs*	4	4	-	-	-	-	-	-	-	-	-	-
080	*Households*	16	16	-	0	-	-	0	0	-	-	-	0
090	Debt Securities	-	-	-	-	-	-	-	-	-	-	-	-
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-
120	*Credit institutions*	-	-	-	-	-	-	-	-	-	-	-	-
130	*Other financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance sheet exposures	21			-								-
160	*Central banks*	-			-								-
170	*General governments*	-			-								-
180	*Credit institutions*	-			-								-
190	*Other financial corporations*	20			-								-
200	*Non-financial corporations*	-			-								-
210	*Households*	1			-								-
220	***Total***	**3,251**	**3,230**	**-**	**3**	**3**	**-**	**0**	**0**	**-**	**-**	**-**	**3**

EU CQ5 - Credit quality of loans and advances to non-financial corporations by industry

		a	b	c	d	e	f
		Gross carrying amount				**Accumulated impairment**	**Accumulated negative changes in fair value due to credit risk on non-performing exposures**
			of which: non-performing		**of which: loans and advances subject to impairment**		
In Million of euros				**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	Real estate activities	27.92	2.76	2.76	27.92	-0.43	-
120	Financial and insurance actvities	-	-	-	-	-	-
130	Professional, scientific and technical activities	0.32	-	-	0.32	(0)	-
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	-	-	-	-	-	-
200	**Total**	**28.24**	**2.76**	**2.76**	**28.24**	**-0.43**	**-**

4.6 Detailed quantitative disclosures

EU CR5 - standardized approach

		31/12/2023																
	Exposure classes	**Risk weight**															**Total**	**Of which unrated**
		0%	**2%**	**4%**	**10%**	**20%**	**35%**	**50%**	**70%**	**75%**	**100%**	**150%**	**250%**	**370%**	**1250%**	**Others**		
	In Million of euros	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
1	Central governments or central banks	130	-	-	-	-	-	-	-	-	-	-	-	-	-	-	130	-
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-
6	Institutions	-	-	-	-	851	-	2,080	-	-	-	-	-	-	-	-	2,930	-
7	Corporates	-	-	-	-	-	-	-	7	-	143	-	-	-	-	-	150	-
8	Retail	-	-	-	-	-	-	-	-	6	-	-	-	-	-	-	6	-
9	Secured by mortgages on immovable property	-	-	-	-	-	21	-	-	-	0	-	-	-	-	-	21	-
10	Exposures in default	-	-	-	-	-	-	-	-	-	2	0	-	-	-	-	2	-
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Unit or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-	0	-
16	Other items	5	-	-	-	-	-	-	-	-	8	-	-	-	-	-	13	-
17	**TOTAL**	**135**	**-**	**-**	**-**	**851**	**21**	**2,080**	**7**	**6**	**153**	**0**	**-**	**-**	**-**	**-**	**3,252**	**-**

5. MARKET RISK

Market risk is materialized by the probability of financial losses to be incurred by the Bank as a result of adverse movements in market prices, interest rate curves moves, funding spreads. The Bank has presently one main market risk mandate on interest rate sensitivity. Market risks during 2023 comes from the Bank's assets and liabilities banking book interest rates, in the absence of a securities, commodities and derivatives portfolio. The Bank was not subject to other forms of market risk during 2023.

5.1 Interest Rate

Interest rate risk is defined as the current or prospective risk to both the earnings and the economic value of an institution arising from adverse movements in interest rates that affect interest rate sensitive instruments, including gap risk, basis risk and option risk.

Interest rate risk is usually measured based on maturity gaps between assets and liabilities that are considered at their book value. In this context, fixed rate instruments, derivatives are broken down according to their residual maturity, while floating rate instruments are broken down according to the next reset date of the interest rate.

Both Economic Value of Equity ("EVE") and Net Interest Income ("NII") are subject to measurement based on regulatory and institution specific scenarios. These scenarios are designed to ensure the respect of regulatory and internal IRRBB limits while taking account of the specific IRRBB exposure profile of NCIBL.

The results for year end of 2023, coming from the various requested stress-test scenarios, are reported below.

Supervisory shock scenarios		**Changes of the economic value of equity**		**Changes of the net interest income**	
In millions of euros		**31/12/2023**	31/12/2022	**31/12/2023**	31/12/2022
1	Parallel up	-1.980	-2.234	-0.534	-0.823
2	Parallel down	0.990	-2.099	0.534	0.823
3	Steepener	-0.271	-4.192		
4	Flattener	-0.051	1.867		
5	Short rates up	-0.832	-4.926		
6	Short rates down	0.416	1.348		

5.2 Foreign Exchange

Foreign exchange risk is the risk arising from changes in the market exchange rate on the currency positions maintained by the Bank.

The Bank's policy regarding the decisions to take foreign exchange positions is very conservative.

For the management of the FX risk arising from its operations (ALM Mandate), NCIBL has set-up a limit matrix that controls the global open position of the Bank depending on the Foreign Exchange rates.

To control the residual risk, the Treasury-ALM department performs daily checks on the FX exposure as well as the translation effect on the Bank's results. On a monthly basis, the Bank's exposure is reported to the Risk Department of NCIBL such as to the Authorized Management through the monthly risk dashboard.

6. LIQUIDITY RISK

6.1 Liquidity risk management

The Treasury-ALM Department of NCIBL manages the structural risk arising from its commercial activities with the aim to control on one hand its funding, liquidity, interest rate and FX risks in order to reduce the impact of adverse movements on its capital/liquidity structure. In line with the Group Policy, the Treasury-ALM Department manages actively the Bank's balance sheet within a set of risk limits.

From a governance perspective, the structural risks embedded within the balance-sheet of NCIBL are reported on regular basis to the Authorized Management through ALM and Risk committees. NCIBL's main liquidity management principles are laid down in the risk mandate of NCIBL defined in agreement with Natixis SA.

The main principles of liquidity management within NCIBL are as follows:

- Principle of double analysis horizon:
    a. Short-term horizon: covering a period of 12 months looking forward,
    b. Medium-long term horizon on which the risks are analyzed according to their impact on the bank's equity.
- Static balance sheet approach: assumption of the extinction of balance sheet transactions existing at the analysis date; it is carried out assuming that the Assets and Liabilities balance sheet flows according to the ALM schedules and conventions.

The bank is subject to the limit system governing liquidity risk and is included in Natixis' SA global limit system. In terms of governance, the financial and liquidity risk management is overseen by one dedicated committee: the Asset-Liability Management ('ALM') Committee.

This committee is held quarterly, with the following duties:

- Monitoring of the Asset Liability management policy of NCIBL.
- Monitoring of the balance sheet and its evolution through detailed liquidity indicators.
- Monitoring of compliance with regulatory ratios.
- Monitoring of compliance with the framework and limits defined by the Natixis GAP Committee.
- Verification of the proper execution of the orientations decided in the previous committees.
- Validation of the refinancing policy to be followed.

6.2 Monitoring

Risk indicators

The liquidity risk of the Bank is measured based on regulatory ratios as defined by European regulations, with the LCR (liquidity coverage ratio for short-term liquidity) and the NSFR (Net Stable Funding Ratio for long-term liquidity).

This regulatory approach is complemented by an internal "economic" approach consisting of measuring the liquidity gap in order to ensure the Bank has an excess of liquidity that is appropriate for the Bank.

In order to reduce the maturity transformation ratio of NCIBL, the Bank has implemented an internal limit system in order to reduce its maturity mismatch to an acceptable level over 10 years. For each maturity bucket, NCIBL defines back-stop maturity transformation limits to ensure the Bank has sufficient funding resources for a given level of assets in the time band considered.

The maturity transformation for one maturity bucket is defined as the ratio of liability available at the considered maturity dates divided by remaining level of assets remaining at that date. Therefore, introducing a back-stop limit reduces the ability of the Bank to finance long term assets with short-term deposits.

Stress tests

Liquidity crisis simulations are regularly carried out to test the Bank's ability to meet its commitments and continue its day-to-day business in a context of crisis. These simulations aim to regularly measure exposure to liquidity risks by playing out a set of determined stress scenarios. The stress calculation methodology is based on the projection of the Group's on-balance sheet and off-balance sheet flows with stressed assumptions defined in the context of stress scenarios and on changes in the liquidity reserve.

Liquidity stress test are based on different scenarios: idiosyncratic (specific to the Bank), systemic (a systemic crisis affecting all financial institutions), and a combined crisis. Different intensity levels are also used to allow sensitivity analyses.

Contingency Funding Plan

The present section provides an overview of the different mechanisms that the Bank has established and that aim at mitigating the impacts that a liquidity crisis might have on the Bank.

In this context, NCIBL ALM policy and Contingency Funding Plan define a general framework for the detection, measurement, management and monitoring of financial risks.

This framework is closely aligned with the one of the Group and is composed of the following elements:

1. Definition and monitoring of the asset and liability management policy of the Bank;
2. Organization of governance: decision-making and monitoring committees;
3. Validation and application of underlying ALM conventions and assumptions to gap calculations, transformation ratio and balance sheet sensitivity;
4. Validation of the limits and thresholds defined by the GAP Committee of the Group;
5. Internal pricing of liquidity provided by the Group.

The Bank contingency funding plan is closely linked to Natixis SA one. BPCE group represents the main funding liquidity source for the Bank. Currently the liquidity buffer (HQLA) consists of deposits at the Central Bank of Luxembourg (BCL).

Quantitative disclosures

EU LIQ1 – Quantitative information of LCR

		d	c	b	a	h	g	f	e
(in Million currency amount)		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YYY)	**31/03/2023**	**30/06/2023**	**30/09/2023**	**31/12/2023**	**31/03/2023**	**30/06/2023**	**30/09/2023**	**31/12/2023**
HIGH-QUALITY LIQUID ASSETS									

1	Total high-quality liquid assets (HQLA), after application of haircuts in line with Article 9 of regulation (EU) 2015/61					358.38	133.39	128.03	128.35
CASH - OUTFLOWS									
2	retail deposits and deposits from small business customers, of which:	100.38	24.17	9.61	7.33	11.80	3.40	0.62	0.51
3	*Stable deposits*	10.66	4.66	2.20	1.54	0.53	0.23	0.11	0.08
4	*Less stable deposits*	56.32	17.16	5.06	3.44	11.26	3.16	0.51	0.44
5	Unsecured wholesale funding	585.93	349.84	346.24	289.96	578.72	345.46	342.00	286.44
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	-	-	-	-	-	-	-	-
7	*Non-operational deposits (all counterparties)*	585.93	349.84	346.24	289.96	578.72	345.46	342.00	280.45
8	*Unsecured debt*	-	-	-	-	-	-	-	-
9	*Secured wholesale funding*					-	-	-	-
10	Additional requirements	16.06	23.14	0.92	7.11	11.96	21.72	0.05	6.69
11	*Outflows related to derivative exposures and other collateral requirements*	-	-	-	-	-	-	-	-
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	15.30	23.14	0.92	7.11	11.96	21.72	0.05	6.69
14	Other contractual funding obligations	4.75	4.68	2.93	3.35	0.03	0.04	0.04	0.07
15	Other contingent funding obligations	5.71	1.00	1.00	1.00	5.71	1.00	0.66	-
16	**TOTAL CASH OUTFLOWS**					**608.22**	**371.61**	**343.36**	**293.70**
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	5.71	-	-	-	-	-	-	-
18	Inflows from fully performing exposures	815.76	852.19	829.12	766.25	814.17	851.14	829.04	765.70
19	Other cash inflows	-	-	-	-	-	-	-	-
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**	**815.76**	**852.19**	**829.12**	**766.25**	**814.17**	**851.14**	**829.04**	**765.70**
EU-20a	*Fully exempt inflows*	-	-	-	-	-	-	-	-
EU-20b	*Inflows subject to 90% cap*	-	-	-	-	-	-	-	-
EU-20c	*Inflows subject to 75% cap*	815.76	852.19	829.12	766.25	814.17	851.14	829.04	765.70
TOTAL ADJUSTED VALUE									
21	**LIQUIDITY BUFFER**					**358.38**	**133.39**	**128.03**	**128.35**
22	**TOTAL NET CASH OUTFLOWS**					**152.05**	**92.90**	**85.84**	**73.43**
23	**LIQUIDITY COVERAGE RATIO**					**2.23**	**1.46**	**1.49**	**1.75**

EU LIQ2 - Net Stable Funding Ratio

ASF

				a	b	c	d	e
C 81.00				**Unweighted value by residual maturity**				**Weighted value**
Ref BCBS NSFR	***Ref CRR2***	*(in Million currency amount)*		**No maturity[1]**	**< 6 months**	**6 months to < 1yr**	**≥ 1yr**	
	451a 3b	**Available stable funding (ASF) Items**						
	See instructions	**1**	**Capital items and instruments**	**707.37**	**-**	**-**	**-**	**707.37**
21a,24d, 25a		2	*Own funds*	707.37	-	-	-	707.37
21b,24d ,25a		3	*Other capital instruments*		-	-	-	-
		4	**Retail deposits**		**4.15**	**0.95**	**1.40**	**6.06**
21c,22		5	*Stable deposits*		1.38	-	-	**1.31**
21c,23		6	*Less stable deposits*		2.76	**0.95**	**1.40**	**4.75**
		7	**Wholesale funding:**		**627.36**	**260.77**	**1,590.83**	**1,724.38**
21c,24b, 25a		8	*Operational deposits*		-	-	-	-
21c,24a cd,25a		9	*Other wholesale funding*		627.36	260.77	1,590.83	1,724.38
45		**10**	**Interdependent liabilities**		**-**	**-**	**-**	**-**
		11	**Other liabilities:**	**-**	**22.91**	**-**	**-**	**-**

19,20,25 c	12	*NSFR derivative liabilities*	-				
25abd	13	*All other liabilities and capital instruments not included in the above categories*		22.91	-	-	-
	14	**Total available stable funding (ASF)**					**2,437.81**

RSF

				a	b	c	d	e
C 80.00		*(in Million currency amount)*		**Unweighted value by residual maturity**				**Weighted value**
Ref BCBS NSFR	***Ref CRR2***			**No maturity[1]**	**< 6 months**	**6 months to < 1yr**	**≥ 1yr**	
	451a 3c		**Required stable funding (RSF) Items**					
36ab,37,39a,40ab,42a,43a	**See instructions**	**15**	**Total high-quality liquid assets (HQLA)**					**-**
		EU-15a	**Assets encumbered for a residual maturity of one year or more in a cover pool**		**-**	**-**	**-**	**-**
40d		**16**	**Deposits held at other financial institutions for operational purposes**		**-**	**-**	**-**	**-**
		17	**Performing loans and securities:**		**857.48**	**3.08**	**2,238.78**	**2,316.70**
38,40c,43c		**18**	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		**-**	**-**	**-**	**-**
		19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		855.83	1.26	2,200.33	2,286.54
36c,40e,41b,42b,43a		**20**	*Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		1.65	1.83	38.26	29.98
36c,40e,41b,43a		**21**	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		0.27	0.99	21.43	14.56
40e,41a,42b,43a		**22**	*Performing residential mortgages, of which:*		-	-	-	-
40e,41a,43a		**23**	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	-
40e,42c,43a		**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*		-	-	0.18	0.18
45		**25**	**Interdependent assets**		**-**	**-**	**-**	**-**

		26	**Other assets:**		**8.40**	**0**	**3.73**	**9.53**
42d		**27**	*Physical traded commodities*				-	-
42a		**28**	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		-	-	-	-
34,35,43b		**29**	*NSFR derivative assets*		-			-
19,43d		**30**	*NSFR derivative liabilities before deduction of variation margin posted*		-			-
36d,43c		**31**	*All other assets not included in the above categories*		8.40	-	3.73	9.53
46,47		**32**	**Off-balance sheet items**		-	-	**20.00**	**1.00**
		33	**Total RSF**					**2,327.23**

NSFR

9	**Art451a(3a) , Art428b**	**34**	**Net Stable Funding Ratio (%)**					**104.75%**

7. OPERATIONAL RISKS

The Bank has defined the operational risk as the risk of direct or indirect loss resulting from inadequate or failed internal process, people, and systems or from external events. The operational risk capital requirement has been considered in the sense of CRR-CRD, regulation (EU) N° 575/2013 Title III Chap. 1, 2 and 3.

7.1 Operational risk management

Operational risk is managed at Group level (Group BPCE). Risk department members are responsible to gather the information for each operational incident and to ensure that remediation actions are effectively implemented by the owner of the incident.

The Operational Risk Committee is responsible for adapting the operational risk management policy and ensuring the relevance and effectiveness of the operational risk management system. This especially includes:

- the review of major and recurring incidents and the validation of the associated corrective actions,
- the review of indicator breaches,
- the review of permanent control carried out by the Operational Risk function,
- the help to organize and train the network of Operational Risk officers.

7.2 Monitoring

Incident and loss data collection

Incident data are collected to build knowledge of the cost of risks, continuously improve management systems, and meet regulatory objectives.

Incidents are reported as they occur, as soon as they are detected, in accordance with Group procedure. A whistleblowing procedure has been set up for major incidents and internal limit breaches to round out the incident data collection system.

Action plans and monitoring of corrective actions

Corrective actions are implemented to reduce the frequency, impact or spread of operational risks. They may be introduced following operational risk mapping, breaches of risk indicator thresholds or specific incidents.

Incident alert procedure

A specific procedure is implemented for serious incident. An operational risk incident is deemed to be serious when the potential financial impact at the time of detection is over €300,000. Operational risk incidents with a material impact on the image and reputation of the Group or its subsidiaries are also deemed to be serious.

Capital requirement for operational risk

NCIBL applies the Basic Indicator Approach (BIA) to calculate its regulatory capital requirements for operational risk.

EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts

	Banking activities	**a**	**b**	**c**	**d**	**e**
		Relevant indicator			**Own funds requirements**	**Risk weighted exposure amount**
	In Million of euros	31/12/2021	31/12/2022	**31/12/2023**		
1	Banking activities subject to basic indicator approach (BIA)	41.12	36.78	41.65	74.71	74.71
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	-	-	-	-	-
3	*Subject to TSA:*	-	-	-		
4	*Subject to ASA:*	-	-	-		
5	Banking activities subject to advanced measurement approaches AMA	-	-	-	-	-

During 2023, the Bank recorded 26 operational incidents with a financial impact of Eur 61 566.

Regular reminders and training are done for the all employees to reinforce the risk culture within the Bank and to improve the different operational processes.

A common structural objective regarding risk and compliance culture fostering has been assigned to all employees as part of goal during 2024.

8. OTHER NON-FINANCIAL RISKS

8.1 Non-Compliance Risk

Compliance risk management

In line with the requirements of the CSSF Circular 12/552 as amended, NCIBL has an independent Compliance function, which is responsible for the monitoring of the Compliance with standards, rules and regulations applicable to the Bank.

The Compliance department (which includes the Compliance function, the Permanent Control function and the ISSM - Information Systems Security Manager function) reports to the Bank's Authorized Management as well as the Compliance management of Natixis SA.

Monitoring

Policies and procedures

In terms of documentation, the Bank implements Natixis SA's policies, especially in the area of AML and CTF in line with the local CSSF specificities. In case of identification of a gap between the related local regulations, NCIBL applies the most restrictive one in its policies. The AML and CTF for which the Bank's Compliance function operates (filtering flows and customer bases, statements of suspicion in particular) are also subject to independent controls carried out by the Compliance at the level of Natixis SA.

The Bank has reporting and procedures in place, which allow the Compliance function to ensure the follow-up and monitoring of the Bank's activities to prevent and detect anomalies and shortfalls related to compliance related matters. This is particularly the case for issues related to the on-boarding process for new customers ('Know Your Customer' or KYC) as well as the fight against money laundering and counter terrorist financing ('AML-CTF').

It shall also be noted that the Compliance function of the Bank works in close collaboration with the Compliance department of Natixis SA. The Bank ensures that group policies and procedures are applied locally, while applying the most restrictive local requirement, as mentioned above.

Reporting

In terms of reporting, quarterly and or annual reports are prepared by the Compliance function in order to provide an overview of recurring controls performed (e.g. 2LoD controls on controls performed by 1LoD on the monitoring of transactions, completeness of clients files in terms of KYC, annual report on dormant accounts to the regulator…). Corrective measures are recommended and followed-up when significant anomalies and shortfalls are identified.

8.2 Climate-related and environmental risks

The CSSF Circular 20/753 has put the spotlight on long-term risks, for which the materialization spans longer time horizon. Additionally, the ECB Guide on climate-related and environmental risks together with the CSSF Circular 21/773 sets the scene and the expectations with regards to how banks should be integrating CRE risks within their operational frameworks. Indeed, institutions are now expected to understand how climate-related and environmental risks will impact the context in which they operate in order to be able to make informed business and strategic decisions.

For these reasons, the Bank had explicitly integrated, in 2023, ESG risks (encompassing CRE risks as well) as part of its risk cartography in its risk appetite statement. The Bank is aware of the fact that CRE risks are not limited to strategic risk only and rather represent risk drivers of traditional risk categories (e.g., credit, market, liquidity) via the transmission channels which are defined as causal chains linking CRE risk drivers to the financial and non-financial risks faced by the Bank.

NCIBL is relying on Natixis SA which is involved on ESG risk since several years now. In light of the initiatives undertaken at the level of the Natixis SA/BPCE Group, the Bank aims to integrate ESG issues into its activities as well as into its products and services, both in terms of their nature (objectives and procedures, target clients) and their promotion (pricing, level of service).

8.3 Cyber & ICT Risk

Cyber risk is commonly defined as exposure to harm or loss resulting from breaches of or attacks on information systems. As a result of the increased use of technologies in the banking industry over the last decades, banks tend to be more vulnerable to cyber risk.

NCIBL has worked on the identification of cyber risk and considers that this risk could result from the unavailability of IT systems, the leak of information through advanced persistent threat and the Data integrity.

In line with Circular CSSF 20/750 itself changing CSSF 12/552, the Bank prepares the deployment of the Group's Technology Risk Management Framework which complies with ICT and security management framework. TRM covers IT Governance & Strategy, IT Projects & Developments, IT Operations, Information System Security & Business Continuity. Such framework is aligned with the Bank risk appetite statement.
It is noticeable that the Group's TRM Framework may be subject to changes. Indeed, the new EU regulations 2022/2554 (DORA) and 2022/2555 (NIS2) which aim respectively at harmonizing the ICT risk management and Cyber Security handling among all financial institutions in EU, will impose unified rules, policies and processes regarding ICT Risk management and ICT Incidents handling.
Those regulations will help to enhance the risk mitigation at NCIBL, particularly in the point that all EU financial institutions will have to share any cyber security related incident with each other.

9. REMUNERATION POLICY

9.1 Remuneration

This section aims to describe the main characteristics of the remuneration policy (hereinafter referred to as "the policy") and practices of Natixis Corporate and Investment Banking Luxembourg. NCIBL's remuneration policy was reviewed and approved in June 22, 2023 and reflects the requirements related to remuneration policies in the financial sector as set forth in regulatory texts.

- Law of 5 April 1993 on the financial sector, as amended;
- CSSF Circular 10/437 on guidelines concerning remuneration policies in the financial sector;
- CSSF Circular 14/594 on the transposition of the European Banking Authority guidelines on the applicable notional discount rate for variable remuneration;
- Article 19 of the Luxembourg Law of 23 July 2015 implementing CRD IV;
- EBA Guidelines on sound Remuneration Policies, dated 21 December 2015 (the "EBA guidelines");
- CSSF Circular 10/496 amending Circular CSSF 06/273 defining capital ratios pursuant to article 56 of the amended law of 5 April 1993 on the financial sector, as amended and transposing CRD III;

- Regulation (EU) N° 575/2013 of The European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (“CRR”) as amended by Regulation (EU) 2019/876 /`(“CRR2”);
- Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (“CRD IV”), as amended by Directive 2019/878/EU (“CRD V”);
- Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on the publication of information on sustainability (i.e involving environmental, social, or governance events - ESG), in the financial services (Sustainable Finance Disclosure Regulation - SFDR)
- Commission Delegated Regulation (EU) 2021/923 of 25 March 2021 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards setting out the criteria to define managerial responsibility, control functions, material business units and a significant impact on a material business unit’s risk profile, and setting out criteria for identifying staff members or categories of staff whose professional activities have an impact on the institution’s risk profile that is comparably as material as that of staff members or categories of staff referred to in Article 92(3) of that Directive;
- CSSF Circular 14/585 transposing the ESMA guidelines on remuneration policies and practices (MiFID) – Addition of Annex V to Circular CSSF 07/307 ;
- CSSF Circular 15/622 on higher maximum ratio notification procedure applicable to Article 94(1)(g)(ii) of Directive 2013/36/EU following its transposition into Luxembourg law via Article 19(7°)(g) of the law of 23 July 2015;
- CSSF Circular 12/552 (as amended by Circulars CSSF 13/563, 14/597, 16/642, 16/647, 17/655, 20/750 and 20/759) on central administration, internal governance and risk management;
- CSSF Circular 22/797 on the Application of the Guidelines of the European Banking Authority (EBA) on sound remuneration policies under Directive 2013/36/EU.

9.2 Objective of the remuneration policy

The remuneration policy (hereinafter the “Policy") aims to define the remuneration principles in force within NCIBL, a company within the integrated scope of Natixis S.A, an entity based in France. The rules expressed in this document are therefore directly derived from the Remuneration Policy of Natixis S.A. The principles and rules detailed in the remuneration policy have been defined by the Board of Directors of the Bank and reflect the principles and values of NCIBL and Natixis. NCIBL's policy is a key element in implementing the company's strategy. It targets competitive remuneration levels compared to its benchmark markets and is structured to promote long-term engagement of its employees while ensuring appropriate risk and compliance management. It reflects the individual and collective performance of its business lines and employees.

9.3 Governance

The principles of the Policy were developed in collaboration with the Human Resources function of Natixis and the CIB business line, as well as the control functions of the Bank, and were endorsed by the Bank's Board of Directors. They are aligned with the general principles defined by Natixis SA in terms of remuneration and received last approval from the Bank's Board of Directors on 22/06/2023.

The Board of Directors, together with authorized officers, remains the ultimate responsible body for the implementation and regular review of the policy.

Based on the principle of proportionality and taking into account the structure, size, scope, nature, and complexity of the Bank's activities, as well as the regulatory framework, the Bank has not implemented a risk management system including:

- a permanent remuneration committee;
- the payment of variable remuneration in instruments.

However, proposals for salary increases and variable remuneration are always discussed between the Management body and the Department Directors and their respective management line. The final decision is made by the Management body in collaboration with Human Resources.

For the successful implementation of the 2023 remuneration policy, NCIBL engaged an external consultant, HACA Partners, to create the revised policy project. The external consultant works closely with NCIBL's Human Resources department.

9.4 Scope of the policy

The salaried members of the Natixis Board of Directors do not receive any specific remuneration related to the exercise of their mandate. However, the Bank may engage the services of non-salaried directors, remunerated for their services. The services provided by these external directors and the amount of their freely negotiated fees are specified in a service contract. The existence of service contracts and the flat-rate nature of the remuneration for potential external directors imply that they are excluded from the scope of the Policy.

The Policy applies to all employees of the Bank, and more specifically to the categories of functions identified by European regulatory requirements.

In accordance with current European Directives, the Bank's remuneration policy applicable to the variable remuneration of material risk takers identified locally in Luxembourg adheres to the principle of proportionality. The application of the principle of proportionality may lead to the adaptation of certain rules for the payment of variable remuneration for certain employees or groups of employees, in order to take into account, in particular, the specific nature of their activities and their lower impact on risk at the consolidated level, as well as the lower level of seniority or responsibility of these employees, their effective individual impact on the risk profile of the company, and the amount and structure of their remuneration. Where applicable, the level of control exercised within a group by the parent company over its subsidiaries, particularly concerning risk management, is also taken into consideration.

9.5 Local employee remuneration structure

The remuneration of NCIBL employees consists of a fixed salary, a variable component, and, for some, benefits in kind. The Bank ensures that there is a balance between these different components so that the fixed part of the remuneration represents a sufficiently large portion of the total remuneration. Remuneration surveys are regularly conducted by specialized firms to assess the adequacy of the fixed and variable remuneration policy in relation to professional and geographical markets. The remuneration policy is gender-neutral.

The components of the remuneration vary according to:

- The category of employee concerned;
- Market conditions;
- The specific context of the Bank's activities.

For employees covered by the Collective Bargaining Agreement for the Banking Sector, certain conventional bonuses complement the components of the remuneration described previously (examples: loyalty bonus).

9.6 Variable remuneration

Determination of the remuneration package

The variable remuneration rewards annual performance and takes into account the following elements:

- Achievement of set objectives (quantitative and qualitative):
    - Quantitative objectives are based on operational achievements
    - Qualitative objectives relate to behavior and leadership in their various dimensions
- Compliance with rules established by the Risk Management Department (if applicable)
- Compliance with rules established by the Compliance Department (if applicable)
- Adherence to Natixis Code of Conduct, with any breach reported by the manager and taken into account in the evaluation
- Managerial behavior (if applicable)
- Adherence to ESG criteria (if applicable)

The weighting of quantitative and qualitative objectives is defined by position and reviewed annually at the beginning of the year. Variable remuneration takes into account market practices identified through remuneration surveys and is part of the annual performance evaluation process, following the same schedule as the salary review process.

The variable component, which is consistently linked to good performance, is awarded at the sole discretion of management to employees based on the results of the annual Performance Review, which assesses the level of achievement of the set objectives for the year.

When defining the overall compensation envelopes and their allocation by activity, the economic factors mentioned below are taken into account, as well as other qualitative factors, including competitor practices, general market conditions in which results were achieved, factors that may have temporarily affected the performance of the business sector, or the stage of development of related activities.

For support and control functions, the variable remuneration envelopes are determined in relation to Natixis's financial results and independently of the controlled activities. Qualitative factors including market context, practices, and trends are also taken into account, as well as the degree of contribution to various regulatory or organizational projects.

Risks

The variable remuneration packages are defined based on the annual economic performance of the activities after taking into account the cost of risks, liquidity, and capital, and ensuring the adequacy of decisions made with respect to Natixis's ability to meet its regulatory capital requirements.

Specifically, for the CIB division, the variable remuneration pools are determined based on the following financial indicators:

- **The operating result (OR)** before variable remuneration, which includes:
    - The revenues generated by the various lines of business, as well as the cost of liquidity and market risks associated with the operations,
    - The operational costs necessary for generating these revenues (personnel costs excluding variable remuneration, IT costs, etc.),
    - The costs related to credit risks.

- **Economic Value Added (EVA)** before variable remuneration, which includes, in addition to the aforementioned costs, the cost of normative equity allocated to the Corporate & Investment Banking division's activities, based on risk-weighted assets (RWA). Risk-weighted assets include credit, market, and operational risks.

NET BANKING INCOME (NBI)
Operational costs excluding variable compensation
= GROSS OPERATING INCOME (GOI)
Net Cost of Risk (NCR)
= OPERATING INCOME (OI) before variable compensation
Cost of Capital
= ECONOMIC VALUE ADDED (EVA)

Individual variable remuneration

Individual variable remunerations are based on the achievement of predefined objectives and common goals set at the beginning of the year.

With regards to the CRD directive for material risk-takers and front office employees working on market activities, individual objectives systematically include obligations related to compliance with risk and compliance rules, which include:

- **At global level:**
  - Adherence to the principles of the Natixis Code of Conduct
  - Completion of e-learning training identified as mandatory by the Risk and Compliance department.

- **At compliance level:**
  - Adherence to all applicable compliance rules (procedural rules, policies, standards, charters, and procedures), the regulatory provisions applicable to the various activities, as well as risk management manuals and mandates, if applicable.
  - Implementation of recommendations issued by the supervisory and regulatory authorities and the corresponding corrective measures within the prescribed timeframes.
  - Complete and validate the conformity certificates according to the procedures defined by the Compliance department.

- **At risk level:**
  - Adherence to the rules governing risk behavior.
  - Compliance with limits, ratios, thresholds, and other indicators used for risk monitoring.
  - Prompt signing of risk mandates.

- Adherence to frameworks defining trading authorizations for market operations, rules for credit authorizations, validation conditions, and use of models.
- Prompt implementation of action/remediation plans decided in the event of serious incidents/breaches.

Non-compliance of these obligations may result in a partial or complete reduction of the allocated variable remuneration for the performance year in which the breach was reported. For employees whose variable remuneration is subject to a deferral mechanism, all or part of the unvested deferred variable remuneration may also be forfeited in the most serious cases of breaches or misconduct.

Variable remuneration awarded to risk and compliance control personnel, as well as to support functions and transaction validation personnel, is based on their own objectives, independent of the operations of the business lines they validate or control.

9.7 Remuneration policy applied to CRD material risk takers

The remuneration awarded to the members of the Board of Directors consists solely of attendance fees, the amount of which is predetermined. They are not entitled to variable remuneration for their functions. The remuneration of the Chief Executive Officer complies with the CRD and its transposition into French law, as well as with the recommendations of the AFEP-MEDEF corporate governance code. The remuneration policy for material risk-takers under the CRD aligns with the general principles applicable to all employees of Natixis.

9.8 Deferred variable remuneration

Beyond a certain amount of variable remuneration (set at €50,000 for the euro area), the payment of a portion of the allocated variable remuneration is conditional and deferred for a period of at least 4 years and 5 years for members of the Management Committee.

This deferred portion of variable remuneration is vested in equal installments during the deferral period following the year in which the variable remuneration was allocated.

At least 40% of the allocated variable remuneration is deferred. This proportion rises to 60% for individuals receiving the highest variable remuneration amounts.

For the year 2023, no authorized management member has been subject to deferred variable remuneration.

The allocated variable remuneration is also pegged to a minimum rate of 50% on a financial instrument aimed at aligning individuals with the BPCE group as a shareholder. A retention period is set after the employee acquires the indexed variable remuneration. The components of the deferred variable remuneration can also be reduced or forfeited during the acquisition period in the event of inappropriate behavior in terms of risk management and/or violation of conduct and compliance rules, which could expose Natixis to unusual and material risk (malus condition).

Finally, if an employee has been responsible for or contributed to a serious breach in risk management and/or violation of conduct and compliance rules, resulting in significant losses for Natixis or the BPCE Group and justifying termination, Natixis may request the reimbursement of already paid variable remuneration components, subject to applicable local law (clawback).

These conditions, which are communicated and explained during the allocation of deferred variable remuneration, ensure, if necessary, an ex-post risk adjustment at each annual payment.

9.9 Upper limit for variable remunerations

Finally, the variable remuneration awarded to all material risk-takers CRD complies with the rules capping variable remuneration in relation to fixed remuneration, as defined by the regulation.

As a reminder, CRD caps the variable component of remuneration at 100% of the fixed component for significant CRD risk-takers, unless the general meeting of shareholders approves a higher percentage, which in any case cannot exceed 200%. On May 19, 2015, Natixis's general meeting of shareholders capped the variable component at 200% of the fixed remuneration for significant CRD risk-takers for 2015 and subsequent years.

9.10 High income

In 2023, NCIBL had no staff paid up to €1 million or more.

National – Remuneration Benchmarking Exercise 2023

LEI Code :	AELIZRVUG3YVEFFUVL97	0.00
Currency :	EUR	31/12/2023

Information on identified staff remunerated EUR 1 million or more per financial year

	Total remuneration; payment band (in EUR)	Number of identified staff (headcount)
Total remuneration; payment band (in EUR)		0
Total remuneration; payment band (in EUR)		0

9.11 Annual remuneration information (2023)

Breakdown by category

	Number of people	Fixed annual compensation	Variable compensation	Total compensation	Percentage fixed/variable compensation
Management (Authorized management and executive committe members)	10	1,534,578	230,000	1,764,578	15.0%
Non-executive Board members	4	0	0	0	0.0%
Other employees	18	1,785,646	108,000	1,893,646	6.0%
Employees linked to the social plan	22	2,233,271	5,000	2,238,271	0.2%
Total	**54**	**5,553,494**	**343,000**	**5,896,494**	**6.2%**

Breakdown by department

	Number of people	Fixed annual compensation	Variable compensation	Total compensation	Percentage fixed/variable compensation
Management (Authorized management and executive committe members)	10	1,534,578	230,000	1,764,578	15.0%
Non-executive Board members	4	0	0	0	0.0%
Operations	4	373,247	26,000	399,247	7.0%
Control function	2	205,321	19,000	224,321	9.3%
Support function	10	1,016,758	47,000	1,063,758	4.6%
ALM Treasury	2	190,320	16,000	206,320	8.4%
Employees linked to the social plan	22	2,233,271	5,000	2,238,271	0.2%
Total	**54**	**5,553,494**	**343,000**	**5,896,494**	**6.2%**

EU REM1 - Remuneration awarded for the financial year

			a	b	c	d
			MB Supervisory function	**MB Management function**	**Other senior management**	**Other identified staff**
1	Fixed remuneration	**Number of identified staff**	**4**	**3**	**7**	**40**
2		**Total fixed remuneration**	**0**	**604,101.60**	**930,476.16**	**4,018,916.69**
3		Of which: cash-based	0	604,101.60	930,476.16	4,018,916.69
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interests	0	0	0	0
5		Of which: share-linked instruments or equivalent non-cash instruments	0	0	0	0
EU-5x		Of which: other instruments	0	0	0	0
6		(Not applicable in the EU)				
7		Of which: other forms	0	0	0	0
8		(Not applicable in the EU)				
9	Variable remuneration	**Number of identified staff**	**4**	**3**	**7**	**40**
10		**Total variable remuneration**	**0**	**113,000.00**	**117,000.00**	**113,000.00**
11		Of which: cash-based	0	113,000.00	117,000.00	113,000.00
12		Of which: deferred	0	0	0	0
EU-13a		Of which: shares or equivalent ownership interests	0	0	0	0
EU-14a		Of which: deferred	0	0	0	0
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments	0	0	0	0
EU-14b		Of which: deferred	0	0	0	0
EU-14x		Of which: other instruments	0	0	0	0
EU-14y		Of which: deferred	0	0	0	0
15		Of which: other forms	0	0	0	0
16		Of which: deferred	0	0	0	0
17	**Total remuneration (2 + 10)**		**0.00**	**717,101.60**	**1,047,476.16**	**4,131,916.69**

10. ANNEXES

10.1 List of EBA tables and templates

List of EBA tables included in this report

10.2 List of acronyms

Acronyms	
ALM	Assets and Liabilities Management
AML	Anti Money Laundering
BCL	Banque Centrale du Luxembourg
BIA	Basic Indicator Approach
CEO	Chief Executive Officer
CET-1	Common Equity Tier-1
CIB	Corporate and Investment Banking
CRD	Capital Requirement Directive
CRE	Climate and Real Estate
CRO	Chief Risk Officer
CRR	Capital Requirement Regulation
CSSF	Commission de Surveillance du Secteur Financier
CTF	Counter Terrorism Financing
DORA	Digital Operational Resilience Act
EBA	European Banking Authority
ECB	European Central Bank
EMEA	Europe, Middle East and Africa
ESG	Environmental,Social and Governance
ESMA	European Securities and Markets Authority
EU	European Union
EVA	Economic Value Added
EVE	Economic Value of Equity
HQLA	High-Quality Liquid Assets
ICAAP	Internal Capital Adequacy Assessment Process
ICT	Information and Communications Technology
ILAAP	Internal Liquidity Adequacy Assessment Process
IRRBB	Interest Rate Risk in the Banking Book
IT	Information Technology
KYC	"Know Your Customer"
LCR	Liquidity Coverage ratio
NBI	Net Banking Income
NCIBL	Natixis Corporate and Investment Banking Luxembourg
NCR	Net Cost of Risk
NII	Net Interest Income
NSFR	Net Stable Funding ratio
NWML	Natixis Wealth Management Luxembourg
OI	Operating Income
OR	Operating Result
RAF	Risk Appetit Framework
RWA	Risk Weighted Assets
SFDR	Substainable Finance Disclosure Regulation
TRM	Trading Risk Management
WM	Wealth Management

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