ANNUAL FINANCIAL REPORT 2025

GROUPE BPCE

PALATINE
l'Art d'Être Banquier

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ANNUAL FINANCIAL REPORT 2025

Jérome TERPEREAU **Didier MOATÉ**

For more than 240 years, Palatine has cultivated the dual ambition of excellence by providing sustained support for the development of medium-sized companies and by offering the expert services of a demanding private bank to serve each of its customers. Its human scale – around 1,000 employees – and its nationwide distribution network, comprising 36 locations, including 26 business and private banking centres and four "Palatine Premium" branches, make it a medium-sized bank, which understands and constantly adapts to all its customers' needs. It offers value-added expertise dedicated to accelerating the growth and performance of its customers: wealth, legal and tax engineering, investment advisory, global approach of wealth management services destined to business owners, corporate finance, specialised approach to the real estate professions, the creative industries, and the audiovisual sector, trade finance, trading room, sustainable finance, etc.

Committed to a CSR approach, Palatine supports its customers in their energy and ecological transition. It is also implementing an approach to reduce its environmental footprint and deploying a committed human resources policy.

As gender equality is a key focus of its CSR policy, Palatine is fully committed to this issue, both within companies and in the world of sports. This is reflected in particular through its support for the Alice Milliat Foundation, as well as its commitment to the Palatine Women Project, a mentoring scheme designed to support female athletes with entrepreneurial ambitions.

Its slogan, "The art of being a banker", reflects Palatine's commitment to developing a model of customer proximity based on providing outstanding support to its corporate and private banking customers. Wholly owned by Groupe BPCE, the bank benefits from the strength and financial guarantees of France's second largest banking group.

STATEMENT BY THE PERSON RESPONSIBLE

Mr. Didier Moaté, Chief Executive Officer of Palatine S.A.

I hereby certify that the information contained in this annual financial report is, to the best of my knowledge, true and accurate and contains no omission liable to impair its significance.

I declare that, to the best of my knowledge, the annual financial statements and consolidated financial statements were prepared in accordance with the body of applicable accounting standards and that they provide a faithful presentation of the assets, financial position and income of the company and all the companies included in the consolidation, and that the management report appearing on page 4 presents an accurate picture of the development and income of the company and the financial position of the company and all the companies included in the consolidation, as well as a description of the main risks and uncertainties to which they are exposed, and that it was prepared in accordance with applicable sustainability reporting standards.

Chief Executive Officer

Done in Paris on 29 April 2026

BOARD OF DIRECTORS' MANAGEMENT REPORT

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1 Board of Directors' management report

Economic environment

2025 was characterised by moderate global economic growth, reflecting an international context still marked by trade tensions and political uncertainty. According to the International Monetary Fund's January 2026 World Economic Outlook, global gross domestic product growth is expected to be around 3.3% in 2025, stable compared with 2024 but higher than previously forecast thanks to the resilience of some major economies. This momentum is accompanied by significant regional disparities, while risks related to protectionism and persistent imbalances weigh on the outlook.

In 2025, the US economy is expected to grow moderately but at a much slower pace compared to previous years, with a GDP growth projection of around 2% (2.1% according to the World Bank report published in January 2026). The slowdown is linked to political uncertainty, trade tensions and weaker domestic demand. This expansion, well below the historical trend, reflects a context in which investment and consumption are gradually decreasing.

On the labour market, the unemployment rate is forecast to be around 4.4%, up slightly from a year earlier, a sign of a gradual tightening of the job market.

At the same time, inflation remains a significant challenge, with persistent pressures fuelled by tariff hikes and import costs, which could keep price developments well above the 2% target if these effects are increasingly transferred to the economy. The consumer price index therefore stood at 2.7% in December across the Atlantic.

Activity indicators published throughout the year show contrasting trends: while the ISM (Institute for Supply Management) services index remained above the expansion threshold overall (below the 50-point level), signalling continued growth in the services sector, that of the manufacturing sector was often below 50, indicating a contraction or stagnation in the US industrial sector.

For their part, confidence indicators showed a downward trend reflecting continued caution among business leaders and increased consumer concern about the economic outlook and price developments. These combined signals of activity and confidence illustrate the structural challenges facing the US economy, with companies hesitant to invest more and households increasingly sceptical about the future evolution of the labour market and purchasing power.

Within the Eurozone, growth continued at a moderate pace, with Gross Domestic Product (GDP) estimated to expand by nearly 1.3% according to Eurostat data, reflecting a slow but resilient recovery driven by domestic demand, while exports remain constrained by an uncertain global context. Spain's economic momentum is noteworthy, as the country was driving European growth with GDP up 2.6% this year.

The unemployment rate remained at a relatively low level of 6.2% in December, showing a gradual improvement in the labour market despite national disparities.

Inflation has continued to decline, approaching the European Central Bank's target of around 2%, although pressures on service prices remain persistent. Inflation in this area stood at 3.4% in December, compared with 1.9% for the overall index.

Emerging and developing economies continue to outperform advanced economies, despite a marked global context of persistent trade tensions. India remains the main driver, with GDP growth estimated at 7.2% according to the World Bank, supported by strong domestic demand, controlled inflation and significant structural resilience. China, however, is growing at a more moderate level close to 4.9%, reflecting the challenges of its structural transition from an export-oriented and industrial economy to a service- and consumption-oriented economy, as well as an ageing workforce that is weighing on growth potential. The country also has to deal with high corporate debt and tensions in the real estate sector, while also facing trade and technology tensions with the United States and the European Union, factors that are holding back some foreign investment and exports.

Against this backdrop, the world's main stock markets experienced an eventful but generally positive year in 2025, marked by all-time highs and periods of extreme volatility.

The CAC 40 and EuroStoxx 50 have often reached or come close to record levels, driven by solid results from European companies as well as investor appetite despite macroeconomic uncertainties. The flagship index of the Paris stock market gained just over 10%, and the main European equity index rose 18.3% to 5,791 points.

In the United States, the major indices also ended the year with strong growth, with double-digit gains for the S&P 500, the Dow Jones and the Nasdaq, boosted in particular by enthusiasm around artificial intelligence (AI) and hopes of rate cuts by the US Federal Reserve (Fed).

On the commodities market, the year was marked by a notable divergence – precious metals such as gold and silver exploded to record levels driven by safe-haven demand and institutional buying, while oil suffered from a supply surplus and weaker demand, leading to significant price drops for crude. Gold has had a record year, with the price of an ounce rising to more than $4,300 at the end of the year, up nearly 65%. As for a barrel of oil, prices were down nearly 20% this year, to around $60.

Finally, cryptocurrencies experienced high volatility, with a significant bull phase pushing the "queen" of cryptocurrencies, Bitcoin, to an all-time high of around $125,000 in October, before being adjusted at the end of the year to finish at around $88,000.

Interest rate trends

The European Central Bank continued to normalise its monetary policy, with inflation expected to stabilise around the 2% target in the medium term. After four 25-basis-point cuts in the first half of the year, the ECB stabilised its key interest rates in the second half of the year while reaffirming an economic data-dependent approach. Therefore, the deposit rate, the refinancing rate and the marginal lending rate are set at 2.00%, 2.15% and 2.40% respectively. At the same time, the asset purchase programme (APP) and the pandemic emergency purchase programme (PEPP) continued to decline in a measured manner, as the ECB was no longer reinvesting the principal payments of maturing securities.

In 2025, the Fed adjusted its monetary policy gradually to keep pace with inflation and the labour market. After maintaining the target range for the federal funds rate in the range of 4.25%–4.50% for much of the year, the Federal Open Market Committee (FOMC) opted for a gradual reduction in rates at the end of the year, lowering the range to 3.50%–3.75% to support activity in the face of a moderate economic slowdown and inflation still above the 2% target, but on a downward track. The Fed continued to moderate the pace of balance sheet reduction, while remaining attentive to risks to jobs and prices, reflecting a cautious approach aimed at balancing its dual mandate. Internal monetary policy developments have also been marked by dissent over the scale and timing of adjustments, reflecting debates about the need for more severe tightening or more significant easing depending on incoming economic data.

Global interest rates continued to reflect both monetary policy developments and sovereign market dynamics.

In the Eurozone, the €STR short-term interbank rate stood at 1.92% at the end of the year, down by almost 100 basis points compared to the start of the year, reflecting the impact of the ECB's decisions. The 3-month Euribor was around 2%.

Longer-term interest rates showed a different trend, as measured by swap rates, which at 2 years rose by just over 5 basis points to 2.2% and at 10 years by just over 50 basis points to 2.9%.

Yields on 10-year Eurozone sovereign bonds also rose, particularly given the growing financing needs for some countries. In France, bonds were also sensitive to political and budgetary uncertainty. The OAT ended the year at 3.6%.

In the United States, interest rate momentum was generally downward, both on monetary rates and on the 10-year US Treasury financing rate. Despite pressure on the dollar at the end of the year, the Secured Overnight Funding Rate (SOFR) fell by just over 60 bps to 3.9%. As in the Eurozone, the US swap yield curve steepened by around 50 basis points due to the more marked decline in the 2-year rate than that observed in the 10-year rate. Finally, on the bond market, the yield on US 10-year debt fell to 4.2% at the end of the year.

Outlook for 2026

Current global growth projections for 2026 show a broadly stable profile. However, this scenario remains surrounded by many uncertainties: the evolution of trade tensions (lull or resurgence), impact on the increasing integration and growing use of artificial intelligence, as well as geopolitical risks.

On this last point, the joint military operation carried out by the US and Israeli armies in Iran since the end of February could have significant repercussions, depending on its duration and a possible desire by the Iranian leaders to regionalise the conflict.

At this stage, the immediate effects, among others, include a sharp rise in energy prices (oil and gas), leading to an increase in inflation expectations and therefore in rates. As a result, the barrel price reached nearly $120 on Monday, 9 March 2026.

Depending on the intensity and duration of the conflict, the impact on the economy could take the form of a stagflation scenario.

Key figures of Palatine (in consolidated figures)

Ratings as of 31 December 2025

	Moody's	Fitch Ratings
Short-term rating	P-1	F1
Long-term rating	A1	A
Outlook	Negative	Stable

Financial structure

in millions of euros	31/12/2025	31/12/2024
Equity attributable to equity holders of the parent	1,231.8	1,180.8
Equity tier 1	1,117.6	1,082.6

Prudential ratios

	31/12/2025	31/12/2024
Core Tier 1 ratio	9.58%	9.25%
Tier 1 ratio	10.52%	10.19%
Total capital adequacy ratio	12.60%	12.62%

Consolidated income statement

in millions of euros	31/12/2025	31/12/2024
Net banking income	403.5	377.3
Gross operating income	179.1	163.3
Net income	96.6	80.2
Cost/income ratio	55.61%	56.72%

Activity

in millions of euros	31/12/2025	31/12/2024
Total assets	19,310.5	19,187.3
Customer loans	11,880.7	11,982.4

Cost of risk

in millions of euros	31/12/2025	31/12/2024
Cost of risk	45.5	62.3

Highlights

Groupe BPCE highlights

In 2025, the rollout of the VISION 2030 strategic plan continued with the achievement of several key milestones.

BPCE and BNP Paribas created Estreem, the new French leader and major European player in payment processing. The company will process all card payments in Europe for Groupe BPCE and BNP Paribas, *i.e.* 17 billion transactions per year, and will manage 30% of the volume of card payments in France. The company's ambition is also to be in the top 3 processors in Europe.

With the acquisition of Société Générale Equipment Finance, renamed BPCE Equipment Solutions, BPCE positioned itself as the European leader in equipment leasing. Present in 24 countries, BPCE Equipment Solutions currently manages a portfolio of €15 billion in outstandings.

In June, Groupe BPCE signed a Memorandum of Understanding to acquire Novobanco, Portugal's fourth-largest bank. This transaction is the largest cross-border banking acquisition in the Eurozone in more than 10 years. Following the transaction, Portugal would become the Group's second domestic retail market.

The Group has made housing one of its priorities for action. To this end, it has created a new dedicated business line based on three strategic priorities: "offer more housing in all regions"; "promote access to housing for the French people and the enhancement of their assets"; and "support households in renovating and adapting their homes".

On the international front, 2025 was marked by unprecedented instability and tensions. Faced with the challenges of the new geopolitical situation, Groupe BPCE has intensified its commitment to the financing of defence companies and its support for the defence industrial and technological base (DITB): firstly, by updating the policy for supporting defence financing; secondly, through a range of financing solutions adapted to the needs of the sector; and finally, by finalising the first "European Defence bond" issued by a financial institution in Europe. The placement of this €750 million preferred senior security issue, with a five-year maturity, was secured by Natixis Corporate & Investment Banking. The funds raised are used to finance and refinance assets in the defence sector.

In 2025, Groupe BPCE reaffirmed its ambition to make impact accessible to all, thanks to the power of local solutions, as close as possible to the needs of its clients and the regions. The electricity purchase agreement signed with Opale, a regional SME that is a pioneer in the development of green energy projects, will enable it to cover approximately 11% of the Group's annual consumption. The Group has also partnered with H2air, an independent French producer of renewable electricity, for its own supply. With the signing of this major contract, nearly 30% of Groupe BPCE's energy needs will be covered.

At the same time, several large-scale projects were carried out.

Groupe BPCE invests in a common technological platform for the Banques Populaires and Caisses d'Epargne. Within four years, a common information system would be used instead of the current two. This project, which will respect the identity of the two networks, provides an ambitious response to the new technological challenges and makes it possible to take full advantage of economies of scale.

Finally, Groupe BPCE has accelerated the adoption of generative AI for clients, advisors and all employees, and has crossed the threshold of one in two employees using AI on a daily basis. To this end, the first workforce and career management agreement including an AI section was signed in summer 2025. The use of AI has also become widespread across all business lines, including across the Banque Populaire and Caisse d'Epargne networks, in the retail business lines and in Natixis' global business lines. In line with its VISION 2030 strategic project, Groupe BPCE focuses its efforts on a few priority areas:

- assistance for branch advisors, 80% of whom used AI at the end of December 2025;
- improvement of the digital experience for clients using the Group's banking apps;
- transformation of specialized client relations centres;
- support for IT professions.

The AI technological revolution is one of the most significant changes in the contemporary world and it is now a very tangible reality within Groupe BPCE. All these advances have enabled the Group to move up 15 places in the Evident AI Index 2025 ranking to 25th among the world's 50 largest banks in terms of AI adoption.

The activity of the Banque Populaire and Caisse d'Epargne networks was strong. The two networks have launched new offers and services in areas identified as priorities in VISION 2030 to meet the needs and concerns of their customers. They have also innovated to respond to societal and geopolitical challenges.

As a result, Banque Populaire and Caisse d'Epargne the first banks in France to set up €200 million in loans with the European Investment Bank for the agricultural sector. The operation supports the acquisition and modernisation of farms, as well as investment in sustainable technologies. 30% of the funds are dedicated to projects helping to promote action in favour of the climate, the efficient use of water resources and biodiversity protection.

The two networks are also the first French banks to sign an agreement with the European Investment Bank to support defence SMEs. Through this €300 million financing package, Groupe BPCE will play a key role in strengthening the competitiveness and innovation of French companies, while meeting the challenges of the country's sovereignty.

At the same time, the Banques Populaires and Caisses d’Epargne encouraged the improvement of energy performance of dwellings by integrating impact into their home loans. This offering proposes a reduction in the interest rate to homeowners with an Energy Performance Certificate between E and G who carry out work to improve it by two letters.

Among the offers launched in 2025 in the two networks are:

- for students, a loan without a personal guarantee or means testing. The objective is to support more than 50,000 students in France in 2025 in the context of the rising cost of living;
- for homeowners over 60, the reverse mortgage (prêt viager hypothécaire). This is guaranteed by a mortgage taken out on a property belonging to the borrower. The amount of the reverse mortgage is determined according to the value of the property appraised and the borrower’s personal situation;
- for professional and corporate clients, the “Invoice Management” service operated by iPaidThat, a French platform approved by the French Directorate General of Public Finances (DGFiP) and a subsidiary of Groupe BPCE. Via this service, they can now better manage their accounting, steer their cash flow and collaborate with their chartered accountants.

Concerning the activity of the Banques Populaires:

Banque Populaire maintained a sustained pace of activity with all its customers in 2025. This commitment was recognised in particular by a great award: for the 16th consecutive year, Banque Populaire was named the leading bank for corporate clients (source: Kantar).

Among the initiatives carried out, several concerned two key customer segments for the Banques Populaires.

Farmers: Banque Populaire launched the “*Nouvel Installé en Agriculture*” loan, at a preferential rate and with a budget of €100 million, to support the installation of farmers and winegrowers and meet the growing needs of the agricultural sector. This loan is already available to its corporate clients and Banque Populaire has extended its impact loan to professionals and farmers in order to highlight their commitment to social and environmental responsibility, while offering them advantageous financing conditions.

Young people: following the rollout of their new strategy presented in 2024, the Banques Populaires have strengthened their presence on the side of young people. In addition to the student loan without a personal guarantee or means testing, numerous initiatives have been carried out for them, in terms of education, entrepreneurship or financial accessibility. Therefore, as part of its partnership with the Cnam, Banque Populaire has developed a programme specifically designed to support young entrepreneurs. It has also reinvented its mobile application for teenagers, allowing young people to manage their money independently while reassuring their parents thanks to a supervision interface. Finally, in November, Banque Populaire launched a comprehensive and attractive banking offer aimed at 18-25 year-olds for just €2 a month.

Lastly, as the highlight of the year, Banque Populaire launched EXTRA +X, its new exclusive loyalty programme for its client-cooperative shareholders, who contribute locally to its collective success.

Concerning the Caisses d’Epargne's activity:

In home loans, production was boosted by a market recovery in 2025. This was also true of inflows, thanks in particular to the marketing of Natixis loans, support for clients with retirement and the launch of innovative offers such as Vegactive Protégée, which combines the advantages of a structured fund with those of active management.

In the professional market, the year was marked by the generalisation of the Multi-Risk Pro Complex Risks offer, which makes it possible to cover all the insurance needs of professional clients.

In 2025, the Caisses d’Epargne continued their commitment to business development. They continued to support businesses through major changes, such as the decarbonisation of their activity (through the deployment of the ESG strategic dialog, an increase in the production of sustainable financing, the range of impact loans dedicated to SMEs and mid-sized companies, etc.) or their regulatory compliance (notably through dedicated e-invoicing systems).

A highlight of the year was when the Caisse d’Epargne Hauts de France (CEHDF) finalised the acquisition of Nagelmackers, a Belgian banking institution founded in the 18th century and a benchmark in the Personal and Private Banking market. This operation accelerates CEHDF's expansion in Belgium, where it has been active for 10 years *via* its Caisse d’Epargne Belgium branch, dedicated to large corporates and real estate operators.

At the same time, Caisse d’Epargne strengthened its commitment to sport by signing a partnership with Piscine de Demain. This partnership aims to modernise aquatic facilities managed by local authorities, promote the environmental transition and make quality sports facilities accessible to as many people as possible.

Finally, with the Cooperative shareholders’ club, the 15 regional Caisses d’Epargne offer a new community space and new benefits to their millions of cooperative shareholder clients, making their commitment to the regions even more tangible.

The Insurance division brings together the personal insurance and non-life insurance businesses through BPCE Assurances and, since 2025, sureties and financial guarantees through the *Compagnie Européenne de Garantie et Cautions (CEGC)*.

In personal insurance, the year was marked by the launch of numerous offers and changes to paths to better meet the needs of policyholders: marketing of the Climate Future Savings Plan (PEAC), which Groupe BPCE is the first major French player to have launched; the option for Banque Populaire and Caisse d’Epargne clients who have overcome male cancer to take out a payment protection insurance policy for a personal or professional real estate project co-insured by BPCE Assurances and CNP Assurances, with no additional premiums or exclusions, even partial ones; provision of the new payment protection insurance (PPI) offer for professionals and corporate customers; implementation of the self-care subscription of the Individual

Retirement Savings Plan; and opening of the offer of BPCE Life, a company incorporated under Luxembourg law in the Insurance division, to Palatine clients.

In non-life insurance (IARD), several highlights marked the year including: the launch of impact home insurance, to encourage and reward policyholders' eco-responsible commitment to environmental challenges; production launch of a first use case based on the use of generative AI to accelerate the processing of client complaints; a pilot with the company FlowStop to offer clients cofferdams at special pricing. Lastly, BPCE Assurances IARD was awarded the "Great Place to Work for Women" label, reflecting its commitment to building a respectful, inclusive and caring work environment. Lastly, for BPCE Assurances, 2025 will remain marked by the success of its first public issue of subordinated debt, with nearly 58% from international investors and an order book oversubscribed 14 times for a total of €9.5 billion. This transaction is a major milestone in the development of BPCE Assurances, marking its inaugural access to the capital markets.

In sureties and financial guarantees, the year was marked by the deployment of the Subcontractor Payment Guarantee (GPST), which enables single-family home builder clients to build trust with their subcontractors and meet regulatory requirements. DBRS and Moody's renewed CEGC's ratings, A High and A1 respectively, demonstrating the quality of its credit rating and its robust credit profile. CEGC also obtained a score of 80/100 in the EcoVadis assessment, which places it in the top 2 French companies, all sectors combined.

The Digital & Payments division experienced several highlights in its activity in 2025.

2025 was marked by the founding of Estreem, a new French leader and major European player in payment processing. This new company, a joint venture between BPCE and BNP Paribas, combines the expertise and best technologies of both groups in terms of payment processing, for the benefit of their individual and professional clients with physical and digital cards, and merchants. Aiming to process all of BNP Paribas and Groupe BPCE's card payments in Europe, *i.e.* 17 billion transactions per year, Estreem intends to become the French leader in processing with 30% of the volume of card payments in France and aims to become one of the top 3 processors in Europe.

In 2025, the Wero service saw growing adoption among Banques Populaires and Caisses d'Epargne clients, with a record of 7.5 million transactions in December 2025, 4.2 million users and continued expansion with 200,000 new clients using it each month.

Groupe BPCE is now preparing to roll out the e-commerce functionality for 2026 for its consumer and retail clients, leveraging the expertise of its fintech Payplug.

The digital teams have also integrated the new "Invoice Management" service operated by iPaidThat, a French platform approved by the French Directorate General of Public Finances (DGFiP) and a subsidiary of Groupe BPCE, in the banking areas of professional clients.

In 2025, the digital client teams also redesigned the banking application for teenagers, clients of the Banques Populaires and Caisses d'Epargne, to meet their specific uses and expectations.

Finally, Oney continued its transformation and achieved its financial trajectory by combining digital modernisation, evolution of the offering and increased integration of AI. Client recruitment and loyalty remain at the heart of the "Carte First" strategy, a key lever for strengthening Oney's relationship with retailers. Two major new solutions were finalized: financing dedicated to energy renovation and the Forward Trade In offer, allowing a trade-in of the product at a guaranteed price. These advances, supported by the modernization of paths, the intensive use of data and a renewed technological base, strengthen operational performance and enable Oney to position itself as a major player in consumer financing in Europe.

The Financial Solutions & Expertise (FSE) division brings together, within BPCE, the expertise of eight entities within financing, advice and services for the Group's corporate clients.

Among the highlights of 2025:

BPCE Financement confirms and strengthens its position as France's leading provider of consumer loans, with a market share of 18% in the third quarter of 2025, in a non-leasing market up +1% (source: ASF at the end of September 2025). Another highlight for the company was the award, in the first year, of the EcoVadis gold medal, which recognises all investments and results obtained on ESG topics.

BPCE Lease achieved a record 18% market share in France in equipment leasing (source: ASF) and recorded a record level in financing for renewable energy projects in France and internationally (Italy and Spain), with more than €1 billion in new financing of arranged projects for the second consecutive year.

BPCE Equipment Solutions, created in March 2025 following the acquisition of this activity from the Société Générale Group, had a record year with origination volumes up 11% compared to 2024. The integration is proceeding according to schedule.

EuroTitres, which safeguards more than 2 million securities accounts, recorded a significant increase in the opening of securities accounts with the Banques Populaires and the Caisses d'Epargne. This trend reflects the enthusiasm of individual customers to explore investment opportunities in an unstable political and economic context.

BPCE Factor is one of the leaders in the factoring market in terms of number of contracts with a 25% market share in France. The client Net Promoter Score reached 38, up 9 points year-on-year.

Concerning Natixis' global business lines:

Natixis Corporate & Investment Banking (CIB) again achieved an excellent commercial performance in 2025 and posted a record level of revenue, driven by all of its business lines.

In Global Markets, Natixis CIB continued to expand its activities in a context where all its asset classes recorded solid year-on-year performance. This growth was achieved on all platforms, accompanied by an increase in the client base and volumes processed.

In Investment Banking, Natixis CIB announced the first closing of the Universe Direct Lending Partners I fund, dedicated to mid-sized companies backed by financial sponsors, mainly in Europe.

The bank structured and placed for Groupe BPCE the first European defence bond issued by a financial institution in Europe. The funds raised through this €750 million issue, maturing in five years, will be used to finance and refinance assets in the defence sector. Natixis CIB also supported Bpifrance in the issue of its first "European Defence Bond" for an amount of €1 billion. In addition, Natixis CIB continued to expand its Equity Capital Markets expertise in Europe and is now positioned as the fourth largest European player in the Equity Linked market.

In Real Assets, Natixis CIB launched its new "Transportation Finance" business line to provide its clients with tailor-made financing solutions and extend its asset-based financing offering. Natixis CIB arranged several notable transactions in the aviation sector, including the first French Optimized Lease in Latin America with Viva Aerobus.

Global Trade has expanded its range of investment solutions to meet the needs of its clients across new currencies and geographies, including Japan.

In M&A, Natixis Partners announced a strategic merger with Financière de Courcelles, strengthening its expertise in the small and mid-cap segments and making it possible to better serve the clients of the Banques Populaires and Caisses d'Epargne.

Natixis CIB also pursued its strategic objectives and continued to innovate in the area of sustainable finance. The bank was particularly active in financing carbon capture projects. Natixis CIB also participated in the development of Blue Finance, notably through the issue of the first "Blue Repo" by Banco do Brasil.

Finally, Natixis CIB continued to strengthen its international presence. To better serve its clients and adapt to global dynamics, the bank has changed its organisation and governance. Since January 2026, the Middle East and Asia-Pacific regions have been united under a single platform. In July 2025, Natixis CIB obtained a banking license in Japan, enabling its Tokyo branch to offer a wider range of financial services to clients. The North & South America platform also continued to develop.

Thanks to the commitment of all its teams, Natixis Investment Managers (IM) recorded strong sales momentum in 2025, with net inflows of €40 billion for the second consecutive year, mainly in bond products carried by Loomis Sayles and DNCA and in diversified products (Solutions).

77% of funds rated by Morningstar appear in the first and second quartiles for their three-year performance at the end of December 2025, compared with 68% a year earlier.

The company continued to optimise its operating model and actively manage its investments, with the merger of Thematics and Mirova, which created a leading player in thematic equity management combining innovation and positive impact, and the acquisition of Belmont Capital's activities to capitalise on Gateway's expertise in option-based investment solutions and better meet client needs.

In the United States, Natixis IM has formed a strategic partnership with Edward Jones, one of the largest market players with more than $2,000 billion in assets under management, which opens up promising development prospects in this key market.

Alongside its affiliates, Natixis IM continued its efforts to develop responsible and impact investing, and ESG assets (SFDR article 8/9) represented more than €540 billion at the end of 2025. Natixis IM also continued to make its voice heard through individual and collective engagement, active voting policies and participation in key marketplace initiatives to advance responsible investment.

Natixis Interépargne has completed the acquisition of HSBC Epargne Entreprise (HEE), thus integrating 3,300 companies and 193,000 new savers onto its platform.

Fully committed to the development of useful savings, Natixis Interépargne has adopted a purpose and an impact strategy integrated into its strategy to promote the democratization of employee savings.

In association with VEGA Investment Solutions (VEGA IS) and the Reconstruire Collective, it launched the *"Sélection VEGA Industrie France"* mutual fund, a fund invested in companies in the manufacturing industry in France.

Natixis Interépargne has achieved significant success with major corporate clients, particularly CAC 40. Gross inflows are up by 15% in 2025 compared to the previous year. All distribution networks posted strong growth, with growth of +31% in new contract sales over the year.

Natixis Wealth Management and its subsidiaries continued their dynamic development and innovation. At the end of December 2025, Natixis Wealth Management managed €26 billion in assets. The acquisition of Dorval Asset Management, completed on July 1, 2025, strengthens the Group's expertise in flexible and responsible asset management, thus enriching the investment solutions offered to its clients.

In addition, Natixis Wealth Management consolidated its reputation for excellence by receiving the "Best Affiliated Private Bank" award at the seventh edition of the Sommet du Patrimoine et de la Performance, organized by Décideurs Patrimoine.

This progress demonstrates the Bank's ongoing commitment to supporting its clients with exemplary quality of service, while asserting its position as a benchmark in the wealth management market.

2025 was also marked by an intensification of collaboration with the Banque Populaire and Caisse d’Epargne networks, making it possible to strengthen development synergies and broaden the scope of the solutions offered to an increasingly diversified client base.

Highlights of the year for Palatine

Governance

Composition of the Board of Directors

The composition of the Board of Directors did not change during 2025.

It should be noted that, at its meeting on 6 November 2025, the Board of Directors appointed Sabine Calba as a member of the Audit Committee instead of the Risk Committee and kept her as a member of the Remuneration Committee.

As a result, the composition of the Board of Directors and its committees was as follows on 31 December 2025:

Board of Directors	
Jérôme Terpereau	Chairman
Sabine Calba	Board member
Bernard Dupouy	Board member
Bruno Goré	Board member
Bertrand Magnin	Board member
Zohra Messous	Employee-elected board member
Guillemette Valantin	Employee-elected board member
BPCE	Board member, represented by Marjorie Cozas

Audit Committee	
BPCE	Chairperson, represented by Marjorie Cozas
Sabine Calba	Member
Bernard Dupouy	Member
Zohra Messous	Member
Jérôme Terpereau	Guest

Risk Committee	
Bruno Goré	Chairman
Bertrand Magnin	Member
Guillemette Valantin	Member
Jérôme Terpereau	Guest

Appointments Committee	
Jérôme Terpereau	Chairman
Bruno Goré	Member
BPCE	Member, represented by Marjorie Cozas

Remuneration Committee	
Jérôme Terpereau	Chairman
Sabine Calba	Member
Bernard Dupouy	Member
Bertrand Magnin	Member

At 31 December 2025, the percentage of female board members reached 50%, including female board members representing employees.

Composition of the management

Nathalie Bulckaert-Grégoire, appointed executive manager and Assistant Deputy Chief Executive by the Board of Directors' Meeting on 6 February 2024, effective from 27 March 2024, was appointed executive manager and Deputy Chief Executive Officer on 4 February 2025.

As a result of these movements, the executive management on 31 December 2025 is as follows:

- Didier Moaté, Chief Executive Officer;
- Nathalie Bulckaert-Grégoire, Deputy Chief Executive Officer.

Since the end of the 2025 financial year, Didier Moaté was reappointed by the Board of Directors' Meeting on 3 February 2026 as Chief Executive Officer for a period of five years. On this occasion, the Board of Directors confirmed Nathalie Bulckaert-Grégoire as executive manager and Deputy Chief Executive Officer for the duration of the term of office initially planned at the time of her appointment on 4 February 2025 for a period of five years, i.e. until 4 February 2030.

Disposal of *Ariès Assurances*

On 17 December 2025, Palatine sold its subsidiary *Ariès Assurances*.

Palatine has obtained two labels

Palatine confirmed its significant progress in terms of corporate social responsibility (CSR) by obtaining the "Confirmed" level of the AFNOR CSR-committed label in December 2025, after reaching the "Progress" level in May 2024.

At the same time, Palatine was awarded the Cancer@Work label for its support for employees with cancer or chronic diseases, thus strengthening its commitment to occupational health and job retention, a conviction that the company has held since 2016.

Activity in 2025

Average monthly outstandings (in millions of euros)	**At 31/12/2024**	**At 31/12/2025**	**Change** (in %)
TOTAL USES OF FUNDS	**18,220**	**18,427**	**1.1**
Customer uses	12,024	11,940	(0.7)
Excluding SGL*	11,569	11,728	1.4
SGL*	456	212	(53.5)
Financial uses	6,196	6,487	4.7
TOTAL RESOURCES	**18,220**	**18,427**	**1.1**
Customer resources	13,482	14,236	5.6
Financial resources	4,739	4,191	(11.6)

** State-guaranteed loan.*

Credit production (in millions of euros)	**Total as of 31/12/2024**	**Total as of 31/12/2025**	**Change** (in %)
MEDIUM-/LONG-TERM LOANS	**2,195**	**2,212**	**0.8**
• Corporate customers	1,649	1,560	(5.4)
• Private customers	547	652	19.3
Leasing	119	119	(0.4)
TOTAL NEW LOANS	**2,314**	**2,331**	**0.7**
SGL	8	-	-

Commercial banking

Commercial banking

In 2025, Palatine strengthened its presence with mid-sized companies, managers and Private Banking clients.

Palatine is continuing to develop synergies between the corporate customers market and private banking while promoting the regions and its business lines.

The Commercial Department includes:

- 26 business & private banking centres, 36 branches throughout mainland France, grouped around three network departments:

  North-East France: 9 business and private banking centres;

  South-East France: 8 business and private banking centres;

  West France: 9 business and private banking centres.
- the Marketing department in charge of sales promotion and the product offering; and
- the Coordination department in charge of steering the Commercial department as well as level 1 controls, with the help of 1 network control managers (RCR).

This organisation is part of Palatine's vision for 2030, based on three fundamental pillars. It aims to:

- strengthen our presence in the regions and with its customers;
- showcase its know-how and business lines;
- strengthen the voice of the commercial network within the bank;
- improve its overall performance and efficiency;
- promote proximity between the marketing teams and the front line.

The plan to renovate the commercial network continued. During the year, the business & private banking centres of Sud Midi (in Avignon), Nantes, Metz and Saint Etienne, and spaces designed to better serve and welcome customers, have been inaugurated.

At the same time, four Palatine premium branches support high-net-worth clients and their projects. These branches report to the Private Banking Market department.

Corporate market

In an uncertain economic and political environment, our business results for corporate customers have been robust:

- the conquest of new corporate clients with revenue of more than €15 million reached a level of 294 active new entrants (*vs.* 284 in 2024), enabling the number of clients in this segment to grow by +1.4%;
- our net balance sheet inflows were €984 million (outstandings +8,7% vs. 2024);
- corporate financing disbursed amounted to €1.56 billion (vs. €1.65 billion in 2024), in a context that was not very favourable for investments by mid-sized companies.

This strong commercial activity aligns with the orientations of our 2030 strategic plan, in particular:

- our originate to distribute activity enabled us to arrange nearly €4 billion in debts while producing €667 million in structured loans;
- to improve the quality of its services, the bank is continuing to develop its coverage with the Investment Banking department and the creation of 2 senior banker positions within the Large Corporates department;
- our financing production comprises 29% sustainable financing transactions in the form of impact loans and green loans.

Private banking market

The private banking market had a very satisfactory business year in 2025, despite a turbulent context due to the disruption of service of the O2S tool for three and a half months and the remediation action that followed in the autumn. The conquest targets had been significantly raised for 2025, +16% for the business centre network and +30% for the premium branches, and they were exceeded. The overall target for winning new business of 1,500 was therefore met with 1,604 new relationships.

Gross inflows in 2025 reached a record level of over €800 million, of which €550 million in financial savings and €250 million in life insurance: levels never before reached and which made it possible to end the year with +€100 million in positive net inflows in life insurance. Another record was the €100 million EMTN main activity (APE) production, collected thanks to four campaigns during the year, all carried out with our trading room. Discretionary management ended at €90 million against a target of €100 million. This was the activity hardest hit by the O2S incident.

Home loan originations amounted to €600 million, an increase compared to 2024. The trajectory of the last three years has made it possible to consolidate bank outstandings by +€800 million since the end of 2022.

In addition, many projects were carried out during the financial year. The Optimus project has made it possible to refine the organisation of the entire division and in particular of our private banking assistance. As a result, we have created 2 new services, a private banking loan middle and a digital assistance service for our clients.

The project to create service agreements was carried out in order to offer a complete and packaged offer to clients. Marketing will be launched in 2026. Finally, we opened the executive bank project with the first two initiatives, a survey of executives and major work to review our segmentation, which was put into production in February 2026.

Financial activities of the bank

In 2025, Palatine invested €1,055 million in securities eligible for the liquidity reserve. These investments were made in HQLA (High Quality Liquid Assets) level 1: supranational, national and regional issuers and companies with a State guarantee. At the end of 2025, the total nominal value of the bank's HQLA bond portfolio amounted to €1,943 million.

This portfolio's objective is to constitute the liquidity reserve of the Liquidity Coverage Ratio (LCR). As they can be mobilised with the central bank, these securities also constitute a security for the bank's refinancing.

This financial strategy of the bank is in line with the regulatory ratios set by the Group. The LCR remained above 106% throughout 2025.

The bank's financing is assured by customer deposits thanks to a complete range of investment products. The ratio of loans to customer deposits (LTD) was close to 100% at the end of the year. The bank therefore has a substantial customer deposit base giving it significant scope for commercial development.

In 2025, the Bank maintained its targets for balance sheet management, limiting its liquidity and rate risks:

- managing short- and medium-long-term liquidity is first and foremost aimed at ensuring the refinancing of the Bank while guaranteeing attractive loan terms for its clients;
- the second objective is the strict control of interest-rate risk on the balance sheet. This approach allows Palatine to manage changes in yields caused by interest rate movements. Through its careful management of its balance sheet, the bank is well-prepared for any future changes in interest rates. The residual gap measuring global interest-rate risk is now negative, which means the bank's balance sheet is favourably exposed to any rise in rates.

Business activity of principal subsidiaries

Asset management - Palatine Asset Management

The management company Palatine Asset Management (PAM) offers a complete range of money market, fixed-income, equity and diversified products, mainly in France and Europe, as well as a US equity fund. It is thus able to meet the expectations of both individual and institutional customers. Since 2024, it has developed a close relationship with Ostrum Asset Management, to which it has delegated the management of fixed income funds.

To this range is added a discretionary management made up of funds and live securities to meet the expectations of Palatine’s clients who wish to delegate their management to professionals. The latter activity is a strategic and growing area of development.

PAM’s equity management is characterised by a "quality growth" style, a vision of long-term investments consistent with strong ESG choices. Therefore, PAM is a signatory of the United Nations Principles for Responsible Investment (UN PRI) and, in 2025 during its latest PRI assessment report, obtained an improved score attesting to the continued robustness of the company’s ESG investment process and the progress of its responsible approach.

Almost all funds managed comply with Article 8 of the European SFDR Regulation and one European equity fund, Palatine Europe Sustainable Employment, complies with Article 9 of this Regulation.

The performance of the main markets in 2025

In Europe, European markets posted solid gains – the Eurostoxx 50 ended the year up 18.3% and the CAC 40 rose 10.4%, following a decline in 2024. This momentum was driven by an economic stabilisation, an increase in corporate earnings and expectations of fiscal stimulus in Germany.

In the United States, US indices continued to rise: Nasdaq Composite: +20.4% and S&P 500: +16.4%. However, the performance converted into euros was penalised by the sharp depreciation of the dollar (-13%), mechanically reducing the contribution of the US markets for European investors.

Key factors that supported the markets

The resilience of the US economy continues to post solid growth and a tight job market.

Inflation normalising allows central banks to adopt a more accommodating stance.

European fiscal policies are more flexible, particularly in Germany where expectations of stimulus have supported investor confidence.

Corporate earnings are generally robust, despite contrasting sector environments.

The continued growth of topics related to AI is a major driver of technology stocks.

A marked rotation of investment styles

2025 was marked by a very clear rotation towards value stocks, to the detriment of so-called “quality” stocks:

- the defensive and structural growth sectors underperformed;
- cyclical, financial and industrial stocks benefited from renewed interest amid an improving economic outlook.

This rotation weighed on the “quality growth”-oriented strategies, the heart of PAM’s equity approach.

Rebound in small- and mid-caps

After several difficult years due to Covid-19, geopolitical tensions and rising interest rates, in 2025, small- and mid-caps experienced renewed investor interest, a more favourable financial environment, and improved domestic flows and confidence. This segment has become one of the drivers of the European market.

Commodities and alternative assets

Precious metals performed exceptionally, particularly gold, up 64.4% in dollar terms, boosted by an environment of persistent uncertainty and increased demand for safe-haven assets.

The environmental thematic strategy with Palatine Planète was driven by the momentum of the utilities sectors and, to a lesser extent, that of artificial intelligence.

Lastly, Palatine Amérique confirmed its positive trajectory, illustrating the effectiveness of its strategy based on the use of artificial intelligence tools.

In 2025, PAM’s fixed income funds benefited from the steepening of the yield curve, the resilience of investment grade credit and the compression of spreads thanks to an offensive approach. Short-term yield levels have remained relatively attractive.

Against this backdrop, money market and credit funds performed better than their benchmark and were in the first quartile for the year.

Finally, diversified funds benefited from the effects of good allocation (the good performance of European stocks, the support of bonds) and of tactical adaptation (through global ETFs and management styles) enabling them to post solid performances in 2025.

At 31 December 2025, Palatine Asset Management's assets under management totalled €3,912 million, down by €95 million:

- this decline is mainly due to money market funds (€2,021 million), which recorded a decrease of €297 million. This activity is subject to the sometimes very strong variation in the cash flow of the largest corporate clients and has also suffered from competition from the balance sheet products offered by the banks;
- equity assets, at €667 million, were down slightly by less than 1% (€4 million). They have held up quite well in an adverse market in terms of style (quality growth) and a further decline in ESG since the arrival of the second Trump administration in the White House;
- bond outstandings of €736 million were up sharply by €156 million (+21%), driven by a good performance on the longest maturities;
- GSM outstandings and mixed fund assets rose by 10% to €488 million. PAM has significantly modified its approach to GSM to better meet clients' expectations in terms of managing the "risk-return ratio, which is essential to this management style.

Activities of the other subsidiaries

The *Ariès Assurances* subsidiary continued to develop its activity in the field of collective social protection as well as in the development of tailor-made pension coverage, in the evaluation and management of End-of-career benefits (ECB) and in the implementation of civil liability insurance for senior executives and corporate executive officers.

In addition to these activities, *Ariès Assurances* supports Palatine's customer service managers in setting up tailor-made contracts for borrowers and key personnel, and in researching cyber insurance programmes and proposing cybersecurity offers for mid-sized companies.

As at 17 December 2025, *Ariès Assurances*' disposal date, fees and commissions amounted to €0.84 million and net income reached €0.28 million, an increase of 1.8% compared to the 2024 financial year.

Changes in scope of consolidation

Palatine sold its subsidiary *Ariès Assurances* on 17 December 2025. There were no other material changes in its scope of consolidation to report in the 2025 financial year.

Consolidated and individual balance sheet

Consolidated balance sheet

The consolidated balance sheet reached €19.3 billion as at 31 December 2025, an increase of €0.1 billion compared with the previous financial year.

On the assets side, clients' loans and advances amounted to €11.9 billion, an increase of €0.1 billion, linked to buoyant yet selective commercial activity throughout the financial year. Credit institutions' loans and advances decreased by €0.6 billion to €4.8 billion, mainly reflecting the reinvestment of excess liquidity from corporate and financial customers with BPCE SA. Securities at amortised cost, at €1 billion, increased by €0.4 billion following investments in sovereign securities eligible for the liquidity reserve.

On the liabilities side, amounts due to customers, at €13.8 billion, increased by €0.3 billion due to the increase in demand deposits of business customers. Amounts due to banks are stable at €1.7 billion. Debt securities also remained stable at €1.7 billion, in line with the bank's certificate of deposit issuance programmes.

Shareholders' equity amounted to €1.2 billion, including net income for the year in progress of €96.6 million.

Individual balance sheet (French GAAP)

At 31 December 2025, the individual balance sheet totalled €18.6 billion, an increase of €0.2 billion compared to the previous year.

On the assets side, loans and advances due from customers amounted to €11.9 billion, a decrease of €0.1 billion. Loans and advances due from credit institutions reduced by €0.6 billion to stand at €4.1 billion.

Intangible assets and property, plant and equipment, amounted to €119,4 million, up by €0,5 million compared to the previous year. Intangible assets amounted to €95 million, reflecting the goodwill of the banking service businesses contributed by Crédit Foncier de France in 2008.

On the liabilities side, debts to customers, at €13.2 billion, have increased by €0.3 billion. Amounts due to banks increased by €0.1 billion to €1.6 billion, while debt securities remained stable compared to 31 December 2024 to reach €1.7 billion.

Subordinated debt amounted to €350 million, down €151 million compared to December 2024 in connection with the maturity of a repayable subordinated loan issued in December 2015.

Consolidated and parent-company earnings

Consolidated earnings

Net banking income amounted to €403.5 million, up by €26.2 million (7%) compared to 31 December 2024.

The net interest margin was €289.9 million, an increase of €27.1 million, benefiting from the gradual readjustment of loan rates and a lower cost of resources.

Net commission income increased by €1.7 million to €102.6 million in connection with the intensification of customer relations and quality improvement, as well as the level of structured finance advisory and asset management services.

Net gains and losses on financial instruments at fair value through profit or loss increased by €2.9 million between 31 December 2024 and 31 December 2025 related to the adjustment of the counterparty risk provisioning inherent in these transactions.

Total operating expenses amounted to €224.4 million, up €10.4 million mainly due to the impact of the increase in 2025 income on value-sharing mechanisms and contributions under the BPCE strategic plan and the Palatine strategic plan.

As of 31 December 2025, gross operating income amounted to €179.1 million, up by €15.8 million, and the consolidated cost/income ratio improved to reach 55.6%, compared to 56.7% in 2024.

The annual cost of risk for 2025 amounted to €45.5 million, a decrease of €16.8 million compared to 2024, and represented 28 basis points of customer exposures. The cost of risk allocated to non-performing loans (Stage 3) fell by €6.9 million, in a general context of the failure of small- and mid-sized companies at national level, particularly in professional real estate, which remains in trouble. The unproven cost of risk on performing loans (Stages 1 and 2) was reversed at €0.7 million (compared to an allocation of €9.2 million in December 2024) due to a favourable methodological effect.

The share in the net income of equity-consolidated companies rose slightly to €0.3 million, generated entirely by Conservateur Finance.

The net gains or losses on other assets item includes €2.5 million of capital gains on the disposal of assets from the Bank's balance sheet.

The IFRS consolidated net income at 31 December 2025, after including extraordinary taxation in respect of the corporate income tax surcharge, was a profit of €96.6 million compared to €80.2 million in 2024.

Individual corporate income (French GAAP)

The net banking income in 2025 reached €394.5 million, up by 12.2% compared to 31 December 2024.

The net interest margin was €287.1 million, up by €27.3 million.

The income from variable-income securities is up slightly by €5.8 million in line with the increase in dividends received during the financial year.

Net fees and commissions, at €85.8 million, increased by €1.2 million, which particularly reflects the increase in customer service and structured financing revenues.

Net gains or losses on transactions in investment portfolios and similar items include allocations to or reversals of the provisioning for interest rate risk linked to the securities portfolio of the liquidity reserve.

Total operating expenses amounted to €207.9 million, up €5.2 million compared to 2024.

The cost of risk reduced by €19.2 million to €49.1 million at the end of 2025.

Net income as at 31 December 2025 is a profit of €101.9 million, compared with €58.4 million at the end of 2024.

Results of the subsidiaries

Palatine Asset Management posted net income of €4.6 million in 2025, up €0.4 million compared to the previous financial year.

The net income of *Ariès Assurances* amounted to €281,000 in 2025, as at the disposal date of 17 December 2025, up by €5,000 compared to 2024.

Main characteristics of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The information relating to the main characteristics of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information is described in the chapter entitled "Risk management".

Main characteristics of the internal control and risk management procedures for the consolidated entities

Information on the main characteristics of the internal control and risk management procedures for all of the entities included in the consolidation are outlined in chapter 4 "Risk management".

Main risks and uncertainties

This information is presented in chapter 4 "Risk management" satisfying the obligations of the ministerial order of 20 February 2007 concerning the equity requirements applicable to credit institutions and investment firms. Some of the information contained in these documents is mandatory under IFRS 7 and is thus covered by the opinion of the statutory auditors on the consolidated financial statements.

Five-year financial summary

A table showing the five-year financial highlights is presented in the appendix to the management report, in chapter 5.A.

Post-balance sheet events

No material event liable to have an impact on the separate or consolidated financial statements occurred between the reporting date and the preparation date of this report.

Significant investments

No significant investments were made in 2025.

Information on payment periods

Information concerning payment periods is contained in the appendix to the management report, in chapter 5.B.

List of business and private banking centres, premium branches and other locations

The list of business and private banking centres, premium branches and other locations is provided in the notes to the management report, in chapter 5.E.

Employee participation in the share capital at 31 December 2025

At 31 December 2025, the employees did not hold any interest in Palatine's share capital.

Ownership structure

BPCE holds 99.9% of the share capital.

Non-tax deductible expenses

In accordance with the provisions of article 223 *quater* of the French General Tax Code, the financial statements for the year ended 31 December 2025 include €52,122.16 in non-tax-deductible expenses.

These non-tax-deductible expenses derived from the portion of rental costs on Palatine's company vehicles not deductible for tax purposes.

Authorisation to effect capital increases

The Board of Directors has not received any delegation for capital increases.

Research and development activities

Palatine did not conduct any research and development activities during the period.

Activities aimed at promoting citizen engagement in local democracy (article L. 22-10-35 of the French Commercial Code)

Palatine follows Groupe BPCE's approach and applies the legal provisions provided for in articles L. 2123-1 *et seq.* of the French General Code of Local Authorities.

Resolutions

The Board of Directors is presenting the management report, the sustainability report, the corporate governance report, the annual separate financial statements and the consolidated financial statements for 2025, the risk management report to the General Meeting, as well as the appropriation of net income, which appear in the notes to this report.

Pursuant to article 243 *bis* of the French General Tax Code, the amounts distributed for the last three financial years are as follows:

Year	Number of shares	Total dividend payment	Net dividend per share
2022	34,440,134	-	-
2023	34,440,134	50,364,356.09	1.46237399
2024	34,440,134	56,110,352.03	1.62921410

Shareholders are consulted about the overall package of remuneration of any kind paid to the individuals covered by article L. 511-71 of the French Monetary and Financial Code as well as the overall package relative to the remuneration of board members.

Four terms of office of board members expire at the end of the General Meeting of 26 May 2026. The meeting will therefore reappoint directors and appoint new ones. In addition, it will again appoint an independent third-party organisation to prepare the sustainability report.

Outlook

Palatine's strategy and outlook

In 2024, Palatine worked with its employees to develop its new Palatine 2030 strategic plan based on the bank's purpose, which was also developed jointly with employees:

"As a banking house since 1780, we have been shaping our know-how, our agility and a culture of excellence to be the trusted partner of our customers, both Corporates and Private Banking. We are convinced that French mid-sized companies and their senior executives are at the heart of the economic and socio-environmental challenges of today and tomorrow.

As entrepreneurs at the service of entrepreneurs, we contribute to a more sustainable economy by investing in the success of their development, transformation and transmission projects."

The strategic plan is organised around three pillars, men and women, clients, and a third pillar dedicated to risks, five concrete commitments to embody the driving purpose, and seven markers or metrics. This plan aims to continue the development of Palatine's activities, and to consolidate its presence in the corporate and Private Banking market, in particular by strengthening its expertise and offering. The strategic plan shows significant progress at the end of one year. Work has begun to launch the second phase of the strategic plan for 2027 and 2028.

2 Palatine sustainability report

Part 1 - General Information

1.1 Basis for preparation

1.1.1 BP 1 - General basis for the preparation of sustainability statements

Palatine prepared its sustainability report in accordance with the sustainability reporting standards adopted under Article 29b of Directive 2013/34 of the European Parliament and of the Council of December 14, 2022 (European Sustainability Reporting Standards or ESRS). These standards provide a comprehensive framework for the disclosure of non-financial information on environmental, social and governance issues.

The bank's sustainability report is based on a double materiality analysis, which takes into account both Banque Palatine's impact on the environment and society, and the impact of environmental and social issues on the company's performance. This approach ensures that the sustainability report is relevant to all stakeholders, including employees, investors, clients and the communities in which the Bank operates. It results in a list of impacts caused by the Bank's activity, and of risks and opportunities (IRO) related to environmental and societal changes.

To prepare this report, Palatine has collected data on a consolidated basis and across its value chain. This sustainability report is audited as required by the regulations with a limited level of assurance.

Scope of the sustainability report

The scope of consolidation used for the sustainability report is the same as for the financial statements.

The following subsidiaries are included in Palatine's consolidation and are exempt from the obligation to provide individual and consolidated sustainability information: Palatine Asset Management and Ariès.

Any exclusions from the reporting scope by family of indicators are mentioned in the description of each indicator or in footnotes where applicable.

Option to omit specific disclosures

Palatine has not made use of the option that allows it to omit certain disclosures relating to intellectual property, know-how or the results of innovations. This option is provided for in Section 7.7 of ESRS 1: Classified and sensitive information, and information on intellectual property, know-how or results of innovation.

Nor has Palatine made use of the exemption from reporting disclosures on imminent developments or deals under negotiation, in accordance with Articles 19a(3) and 29a(3) of Directive 2013/34/EU.

1.1.2 BP 2 - Disclosures in relation to specific circumstances

1.1.2.1 Time horizons

In most cases, the material impacts, risks and opportunities have been assessed in the short, medium and long term. To obtain this forward-looking information about Palatine in the sustainability statements, the general principles as defined in Section 6.4 of ESRS 1 section were used:

- 1 year as short term (annual financial statement presentation period);
- Between 1 year and 5 years as medium term;
- More than 5 years as long term.

When the time horizons deviate from these general guidelines, this information is communicated at the same time as the relevant information concerning the specific material subject. During the preparation of this sustainability report, forward-looking estimates and assumptions were made. The results observed may differ from these estimates and assumptions.

1.1.2.2 Value chain estimates

The indicators must cover the entire consolidated scope. However, for the calculation of greenhouse gas emissions under ESRS E1-6 (greenhouse gas emissions), the indicator is calculated over an extended scope. Scope 3, category 15 emissions relate to the value chain, in particular financed emissions.

In order to calculate Scope 3 category 15 emissions on the banking book, greenhouse gas data come from several sources:

- purchase of supplier data (Carbone4, Trucost, CDP);
- data collected from Palatine clients (EPD - Energy Performance Diagnostic); and
- public databases (Centre Scientifique et Technique du Bâtiment and ADEME).

When data is not available, Groupe BPCE, which performed the calculation for all the entities within its scope concerned by the sustainability report, including Palatine, uses sector-specific intensity estimates: extrapolation or PCAF proxy.

1.1.2.3 Sources of uncertainty concerning estimates and outcome

This report, known as the "Palatine sustainability report", was prepared in accordance with the legal and regulatory requirements resulting from the transposition of the European Directive on the disclosure of information on companies' sustainability (Corporate Sustainability Reporting Directive or “CSRD Directive”). This second year of application is characterised by uncertainties about the interpretation of the texts, which are generalist and cover all sectors of activity but do not specify a specific framework for banking and financial business models. There is also the absence of established practices or comparative information and certain data, in particular within the “value chain”.

With regard to what follows, Palatine has drawn on all the work done by Groupe BPCE in preparing its own sustainability report.

Groupe BPCE has endeavoured to apply the normative requirements set by the ESRS, as applicable at the date of the sustainability statement, based on the information available within the timeframe for its preparation, by doing its best to reflect its role as a universal bank-insurer, as well as its various business models.

For the double materiality analysis and, in particular, that relating to its value chain, Groupe BPCE encountered limitations relating to the maturity of its valuation methodologies and the availability of data. As presented in section 1.4.2 - List of material IRO, on the Environment (E) topic, Groupe BPCE considered that only the issue of mitigation and adaptation related to climate change is material within the meaning of the standard. The limitations relating to the market information and methodologies available at this stage did not make it possible to characterize the Nature ESRS's materiality within the standard's meaning, which led the Group to assess these environmental issues as non-material. This assessment was carried out based on the definitions of the standard, and the methodologies available to assess and carry out the rating exercises. This assessment can be explained, in particular, by the absence of a consensus on robust methodologies developed on the topics in question and of relevant and appropriate data which would make it possible to establish a link between the impact or risks for Groupe BPCE regarding these topics through its value chain. In view of Groupe BPCE's continuous improvement approach to these environmental issues, the work and ongoing changes in international methodologies, the standards that are being put in place, the best market practices that are emerging and information and data from its customers, which should gradually become available, this double materiality analysis may change in the coming years. The dual materiality analysis, the results of which are presented in this report, aims to qualify the impacts, risks and opportunities as described in the CSRD standard: this analysis only meets the needs of sustainability reporting and not the analysis of factors risks presented in the chapter on risk management.

For the **data points presented** in this report, Groupe BPCE used methodological options that it deemed relevant and estimates for numerous data, particularly concerning the various activities in its value chain. The data, analyses, and studies carried out do not guarantee that expectations and targets will be achieved: they are based on objectives, commitments, estimates, assumptions, standards, and methodologies under development and currently available data, which continue to evolve and develop. Some of the information in this document was obtained from public sources, sources that seem reliable, or market references: Groupe BPCE has not verified it independently. In addition, Groupe BPCE notes that the information expected in terms of sustainability is based on so-called "agnostic" European standards (ESRS), which are generalist and do not reflect the specificities of the financial sector. As a result, certain data items deemed irrelevant or not applicable, given Groupe BPCE's business models and value chain, have not been produced. The same applies to certain data points relating to the taxonomy regulation.

Regarding the **climate change mitigation and adaptation transition plan, in its transition plan**, Groupe BPCE distinguishes between actions relating to its own operations and the targets and actions that it has set itself in order to contribute to the decarbonisation of the economy by supporting its clients. The actions described present, in particular, the achievements and roadmap for the actions that seem to impact the downstream value chain. The Group's transition plan describes past, current and future efforts to align its financing, investment and insurance portfolios with scientifically established trajectories aimed at achieving global carbon neutrality by supporting its customers with their environmental transition. This report does not quantify the effects of decarbonisation levers or future estimates of total financed emissions. Indeed, the actions undertaken by the Group cannot replace those of individual clients, companies or States that it supports with the transition, and the transition of the economy to a low-carbon economy depends on many parameters external to Groupe BPCE.

Regarding the assessment of **greenhouse gas emissions**, as a service company, the Group emits a limited level of CO_2eq in terms of its own operations, including by integrating the upstream value chain (purchases, including those related to IT and technological investments, mobility including business trips, etc.) and its clients travelling to its branches or business centres. Regarding its assessment of greenhouse gas emissions, in addition to its own operational emissions, the Group takes into account an estimate of the emissions associated with certain activities in its upstream and downstream value chain, including in particular its investments. In this respect, a significant proportion of the emissions recorded come from so-called "financed" emissions, measured according to a standardised method applicable to category 15 of the GHG Protocol, based on the allocation to the institution of a share of the issues of financed or held counterparties. It is estimated that financed emissions can, on average, account for three times the same greenhouse gas emissions for portfolios exposed to companies in the same value chain. For this sustainability statement, the Group considered the mandatory categories of financial assets provided for in the Greenhouse Gas (GHG) protocol for calculating financed emissions. The scopes, methodologies used and the main assumptions and data sources are detailed in the paragraph relating to (E1-6) "Gross Scopes 1, 2, 3 and Total GHG emissions".

With regard to Taxonomy, the assumptions used and limitations are detailed in chapter 2.1 Indicators of the European taxonomy on sustainable activities.

Groupe BPCE believes that the expectations reflected in these forward-looking statements are reasonable; however, they are subject to numerous risks and uncertainties, are difficult to predict, generally outside of the control of Groupe BPCE, sometimes unknown, and may lead to results or cause events to unfold significantly differently from those expressed, implied, or anticipated by the aforementioned information and forward-looking statements.

1.1.2.4 Changes in the preparation or presentation of sustainability information

No material change in the definition or calculation of metrics, including those used to set targets and monitor progress towards their achievement.

1.1.2.5 Reporting of errors in prior periods

No material errors related to the prior period were identified.

1.1.2.6 Publication of information from other legislation or widely accepted sustainability information frameworks

Palatine has defined sustainability risk as a risk factor in its risk management framework. The chapter on environmental, social and governance risks under Pillar 3 ESG describes how the Bank defines and manages these risks. This chapter also contains an overview of the impact of climate and environmental risks on other types of risks. Further details on the methodologies and management used for traditional types of risks, such as credit risk, market risk, operational risk and liquidity risk, are provided in chapter 4 - Risk Management.

In addition, the elements relating to the eligibility and alignment of the Bank's portfolios as defined in Regulation (EU) 2020/852 and supplemented by Delegated Regulations (EU) 2021/2178, 2021/2139 and 2023/2486 are included in chapter 2.1. Indicators of the European taxonomy on sustainable activities.

1.1.2.7 Incorporation of information by reference

In order to avoid duplication, ESRS 1 allows the incorporation of parts prepared in other documents, such as the management report or the Universal Registration Document, by means of a simple mention, provided that this information has equivalent characteristics, particularly in terms of reliability. This generally concerns the parts relating to the description of the company's activities and strategy, its governance, remuneration policies, risk factors and the duty of care. The ESRS consider that it is essential to ensure and explain consistency between the sustainability report and the financial statements, paying particular attention to significant amounts, assumptions and projections. Amounts considered material from the financial statements must be accompanied by a reference. While the presentation of a reconciliation in the form of a comparative table between the amounts of the sustainability report and those of the financial statements remains optional.

The following information is incorporated by reference at the Palatine level:

Requirement Name Publication	Data point	Registration Document	Document Section Reference
Disclosures in relation to specific circumstances	ESRS BP-2 Para. 15	Annual report	Chapter 4 – Risk Management Report
The role of the administrative and management bodies	ESRS 2 GOV-1 Para. 19 & 21	Annual report	Chapter 1.3 – Report on corporate governance
Risk management and internal controls over sustainability reporting	ESRS 2 GOV-5 Para. 36 (a)	Annual report	Chapter 4 – Risk Management Report

1.2 Strategy

1.2.1 SBM-1 - Strategy, business model and value chain

1.2.1.1 Sustainability strategy

Palatine is part of Groupe BPCE, the second largest banking group in France. A little more than 1,000 employees serving 13,000 corporate clients and more than 45,000 private clients work closely with natural persons or legal entities, responding in a concrete way to the needs of the real economy.

In 2025, faced with environmental, demographic, technological and geopolitical challenges, Palatine was fully committed to financing French medium-sized companies and supporting all its clients in adapting to their new environment.

At the same time, Palatine has been attentive to the working conditions of its employees. Efforts focused on career support, mobility, skills development and recruitment.

On the environmental aspect, in addition to the continuation of awareness-raising workshops on climate issues for the Bank’s employees, the Sustainable Finance Programme has continued, with the aim of better addressing clients’ needs for support and transition-related services.

Faithful to its commitment to community involvement and its values, Palatine continued its societal actions, made donations and supported charitable projects (see section 1.2.3 Sponsorship policy – partnerships).

Characterised by gender-balanced governance, promoting gender equality is therefore a key focus of its strategy.

Palatine therefore intends to continue all its projects aimed at promoting greater integration of environmental and social issues into its activities and relations with its stakeholders between now and 2030. This will notably involve continuing to provide special support to its medium-sized corporate clients and senior executives committed to sustainable, low-carbon and carbon-neutral growth, and including three separate projects with clearly defined objectives in its new Palatine 2030 strategic plan.

Palatine 2030

In 2025, the roll-out of the Palatine 2030 strategic plan, defined in 2024, continued. It is based on a purpose co-built with the Bank’s employees, where Palatine demonstrates its desire to actively engage in order to contribute to the energy and environmental transition by reducing its carbon footprint and supporting its clients in improving their impact.

The purpose of the Bank is thus defined: “As a banking house since 1780, we have been shaping our know-how, our agility and a culture of excellence to be the trusted partner of our clients, both Corporate and Private Banking. We are convinced that French medium-sized companies and their senior executives are at the heart of the economic and socio-environmental challenges of today and tomorrow. As entrepreneurs at the service of entrepreneurs, we contribute to a more sustainable economy by investing in the success of their development, transformation and transmission projects”.

The Palatine 2030 strategic plan is built around 3 pillars: the customer, people and risk.

Clients are placed at the centre of Palatine’s strategy as a fundamental priority. Risk expertise is confirmed as a marker of its differentiation. Finally, people are at the heart of its focus, making it the bank where the future of work is being shaped and experienced every day.

Palatine's 2030 vision is broken down into 7 structuring focuses, which reflect the priorities of its development plan in terms of innovation, excellence and performance:

- the bank of 1 in 4 medium-sized companies and 1 in 2 family-owned medium-sized companies,
- the reference bank for supporting medium-sized companies in their transitions,
- the benchmark for senior executives in terms of Private Banking,
- the leading bank for asset managers (ADB),
- a bank that innovates to strengthen its businesses in the areas of risk, data and new technologies,
- a bank with the “Great place to work” label,
- in the top 3 banks in the cultural and creative industry (cinema, streaming platforms, e-sports structures, content creators, live entertainment, etc.).

Among the major cross-functional projects launched in late 2024 to achieve the ambitious targets set for 2030, one was an overarching project aimed at taking the "Engagé RSE" label to the next level. The objectives were to: minimise the Bank's direct footprint, increase its positive impact on relevant environmental and societal issues, and strengthen its engagement with all its stakeholders. This was implemented by obtaining the "*Engagé RSE*" label at the "confirmed" level in December 2025. Another structuring project centred on sustainable finance, with objectives including training sales teams in sustainable finance, a programme that has already been completed for corporate account managers and will continue for private bankers in 2026, defining and implementing the Bank's green strategy, setting up a Palatine hub, leading a community of sustainable finance experts, and expanding its offering.

Environmental impact

Faced with the climate emergency, Groupe BPCE and Palatine's approach aims to rapidly implement and deploy measures to mitigate and adapt to the already tangible environmental and socio-economic impacts of climate change and the erosion of biodiversity. Making impact accessible to all means raising awareness and massively supporting all its customers in the environmental transition through expertise, consulting offers and global solutions.

By drawing on science-based scenarios, Groupe BPCE and Palatine are positioning themselves as facilitators of transition efforts, with a clear and ambitious objective: to align their financing and insurance portfolios with trajectories based on scientific scenarios compatible with the objectives of the Paris Agreement.

In this context, Palatine offers:

- **Impact solutions**
  - **for Private Banking customers:** support energy renovation by offering financing solutions and by mobilising its role as an operator, trusted third party as well as its partnerships:
    - by offering a "Sustainable Advice and Solutions" tool in partnership with ADEME, enabling people to easily calculate their carbon footprint and receive advice and assistance for energy renovation work, carbon-free mobility or green savings,
    - by supporting energy renovation projects for condominiums at each stage: energy assessment, search for subsidies, completion of work guarantee, with pathways and financing adapted to each situation,
    - by increasing the number of financing for the energy renovation of buildings,
    - by offering sustainable solutions for investor clients with a range of responsible savings and investments: sustainable development passbook savings accounts, funds with a sustainable investment objective, themed-labelled funds, etc.
  - **for corporate customers:** supporting the transition of its medium-sized corporate customers' business models. Palatine is committed to engaging in dedicated dialogue and providing sector-specific expertise to integrate ESG issues according to their size and economic sector, particularly in energy and transport infrastructure, etc.;
- **a support for the evolution of the energy mix: faced with the climate emergency, the priority is to accelerate the transition to a sustainable energy system:**
  - by playing a leading role in the financing of debt projects for the renewable energy sector,
  - by increasing its financing dedicated to the production and storage of green electricity,
  - by providing financial support and advice through specialist partners to assist the energy transition of medium-sized companies, particularly in the industrial sector,
  - by supporting the reindustrialisation of regions and energy sovereignty,
  - by leveraging dedicated teams of experts in both project financing and business transition support;
- **alignment of its financing, investment and insurance portfolios** with trajectories compatible with the objectives of the Paris Agreement:
  - by developing systems to measure carbon emissions,
  - by developing its system for identifying and managing climate, physical and transition risks to which its clients and its own activities are exposed, in a spirit of continuous improvement,
  - by gradually withdrawing from activities with the highest emissions, in particular through adapted ESG policies.

Societal impact

Palatine is a key player in regional dynamics by financing companies in their regions.

Palatine is committed to supporting local and national initiatives and assists organisations in the fields of art and culture, gender equality, sport.

1.2.1.2 Sustainability targets

Among the strategic priorities of its new VISION 2030 strategy, Groupe BPCE is renewing its commitment to environmental and societal transitions. It is committed to making the impact accessible to all and to strengthening its global "positive impact" through the strength of its local solutions.

Palatine is part of this strategy and has defined quantitative targets for 2026, broken down below:

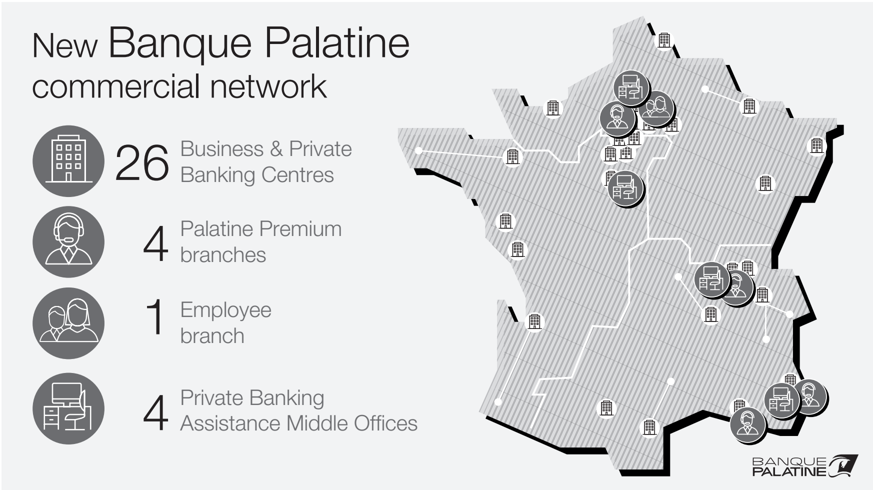
Sustainable Finance indicators	Achieved 2025	2026 target
HQLA ESG [(1)]	25.5%	25%
Production of renewable energy Green portion of Palatine financing production Production impact loans	29% of total corporate financing production in 2025	25% of total corporate financing production in 2026[(2)]
ESG questionnaire (active companies turnover > €3 million)	86%	100%

(1) HQLAs are assets that can be quickly converted into cash without significant loss of value. They are used by banks to meet liquidity requirements, such as those imposed by the short-term liquidity ratio (LCR) under Basel III. ESG HQLA are compliant with Environmental, Social and Governance (ESG) criteria.

(2) Due to the changing geopolitical context and European regulations.

1.2.1.3 Business model

Palatine, a hybrid business model within Groupe BPCE



BUSINESS MODEL

For more than 240 years, Palatine has established a relationship of excellence and partnership
Its added value: proximity to its customers, recognised expertise in its business lines and tailor-
Palatine is positioned in two main markets: corporates, in particular medium-sized companies,

ABOUT US ▶ **OUR STRENGTHS** ▶ **MAJOR SOCIETAL CHALLENGES**

A Bank on a human scale

A network of **38 branches, including 26 Business and Private Banking Centres and four Premium branches** in France, working with specialised business lines (corporate finance, real estate, international, client desk, etc.).

1,090 employees at 31 December 2025, supporting more than **13,000** companies and nearly **45,000** private banking clients.

The Bank for Companies

Medium-sized companies offer the main growth potential for the French economy. Palatine's priority is to support their development, particularly by assisting them in their sustainable transition projects.

Private Banking

Palatine's expertise is based on an overall analysis of the personal and professional environment of clients in order to build an adapted wealth management strategy with them. Investment advisory, protection of relatives or business transfers, Palatine supports its clients in the day-to-day management of their assets.

The strength of the 2nd largest French banking group

As a wholly-owned subsidiary of Groupe BPCE, Palatine generates synergies in terms of resources whilst benefiting from the Group's expertise.

- A guarantee and solidarity mechanism exists between the Group's institutions
- Palatine's financial rating is among the best in Europe: A (Fitch rating)

Environmental transition

+1.45°C as of 2023 vs the pre-industrial era

Demographic transition

45% increase of the EU population aged over 80 by the end of the 2030s

OUR BUSINESS LINES, OUR VALUE PROPOSAL

2025 net revenue before tax:

Private banking

Life insurance, Executive financing, Wealth engineering, Financial savings and Discretionary management, Loans, Structured products, Employee savings and retirement.

A wide range of solutions to meet the needs of responsible savings and investment and to support our private customers with a relationship of trust in the long term.

Corporate bank

International, Capital Markets, Employee and pensions savings, Corporate & Investment Banking, Deposits, Real Estate, Currencies, Flows & Rates

Specialised functions

Asset Managers

Cultural and creative industries

Large companies and institutional investors

Real Estate Professionals

A range of recognised expertise serving corporate customers, with specialised teams and expert business lines

69% of financing from the corporate market, on the Bank's balance sheet at 31 December 2025, i.e. €8,086.7 million, of which €1,693.4 million for short-term loans, €6,393.3 million in medium- and long-term loans and €195.9 million in state-guaranteed loans;

€137 billion in credit flows managed in 2025

Palatine has a 20% penetration rate in the medium-sized company segment

with each of its corporate, executive and private clients.
made solutions based on a unique business model.
and private banking.

OUR STRENGTHS

OUR VALUE CREATION

Geopolitical transition

Intensification of sovereignty issues and industrial relocation

Technological transition

100 million ChatGPT users in just two months

404 million

Payments

Solutions covering the whole payment chain

Over 40 million dematerialised payment/collection transactions

Asset Management

Palatine Asset Management is a committed «premium boutique» management company, fully focused on developing meaningful finance that gives purpose and value to its customer investments. Its ESG approach has enabled it to develop a carefully selected range of SRI-certified funds.

€3.91 billion in outstandings under management

Insurance

Ariès Assurances, a wholly-owned subsidiary of Palatine, is an insurance and reinsurance brokerage company that provides expertise in areas such as corporate social liability coverage and employee social protection.

€572 million in insured capital across all customer segments

A key player in economic development

- **No. 1 bank for condominium associations**
- **Reference bank for medium-sized companies with 1 medium-sized corporate customer out of 5**
- **Ranked 5th for senior debt < €50 million**

A bank mobilised to decarbonise the economy

For Private Banking customers:

- number of unique visits to the Sustainable Advice and Solutions digital module: 4,878 in 2025

For corporate customers:

- ESG dialogue: 86% of corporate clients(**) in 2025
- Palatine's contribution to the decarbonisation trajectories established by Groupe BPCE in the residential and commercial real estate sectors

A bank undergoing transformation

- corporate account managers having received ESG training: 100%;
- reduction of our carbon footprint between 2023 and 2025: -15%;

- €125 million in financing of renewable energy projects

A responsible bank

- 42.8% of managers are women (see part S1 of the sustainability report);
- 96/100 gender equality index
- a Board of Directors with gender parity (50% women, including female employee directors);
- an Executive Committee (75%) and an Executive Management Committee (40%) ahead of the deadlines set by the Rixain law;
- Balance between generations: rate of juniors under 30 years old > 15.16% and rate of seniors over 50 years old > 30.09%;
- 26 athletes supported in their transition to entrepreneurship (ESRS 2 sponsorship policy);
- Palatine pays 100% of its taxes in France

(*) Private Equity Magazine's League Table rankings for 2025
(**) Active companies with turnover > €3 million

1.2.1.4 Description of major product groups, markets and/or client groups targeted

Palatine, a wholly-owned subsidiary of BPCE SA, serves approximately 58,000 clients in France: 13,000 corporate clients and 45,000 Private Banking clients. Mainly dedicated to mid-sized companies, senior executives and Private Banking, it has been supporting entrepreneurs both professionally and personally for more than 240 years. It provides them with a range of banking products (current accounts, real estate and personal loans, financial investments, financing solutions to meet environmental challenges) and insurance products. Its network consists of 38 branches, including 26 business and Private Banking centres and 4 premium branches.

Palatine offers value-added expertise dedicated to supporting its clients’ growth and performance: wealth, legal and tax engineering, investment advice, global approach to senior executives’ assets, corporate finance, specialised approach to real estate, trade finance, client desk, etc.

In the regulated real estate market, where the bank is the market leader, and in the audiovisual market, where it is a key player, it deploys a dedicated national organisation.

Its slogan “The art of being a banker” illustrates Palatine’s desire to develop a local relational model based on excellent support for its clients.

Palatine Asset Management, a wholly-owned subsidiary of Palatine, is a “premium *boutique*” asset management company focused on developing useful finance that gives meaning and value to its client's investments.

Its value proposition is focused on the search for sustainable investment solutions to meet different investor profiles from institutional to private customers.

Its team, comprising around thirty employees with complementary profiles, has solid expertise in fixed income management, equity management and diversified management. This expertise is reflected in its range of funds and its portfolio management offer.

As of 31 December 2025, assets under management amounted to €3.91 billion.

1.2.1.5 Description of products and services prohibited in certain markets

ESG policies govern the activities of Groupe BPCE in sectors considered sensitive from an environmental, social and governance (ESG) point of view, including those of Palatine.

Specific appendices cover the following sectors, in application of the Groupe BPCE risk policy:

- thermal coal;
- oil and gas industry.

In addition, Palatine has established strict rules regarding financing for real estate professionals: if the financing concerns an older residential property with an Energy Performance Certificate (EPC) rating of E, F or G, it can only be granted if renovation investments are planned. The same applies to commercial assets of less than 1,000 m² that do not meet the minimum criteria defined by the bank.

Palatine Asset Management activities

As part of its Responsible Investment approach, Palatine AM was quick to implement a policy to exclude the coal sector and monitor contentious issues in order to reduce its exposure to ESG risks, as well as its policy of excluding controversial weapons.

By excluding these issuers, Palatine AM wishes to focus its investment choices on the most responsible companies.

These exclusion lists have since been expanded to include the tobacco, oil and gas sectors, companies that violate the principles of the United Nations Global Compact, non-transparent issuers and, finally, the most carbon-intensive electricity producers.

In parallel with this exclusion policy, Palatine AM is also committed to engaging with companies to encourage them to improve their environmental, social and governance practices. The objective is to promote long-term sustainable performance.

The full policy is available at the following address: **Palatine AM exclusion policy**

1.2.1.6 Labels and commitments

Public commitments that meet demanding international standards

Groupe BPCE and Palatine have made several long-standing commitments to scale up their actions and accelerate the positive transformations to which they are contributing.

Groupe BPCE

Global Compact

Since 2003, the Group has been a participating member of the Global Compact (United Nations Global Compact), which defines ten principles relating to respect for human rights, labour standards, environmental protection and the fight against corruption.

Principles for responsible banking, UNEP Finance Initiative

Groupe BPCE signed the Principles for Responsible Banking on 23 September 2019 and is committed to strategically aligning its activities with the United Nations Sustainable Development Goals (SDGs) and the Paris Climate Agreement.

Net Zero Banking Alliance

Since 2021, Groupe BPCE has relied on the work of the Net Zero Banking Alliance (NZBA), an initiative of UNEP-FI that established a methodological framework for aligning banking books with the objectives of the Paris Agreement. This science-based methodological framework has already been used by more than 100 banks internationally, enabling unprecedented collective mobilization. This alliance has since changed its articles of association and no longer has any members but retains the reference framework it has built.

Thus, Groupe BPCE has published its positions on the eleven sectors of the economy with the highest carbon emissions (electricity production, oil and gas, automotive, steel, cement, aluminium, aviation, commercial real estate, residential real estate, maritime transport and agriculture).

act4Nature

By joining act4nature international in 2024, Groupe BPCE strengthened its commitment to the environment by renewing the partnership supported by Natixis since 2018.

The act4nature international coalition mobilises businesses, public authorities, scientists and environmental associations to protect, promote and restore biodiversity. By joining it, the Group has set itself 24 ambitious targets as part of its activities as a bank, insurer and investor.

Palatine Asset Management

Principles for Responsible Investment (PRI)

In addition, the principles for responsible investment (PRI) were introduced by the United Nations in 2006. This voluntary commitment, aimed at asset management players, encourages investors to integrate environmental, social and governance (ESG) issues into the management of their portfolios. The PRI are a means for promoting the generalisation of the consideration of non-financial aspects by all financial businesses.

At the end of 2019, Palatine Asset Management joined the signatories of the principles for responsible investment.

Palatine

“Engagé RSE” label

In May 2024, Palatine was awarded the "*Engagé RSE*" label by AFNOR for the first time, achieving the "*progression*" level. In December 2025, the Bank strengthened its commitment to CSR by achieving the next level, corresponding to the "Confirmed" status of the "*Engagé RSE*" label. This label assesses the maturity of an organisation's CSR initiatives based on ISO 26000, a recognised international standard. It also serves as a strategic tool for reflecting on and engaging with CSR-related issues, while promoting internal buy-in, steering and structuring CSR initiatives with stakeholders. This step marks a significant turning point in the Bank's CSR commitment and underlines its role as a player in the climate transition.

Professional Equality Label

Palatine has been awarded the Professional Equality Label by AFNOR. Valid for 4 years, this label is a mark of recognition from an accredited independent body for the actions performed in favour of professional equality.

Cancer@work label

On 11 December 2025, Palatine received the Cancer@Work award, recognising the company's commitment to preventing job loss and supporting the continued employment of people affected by cancer or chronic diseases. Since 2016, the Bank's membership of the Cancer@Work network has reflected its belief in the importance of occupational health. Several actions have been put in place, such as a system for donating days of leave and a digital space dedicated to chronic diseases, facilitating access to resources and promoting awareness. This label illustrates the Bank's desire to support its employees, particularly in times of vulnerability, while drawing inspiration from the best practices of other committed companies.

1.2.1.7 Value chain

As a financial institution, Palatine receives funds in the form of deposits or purchases of financial instruments by investors and grants loans to its clients (banking transformation function).

The downstream value chain includes clients who benefit from Palatine's products or services, particularly loans.

The upstream value chain comprises Palatine's suppliers of products and services.

Own operations concern resources (e.g. employees, IT, premises, etc.).

Financial value chain

CUSTOMER VALUE CHAIN

Collection

Customers and investors

- Deposit collection
- Savings collection
- Collection on financial markets

Financial products and services

Customers

FINANCING

- Financing products (bank loans, including: factoring, leasing, etc.)
- Payment solutions
- Savings products
- Short-term investment products
- Expertise and Consulting

INVESTMENT

- Investment products
- Hedging products (derivatives and guarantees)
- Intermediation and market animation
- Expertise and Consulting

INSURANCE

- Life insurance products
- ADE
- Expertise and Consulting

ASSET MANAGEMENT

- Expertise and Consulting
- Portfolio management
- Intermediation and market animation
- Co-investment and seed capital

Offer development and distribution

Employees

- Business relationship (front, middle, back)
- Offer development, marketing, distribution
- Commercial activities and distribution
- Investor relations

MANAGEMENT & COMPLIANCE

Financial, risk and compliance management

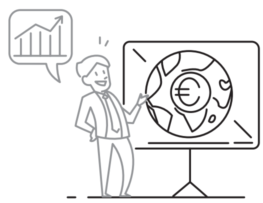
Employees

- Rating strategy (financial and non-financial)
- Portfolio management (assets)
- Balance sheet management (assets/liabilities)
- Risk management

Compliance with regulations

Employees and regulators

- Compliance with regulations
- Audit
- Communication regulator/supervisor



Own operations

Employees and suppliers

- Premises and Real Estate
- IT (hardware, network; data centres are managed by BPCE-IT)
- Real estate assets
- Own purchases: Energy and similar, Intellectual services, Licenses
- Fleets and mobility
- Human resources

1.2.2 SBM-2 – Interests and views of stakeholders

It is essential for Palatine to take its stakeholders into account in order to improve how it identifies and assesses its sustainability impact. Palatine’s stakeholder consultation process is based on a number of systems that aims to involve them in its process of identifying and assessing impacts, risks and opportunities, as well as levers for improving both environmental and societal topics. These systems are detailed in the table below.

The expectations of Palatine's stakeholders are also identified and taken into account through regular contact with the senior executives of the Banques Populaires and Caisses d'Epargne, as the board members of Palatine are corporate officers of these institutions. But also *via* meetings with rating agencies, discussions with regulators, image surveys and prospective surveys. In addition, because of Palatine's desire to establish a quality relationship with its partners, the Bank collects "the voice of suppliers". A survey, rolled out in 2025, assessed suppliers' satisfaction with their working relationship with Palatine. This survey will be repeated in 2026. Listening to clients both in qualitative and quantitative terms is one of the founding principles of the approach which allows Palatine to better understand its clients and provide them with a tailor-made response. The customer listening system was overhauled in 2023 in order to solicit all of its customers to express their level of satisfaction and report any dissatisfaction. On two occasions, as part of the certification of the Bank for its CSR approach by the certification body AFNOR, in February 2024 and December 2025, Palatine called on a number of its stakeholders: whether they were internal (with its employees, members of the SEC; Groupe BPCE) or external (clients, partners, suppliers, high-level sportsmen or women supported by the Bank, associations, board members).

Finally, surveys of the Bank's employees, such as the Ipsos survey conducted in 2025, and regular meetings with staff representatives are all useful ways of identifying changes in stakeholder expectations. All these dialogues fed into Palatine's double materiality analysis.

Stakeholders	Dialogue methods	Purpose and results
Board members	• Participation in specialised committees • Training programmes and seminars	• Participation in the definition of strategic orientations • Monitoring function, in particular risk management and reliability of internal control
Employees	• IPSOS survey (internal survey measuring Palatine's social climate) and job satisfaction barometer • Annual interviews • Training • Internal communication • Non-profit networks (women, intergenerational, LGBT+) • Employee whistleblowing rights • Consultation of employee representatives and representative trade unions	• Improving quality of life at work, health and safety at work • Employee loyalty and commitment (career and talent management, skills and expertise development) • Participation of employee representatives in major strategic and transformation issues and negotiation of agreements • Measurement of satisfaction
Customers	• Interviews • Strategic dialog to integrate ESG issues • Customer events • NPS satisfaction surveys • Institutional and commercial partnerships • Voting policies (available on the websites of the asset management subsidiaries)	• Definition of offers and customer support • ESG dialogue: customer acculturation on ESG issues, support for transformation initiatives, risk assessment for better prevention and management by the customer and for incorporation of ESG criteria in the granting of loans • Improving customer satisfaction • Monitoring of the respect for compliance and ethics rules in commercial policies, procedures and sales • Complaint management • Mediation
Suppliers and sub-contractors	• Responsible purchasing policy • Regular meetings with strategic suppliers • "Supplier voices" survey • Preparation of certifications • Listening system and satisfaction surveys • Supplier whistleblowing rights and establishment of an independent mediator • Audit	• Responsible Supplier Relations Charter, involving suppliers in the implementation of duty of care measures • Compliance with ESG clauses included in contracts • Identification of progress plans to better understand supplier expectations • Improving the level of satisfaction and the relationship • Consultations and calls for tenders • Measurement of satisfaction

Stakeholders	Dialogue methods	Purpose and results
Institutions, federations, regulators	• Regular meetings (public authorities, regulators, chambers of commerce and industry, etc.) • Contribution to the work of the financial market, participation in sectoral working groups • Responses to public consultations • Transmission of information and documents	• Constructively contributing to public debate and participate in collective, fair and informed decision-making • Taking into account sector specificities • Regulatory compliance
Rating agencies, investors and independent third parties	• Regular dialogue, participation in meetings (technical meetings, roadshows, conferences, etc.) • Transfer of information and documents for ratings/audits • Publication of official documents: annual report, half-year report, press releases, investor website	• Improving transparency • Diversification of the Group's refinancing, in particular by promoting the issuance of Green/social/sustainable bonds • Improving financial and non-financial ratings • Meeting the expectations and questions of investors and rating agencies • Publication of reports
NGOs and non-profits	• Calls for projects • Sponsorship • Employee volunteering, skills sponsorship • Regular discussion • Contributions to market questionnaires • Board seats	• Positive impacts through numerous cultural and solidarity initiatives in various fields: business creation, integration, solidarity, young people, sport, environmental protection, etc. • Improving transparency • Contribution of cross-expertise: banking/ financial and better understanding of local players
Academic and research sector	• Relations and partnerships with business schools and universities • Participation in forums and events • Discussions and consultations with scientific experts	• Recruitment of work-study students and interns • Improving the employer brand • Contribution to the Group's research, working groups and strategies

1.2.3 Sponsorship policy - partnerships

Palatine's philanthropic commitment, coordinated by the Corporate Secretary's Office and the communication department, organises its actions around three priority areas: gender equality, sport and culture. In the sports field, Palatine works to promote gender equity and equity between able-bodied and para-athletes through initiatives such as the Palatine Women Project programme, support for athletes via the French Sports Foundation, and sponsorship of the Alice Milliat Foundation. The cultural sector also benefits from Palatine's support through partnerships with regional contemporary art structures (Contemporary Art Museums in Lyon, Bordeaux, Nantes, FRAC Sud in Marseille, Luma in Arles), the Opéra-Comique de Paris, and support for the audiovisual industry via the Gloria Palatine prize.

In addition to these priorities, Palatine supports the fight against cancer through its commitment to Cancer@work and the Institut Gustave Roussy, in particular through its participation in the Odyssea and Movember events, as well as a micro-donation system in 2025 for the benefit of Institut Curie and the Fondation des Femmes.

In 2025, Palatine intensified its environmental commitment by partnering with Planète Urgence for the MOSOTRY mangrove restoration project in Madagascar and by offering a tree to each employee *via* EcoTree in order to fight against climate change and the erosion of biodiversity. As a premium partner of the Paris 2024 Olympic and Paralympic Games, Palatine continued to support four athletes through the French Sports Foundation's performance pact, selecting a gender-balanced team. The Palatine Women Project programme is now in its fourth year, supporting ten high-level female athletes towards entrepreneurship. The commitment to the Alice Milliat Foundation has taken the form of actions in the field, raising awareness and promoting female athletes, particularly during the Festival des Sportives en Lumière and the Alice Milliat Trophies. Cultural patronage was renewed with several institutions and extended to LUMA Arles in 2025, thus supporting artistic creation and access to culture while developing social and educational initiatives. The collaboration with Série Séries was strengthened by the creation of the Gloria Palatine prize, rewarding the representation of women in the audiovisual industry.

Looking ahead, Palatine intends to continue and expand its commitments, in particular through the Palatine Women Project, including exploring the creation of a dedicated endowment fund, renewing its support for the French Sports Foundation, expanding its cultural patronage with the *Centre d'art Caumont*, and renewing its commitment to the French Golf Federation. In accordance with its CSR 2030 roadmap, Palatine will develop new partnerships with a positive societal impact, maintain its commitments to the fight against cancer, increase its contribution to biodiversity projects and continue to support the arts and culture.

1.3 Governance

1.3.1 GOV-1 - The role of the administrative, management and supervisory bodies

This part is described in detail in chapter 1.3 – Corporate Governance Report and in Section GOV-2 below.

1.3.2 GOV-2 - Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

1.3.2.1 Sustainability topics addressed by the administrative, management and supervisory bodies

Organisation of governance relating to Palatine's sustainability matters

Palatine's decision-making bodies incorporate transparency, ethical behaviour, respect for stakeholder interests and the principle of legality. They also take the duty of care regarding CSR actions into account.

The Board of Directors is composed of eight board members (non-executive) and Executive Management is composed of a Chief Executive Officer and a Deputy Chief Executive Officer (both executives). On 31 December 2025, the Board of Directors was composed of four women and four men, including two board members representing employees. This brings the proportion of female board members on the Board of Directors to 50%, including those representing employees.

Sustainability matters come within the remit of two bodies within Palatine: the Corporate Secretary's Office (CSR Department) and the Sustainable Finance Programme. The Secretary General and the Programme Director both report to the Chief Executive Officer or the Deputy Chief Executive Officer and are members of Palatine's Executive Management Committee, and the Secretary General is invited to attend the Executive Committee.

The Executive Committee validates the ESG strategy, ensures its implementation and oversees risk management (the composition and diversity of the Committees and Board of Directors, and of executive governance, the roles and responsibilities of the bodies are detailed in chapter 1.3 - Corporate Governance).

The Board of Directors meets as often as the company's interests and legal and regulatory provisions require, and at least once per quarter. Several specialised committees have been set up by the Supervisory Board and carry out their activities under its responsibility. Their duties are defined in the Board of Directors' internal rules. The Chair of each of these committees reports on the committee's work to the Board.

Various CSR topics are submitted to the Board of Directors for information and decisions. In particular, in 2025, the following were presented: the 2024 sustainability report published in 2025, the double materiality matrix for the 2025 sustainability report, the progress on drafting the sustainability report, focuses on Palatine's actions relating to biodiversity and philanthropic actions, the outlook and challenges, as well as the calendar of CSR actions, the CSR and sustainable finance projects of the Palatine 2030 strategic plan, presented at a Board of directors' seminar and at a Board meeting, and the CSRD audit plan. The workplace equality policy was also discussed.

The Board of Directors monitors the objectives and progress of the ESG strategy.

These topics were previously presented to the Audit Committee for the sustainability report.

In terms of governance, CSR topics are monitored:

- on a quarterly basis at the Executive Management Committee (comprising around fifteen board members representing the Bank's main business lines) and in particular during the progress review of the Palatine 2030 strategic plan;
- regularly in the Executive Committee (e.g. approval to engage the bank in a CSR certification process, sponsorship, etc.).

Training of governance relating to Palatine's sustainability matters

Information concerning sustainability expertise that members of the bodies possess directly or can mobilise is further elaborated in chapter 1.3. - report on corporate governance.

1.3.3 GOV-3 - Integration of sustainability-related performance in incentive schemes

Concerning the members of Palatine's Board of Directors

Sustainability performance is not taken into account in the calculation of board members' remuneration, as presented in chapter 1.3 of the corporate governance report.

Concerning the effective managers who are members of executive management

The remuneration of the Chief Executive Officer and the Deputy Chief Executive Officer comprises:

- A fixed remuneration which primarily reflects professional experience related to the position held and the responsibilities exercised, and is determined by comparison to market practices.
- Annual variable remuneration, 40% of which is indexed to quantitative criteria (net revenue before tax, COEX and net result, Group share), 20% to criteria linked to BPCE's results and 40% to qualitative criteria, which can amount to, when the targets are met, 80% of the fixed remuneration for the Chief Executive Officer (50% for the Deputy Chief Executive Officer) and up to 100% of this same base amount (62.5% for the Deputy Chief Executive Officer) in the event of outperformance. These criteria are shared by the members of the Executive Committee and the Executive Management Committee.

The award of annual variable remuneration partly depends on the implementation of the bank's CSR goals. In recent years, CSR indicators have been: the professional equality index (5%), the increase in SRI outstandings (10%), the share of impact loans, including green loans, in the production of corporate loans (10%), the employee engagement rate (5%), assessment of the green strategy (5%), the NPS rate (10%), implementation of the CSR and green strategy (10%). They are reviewed annually. Those adopted for 2025 were as follows: CSR and green strategy (10%); NPS rate (10%).

The Board of Directors, through its Remuneration Committee, is responsible for setting the method and amount of remuneration for each effective manager. It ensures that CSR issues are fully integrated into the remuneration policy.

1.3.4 GOV-5 - Risk management and internal controls over sustainability reporting

1.3.4.1 Main features of the risk management and permanent control system related to the sustainability reporting procedure

Preparation and publication of sustainability information

The development and processing of sustainability information within Palatine is mainly the responsibility of:

- General Secretariat including the CSR and Financial Communication Department;
- Sustainable Finance Programme.

The General Secretariat, and more specifically the CSR Department, played a key role in coordinating the work of preparing the CSRD sustainability report:

- coordination of project committee and governance internally, including interaction with other Group entities that prepare their own sustainability report;
- operational coordination of the work carried out by all contributing departments;
- increased coordination of the processes for producing the regulatory indicators required by the ESRS;
- interaction with auditors.

The General Secretariat is responsible for financial communication. Its main duties are:

- coordinating and producing presentations of annual and half-yearly results, the financial structure to enable third parties to form an opinion on its financial strength, profitability and outlook;
- coordinating and preparing the presentation of regulated financial information (annual and half-yearly report) filed with the French Financial Markets Authority (AMF).

The effective management of the sustainability report production process

The General Secretariat proposes, validates and implements the ESG strategy with the Sustainable Finance Programme. It plays a cross-functional role, carrying out the following key missions:

- co-constructs the Palatine 2030 strategic plan for the Impact section on the E, S and G aspect;
- develops and deploys ESG expertise and ensures that the Group is represented and communicates in the market;
- conducts and interprets scientific and competitive monitoring and supports regulatory monitoring;
- ensures overall coordination and supports each business line while implementing the necessary synergies.

The Corporate Secretary's Office is involved more specifically in the following areas:

- **double materiality analysis:** this assessment was managed exclusively by the General Secretariat (for a detailed description, see ESRS 2 IRO-1);
  - the identification of **impacts, risks and opportunities (IROs)** relevant to the Bank's activity was coordinated by the Corporate Secretary's Office, drawing on Groupe BPCE's work,

- **assessment of the materiality of these IROs:** BPCE's Impact Department has established a methodology for rating IROs for the Group. At Palatine, this rating process was coordinated and supervised by the Corporate Secretary's Office, in liaison with the internal stakeholders mentioned above. The business lines and functional departments are responsible for rating the IROs within their scope;
- **communication strategy and editorial content:** the General Secretariat is responsible for the bank's Impact strategy and ensures that the editorial content of the sustainability report is relevant and consistent with the bank's strategy on sustainability issues;
- **transition plan:** Palatine does not have its own transition plan for this first financial year.

Organization of the permanent control system

The internal control system defined by Groupe BPCE contributes to the management of risks of all kinds. It is framed by a governing charter – the Group Internal Control Charter – which stipulates that this system is designed, in particular, to ensure "[...] the reliability of financial and non-financial information reported both inside and outside the Group".

In connection with its governing charter, BPCE has defined a permanent control system aimed at ensuring the quality of the financial and non-financial information produced, in accordance with the requirements of the order of 3 November 2014 on internal control and all other regulatory obligations relating to the quality of reports. In order to ensure strict independence in the implementation of controls, this system is based on two levels of controls. This system has been set up within Palatine.

For the publication of sustainability information; this permanent control system aims to ensure, in particular, compliance with the requirements defined by the CSRD (Corporate Sustainability Reporting Directive) and by the Group in the preparation and publication of reports and management indicators.

First-level control framework

Each unit participating in the sustainability report process implements its own formal system of self-checks and controls aimed at identifying anomalies and putting in place remediation plans to resolve them sustainably.

The director responsible for the production and publication of the sustainability report ensures that these first-level controls are carried out by all parties involved in the production process.

This first-level control system ensures:

- the existence of a set of documents (procedures, operating guidelines and management framework) dedicated to the production of the sustainability report, describing the production process and the first-level controls envisaged;
- the implementation of a self-monitoring procedure and hierarchical validation of the information provided in the sustainability report;
- the implementation of checks to ensure compliance with regulations on data to be published, including in particular:
  - reconciliations with financial statements or other reports, where applicable,
  - analysis of changes;
  - a review of data collected from suppliers (external or internal), including a check on the quality of the sources (particular attention should be paid to computer-generated and manual sources);
- the existence of audit trails, the establishment of the indicators communicated or used in the production of the report;
- documentation and reporting of limitations (*i.e.* degraded procedures for the production of certain indicators).

Level two controls: independent review of the sustainability report

A second-level control, known as the Independent Review of Reports, is implemented by a function independent of the actors in charge of producing the sustainability report, namely the Financial Control of Palatine.

The main objective of this review is to obtain reasonable assurance that the report is produced and published in a satisfactory internal control environment and that it contains reliable, clear, useful and auditable data. It takes place in 3 main phases:

1. a phase involving the implementation of Level 2 controls, structured around 6 areas of analysis focusing on the quality of the documentation (including the double materiality analysis - DMA), the robustness of the organisation responsible for producing and publishing the report, the quality of the audit trail for the data and/or indicators included in the reporting, the effectiveness of the Level 1 control framework, the accuracy of the published data and/or indicators and their consistency with the information contained in other publications, and the clarity of the information;
2. a feedback phase: the results of the controls are set out in a summary report detailing the work carried out and its conclusions, specifying in particular any irregularities identified and, where applicable, the recommendations made (or action plans or corrective measures), and are then submitted to the Bank's Internal Control Coordination Committee (3CI) and Audit Committee;
3. a monitoring phase for corrective actions (recommendations issued) and/or identified areas for improvement: the implementation of corrective actions (action plans) and/or identified areas for improvement is monitored in conjunction with the business lines and after the publication of the sustainability report in order to strengthen the system for subsequent publications. This monitoring is reported to the Bank's Coordination Committee for Internal Control (3CI) and the Audit Committee.

1.3.4.2 Main features of ESG risk management

Definition of ESG risks

Environmental risks

Environmental risks fall into two main categories:

- physical risks arising from the impacts of extreme or chronic climate or environmental events (biodiversity, pollution, water, natural resources) on the activities of Palatine or its counterparties;
- transition risks arising from the impacts of the transition to a low-carbon economy, or one with a lower environmental impact, on Palatine or its counterparties, including regulatory changes, technological developments, and the behaviour of stakeholders (including consumers).

Social risks

Social risks arise from the impacts of social factors on Palatine's counterparties, including issues related to the rights, well-being and interests of individuals and stakeholders (the Company's workforce, employees of the Company's value chain, communities concerned, end users and final consumers).

Governance risks

Governance risks arise from the impacts of governance factors on Palatine's counterparties, including in particular issues related to ethics and corporate culture (governance structure, business integrity and transparency, etc.), supplier relationship management, influence activities and business practices.

ESG risk management framework deployment program

The ESG Risk department coordinates the implementation of the ESG risk management system at Groupe BPCE level through a dedicated program. This program is part of the Vision 2030 strategic project and defines a multi-year action plan (2024-2026) aimed at covering all regulatory requirements relating to ESG risk management. It is directly linked to the strategy and actions implemented by the Impact program. This programme is monitored quarterly by the ESG Risk Committee and by the Groupe BPCE Supervisory Board.

This program is structured around the following four topics:

- **ESG risk governance:** committee procedure, roles and responsibilities, remuneration;
- **strengthening knowledge of risks:** monitoring systems, sector analyses and assessments, risk benchmarks, risk analysis methodologies and processes, data;
- **the operational integration of the work:** in coordination with other functions within the Risk Management Department, taking ESG risk factors into account in their respective management systems and decision-making processes;
- **consolidated risk management mechanisms:** dashboards, contributions to RAF/ICAAP/ILAAP systems, training and acculturation plan for board members, senior executives and employees, contribution to extra-financial communication.

In 2025, this program was subject to occasional adjustments to take into account the gradual framing of certain work and the regulatory expectations resulting from the EBA guidelines on ESG risk management.

The execution of this program mobilizes the main internal stakeholders in terms of ESG risks, in particular the impact department, the teams and functions of the other departments of the risk department, the finance department, the compliance department, the technologies and operations department, the digital & payment department as well as Groupe BPCE business lines, in particular the departments in charge of developing sustainable finance activities.

Integration of ESG risks into the risk management framework

Based on specific ESG risk assessment methodologies, Groupe BPCE is gradually integrating ESG risk factors into its operational decisions through existing systems in the bank's main risk channels.

The climate risk identification and assessment process is described in section 1.4.1.1.2 of the ESRS 2 chapter.

Non-financial risks notably cover business continuity risks, reputational risks and legal risks. Reputational risk has been identified as material in the sections on Climate change, Own workers, Consumers and end-users, and Business conduct. These various risks are covered in the following sections:

Business continuity risks

Groupe BPCE's incident tracking and operational risk monitoring tool makes it possible to specifically identify incidents related to climate and environmental risks, thus facilitating the continuous monitoring of their number and their financial repercussions.

As a preventive measure, as part of its business continuity system, Groupe BPCE assesses the climate and environmental risks to which its main operating sites (head offices and administrative buildings) are exposed. These risks are taken into account as part of the business continuity plans defined at the level of Groupe BPCE and its entities. These define the procedures and resources to be implemented in the event of natural disasters in order to protect employees, assets and key activities and ensure the continuity of essential services.

Groupe BPCE’s essential, critical or important service providers (PECI) are also subject to an assessment of their business continuity plan, which must take into account the climate and environmental risks to which they are exposed.

Reputational risk

The management of reputational risk arising from ESG issues is fully integrated into the overall reputational risk management system described in the dedicated section of the Pillar III report.

ESG issues are the subject of particular attention in Groupe BPCE's main operational decision-making processes, such as credit granting or purchasing processes, in order to ensure compliance with its voluntary commitments (ESG sector policies in particular) and to identify controversies likely to involve the Group. Specific provisions for crisis management are also provided for.

Reputation events related to ESG issues are subject to specific monitoring at Groupe BPCE level, carried out jointly by the communication department and the ESG risk department.

Legal risks

The legal risk management framework relating to ESG issues is part of Groupe BPCE's overall legal risk management system as well as the operational risk management framework, which includes the management of litigation and reputation risks. These frameworks define the governance mechanisms and procedures for escalating identified or actual litigation risks within Groupe BPCE.

The management of litigation risks in connection with ESG issues, and in particular climate and environmental issues, is notably based on a monitoring system implemented by the Legal department on litigation affecting large corporations and in particular financial institutions. Based on this monitoring, a quantification of the risk, through the definition of fictitious standard disputes to which the Group could be exposed, is carried out and integrated into the overall quantification of Groupe BPCE's legal risk.

The risk prevention and control system is based on existing decision-making processes to limit exposure to the risk of greenwashing and the risk of non-compliance with voluntary commitments as well as failures in the exercise of the duty of care.

ESG litigation involving Groupe BPCE is monitored quarterly by the ESG Risk Committee.

1.3.5 GOV 4 - Statement on due diligence

The table below maps the information concerning the due diligence procedure included in Palatine's sustainability report.

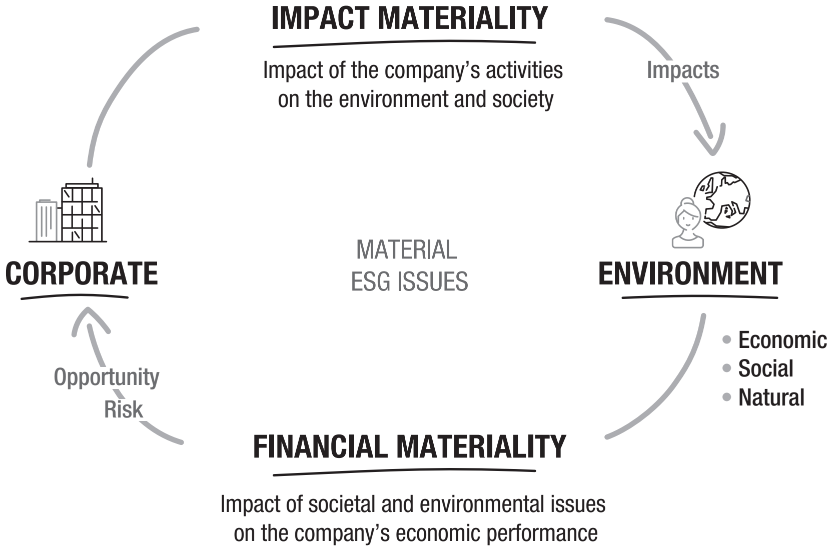
Core elements of due diligence	Sections in the statement relating to sustainability
a) Embedding due diligence in governance, strategy and business model.	1.2.1.1 / 1.2.1.2 / 1.3.2
b) Engaging with affected stakeholders in all key steps of the reasonable due diligence.	1.2.2
c) Identifying and assessing adverse impacts.	1.4.1 / 2.2.2.1
d) Taking actions to address those adverse impacts.	2.2.3.1 / 2.2.3.4 / 3.2.3.3 / 3.2.3.4 / 3.4.3.3 / 3.4.3.4
e) Tracking the effectiveness of these efforts and communicating.	2.2.3.10 / 2.2.4.1 / 3.2.4.1 / 3.4.4.1

1.4 Impact, risk and opportunity management

1.4.1 Double materiality analysis

The double materiality exercise is the starting point for the preparation of the sustainability report.

Double materiality has two dimensions: i) materiality from an impact point of view and ii) materiality from a financial point of view.



The CSRD introduces the concept of double materiality, which aims to take into account both:

- **IImpact materiality:** assesses the impact of the company’s activities on people or the environment in the value chain and through business relationships.
- **Financial materiality:** assesses the financial impact **of risks and/or opportunities.** The impact of the external environment on Banque Palatine. Which has or may have an impact on the company’s financial position, cost of capital, financial performance, etc.

The impacts, risks and opportunities which are identified as material represent the matters on which the content of the sustainability report is based.

1.4.1.1 Methodology for identifying impacts, risks and opportunities (IRO)

1.4.1.1.1 Methodology applied to all impacts, risks and opportunities (IRO)

Various steps lead to the identification of IRO (impacts, risks and opportunities):

1 Identification of topics, sub-topics and sub-sub-topics:

- from ESRS 1 (AR 16.) : Identification was carried out for topics, sub-topics and sub-sub-topics as defined in ESRS 1 (AR 16.). This identification was carried out by mobilising **internal sources**, such as the ESG matters identified in Groupe BPCE’s 2022 and 2023 NFPS reports and the 2024 sustainability report, the reasonable due diligence process put in place by the Group as part of the duty of care plan and the existing risks mapping, supplemented by **external sources**, such as the analysis of a business sector benchmark, with a focus on the most relevant matters for banking players;
- entity-specific: moreover, the analysis conducted by Groupe BPCE is not limited to the sub-sub-topics of ESRS 1 (AR 16.) ; the use of internal and external sources also leads to the identification of issues specific to the Group's banking and insurance activities. The following items have been identified as specific to Groupe BPCE and the resulting material IROs are included in the list of IROs (refer to Section 1.4.2 List of material IROs):
  - ESRS S1: the specific sub-topic: Attractiveness, employee loyalty and engagement (including the specific sub-sub-topics: Listening to employees and strengthening their commitment, Integration of new recruits and employee loyalty, Recruitment strategy and employer brand);
  - ESRS G1: the specific sub-topic: Fight against money laundering and the financing of terrorism and compliance with sanctions measures (national, European or international), embargoes and asset freezes;

In 2025, the relevance of the list of the Group's topics, sub-topics and sub-sub-topics was questioned. In view of the Group's benchmark and challenges, this list has not changed.

2 **Formulation of Impacts, Risks and Opportunities (IRO):** work to identify the IRO within each topic was carried out in order to cover both **impact materiality** and **financial materiality**. Several internal and external sources were used to identify IROs. For the purposes of double materiality analysis, risks and opportunities generally arise from a positive or negative impact, or from the Group's dependence on resources and people.

3 **Relevance of the IRO:** the relevance of each IRO was verified with the business lines concerned to ensure that the listed IRO effectively reflected a Risk, Opportunity or Impact for Groupe BPCE, to qualify the Impacts as positive or negative for the same sub-topic and to avoid duplication between similar IRO. In 2025, the relevance of the IRO identified in 2024 was reviewed and work was carried out to group the IROs together to avoid the same subject being dealt with by several IRO of the same type.

4 **Characteristics of the IRO:** for each IRO identified, a rating was prequalified. This prequalification consisted of:

- positioning each IRO in Groupe BPCE's value chain, *i.e.* **upstream**, within its **own activities**, or **downstream**;
- defining the **potential** or **actual nature of the negative and positive impacts.**

Palatine relied on the work of Groupe BPCE to identify its own IROs.

Consideration of the value chain in the identification of Palatine's IROs

The activities of Palatine and its entire upstream and downstream value chain were taken into account in the double materiality analysis. The following guidelines were adopted in view of the specific nature of Palatine's business segment:

- Mapping its activities and the players in the value chain to identify which players are in risk areas;
- Carrying out an analysis by major families of players: customers, suppliers, subcontractors, etc.;
- extending this analysis beyond first-level and direct business relationships: the business lines took into consideration, in addition to the major families of direct stakeholders in the value chain, the entire environment surrounding them, in particular through sectors analysis.

Most of Palatine's activities are focused on financing and investment activities (see presentation of the value chain, section SBM-1 1.2.1.7 Value chain).

Organisation in terms of identifying impacts, risks and opportunities

The identification of IROs was coordinated by the Corporate Secretary's Office (CSR Department). The resources and work environment, risk and compliance, sustainable finance, communication, and finance teams, as well as the subsidiary Palatine Asset Management, helped to formalise and assess these IROs.

1.4.1.1.2 Focus: climate and environmental risks (E1 IRO-1)

Process for identifying and assessing climate risks

Palatine relied on the work carried out by Groupe BPCE to set up a process for identifying and assessing the materiality of climate and environmental risks aimed at structuring the understanding of the risks to which the Bank is exposed in the short, medium and long term, and to identify priority areas for strengthening the risk control system.

At Groupe BPCE level, this process is coordinated by the ESG risk department, under the supervision of Groupe BPCE's ESG Risk Committee and Supervisory Board. It is reviewed annually to update the underlying scientific knowledge and methodologies.

This process consists of four main steps:

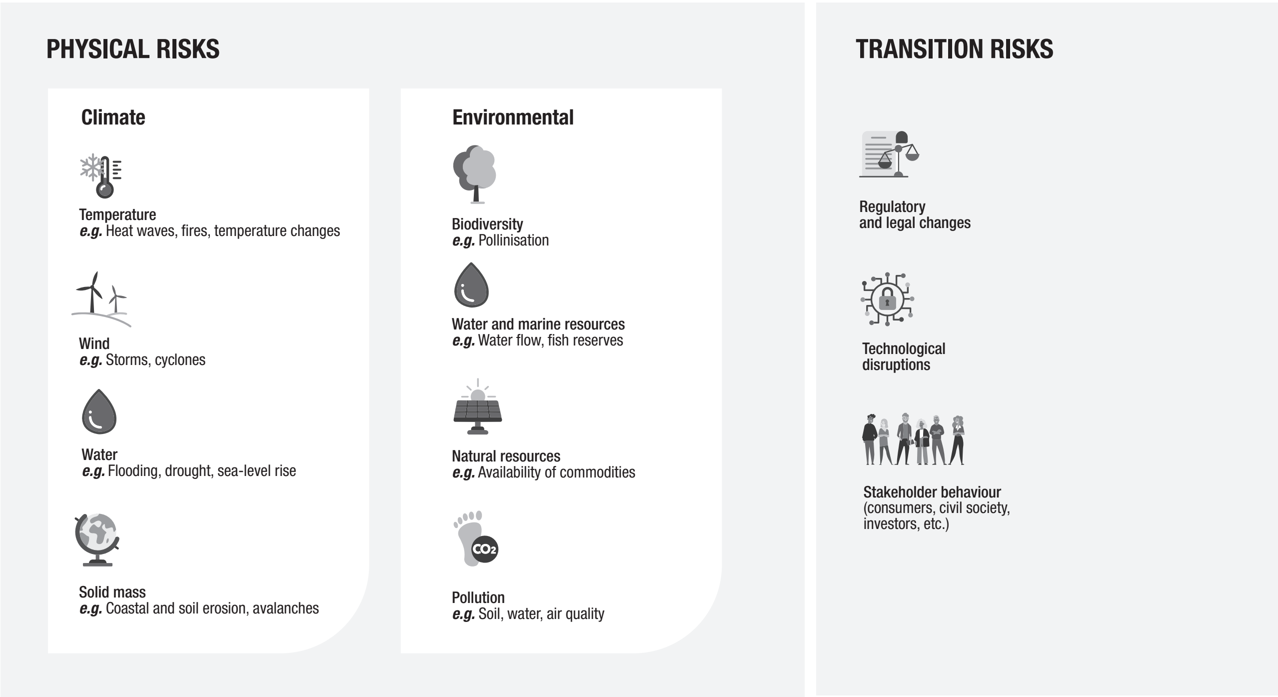
- creation of the risk framework;
- documentation of climate risk transmission channels;
- assessment of the materiality of climate risks in relation to the other risk categories;
- input into cross-functional risk management exercises (risk appetite system, ICAAP, ILAAP).

Group risk framework

Groupe BPCE has set up an environmental risk framework which makes it possible to define the contingencies covered. This framework is based on current scientific knowledge and reference regulatory texts (e.g. European taxonomy) and aims to provide the most comprehensive possible representation of the hazards.

The climate and environmental risks included in the risk framework currently defined by the Group are presented below:

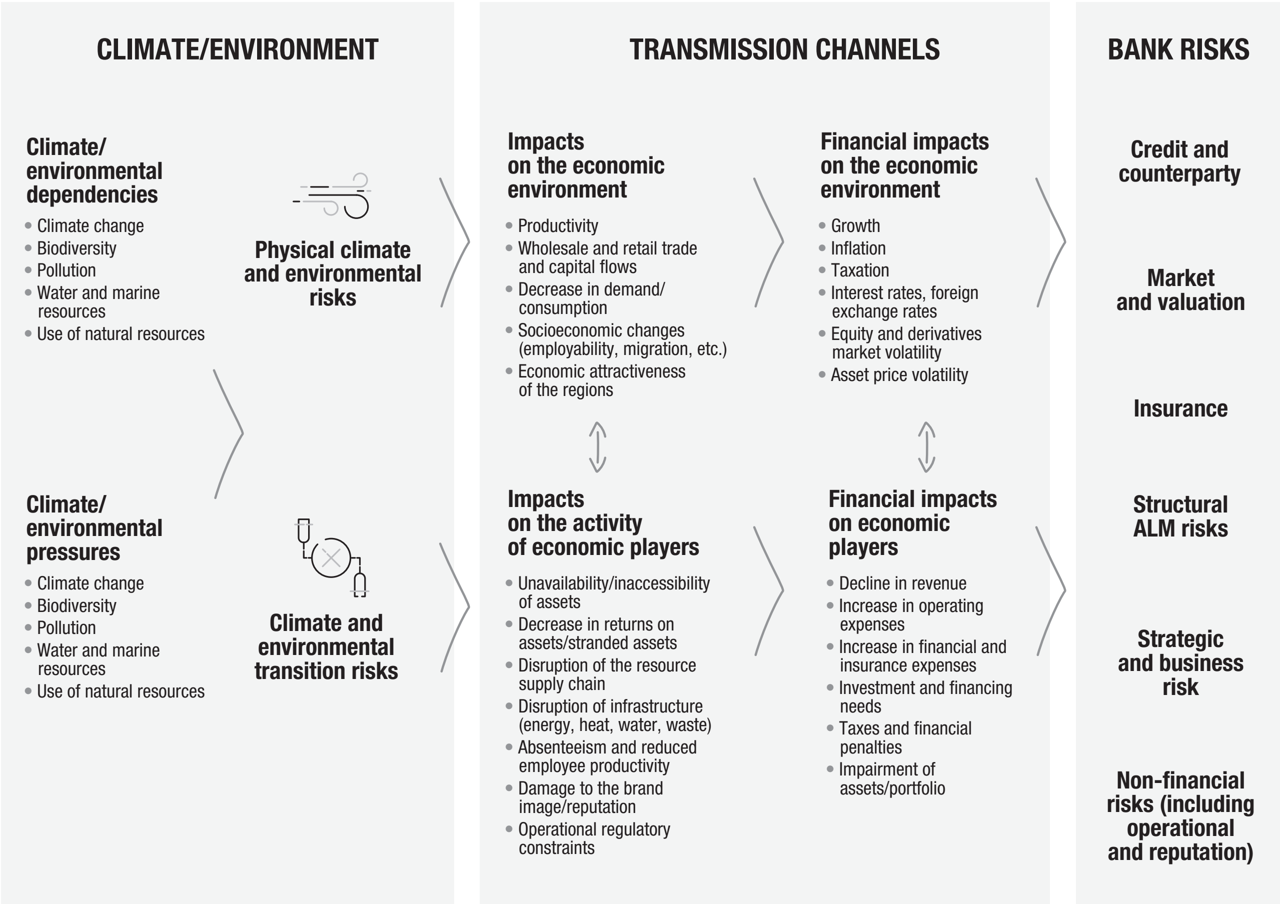
Climate and environmental risks



Risk transmission channels

ESG risks are risk factors underlying the other risk categories to which Groupe BPCE is exposed, namely credit and counterparty risks, market and valuation risks, insurance risks, structural balance sheet risks, strategic and business risks and non-financial risks (operational risks, reputational risks, non-compliance risks, insurance risks etc.), as identified in Groupe BPCE’s risk taxonomy.

These transmission channels involve the impacts of climate risks on activities and business models, which are reflected in financial variables at the macroeconomic or microeconomic level and ultimately modify Groupe BPCE’s risk exposure. These risks may materialise directly, in connection with Groupe BPCE’s own activities, or indirectly through the counterparties to which Groupe BPCE is exposed as part of its financing or investment activities. They are summarized in the diagram.



1.4.1.13 *Focus: IRO Nature (E2 IRO-1, E3 IRO-1, E4 IRO-1, E5 IRO-1)*

The process of identifying the impacts of environmental issues, excluding climate change, at Groupe BPCE level was carried out across the entire value chain. Impacts have been identified on own operations and on financing and asset management operations. The rating of the scale of these impacts was carried out using the resources presented in section 1.4.1.2.3 Rating. With regard to risks, the rating was based, in particular, on a sectoral analysis of Groupe BPCE's exposures, with a focus on Palatine's exposures, as part of the assessment of the magnitude.

The process of identifying and assessing environmental risks, excluding climate, is part of the same system for assessing the materiality of climate and environmental risks set up by Groupe BPCE.

With regard to opportunities, the identification and assessment process was carried out by experts taking into account economic changes related to environmental issues, excluding climate change, and Groupe BPCE's outlook to adapt its banking, insurer and investor business models.

1.4.1.2 IRO rating methodology

After this first identification stage, among all the IRO identified as relevant, the impacts, risks and opportunities rating led to designate those that are material from an impact point of view or from a financial point of view, which are presented in this sustainability report.

1.4.1.2.1 Rating scales

The ESRS impose criteria for assessing the materiality of IROs. These criteria may be different depending on whether one is related to an impact (negative or positive), a risk or an opportunity. Rating scales are not prescribed by the ESRS. They have been defined by and for Groupe BPCE. Each rating criterion was assessed on a scale from 1 to 4.

1.4.1.2.2 *Rating criteria*

Each impact, risk and opportunity was rated, based on the criteria and scales described above.

IRO	Criteria	Rating and associated score / 4			
		1	2	3	4
NEGATIVE IMPACT	**Magnitude** Significance of the severity of the negative impact on people or the environment	No or very little impact	Significant	High	Very strong
	Extent Scope of impact	Limited	Moderate	Wide	Overall/Total
	Irremediable nature Whether and to what extent the negative impacts can be remedied	Very easy to correct	Relatively easy to correct	Very difficult to correct in long-term	Non-remediable
	Probability (potential impact)	Rare/ Unlikely	Possible	Probable	Nearly certain
POSITIVE IMPACT	**Magnitude** Significance of the beneficial effect on people or the environment	No or very little impact	Significant	High	Very strong
	Extent Extent of positive impacts	Limited	Moderate	Wide	Global/ total
	Probability (potential impact)	Rare/ Unlikely	Possible	Probable	Nearly certain
RO	**Magnitude** Potential financial effects	No or very little impact	Significant	High	High
	Probability	Rare/ Unlikely	Possible	Probable	Nearly certain

1.4.1.2.3 *Rating*

Impact materiality rating

The impacts are rated by the contributors identified for each topic and the review is carried out cross-functionally by the CSR department.

For certain topics, specific resources were used:

- For the rating of climate impacts *via* financing and investments, Palatine relied on its 2024 carbon footprint and its renewable energy exposures to assess the scale (E1);
- For the rating of Nature impacts (covering ESRS E2 to E5) *via* financing and investments, in 2025, the rating of these impacts based on expert opinion was supplemented by quantitative analyses using the ENCORE databases. This work made it possible to quantify the scale of Palatine's impact on nature by making the link between the sectors of activity in which the companies that Palatine finances operate and the intensity of the pressure exerted by each sector on the environment. These analyses cover exposures to non-financial companies in the FINREP scope;
- For the rating of the negative impacts concerning ESRS S2, Palatine relied on a sectoral analysis of its exposures (sensitive sectors according to the OECD); Regarding its geographic analysis, as Palatine is a bank established in France, its exposures are mainly French or EU;
- For the rating of a positive impact concerning ESRS G1, the Group relied on a questionnaire sent to its suppliers to measure their level of satisfaction with payment terms.

Financial materiality rating

The risk rating is carried out by the identified contributors for each subject and reviewed cross-functionally by the risk department. The rating of risks is consistent with the risk materiality assessment exercises carried out within Palatine, in particular the risk materiality assessment carried out as part of Palatine's risk appetite framework.

This reference work is supplemented by expert opinion as part of the double materiality analysis in order to specifically qualify the risks selected (according to the probability and magnitude scales defined above).

Focus: climate risks (E1 IRO-1)

Based on the transmission channels identified, Groupe BPCE assesses the materiality of the climate and environmental risks in relation to the main risk categories to which it is exposed. This assessment distinguishes between physical risks and transition risks for the climate risks on the one hand, and the environmental risks on the other. It is carried out according to three time horizons: short-term (one to three years, financial planning horizon), medium-term (strategic planning horizon, 5 to 7 years), and long-term (~ 2050).

This assessment is based on quantitative or qualitative indicators, which, when available, allow us to assess exposure to risks from a sectoral and geographical point of view, as well as on expert assessments. The internal experts involved in these assessments include the ESG Risk Department, the other risk divisions, as well as representatives from other departments (impact, compliance, legal) and the business lines concerned.

In 2025, the materiality analysis was carried out at the Groupe BPCE level, covering both climate and environmental risks. It was also applied at the level of the main operating entities, based on assumptions and a common analytical framework.

Integration into Groupe BPCE's risk appetite framework

The work to identify ESG risks and assess their materiality feeds into the main components of Groupe BPCE's risk appetite as part of this system's annual review process.

Groupe BPCE's risk framework includes an "Ecosystem risk" category, which groups together environmental risks by distinguishing between physical and transition risks, social risks and governance risks.

The materiality assessment of these risk categories as part of the risk appetite system is defined by cross-referencing the materiality of the main risk categories to which Groupe BPCE is exposed (assessed as part of the annual process of defining the risk appetite) and the materiality of climate and environmental risks in relation to these risk categories. For social and governance risks, the assessment is carried out on an expert basis as part of the risk appetite definition process only.

These assessments make it possible to prioritize the issues related to each risk category, including those related to ESG risks. In 2025, the materiality of physical and transition environmental risks was assessed at level 1 out of 3 ("significant") for Groupe BPCE, while the materiality of social and governance risks was assessed at a level of 0 out of 3 ("low").

Use of scenarios

As part of its strategic business line planning and management and the management of risks, Groupe BPCE uses climate scenarios to assess the challenges associated with short-, medium- and long-term climate risks.

These scenarios come from leading institutions in scientific research on the climate, such as the Intergovernmental Panel on Climate Change (IPCC), the Network for Greening the Financial System (NGFS) or the International Energy Agency (IEA).

The choice of scenarios selected by the Group is based on multidisciplinary work between the main departments involved in strategic planning and risk management. They are validated by Executive Management by the bodies overseeing the various exercises using these scenarios.

Scenarios used in risk management

Groupe BPCE mainly relies on the SSP2-4.5 (IPCC scenario) and Nationally Determined Contributions (NGFS scenario) scenarios to define a median trend for risk monitoring purposes.

For its risk assessment purposes in a deteriorated context, in stress test exercises for example, Groupe BPCE also relies on alternative, more extreme scenarios: SSP5-8.5 scenario (IPCC scenario) on physical risk and Net Zero 2050 and Delayed Transition scenarios (IPCC scenarios) on transition risk.

ESG risk measurement tools and methodologies

In order to strengthen its ESG risk assessment capabilities, Groupe BPCE has adopted specific methodologies to assess the ESG risks associated with its exposure portfolios in a systematic and consistent manner. These methodologies are based on internal and external expertise, and reflect the state of scientific knowledge, technologies and the current regulatory environment, as well as market practices. They are regularly reviewed, supplemented and enhanced to gradually improve the accuracy of ESG risk assessment and take into account changes in the context.

Assessment of environmental risks

Groupe BPCE's physical and transition risk assessment methodologies are based on quantitative data supplemented by qualitative analysis where appropriate. They are described in the paragraphs below.

Physical environmental risk assessment

Geo-sectoral assessments

In order to strengthen the sensitivity and robustness of its assessments of the physical risk associated with the outstanding financing for professional and corporate customers, Groupe BPCE developed a methodology for analysing the vulnerability of the outstandings to physical risks.

This internal methodology makes it possible to take into account the intrinsic vulnerability of a sector to physical risks and the exposure of a given geographical area to physical risk. It is currently broken down into a fine-grained sectoral grid (NACE2) and a national or regional geographic grid for countries where Groupe BPCE has a particular concentration of outstandings (France, United States). Six physical climate risks are currently covered, which are among the most representative for Groupe BPCE, and can be simulated under different scenarios and time horizons.

Home loan portfolio

Given its high exposure to home loans issued to individuals, Groupe BPCE has adopted a tool to simulate the physical risks of its financed assets. This tool takes into account the exact coordinates of the asset to assess its risk exposure and certain characteristics to estimate its vulnerability to determine the estimated damages under different scenarios and time horizons. At present, this tool covers the territory of mainland France and Corsica and makes it possible to assess exposure to the two main physical risks for this portfolio (drought - shrink-swell and floods).

Transition environmental risk assessment

Sectoral assessments

In order to strengthen the sensitivity and robustness of its assessments of the transition risk associated with financing outstandings for professional and corporate customers, Groupe BPCE developed a methodology for the granular analysis of the sensitivity of sectors to this risk.

This internal methodology makes it possible to assign a sectoral score reflecting the transition risk associated with a given NAF code, taking into account the carbon emissions and the main environmental impacts of the companies in the sector.

Home loan portfolio

To assess the transition risk on its home loan portfolio, Groupe BPCE relies on the Energy Performance Certificate (EPC) of the financed real estate assets. The EPD of the financed asset is collected systematically, making it possible to capture both the risk on the repayment capacity of the loan in the event of an increase in energy expenditure or expenses related to the financing of work to improve energy performance and the risk of loss of value of the asset due to a deteriorated EPD, making it potentially unfit for use in the rental context given the regulations in force.

1.4.1.2.4 Calculation methodology

Each impact, risk and opportunity was rated, based on the criteria and scales described above.

Impacts

The final impact rating is calculated using the following formula:

Final Impact rating = Likelihood of occurrence * Max (magnitude; extent; irremediable nature)

The items described below are applied in this step:

- **Positive impacts:** when the impact is positive, the irremediable character is not assessed and is therefore not taken into account in the calculation;
- **Actual and potential impacts:** the likelihood of occurrence is calculated when the impact is potential. For almost all of the impacts identified by Groupe BPCE, the impacts occurred during the past fiscal year but are not systematically at the higher level (assessed at a level 4);
- **Final rating:** the final impact rating is within a range of 1 to 16, with 16 as the maximum score. To bring the final impact rating to the same level of the criteria rating scale of 4, the final impact rating is then divided by 4. This is then called the final rating.

Risks

The risk rating is assessed according to the couple formed by the two axes (likelihood, magnitude). In line with the approach adopted for the risk appetite framework, the final risk rating is carried out on a scale of 0 to 3 according to the matrix below defined according to the pair (likelihood, magnitude).

Opportunities

The final opportunity rating is calculated using the following formula:

- **Final Opportunity rating** = Likelihood of occurrence * Magnitude of financial impact

The item described below is applied in this step:

- **Final rating:** The final opportunity rating is within a range of 1 to 16, with 16 as the maximum score. To bring the final opportunity rating to the same level as the criteria rating scale, i.e. 4, the final opportunity rating is then divided by 4. This is then called the final rating.

1.4.1.2.5 Determination of materiality thresholds

Materiality threshold refers to the score or rating based on which impacts, risks and opportunities are material.

Palatine's materiality thresholds are defined by the CSRD Project Steering Committee of Groupe BPCE.

After this first identification stage, among all the IRO identified as relevant, the impacts, risks and opportunities rating led to designate those that are material from an impact point of view or from a financial point of view, which are presented in this sustainability report.

Materiality threshold for impacts and opportunities
An impact or opportunity is material when the rating level is greater than or equal to 3, corresponding to a high or very high level:

	+															+++++
Final score (/16)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Final rating (/4)	0.3	0.5	0.8	1	1.3	1.5	1.8	2	2.3	2.5	2.8	3	3.3	3.5	3.8	4
Materiality level	1 - Low			2 - Moderate					3 - High			4 - Very high				
									Materiality threshold							

Materiality threshold for Risks

In 2025, the risk materiality threshold was modified to align with the Group's risk appetite framework.

In the double materiality analysis, any risk with a score of 1, 2 or 3 in the matrix (presented below in Calculation methodology - risks) is considered material.

		Magnitude			
		Low	Significant	High	Very high
Probability	Nearly certain	0	2	3	3
	Probable	0	1	3	3
	Possible	0	1	2	3
	Rare	0	0	2	3

1.4.1.2.6 Results

Material ESRS in 2025

ESRS Standard	Sub-topic	Financial materiality	Impact materiality
E1: Climate change	Climate change mitigation – own footprint	■	■
	Climate change mitigation and adaptation - financing and investments	■	■
S1: Own workers	Working conditions	■	■
	Equal treatment and opportunities for all	■	■
	Attractiveness, employee loyalty and engagement	■	■
S4: Consumers and end-users	Impacts related to consumer and end-user information	■	
	Financial inclusion and accessibility of the offer	■	■
G1: Business conduct	Ethics and corporate culture	■	
	Management of relationships with suppliers including payment practices		■

Changes 2024/2025

Between the 2024 and 2025 financial years, two topics became non-material for Palatine: ESRS S2 (Workers in the value chain) and ESRS S3 (Affected communities).

- regarding ESRS S2: given the nature of Palatine's activity and its value chain, the impacts relate more to working conditions than human rights, leading business experts to reassess the probability of these impacts downwards for the bank. The bank is rarely concerned by unethical practices or practices that derogate from human rights; its activities were mainly in France;
- regarding ESRS S3: this concerns communities affected by funding and investments made in social projects within the territories, such as the financing of local authorities, social landlords, sports infrastructure, health infrastructure, the social and solidarity economy, etc. This is not Palatine's target market. The number of people benefiting from initiatives promoting economic growth, including the improvement of the living conditions of stakeholders impacted by Palatine's regional anchoring policies, can be considered average at the level of each region. The magnitude of the regional impact of Palatine's financing is limited in view of its size and national presence.

Furthermore, regarding ESRS E1 (Climate change), one IRO became non-material in 2025: "risk of financial losses arising from reputational risk or legal/sanction risk associated with financing or investment transactions involving counterparties, activities or projects with high greenhouse gas emissions intensity": Palatine is less exposed than Groupe BPCE to the sectors with the highest emissions, as BPCE operates across 11 of the sectors with the highest emissions in terms of decarbonisation trajectories, whereas Palatine is primarily involved in two sectors (residential and commercial real estate). And a new IRO has been identified as material: risk of financial losses arising from a turnover risk related to changes in the sector mix of the financing portfolio and increased competition, and from an interest rate risk stemming from general trends in interest rates and inflation should the transition accelerate.

Lastly, for the 2025 fiscal year, as mentioned in the IRO identification section, Groupe BPCE has grouped together, where relevant, the IROs identified in 2024 which concerned the same sub-topics or sub-sub-topics, in order to avoid potential redundancies. Palatine applied the same groupings, which simplified the overall number of IROs.

1.4.1.3 Stakeholder consultation

Although stakeholder consultation is not mandatory as part of the double materiality exercise, Palatine considered it important to seek the views of some of its stakeholders through various channels, notably by establishing permanent feedback systems and the use of specific tools, as they play a key role in providing relevant information for publication on sustainability issues, by drawing on their wide-ranging expertise.

The stakeholders that were consulted and the modalities for dialogue are described in detail in Section 1.2.2 SBM-2 – Interests and Views of Stakeholders.

1.4.1.4 Governance of the double materiality analysis

Role of the impact department and the ESG risk department

- the impact department has established the methodology for rating impacts and opportunities on behalf of the Group;
- the ESG risk department has established the risk rating methodology on behalf of the Group.

The impact department and the ESG risk department have coordinated and supervised the IRO rating project on behalf of the Group.

Operating procedure for rating IROs

Groupe BPCE’s impact department and ESG risk department proposed the methodological approach for rating IROs as part of the "CSRD Project".

Within Palatine, several functional departments were called upon as part of the IRO rating process. These notably include:

- the Corporate Secretary’s Office;
- the Risk and Compliance department;
- the human resources department;
- Sustainable Finance Programme;
- the finance department;
- the environment and purchasing department.

Process for validating the ratings of impacts, risks and opportunities

The validation of the IROs is initially carried out through workshops attended by representatives from the business lines concerned for each topic and sub-topic, then by the CSRD Project Steering Committee at Palatine.

The result is presented to the Audit committee and then to Palatine's Board of directors.

Internal control

In 2025, an internal control system was deployed for the double materiality analysis.

Level 1 controls:

- **line control:** each business line contributor must ensure that all fields in the IRO rating file are correctly completed and must have the list of relevant and material IROs validated by the line manager of their department/division;
- **N/N-1 evolutions:** each business line contributor must justify the evolution of IROs between N-1 and N, by highlighting: new IROs (inputs), IROs considered irrelevant/material in N (outputs) and justify these changes.

Level 2 control:

- **review of the file:** the 2nd level controller ensures that the IRO rating file is completed exhaustively and that the different columns are consistent with each other;
- **IRO consolidation table:** the 2nd level controller checks the consistency of the N/N-1 evolutions using an IRO consolidation table.

1.4.1.5 Consolidation process

The process for identifying and rating Palatine’s IROs was performed in three stages:

- use the impacts, risks and opportunities identified by Groupe BPCE that are relevant to Palatine’s business;
- identification of IROs specific to the activity of Palatine, Palatine Asset Management and Ariès;
- assessment of the materiality of these impacts, risks and opportunities.

1.4.1.6 Review process

The sustainability report is prepared on an annual basis. If Palatine concludes, on the basis of audit evidence, that the results of the double materiality exercise for the previous year are still relevant at the reporting date, it can use the conclusions obtained previously to prepare the sustainability report.

Each year, Palatine will verify the elements that may trigger a revision of the list of material IROs; for example, a major merger and acquisition transaction leading to a new activity, an entry into a new sector or a significant change in operations, a global event (pandemic, natural disaster, etc.), a change in scientific evidence that could affect the severity criteria.

1.4.2 List of material IROs

■ Environment

Climate change (ESRS E1)

Sub-sub-topic	Type of IRO	IRO heading	Value chain	Time horizon
Climate change mitigation and adaptation				
Climate change mitigation – own footprint	Negative impact	Negative impact on the climate due to greenhouse gas emissions from Palatine's own operations	Own operations	Long term
Climate change mitigation and adaptation - financing and investments	Negative impact	Negative impact on the climate due to Palatine's financing and investments in greenhouse gas emitting sectors	Downstream	Invariable
	Opportunity	Business opportunities related to financing solutions to support clients in their transition and adaptation to climate change, as well as sustainable savings products invested in companies to support their transition	Downstream	Long term
	Risk Physical	Risk of financial losses arising from credit or market risk related to financing or investment transactions in counterparties, activities or projects sensitive to physical climate risk factors	Downstream	Long term
	Transition risk	Risk of financial losses arising from credit or market risk related to financing or investment transactions in counterparties, activities or projects sensitive to transition climate risk factors	Downstream	Medium term
	Transition risk	Risk of financial losses resulting from a turnover risk related to a change in financing portfolio sector mix and an increase in competition, and interest rate risk from the general evolution of interest rates and inflation in the event of an acceleration in the transition	Downstream	Medium term

Social

■ Own workforce (ESRS S1)

Sub-sub-topic	Type of IRO	IRO heading	Value chain	Time horizon
Attractiveness, employee loyalty and engagement (IRO specific to Palatine)				
Listening to employees and strengthening their commitment	Risk	Financial risk of deviation from employees' expectations due to the absence and/or inadequacy of listening systems and action plans to strengthen their commitment	Own operations	Invariable
Integration of new hires and strengthening employee loyalty	Positive impact	Positive impact of the employee experience contributing to a welcoming environment for Palatine's employees (pre-boarding, onboarding, induction programme and individualised training course)	Own operations	Invariable
Recruitment strategy and employer brand	Opportunity	Financial opportunity for Palatine to strengthen its employer brand image and its attractiveness on the job market with a digital and inclusive recruitment strategy	Own operations	Long term
Working conditions				
Social dialogue (freedom of association and collective bargaining)	Positive impact	Positive impact on employee commitment and performance via sustained and constructive social dialogue at Palatine level (regular meetings with the staff representative bodies and conclusion of collective agreements)	Own operations	Invariable
Quality of life at work and risk prevention and safety at work	Risk	Financial risks arising from an operational risk related to employee turnover, absenteeism and disengagement (recruitment and training costs, loss of performance, loss of talent)	Own operations	Invariable
	Risk	Financial risks arising from an operational risk for Palatine in the event of a danger to the health and safety of employees	Own operations	Invariable
	Positive impact	Positive impact on employees' quality of life at work of secure working conditions and work environment adapted to the well-being of employees (working time, remote working, reorganisation of premises, work/life balance, etc.)	Own operations	Invariable
Decent pay and social protection	Positive impact	Positive impact for employees of clear, fair, well-understood remuneration exceeding legal minimums, and solid protection exceeding legal obligations	Own operations	Invariable
Equal treatment and opportunities				
Training and skills development	Positive impact	Positive impact on employees thanks to a skills management, career management and professional mobility system	Own operations	Invariable
	Opportunity	Financial opportunity for Palatine to encourage the development of internal skills and capitalise on expertise and knowledge in order to strengthen employee commitment (reduction in the turnover rate, reduction of operational risk, etc.)	Own operations	Invariable
Diversity & inclusion (disability, discrimination & harassment)	Positive impact	Positive impact in terms of diversity, inclusion, professional equality and support for people with disabilities	Own operations	Invariable

Consumers and end-users (ESRS S4)

Sub-sub-topic	Type of IRO	IRO heading	Value chain	Time horizon
Impacts related to consumer and end-user information				
Personal data protection and cybersecurity	Risk	Risk of financial losses arising from legal and/or reputational risk in the event of failure in the implementation of measures to protect clients' personal data	Downstream	Medium term
Financial inclusion and accessibility of the offer				
Access to products and services and responsible marketing practices	Opportunity	Financial opportunity related to the development of new innovative products and services opening up new markets and client segments	Downstream	Long term
	Positive impact	Positive impact on clients by offering products and services adapted to the needs of all clients and economic players, including those in financial difficulty, and by ensuring global geographical coverage and adapted digital solutions	Downstream	Invariable
Non-discrimination	Negative impact	Potential negative impact on clients in the event of Palatine's failure to apply anti-discrimination measures (client choice, access to finance or essential services)	Downstream	Invariable

Governance

Business conduct (ESRS G1)

Sub-sub-topic	Type of IRO	IRO heading	Value chain	Time horizon
Ethics and corporate culture				
Fight against corruption and bribery	Risk	Risk of financial losses arising from reputational risk or legal/sanction risk associated with a failure to comply with anti-corruption obligations	Own operations	Invariable
Combating money laundering and the financing of terrorism, and compliance with national, European or international sanctions, embargoes and asset freezes	Risk (specific to Palatine)	Risk of financial losses resulting from a legal risk/sanction related to a failure to implement obligations to combat money laundering and the financing of terrorism and, more broadly, to prevent and detect criminal financial behaviour by clients, and in terms of the implementation of sanctions (embargoes, sectoral sanctions, asset freezes)	Own operations	Invariable
Management of relationships with suppliers including payment practices				
Management of relationships with suppliers including payment practices	Positive impact	Positive impact on suppliers via Palatine's responsible purchasing commitment policies, in particular on the management of payment terms	Upstream	Invariable

1.4.3 SBM 3 - Material impacts, risks and opportunities and their interaction with strategy and business model

The material impacts, risks and opportunities (IRO) resulting from the double materiality analysis are listed in section 1.5.1 (IRO-1) Management of impacts, risks and opportunities. This description makes it possible to identify where in its business model, its own activities or its value chain these material IRO are concentrated.

The business model, value chain and integration of sustainability matters into Palatine's strategy are detailed in Section 1.2.1.2 Sustainability-related targets.

The interactions between these material impacts, risks and opportunities, Palatine's business model and strategy, embodied by Palatine 2030, as well as how positive or negative material impacts affect society (clients, regional players or employees) or the environment are presented inside each topical ESRS.

Palatine did not record any credit losses related to climate risks or related provisions. The current financial effects of material risks are not recognized in Palatine's financial statements as impairments for the effects of physical and transition risks on credit risk.

In terms of climate risk, Palatine benefits from the analysis of the resilience of Groupe BPCE's business model across its three activities (financing, insurance, asset management) through climate stress tests as part of its self-assessment processes for capital adequacy (ICAAP) and liquidity (ILAAP) in light of the risks to which it may be exposed. This analysis is presented in chapter E1 – Climate change in section 2.2.6.2 (ESRS 2 SBM-3) Strategy and business model resilience.

Part 2 - Environmental Information

2.1 Indicators of the European taxonomy on sustainable activities

Regulatory framework

In order to encourage sustainable investment, EU regulation 2020/852 of 18 June 2020 (Taxonomy regulation) established a common EU classification system to identify economic activities considered environmentally sustainable.

The Taxonomy Regulation (Article 8) includes, for companies subject to the CSRD (Corporate Sustainability Reporting Directive published on December 16, 2022), a reporting obligation, outlined in the sustainability report, regarding how and to what extent the company's activities are associated with economic activities that can be considered environmentally sustainable.

An activity is considered as "eligible" for the Taxonomy if it is included in the European Commission's evolving list. These are activities that can make a substantial contribution to at least one of the following six environmental objectives:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- the transition to a circular economy;
- pollution prevention and control;
- the protection and restoration of biodiversity and ecosystems.

To be effectively considered as sustainable from an environmental point of view, an eligible activity must be "aligned" with the taxonomy, *i.e.* it must meet the following three cumulative conditions:

- **demonstrate its substantial contribution** to one of the six environmental objectives and thus comply with the technical review criteria defined in delegated acts;
- **demonstrate that it does not cause significant harm** to any of the other environmental objectives (Do No Significant Harm or DNSH) in accordance with the technical review criteria defined in the delegated acts;
- be performed **in compliance with the minimum social guarantees** provided for in the regulation (*i.e.* in compliance with the social rights guaranteed by international law).

The technical criteria to be met to document the environmental sustainability of an activity are initially set by the Green Taxonomy regulatory framework (EU) 2020/852 and then modified by delegated acts:

- the delegated regulation of 4 June 2021 (2021/2139) on the Climate, including the technical review criteria for economic activities that make a substantial contribution to the first two environmental objectives: climate change adaptation and mitigation of its effects. It has been applied since 1 January 2022.

It was first amended on 9 March 2022 by delegated regulation 2022/1214 including, under strict conditions, specific activities related to nuclear energy and gas on the list of economic activities covered by the union taxonomy. It has been applied since 1 January 2023.

A second amendment was published on June 27, 2023 (Delegated Regulation 2023/2485) completing the technical examination criteria for certain activities that were initially not listed as eligible (in particular, manufacture of essential equipment for low-carbon transport or electrical equipment). It has been in force since January 1, 2024:

- the delegated regulation of 27 June 2023 (2023/2486) on the Environment sets the criteria for the technical examination of economic activities considered to make a substantial contribution to one or more of the four other environmental objectives (other than climate): sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems. It comes into force on 1 January 2024.

The content of sustainability indicators (key performance indicators or KPIs) and the information to be published by non-financial and financial companies (asset managers, credit institutions, investment firms and insurance and reinsurance companies) subject to these transparency obligations are specified, for each of these economic players, in delegated regulation article 8 of 6 July 2021 (2021/2178). The format of publishable tables is governed by environment delegated regulation 2023/2486.

Additional information is required for companies engaged in, financing or exposed to specific activities related to nuclear energy and fossil gas (delegated regulation 2022/1214).

In addition, European Commission communications published in the Official Journal on October 20, 2023 aim to interpret certain provisions relating to the implementation of Article 8 of the Taxonomy Regulation (C/2023/305) and the delegated act relating to the climate component of the taxonomy (C/2023/267).

On December 21, 2023, the Commission published a communication on the interpretation and implementation of Article 8 of the Taxonomy, which clarifies the information to be provided. It was published in the Official Journal of the European Union on 8 November 2024 under the reference C/2024/6691. On 29 November 2024, the Commission published a new draft communication. Given its late publication and the implementation work involved, this text is currently being analysed, and some of its provisions will be applied in the coming period.

The taxonomy regulation provides for a gradual implementation of information transparency requirements according to economic players. As a company in the financial sector, Palatine is notably subject to disclosure requirements that are deferred by one year compared to non-financial corporations. This principle allows financial corporations to use the eligibility and alignment data provided by the counterparties themselves subject to these disclosure requirements (counterparties subject to the CSRD) in order to weight their investments, financing and other exposures.

Palatine publishes the disclosures applicable to financial companies - credit institutions. Palatine publishes the tables required by the regulation in the tabular formats presented in Annex VI of delegated regulation 2023/2486.

This year, Palatine has not applied the provisional delegated act published on 4 July 2025 amending the Taxonomy Regulation in accordance with the provisions of the applicable text.

Taking the taxonomy into account in the Group's activities (requirement of Annex XI of Delegated Regulation 2021/2178)

The taxonomy criteria are used to identify a portion of the financial assets allocated to green bonds issued by Palatine. It also takes into account the European taxonomy in the design of some of its "green" offers and services and in its project financing (renewable energy financing).

Assumptions used and existing limitations in the preparation and collection of information

The KPIs required by the regulations were published as follows:

Information on the main KPI (Green Asset Ratio) has been published.

The financial conglomerate KPI has not been published. Palatine considers that it is not subject to this indicator, which is not defined by the Delegated Regulation.

The KPIs of non-financial subsidiaries have not been published because they are not material.

The flow information on the KPIs of off-balance sheet exposures has not been published due to the absence of a dedicated table in annex 6 of the delegated regulation.

The main assumptions used to determine the alignment of eligible assets under the Green Asset Ratio (GAR) are as follows:

For real estate loans to households, the alignment is based on:

1. analysis of the energy performance of assets through the EPD or compliance with thermal regulations for new assets (RT2012 and RE2020) in order to measure the substantial contribution;
2. an analysis of the physical risks, including only the "flooding" risk in order to verify that the criteria of the DNSH adaptation are respected: any loan relating to an asset exposed to a significant physical risk is thus considered as not aligned with the taxonomy;
3. minimum social guarantees are deemed to be met for all assets built in France and Europe, taking into account the laws and regulations in force in these countries.

The alignment of the following eligible assets was not analysed: loans for the renovation or financing of motor vehicles with individual customers as well as financing allocated with CSRD counterparties. These assets are therefore de facto considered as not taxonomy-aligned.

Given the non-material nature of the exposures relating to gas and nuclear energy only the information on the Main KPI (Green Asset Ratio) was disclosed. Information on other KPIs (flows, off-balance sheet exposures) has not been disclosed.

The table relating to the alignment of fees and commissions and the trading book has also not been published.

Mandatory GAR

Main indicator – GAR (Green Asset Ratio)

Palatine's GAR as of 31 December 2025 includes taxonomy alignment data. It is presented in the tabular format required by the regulations of the current version. This requires it to be presented once based on the "Turnover" KPI (key performance indicator) and once on "CapEx" (capital expenditure) KPI of the counterparties subject to the CSRD.

Palatine's GAR established on 31 December 2024 listed information on alignment with 2 environmental climate objectives (Mitigation and Adaptation). For 2025, the Bank has included information on alignments with the other 4 objectives (sustainable use and protection of water and marine resources; transition to a circular economy; pollution prevention and control; protection and restoration of biodiversity and ecosystems) in the GAR calculation. Data on aligned assets is published as soon as it is available on Bloomberg.

Information on eligibility for the four non-climate objectives (sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems) is based on data published by non-financial corporations. Accordingly, this information is provided by Palatine as at 31 December 2025 and the columns in the regulatory tables relating to this information are presented.

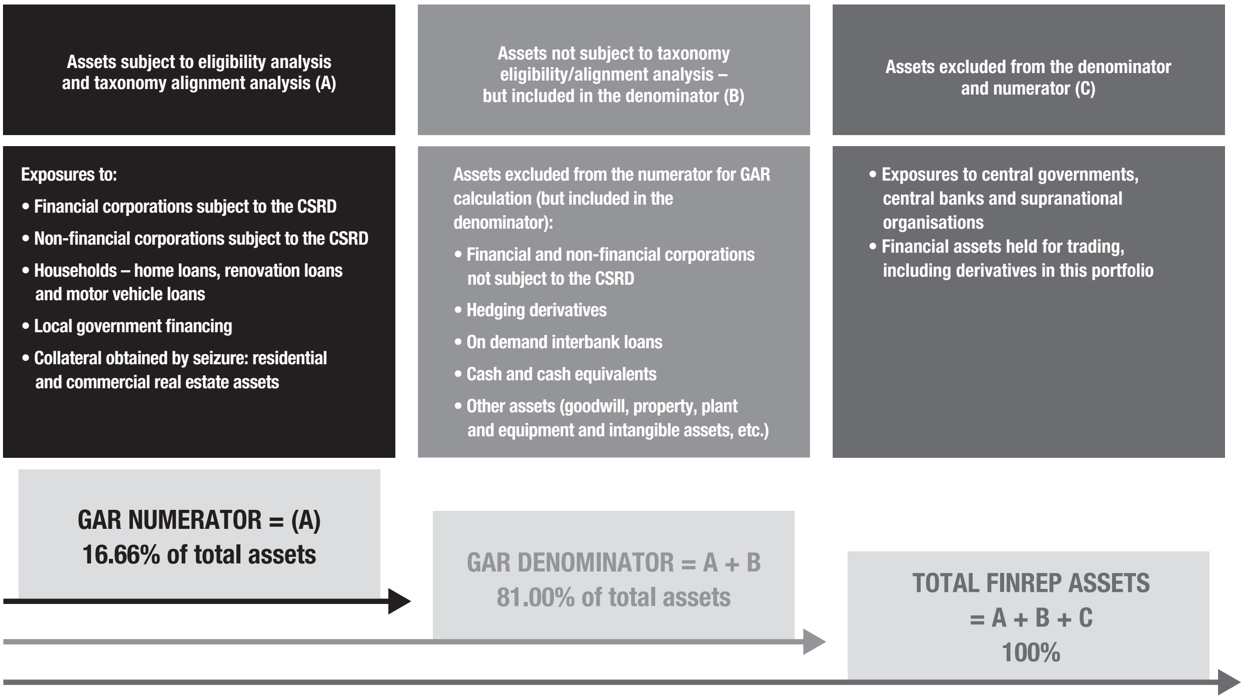
The GAR flows KPI shows the portion of assets aligned over the portion of assets covered by the GAR only for new outstanding loans and advances and debt securities recognized on the balance sheet since the beginning of the period (in our case, January 1, 2025). The outstandings are recorded at gross carrying amount (before impairment, provisions and amortisation) and without deduction of repayments or sales of assets during the period. Given their non-material nature, the GAR flows KPI is not calculated on equity instruments (e.g. equities). The Flows KPI for financial guarantees and assets under management are not published either for operational reasons. The other calculation principles remain identical to those applied for the calculation of outstandings.

The main indicator applicable to credit institutions is the Green Asset Ratio (GAR). Expressed as a percentage, it indicates the proportion of assets that finance or are invested in economic activities aligned with the taxonomy in relation to the total assets covered.

Scope of financial assets subject to eligibility and alignment analysis

On the basis of the prudential perimeter established in accordance with FINREP regulations (investments in insurance companies controlled by Palatine are consolidated using the equity method), assets are presented at their gross carrying amount, i.e. before depreciation, provisions and amortisation.

The eligibility and alignment analysis applies to an asset scope determined following a series of exclusions specified by the regulations:



The above exposures subject to eligibility and alignment analysis therefore include assets presented in the balance sheet among the following accounting categories:

- financial assets at amortized cost, financial assets at fair value through other comprehensive income, financial assets designated as measured at fair value through profit or loss and non-trading financial assets measured at fair value through profit or loss;
- investments in subsidiaries, joint ventures and associates (controlled insurance companies are accounted for using the equity method for the presentation of the regulatory perimeter);
- fixed assets, with regard to collateral obtained by taking possession.

Methodology used

In accordance with the principles of the regulations, the eligibility and alignment of the outstanding amounts of assets subject to eligibility and alignment analysis are determined:

- for financial and non-financial counterparties subject to the CSRD regulations, as identified from the database provided by Bloomberg:
  - for unallocated financing, by applying the alignment and taxonomy eligibility rates (Turnover KPI and CapEx KPI) available in Bloomberg to the gross amount outstanding. These data correspond to the indicators published by these counterparties in the previous year (determined in accordance with the criteria of the climate and environment delegated regulations). Palatine only uses Bloomberg data corresponding to the counterparty's exact data. Conversely, Palatine does not use Bloomberg estimates. Lastly, in the absence of available data distinguishing eligibility and alignment rates by environmental objective, the choice was made to allocate them to the climate change mitigation objective,
  - for financing allocated, the taxonomy criteria defined by the European Commission should be analysed on the basis of the information provided by the counterparties. Palatine did not conduct these *ad hoc* analyses for the 2025 financial year.

  Eligibility and alignment were only measured using data available in Bloomberg. These data are not always exhaustive, in particular for data relating to the alignment of financial companies. The Group's alignment ratio is penalised by this lack of data;
- for retail customers (or households):
  - the exposures subject to analysis are: loans guaranteed by residential real estate (including secured loans); renovation loans and loans for motor vehicles granted from 1 January 2022,
  - the alignment of loans guaranteed by residential real estate (or secured) is determined in the light of criteria laid down by regulations and interpretations accepted by the marketplace. The substantial contribution to the first taxonomy objective of climate change mitigation is documented with regard to the following criteria:

    - financed properties with a primary energy consumption of less than 135kWh/m^2 per year (corresponding to properties with an Energy Performance Certificate - EPC - rated A, B or, in some cases, C). Palatine has adopted a methodological approach in which the collection of Energy Performance Certificate (EPC) data for loans secured by real estate asset is based on the EPC collected from clients, supplemented by the EPC supplied by the CSTB *(Centre scientifique et technique du bâtiment)* and collected in the ADEME database for single-family homes for which the Group is certain of the address of the property financed. For collective housing, in the absence of customer EPC issued after 2021, Palatine uses EPC calculated by the CSTB, in accordance with the 2021 reform, based on the characteristics of the buildings concerned and the rating of its various lots;

    - in the absence of an EPC, and for financing property to be built, Palatine determines primary energy consumption using the applicable construction standards (RT 2012 regulations applicable to constructions between 1 January 2013 and 31 December 2020) and RE 2020 regulations applicable to constructions from 1 January 2022). In the absence of information on the date of filing of the building permit for the financed property, Palatine identifies it from the date of granting of the financing by applying a margin of two years. For the 2021 construction year, in the absence of information, no exposure has been considered as aligned.

    The analysis of alignment with the taxonomy's criteria must then be supplemented by technical criteria demonstrating that the activity does not cause significant harm to the taxonomy's other objectives (DNSH criterion):

    - for retail customer real estate loans, this analysis is based on the analysis of physical risk. The valuation method for physical risk is based on an external model that takes into account the individual location of the properties (when available) and covers the flood hazard and the RGA hazard (shrinkage-swelling of clay soils). For example, if a financed property has been identified as being at high risk, the corresponding outstanding amount will not be considered as aligned, even though it complies with the energy performance criteria described above.

    The alignment analysis must also verify **compliance with the minimum social safeguards**. For real estate loans to households this criterion was not verified for each of the loans.

    Palatine considers that compliance with the minimum social guarantees is implicitly verified for real estate loans when the assets financed are located in France or in the European Economic Area (EEA). This position is based on a legal framework in which European directives and national laws guarantee fundamental social rights, particularly in terms of working conditions and social protection. In France, the French Labour Code establishes clear standards that provide protection to workers and households.

    The alignment analysis for renovation loans was not carried out in the absence of data available to document compliance with the taxonomy criteria.

    Alignment analysis of motor vehicle loans was not performed in the absence of available data (CO^2 emissions/km);

- for local administrations:
  - housing financing is considered eligible. As this is not a real estate development activity, the alignment analysis must be carried out, where it is possible to establish a link between the financing and the property financed, in the same way as indicated above for retail real estate financing. However, due to operational constraints, the alignment could not be measured this year,
  - for other financing, in the absence of available analysis data, no outstandings were considered neither eligible nor aligned;
- the real estate securities obtained by taking possession have not been analysed with regard to their non-material amounts.

Insurance activities are included through the equity-accounted investments in subsidiaries, presented on the "equity instruments" line. The eligibility and alignment of insurance activities are respectively determined by applying to non-life insurance entities the underwriting ratio (share of gross written premiums received corresponding to insurance or reinsurance activities aligned with the taxonomy) and to life or combined insurance activities the investment ratio (share of investments devoted to financing economic activities aligned with the taxonomy). Given their non-material impact on the GAR ratio, the eligibility and alignment of the equity-accounted value of the insurance subsidiaries were not taken into account as of 31 December 2025.

As part of Palatine's commitment to transparency and compliance with sustainability standards, we want to keep our stakeholders informed of recent changes to the European Taxonomy. On 4 July 2025, an amendment was adopted to simplify the application of this taxonomy. Pending publication in the Official Journal, the Bank has decided to retain the old regulations for the publication of its results for 2025.

The calculation of the Green Asset Ratio (GAR) for 2025 will be carried out according to the methodology in force for the publication of the 2024 report. This decision was made given the uncertainty surrounding the regulatory timing and is intended to ensure data continuity and comparability. At the same time, Palatine has already begun adaptation work to comply with the new requirements introduced by the Taxonomy Delegated Regulation of July 2025 for the publication of results for the 2026 fiscal year.

In accordance with the requirements of the amended taxonomy, the scope of assets taken into account for the calculation of GAR will be revised. In this new approach, GAR will include the same asset categories in both the numerator and the denominator, i.e. assets subject to taxonomy eligibility or alignment criteria. This change in the calculation method will necessarily lead to an increase in GAR.

GAR calculation - Turnover basis - comparison current method - new method

In millions of euros as of 31/12/2025	Current method		New method(1)	
GAR (percentage of Taxonomy-aligned assets)		**4.91%**		**23.87%**
	Numerator: Aligned assets	**Denominator:** Assets covered by the GAR	**Numerator:** Aligned assets	**Denominator:** Assets covered by the GAR
Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for the GAR calculation	**784**	**3,286**	**783**	**3,279**
Financial corporations	0	311	0	311
Non-financial corporations	50	715	48	708
Households(2)	735	2,174	735	2,174
Local government funding	-	87	-	87
Collateral obtained by seizure: residential and commercial real estate assets	0	-	0	-
Assets included in the denominator for the GAR calculation (old method)		**12,685**		
Financial and non-financial corporations (other than SMEs) not subject to CSRD disclosure obligations		11,294		
Hedging derivatives		45		
On demand interbank loans		1,146		
Cash and cash equivalents		4		
Other assets (goodwill, property, plant and equipment and intangible assets, etc.)		196		
TOTAL DENOMINATOR		**15,971**		**3,279**

(1) The new method presents data from a simulation based on the criteria of the new delegated act published on 4 July 2025.

(2) Under the new GAR calculation method, only eligible outstandings, i.e. loans secured by residential real estate, renovation loans and motor vehicle loans, are retained as household outstandings.

Palatine applies the old calculation method for the 2025 report in accordance with Taxonomy Regulation 2020/852.

Summary of Key Performance Indicators (KPI)

		Total environmentally sustainable activities	KPI[(3)]	KPI[(4)]	% coverage (relative to total assets)[(5)]	% of assets excluded from the GAR (article 7[(2) and (3)] and section 1.1.2 of Annex V)	% of assets excluded from the denominator of the GAR (article 7[(1)] and section 1.2.4 of Annex V)
Main KPI	**Green asset ratio (GAR)**	**784**	**4.91%**	**5.05%**	**81.00%**	**64.33%**	**19.00%**

		Total environmentally sustainable activities	KPI[(3)]	KPI[(4)]	% coverage (relative to total assets)[(5)]	% of assets excluded from the GAR (article 7[(2) and (3)] and section 1.1.2 of Annex V)	% of assets excluded from the denominator of the GAR (article 7[(1)] and section 1.2.4 of Annex V)
Additional KPIs	**GAR (flow)**	**37**	**0.98%**	**1.08%**	**79.67%**	**62.44%**	**20.33%**
	Trading book[(1)]						
	Financial guarantees	21	1.66%	1.88%			
	Assets under management						
	Fees and commissions received[(2)]						

(1) For credit institutions not meeting the conditions of article 94(1) or article 325a(1) of the CRR.
(2) Fees and commissions on services other than loans and asset management.
(3) Based on the KPI of the counterparty turnover.
(4) Based on the KPI of the counterparty's CapEx, except for general lending activities, for which the turnover KPI is used.
(5) % of assets covered by the KPI, compared to total bank assets.
Institutions shall provide forward-looking information for these KPIs, in particular on the targets concerned, and relevant explanations of the method applied.

Summary of the mandatory GAR

	31/12/2025			31/12/2024			
	Amount in millions of euros	% of total assets	% of total GAR assets (denominator)	Amount in millions of euros	% of total assets	% of total GAR assets (denominator)	Change since 31/12/2024
TOTAL ASSETS	**19,717**	**100.00%**		**19,602**	**100.00%**		**0.00%**
Assets not included in the GAR calculation	3,746	19.00%		3,588	18.30%		0.70%
TOTAL GAR ASSETS	**15,971**	**81.00%**	**100.00%**	**16,014**	**81.70%**	**100.00%**	**(0.70%)**
Assets excluded from the numerator for GAR calculation (covered in the denominator)	12,685	64.33%	79.43%	12,930	65.96%	80.74%	(1.63%)
GAR - ASSETS COVERED BY NUMERATOR AND DENOMINATOR: ASSETS SUBJECT TO ELIGIBILITY AND ALIGNMENT ANALYSIS	**3,286**	**16.66%**	**20.57%**	**3,085**	**15.74%**	**19.26%**	**0.93%**
(Turnover basis for CSRD counterparties)							
Of which towards taxonomy relevant sectors (eligible for taxonomy)	2,115		13.24%	1,945		12.15%	1.10%
Of which environmentally sustainable (aligned with taxonomy)	**784**		**4.91%**	**875**		**5.46%**	**(0.55%)**
(CapEx basis for CSRD counterparties)							
Of which to taxonomy-relevant sectors (taxonomy-eligible)	2,208		13.83%	2,002		12.50%	1.32%
Of which environmentally sustainable (aligned with taxonomy)	**807**		**5.05%**	**887**		**5.54%**	**(0.49%)**

Detail of GAR – Turnover basis

	31/12/2025					31/12/2024					Change in aligned exposures (since 31/12/2024)
	in millions of euros			As % of the total of outstanding loans		in millions of euros			As a % of total exposures		
	Expo-sures	of which Eligible	of which Aligned	of which Eligible	of which Aligned	Expo-sures	of which eligible	of which aligned	of which eligible	of which aligned	
GAR - ASSETS COVERED BY NUMERATOR AND DENOMINATOR: ASSETS SUBJECT TO ELIGIBILITY AND ALIGNMENT ANALYSIS	**3,286**	**2,115**	**784**	**13.24%**	**4.91%**	**3,085**	**1,945**	**875**	**12.15%**	**5.46%**	**(0.55%)**
O/w exposures to:											
• Financial corporations subject to CSRD	311	0	0	0.00%	0.00%	266	-	-	0.00%	0.00%	0.00%
• Non-financial corporations subject to CSRD	715	148	50	0.92%	0.31%	761	135	54	0.84%	0.34%	(0,03%)
• Households	2,174	1,931	735	12.09%	4.60%	2,000	1,773	821	11.07%	5.13%	(0.53%)
• Local governments financing	87	36	0	0.23%	0.00%	87	37	0	0.23%	0.00%	0.00%
• Collateral obtained through foreclosure: residential and commercial real estate assets	-	0	0	0.00%	0.00%	-	0	0	0.00%	0.00%	0.00%

Detail of GAR – CapEx basis

	31/12/2025					31/12/2024					Change in aligned exposures (since 31/12/2024)
	in millions of euros			As % of the total of outstanding loans		in millions of euros			As a % of total exposures		
	Expo-sures	of which Eligible	of which Aligned	of which Eligible	of which Aligned	Expo-sures	of which eligible	of which aligned	of which eligible	of which aligned	
GAR - ASSETS COVERED BY NUMERATOR AND DENOMINATOR: ASSETS SUBJECT TO ELIGIBILITY AND ALIGNMENT ANALYSIS	**3,286**	**2,208**	**807**	**13.83%**	**5.05%**	**3,085**	**2,002**	**887**	**12.50%**	**5.54%**	**(0.49%)**
O/w exposures to:											
• Financial corporations subject to CSRD	311	12	0	0.08%	0.00%	266	4	-	0.02%	0.00%	0.00%
• Non-financial corporations subject to CSRD	715	228	72	1.43%	0.45%	761	188	66	1.18%	0.41%	0.04%
• Households	2,174	1,931	735	12.09%	4.60%	2,000	1,773	821	11.07%	5.13%	(0.53%)
• Local governments financing	87	36	0	0.23%	0.00%	57	37	0	0.23%	0.00%	0.00%
• Collateral obtained through foreclosure: residential and commercial real estate assets	-	0	0	0.00%	0.00%	-	0	0	0.00%	0.00%	0.00%

Off-balance sheet indicators: financial guarantees given and assets under management

Guidelines

Since 31 December 2023, in accordance with section 1.2.2 of Annex V of delegated regulation 2021/2178, credit institutions must publish additional indicators on exposures not recognised as assets on the balance sheet relating to:

- financial guarantees granted;
- assets under management.

Methodology used

The method used to calculate KPI for financial guarantees and KPI for assets under management consists in applying to exposures the eligibility and alignment rates of counterparties subject to the CSRD.

Summary of off-balance sheet KPIs

Detail of GAR on off-balance sheet exposures - Turnover

	31/12/2025					31/12/2024					Change in aligned exposures (since 31/12/2024)
	in millions of euros			As a % of total assets		in millions of euros			As a % of total assets		
	Expo-sures	of which Eligible	of which Aligned	of which Eligible	of which Aligned	Expo-sures	of which eligible	of which aligned	of which eligible	of which aligned	
Financial guarantees	1,266	53	21	4.22%	1.66%	1,264	49	21	3.87%	1.63%	0.03%
Assets under management	-					-					0.00%

Detail of GAR on off-balance sheet exposures - CapEx

	31/12/2025					31/12/2024					Change in aligned exposures (since 31/12/2024)
	in millions of euros			As a % of total assets		in millions of euros			As a % of total assets		
	Expo-sures	of which Eligible	of which Aligned	of which Eligible	of which Aligned	Expo-sures	of which eligible	of which aligned	of which eligible	of which aligned	
Financial guarantees	1,266	49	24	3.84%	1.88%	1,264	51	21	4.05%	1.66%	0.21%
Assets under management	-					-					0.00%

Activities related to nuclear energy and fossil gas

Guidelines

Additional information is required for companies engaged in, financing or exposed to specific activities related to nuclear energy and fossil gas (delegated regulation 2022/1214). The tabular format is required by regulations. This requires the publication of these tables for each applicable KPI.

As at 31 December 2025, Palatine presents this information for the main KPI – GAR calculated on an accrual basis, once on the basis of the counterparties' turnover KPI and once on the basis of the counterparties' CapEx KPI.

However, this information is not presented for the GAR in a flow view, as well as for the off-balance sheet KPIs: financial guarantees given and assets under management.

Methodology used

The publication of model 1 is mandatory. This model identifies the specific activities of the gas and nuclear sector covered by delegated act 2022/1214 of the taxonomy regulation.

Templates 2 to 5 are presented by weighting the exposure to the counterparties concerned by the data communicated by them in their reference document for the previous year, collected from the Bloomberg database.

All the tables required by the Taxonomy Regulation in accordance with the template tables applicable to credit institutions in Annex VI of the Regulation are presented in Part 5.2 - Indicators of the European taxonomy for sustainable activities.

2.2 E1 – Climate change

2.2.1 Material impacts, risks and opportunities and their interaction with strategy and business model

2.2.1.1 Overview of material impacts, risks and opportunities related to climate change, policies and actions implemented

As part of the double materiality exercise conducted by Palatine, detailed in section 1.4.1 "Double materiality analysis" of this report, the Bank assessed various material climate-related impacts, risks and opportunities (IRO) that can be linked to the business model and the implementation of the Palatine 2030 strategic project. These impacts, risks and opportunities are:

Impact relating to climate change mitigation, within the scope of Palatine's own footprint:

- Negative impact on the climate due to greenhouse gas emissions from Palatine's own operations.

Impact on climate change mitigation for Palatine's financing and investment activities:

- Negative impact on the climate due to financing and investments in greenhouse gas emitting sectors.

Risks induced by climate change for Palatine's financing and investment activities:

- risk of financial losses arising from credit or market risk related to financing or investment transactions in counterparties, activities or projects sensitive to physical climate risk factors. This risk is comparable to a physical risk;
- risk of financial losses arising from credit or market risk related to financing or investment transactions in counterparties, activities or projects sensitive to transition climate risk factors. This risk is similar to transition risk;
- risk of financial losses resulting from a turnover risk related to a change in financing portfolio sector mix and an increase in competition, and interest rate risk from the general evolution of interest rates and inflation in the event of an acceleration in the transition. This risk is similar to transition risk.

Material opportunity related to climate change mitigation and adaptation efforts for Palatine's financing and investment activities:

- business opportunities related to financing solutions to support clients in their transition and adaptation to climate change, as well as sustainable savings products invested in companies to support their transition.

Summary table of the links between material IROs and policies, actions, metrics and targets:

IRO Category	Issues Material	Policies / Strategic ambitions	Equities	Metrics	Targets
Impacts Risks Opportunities	**Climate change mitigation and adaptation –** Financing and investments	• One of the 4 commitments made by Palatine as part of its purpose is to support clients through transitions • Sustainable Finance programme approved and launched at the end of 2024 as part of the Palatine 2030 strategic plan to step up support for its clients • Group ESG sector policies (thermal coal, oil and gas industry) and Palatine's policies on residential and professional real estate • Credit policies including documentation of sectoral ESG matters (non-financial analysis required)	• Training of corporate account managers • ESG dialog with companies • Support for corporate clients: financing and savings solutions, and partnership with ESG experts • Action plan to decarbonise real estate portfolios • Providing support for private clients in the energy transition (renovation/clean mobility) and offering responsible investment solutions	• New green and impact financing granted (individual and corporate clients) • Financing of renewable energy (outstandings) • Share of green and impact financing in corporate financing	• 25% of sustainable financing in corporate financing production • Increase in renewable energy financing by 15% over the 2024-26 period • Action plan defined for the decarbonisation of the residential real estate sector
Impacts Negative	**Climate change mitigation –** Own footprint	• Responsible Purchasing Policy (see G1-2, section 4.2)	• Reduction in the own footprint of real estate, mobility, digital and purchasing	• Scope 1, 2, 3 own footprint	• -6% reduction in the carbon footprint (2023-2026)

2.2.1.2 Transition plan for climate change mitigation (E1-1)

Groupe BPCE has formalized a climate change ambition in its 2021-2024 strategic plan and initiated the adaptation of its activities in order to contribute to the decarbonisation of the economy. In 2024, with the VISION 2030 strategic project, Groupe BPCE committed to long-term action.

With the aim of making impact accessible to all, the Group has defined specific areas of action:

- support for all clients in their environmental transition;
- alignment of its financing, investment and insurance portfolios with trajectories based on scientific scenarios compatible with the objectives of the Paris Agreement;
- decarbonisation trajectories offered by European asset management companies to their investor clients;
- extension of the sustainable refinancing strategy in order to have the resources necessary to achieve its objectives;
- accelerated reduction of its own footprint.

The Group is accelerating the transformation of its activities with the aim of extending its impact solutions to all its clients on climate change issues and more broadly on sustainability issues. Thus, Groupe BPCE's "Impact Inside" internal transformation plan strengthens its ability to support its clients' environmental and societal transitions. It is reflected in the mobilization of the full strength of the Group’s regional and international economic footprint to support all players in the economy in their transitions and thus strengthen their positive impact on society and on the environment.

The transition plan to mitigate climate change is part of this global approach.

As a Groupe BPCE company, Palatine contributes, through its business model and its specificities, to the implementation and execution of the transition plan defined at Groupe BPCE level, mainly through the following 4 areas:

- support for all customers in their environmental transition;
- the reduction of greenhouse gas emissions from the bank’s financing portfolios;
- the continuation of actions to reduce the footprint of Palatine AM’s investments;
- the continuation of actions to reduce the bank’s own footprint.

Supporting the bank’s customers in their environmental transition

In 2025, Palatine continued its sustainable finance programme, launched on 1 September 2024, which aims to step up its support for clients in the environmental transition and thereby optimise its indirect impact.

The main actions carried out in 2025 were as follows:

- continued training of corporate sales forces on ESG issues, with a focus on the environmental transition;
- creation of a network of volunteer coordinators to lead and drive the approach within each sales team;
- deployment of partnerships to strengthen the expertise component of the Bank's offering:
  - regional implementation of the national partnership signed in 2024 with KPMG, aimed at medium-sized companies,
  - establishment of Group partnerships with SAMI, Naldeo, EDE and Opéra Energie for companies and Cozynergy for private clients;
- deployment of Group tools and methodologies to integrate ESG analysis into the commercial relationship and decision-making process and to better identify the green portion of the Bank's financing:
  - a new ESG questionnaire was implemented, enabling a more in-depth strategic dialogue with clients on ESG issues, and thus providing a better understanding of their maturity, their consideration of risks and opportunities, their remediation plans and their support needs,
  - sector factsheets on ESG issues have been made available to everyone,
  - non-financial analysis has become mandatory in credit applications,
  - the information system now makes it possible to classify financed objects as "green", in compliance with the European taxonomy, thus contributing to the improvement of the rules for earmarking outstandings;
- enrichment of the sustainable finance offering:
  - the impact financing offering to corporate and institutional investors has been expanded, allowing ESG criteria to be taken into account across a wider scope of financing and clients,
  - the impact mortgage scheme for individual clients has been introduced for properties with an Energy Performance Certificate (EPC) rating of E, F or G, allowing borrowers to secure a lower interest rate provided they obtain a new EPC demonstrating an improvement in the asset's energy performance,
  - in terms of investments: Palatine carried out its first green bond issue for private clients, "Palatine Greencap 2032";
- integration of key sustainable finance indicators into commercial management tools and the 2025 objectives:
  - monitoring of the completion rate of strategic ESG dialogues with companies, with an 86% completion rate by the end of 2025 against a target of 70% (companies with revenue of more than €3 million),
  - monitoring of the provision of sustainable financing to companies, corresponding to green financing, impact financing and financing with an ESG option. Palatine has granted €800 million over 2025 to its corporate and institutional clients, including €123 million for renewable energy infrastructure,
  - measurement of the proportion of "sustainable finance" (1) within financing granted to companies, with an actual figure of 29% against an annual target of 25% set for 2025.

Lastly, the Bank has decided to perpetuate the approach initiated through the sustainable finance programme by establishing a sustainable and specialised finance department, reporting to the Chief Executive Officer, whose remit is:

- to promote sustainable finance across all markets, private and corporate clients, in line with the programme, which therefore ended in December 2025;
- to support financing for renewable energy projects as well as specific forms of financing, such as project financing and debt mobilisation, with a focus on green purposes.

The reduction of GHG emissions from the Bank’s financing portfolios

Palatine is involved in the NZBA trajectory defined by the Group, which aims to align its banking balance sheet with a carbon neutrality trajectory by 2050.

Given the size and profile of Palatine's outstandings, only 2 segments are considered significant and a priority among the 11 identified in the process: residential real estate and professional real estate.

1) The "sustainable finance" share represents the share of financing aimed at supporting the ecological and social transition, consisting of green loans financing environmental projects, impact loans aimed at achieving measurable social and/or environmental objectives, and financing for the development of renewable energies.

Residential real estate

The Group estimated the carbon intensity of the commercial real estate loan portfolio for all institutions, including Palatine, at 25 $kgCO_2eq/m^2$ in 2024.

The aim is to take a proactive approach with clients to raise their awareness and encourage them to carry out energy-efficiency renovations (see credit policy and action plan below).

Commercial real estate

The carbon intensity of the commercial real estate loan portfolio was estimated by the Group for all institutions in 2025. For Palatine, this intensity amounted to 22 $kgCO_2eq/m^2$ at the end of 2024.

Through a rigorous ESG risk policy, Palatine encourages its developer, property trader and real estate clients to decarbonise (see credit policy and action plan below).

The continued actions to reduce the footprint of Palatine AM’s investments

At this stage, Palatine AM does not have a formalised transition plan to align its portfolios with a scenario limiting global warming to 1.5°C, as defined by the Paris Agreement.

This lack of a plan is due to the absence of quantified internal targets for reducing greenhouse gas emissions covering all Scopes 1, 2 and 3, given the reliance on the quality and availability of data provided by issuers.

Although no transition plan is currently in place, the management company is nevertheless gradually integrating climate issues into its management strategies and processes, notably by:

- taking into account the risks and opportunities related to climate change in investment policies;
- integrating environmental criteria in the ESG analysis of issuers;
- taking into account carbon and climate data provided by specialised suppliers.

The continued actions to reduce the bank’s own footprint

In 2025, Palatine continued the actions undertaken for several years to reduce its own footprint *via* several levers:

- strengthening responsible purchasing;
- a proactive policy concerning the Bank's overall real estate portfolio (see details in the dedicated paragraph);
- specific actions concerning the car fleet: reduction of the number of cars and greening;
- a business travel policy that always promotes the least polluting modes of transport and best practices and recommendations in terms of CSR commitments;
- a responsible digital policy, which is reflected in particular through the implementation of cross-functional projects such as the digitised and personalised mail project rolled out at the end of April 2025 and allowing digital management of incoming/outgoing mail, as well as a new wave of paperless document sending (account statements for our clients in the regulated real estate professions) starting with the October 2025 statements.

An initial trajectory is being monitored from 2023 to 2026, with the aim of reducing the Bank's own footprint by 6% by the end of 2026 (on a 2023 basis) covering Scopes 1, 2 and 3 (excluding category 15). Other actions will be identified to continue the efforts by 2030.

2.2.2 Governance

Integration of sustainability-related performance in incentive schemes

This disclosure requirement is addressed in Section GOV-3 – 1.3.

2.2.3 Policies related to climate change mitigation and adaptation (E1-2)

■ Summary table of the Palatine Group's policies on climate change mitigation and adaptation:

Policies / Strategic ambitions	Content	Field of application	Person responsible for implementation	Stakeholder interaction and dissemination
Palatine ESG risk policy	• Affirmation of the general principle "Impact for all", in line with the BPCE Vision 2030 strategic plan • Summary of Groupe BPCE's ESG sectoral policies, all applied by Palatine • Sectoral policies on housing loans and loans to real estate professionals specific to Palatine	Palatine	Sustainable and specialised finance department and Palatine risk management department	Not disseminated externally
ESG sector policies (thermal coal, oil and gas industry)	ESG policies applicable in sensitive sectors in relation to climate change mitigation issues	Groupe BPCE	Groupe BPCE Risk department	BPCE website

General framework

The ESG sector policies govern Groupe BPCE’s activities in sectors deemed the most sensitive from an environmental, social and governance (ESG) point of view. The definition of these policies is coordinated by the Impact department within Groupe BPCE, taking into account the expectations of civil society, regulatory requirements and ESG best practices. They are regularly updated to reflect the new challenges of the sectors concerned and are validated at the level of Groupe BPCE’s Executive Management.

The risk department is responsible for the operational integration of these policies into Groupe BPCE’s processes. At the end of 2025, the ESG sector policies published by Groupe BPCE, which contain items specific to climate issues, concern the thermal coal industry on the one hand and the oil and gas industry. These sectoral ESG policies are accessible on the Groupe BPCE website.

Palatine has also supplemented this system in two sectors, in which it has significant financing outstandings: residential real estate and professional real estate.

Scope of application of Groupe BPCE's ESG sector policies

The ESG sector policies apply to Groupe BPCE’s activities worldwide. They concern the banking and financial activities of the Banque Populaire and Caisse d’Epargne networks, BPCE and Natixis, as well as their direct subsidiaries over which they exercise exclusive control.

The policies apply to credit activities, capital markets activities (in debt and capital), guarantees and advisory services (including merger & acquisition activities), as well as to investments in respect of liquidity reserves.

However, they do not apply to the management of portfolio assets on behalf of third parties and collective management.

ESG sector policy – Thermal coal industry

Palatine applies Groupe BPCE's ESG sectoral policy for the thermal coal industry.

In 2021, Groupe BPCE committed to reducing its financial exposure to thermal coal to zero by 2030 for the European Union and OECD countries, and by 2040 for the rest of the world. This commitment supports the objectives of reducing the carbon footprint financed for the electricity production sector.

The ESG sector policy applicable to the thermal coal industry covers the extraction, storage, transport, trading and processing activities of thermal coal, as well as the production and distribution of electricity produced from thermal coal.

This policy includes exclusion and assessment criteria for companies and projects in this sector. For example, Groupe BPCE does not finance companies that develop new coal capacities, or for which 25% or more of their revenues are linked to power generation from coal. Exceptions may be granted only for transactions aimed at supporting the low-carbon transition.

Similarly, Groupe BPCE does not finance coal-related projects, such as coal-fired power plants or thermal coal mines.

The policy also includes assessment criteria to assess the environmental and social performance of companies, covering in particular pollution issues, working conditions and the adoption of ESG best practices.

For more details, please consult the public document available at the following address:
https://www.groupebpce.com/en/csr/ratings-international-standards/

ESG sector policy – Oil and gas industry

Palatine applies Groupe BPCE's ESG sectoral policy for the oil and gas industry.

Groupe BPCE has committed to reducing its financed carbon emissions related to the end-use of oil and gas extraction and production between 2020 and 2030, in line with the International Energy Agency’s Net Zero Emissions by 2050 scenario.

The ESG sector policy applicable to the oil and gas industry covers the following activities in the industry value chain: exploration and production, transportation (pipelines), processing (refineries, liquefaction terminals, etc.), storage and other related activities. The policy covers both conventional and unconventional oil and gas resources.

This policy also includes exclusion criteria for companies and projects in this sector. For example, Groupe BPCE does not participate in any non-earmarked financing (i.e. when the funds are used for general corporate purposes) for a company whose business is 25% or more exploration - production of shale oil and gas, oil from tar sands or extra-heavy oil.

In addition, Groupe BPCE does not finance oil and gas facilities whose environmental and social risks and impacts are deemed too high, such as new shale oil and gas fields, projects dedicated solely to the commissioning of a new oil field, as well as projects located in the Arctic region.

For companies and projects, the policy details assessment criteria to assess their environmental and social performance, covering in particular pollution issues, working conditions and the adoption of ESG best practices.

For more details, please consult the public document available at the following address:
https://www.groupebpce.com/en/csr/ratings-international-standards/

Palatine sustainable finance ESG policy supplements

Support for the environmental transition of companies

- Palatine prioritises establishing relationships with and financing companies that demonstrate their commitment to ESG principles, in particular:
  - by taking climate issues into account in their projections,
  - through decarbonisation actions, carried out or planned,
  - through actions promoting societal and governance objectives,
  - by having launched or aiming for a certification process;
- in addition, ESG strategic dialogue and ESG risk analysis have been made mandatory in the loan granting process.

ESG sector policy – Residential real estate

Given Palatine's desire to be part of the decarbonisation of residential real estate, and the need to support private clients in this process, Palatine has defined and applies an ESG risk policy for the residential real estate sector, in compliance with Groupe BPCE's risk policy.

Consequently, where the EPC of a property whose acquisition is being financed by Palatine is rated E, F or G, and regardless of the property's intended use (main residence, second home or rental investment), the financing must comply with the following principles:

- the work required to improve the property's EPC must be planned for by the client and therefore included in their financing plan, whether it is self-funded or financed by Palatine;
- the client must also provide the energy audit, where this is required by law;
- provided the nature of the loan allows it, the financing must take the form of an impact mortgage:
  - the client will be subject to a penalty,
  - a discount will be granted as soon as a new EPC is submitted to the Bank (within a maximum of 40 months) showing an improvement of at least 2 levels,
  - in all other cases, the client must sign a letter of undertaking which stipulates that they will carry out the necessary work to improve the EPC to at least level D, within a timeframe that varies according to the property's intended use.

ESG sector policy – Professional real estate

In order to contribute to the decarbonisation of the professional real estate sector, Palatine has implemented the following principles for granting loans.

If the asset being financed meets both of the following criteria, the Bank will only offer financing if the client has indeed planned to invest in energy-efficiency improvements:

- the financed asset is an older residential property with an EPC rating of E, F or G;
- the financed asset is a commercial property of over 1,000 m^2 that has been rated as having an insufficient ESG level according to the Bank's internal classification system.

All of the policies described above are operational and validated by Palatine's committee procedure during the 2025 financial year.

Applicable CSR policy: own footprint

Palatine's policy to manage the negative impacts of its own operations on the climate due to greenhouse gas emissions consists in particular of:

- carrying out energy renovation work, reducing the space occupied (branches and head office);
- assessing the CSR performance of suppliers during consultations;
- reducing employee travel, particularly home-work (teleworking), transforming the vehicle fleet while reducing it;
- extending the useful life of equipment, improving the energy efficiency of data centres, training in eco-responsible gestures.

The strategic KPI validated and backed by this policy concerns the reduction of 6% of the Group's carbon footprint by 2026 (on a 2023 basis).

2.2.4 Decarbonisation trajectories (levers that can be mobilised, targets and progress made)

2.2.4.1 Description of decarbonisation levers and key actions [E1-1-16 (b)]

In line with Groupe BPCE's "impact for all" approach, Palatine is involved in the following decarbonisation levers:

- energy renovation of the residential real estate sector, with solutions to preserve the value of the real estate portfolio of its individual customers and achieve a long-term reduction in greenhouse gas emissions;
- energy renovation of the professional real estate sector, by encouraging and supporting REIT clients, developers, property dealers and real estate companies in their decarbonisation trajectories;
- the transition to low-carbon mobility, with solutions to support its clients on this major mitigation and adaptation issue;
- deliver local advisory for the transition of its corporate clients' business models through dedicated strategic dialogue and by providing expertise to incorporate ESG issues into the analysis of business models according to their size and business sector;
- support for the evolution of the energy mix and help to reduce reliance on carbon-based energy sources by funding renewable energy projects;
- reducing the carbon emissions of its own footprint.

In this way, in practical terms, Palatine:

- supports individual clients and professionals in the energy renovation of buildings;
- supports individual and corporate clients in soft mobility;
- offers "ESG dialogues" to its corporate clients to gain a deeper understanding of them, with a view to assessing how well they have integrated ESG issues, particularly climate-related ones, into their business models, and to identify their support needs regarding environmental transition;
- offers clients:
  - a range of responsible and sustainable investment products: term accounts earmarked for financing the energy transition, funds with a sustainable investment objective, green bonds,
  - sustainable financing products such as impact loans, which incorporate quantitative sustainability targets into their financial structures.

Palatine is thus contributing to achieving the objectives set by Groupe BPCE for 2026:

- 15% increase in the volume of financing for renewable energy projects;
- ESG dialogues covering 100% of active corporate clients with revenue over €3M (Palatine had already achieved an 86% completion rate by the end of 2025);
- 6 million unique visits to the "Sustainable Advice and Solutions" digital module.

Palatine has also set itself a specific target: to ensure that 25% of its annual corporate financing production consists of either green financing or impact financing. This target, set for 2025 and 2026, was exceeded this year, with an achievement rate of 29%.

2.2.4.2 Targets and progress achieved (E1-3 and E1-4)

2.2.4.2.1 Own footprint

Targets

Palatine reduced emissions related to its own footprint by 34% over the period 2019-2024, falling from 8,771 tCO_2eq in 2019 to 5,755 tCO_2eq in 2024 (BEGES V5 methodology). During this period, actions were carried out in the following areas:

- real estate: energy renovation work, reduction of occupied space (branches and head office);
- purchasing: assessment of the CSR performance of suppliers during consultations;
- mobility: reduction in employee travel, particularly commuting (teleworking), transformation of the vehicle fleet;
- digital: extending equipment life, improving data centre energy efficiency, training in eco-friendly practices.

With the Palatine 2030 strategic project, a new target has been set to reduce the Bank's own footprint by a further 6% by 2026 (vs. 2023).

Actions and resources by lever

Real estate

In 2025, Palatine continued the overall rationalisation of its real estate portfolio.

Use of the new administrative headquarters (the JOYA building in Fontenay-sous-Bois), which have been in operation since May 2024, is now well established. The bank has 5,901 m^2 of private office space, capable of accommodating up to 580 employees, in a new, high-end building:

- a premium workspace that complies with the latest certifications in force;
- a flex-office concept fully adapted to the new hybrid working conditions and allowing for a reduction in floor space;
- a contribution to Palatine's CSR commitments. For example, an estimated 68% reduction in energy consumption in 2025 compared with the former administrative premises held in 2024.

Work on relocating and refurbishing the network of Business and Private Banking Centres (CABP) continued at a steady pace, with the delivery of 5 CABPs in 2025: Sud Midi Avignon, Saint Etienne, Metz, Dijon and Sud Midi Montpellier. This work enables the renovation of their external envelope whilst carrying out energy-efficiency improvements, such as replacing windows and doors, improving insulation and using bio-sourced materials.

In addition, a project to roll out intelligent building systems across all Business and Private Banking Centres is set to begin in 2026, helping to further optimise energy consumption and, consequently, the Bank's own footprint.

Overall, since the start of the real estate portfolio rationalisation, the Bank has reduced its floor space from nearly 29,500 m^2 in 2021 (central sites and network) to 18,400 m^2 by the end of 2025.

All these measures play an active part in reducing Palatine's own carbon footprint.

In addition, the establishment continues to source its energy exclusively from renewable sources (100% green electricity).

Responsible purchasing

In 2025, buyers at Palatine attended the training course on responsible purchasing organised by BPCE Achats et Services, which provided an opportunity to review developments since 2024 and current practices, with a view to further improving them where necessary.

In 2025, the purchasing management procedure was applied with:

- a revised scoring grid that places greater emphasis on the CSR component than before;
- integration of scores from the BPCE CSR questionnaires by type of purchase;
- a communication campaign to inform the business lines about the existence of the HOSMOZ platform: the SATP (adapted sector for protected workers) supplier database.

In addition, an awareness-raising campaign was carried out in 2025 among the Bank's various business lines regarding the CSR commitments of its service providers.

Focus on energy purchasing

In 2025, the purchasing department issued a tender for energy. A new contract will come into effect on 1 January 2027, following the expiry of the current Group contract. This is a continuation of the contract based exclusively on green electricity, which has been in place since 2019.

***Achats 2030*: participation in a sector consortium on the decarbonisation of purchases in the banking-insurance sector**

In 2025, Groupe BPCE initiated the *Achats 2030* project, a major industry initiative aimed at accelerating the decarbonisation of purchases in the bancassurance sector. Alongside some thirty stakeholders and in partnership with ADEME and the Climate House, decarbonisation levers have been identified and common methodologies developed in four key areas:

- payment services;
- intellectual services;
- networks and telephony;
- freight and cash-in-transit.

The results, accessible to all in the Climate House Paris – Reinventing the economy for the transition deliverable, contribute to the sharing of best practices identified for the sector.

Palatine has benefited from this work.

Mobility

Palatine has structured its approach to mobility around several key areas: analysing travel patterns, raising awareness, adapting sites and implementing concrete measures that contribute to meeting its CSR objectives, with the dual aim of optimising employee travel while reducing the environmental impact.

In 2025, Palatine set up an employer mobility plan. The commuting policy has been drawn up in compliance with its CSR commitments (which are aligned with those of Groupe BPCE) and contributes to the objectives of decarbonising and easing congestion on major transport routes through:

- the introduction of remote working agreements for all roles with the exception of nurses and bank vault attendants, with the negotiation of a new two-year remote working agreement (2025-2026) offering up to 10 days per month depending on the role;
- an annual (at a minimum) awareness-raising initiative for employees on travel-related issues, using an internal survey to gain a clear picture of the nature of journeys, with a view to adapting structures and/or launching specific actions;
- central sites that are all accessible via at least one public transport route;
- The provision of 13 charging stations for employees' electric vehicles (at the JOYA site);
- a secure parking lot for bicycles (JOYA site).

Furthermore, in 2025 Palatine continued to streamline its vehicle fleet, reducing it from 126 vehicles at the end of 2024 to 93 by the end of 2025, and in mid-2025 decided to convert its fleet of company cars to be 100% electric, meaning that eventually 25 of the 93 vehicles will be 100% electric (scheduled for completion in early 2027).

Lastly, its global business travel policy is governed by an internal procedure setting out the key principles to be followed (use of public transport, use of Teams video conferencing when face-to-face meetings are not necessary, etc.).

Responsible digital

Palatine has fully recognised the environmental and social impacts of digital technology by including a Responsible Digital section in its plan to reduce its environmental footprint. Some actions that can be mentioned:

- managing the size of equipment parks and the impacts of their use:
  - the equipment's useful life has been extended. PCs acquired in 2023 by Palatine must remain in operation for more than 5 years,
  - in 2025, the number of employees eligible for a work mobile phone was reduced (with the number of smartphones falling from 1,000 to 700);
- setting up a recycling circuit for all scrap equipment, which is handled by Recycle to be either reconditioned or recycled;
- raising employee awareness of digital eco-gestures, by providing employees with educational training offered by the Institut du Numérique Responsable, freely accessible in their Click & Learn training space and by inviting them to participate throughout the year in digital data cleaning operations with a highlight organised in March during the Digital Clean-Up Day. It is a global day of awareness of the environmental footprint of digital through action, which takes place in March each year. The aim is to generate awareness of the digital pollution caused by our use of it by inviting individuals, schools, communities, companies and associations to take concrete action by cleaning their data and/or offering a second life to all their digital equipment that sleeps in drawers. This awareness-raising day took place at Palatine during the week of 10 March 2025.

Description of progress achieved:

Progress since 2023 baseline	2025
Achieved reduction of Scope 1 and 2 tCO2 emissions	(152)
Expected reduction of Scope 1 and 2 tCO2 emissions	
Achieved reduction of Scope 3 tCO2 emissions (categories 1 to 9 as defined by the GHG Protocol)	(681)
Expected reduction of Scope 3 tCO2 emissions (categories 1 to 9 as defined by the GHG Protocol)	

2.2.4.2.2 Financing activities

Palatine is involved in 4 specific areas to promote low-carbon solutions and reduce its financed emissions:

- financing of renewable energy;
- financing clean mobility;
- decarbonisation of professional real estate;
- decarbonisation of residential property.

Financing of renewable energy

Palatine has a dedicated team in charge of financing renewable energy generation infrastructure, with a view to supporting the development of the energy mix in favour of low-carbon solutions.

The technique used is that of non-recourse financing, set up for special purpose companies whose purpose is solely to carry the underlying project.

Palatine has been developing this activity since 2010, focusing on French territory: mainland France and ZNI (Non Interconnected Areas - Corsica & Overseas Departments and Collectivities).

The main technologies financed are, in decreasing order of importance: photovoltaic, wind, hydro and biomass.

Credit production in this scope amounted to €123 million in 2025. The total exposures relating to the financing of renewable energy projects represented €347 million at the end of 2025.

Financing clean mobility

BPCE Lease, in partnership with the European Investment Bank, offers professional, SMEs and medium-sized corporate clients of Palatine support in financing low-carbon mobility projects. This financing relates to new furniture leasing contracts and long-term leases, granted at advantageous financial terms. They promote the acquisition of light vehicles for professional use with low emissions (≤50 gCO2/km) as well as the installation of charging stations.

For private clients: Palatine offers a personal loan at a preferential rate to finance the purchase of a clean vehicle, the "Clean vehicle" loan, as well as comprehensive support in the "Sustainable Advice and Solutions" app: understanding regulatory changes, identifying Low Emission Zones (LEZs), calculating your vehicle's Crit'Air sticker, estimating the carbon impact of journeys using the ADEME simulator, identifying grants and subsidies promoting the adoption of lower-emission transport, searching for a clean vehicle to buy or lease, and arranging financing and insurance for these vehicles.

Decarbonisation of commercial real estate

Palatine is fully in line with Groupe BPCE's work in measuring emissions and defining a coordinated decarbonisation trajectory.

The decarbonisation of the real estate sector mainly involves:

- the energy renovation of existing buildings (it is anticipated that nearly 80% of the building stock in 2050 is already built today);
- improving the energy performance of heating and cooling buildings (for example, by deploying heat pumps or connecting to efficient heating networks);
- new construction, respecting the most recent standards in terms of energy performance;
- the deployment of building management systems to improve comfort, energy efficiency and maintenance and thus reduce costs;
- electricity self-production.

The decarbonisation of real estate is also highly dependent on the decarbonisation of the electricity distributed in the region where each building is located.

In 2025, Groupe BPCE carried out a project to gather information on commercial real estate with all of the group's institutions, including Palatine. This project now makes it possible to set a decarbonisation target for all of the Group's exposures. The collection made it possible to enrich the description of the portfolio with energy performance (based on EPCs and thermal regulations, surface areas, types of property, value of properties for an outstanding amount of approximately €46 billion for the benchmark year 2023, representative of the entire business with real estate professionals and social housing financing.

The Group has set itself the ambition of reducing the carbon intensity of retail real estate by 25% to 35% by 2030, compared to the 2023 benchmark year, *i.e.* an intensity of around]17; 19] $kgCO_2eq/m^2$ by 2030 vs. 26 $kgCO_2eq/m^2$ in 2023.

The Group has acquired tools to improve the collection of environmental data on commercial real estate financing, in particular the information presented in the EPC (carbon and environmental performance data). This data is gradually making it possible to enrich the assessment of the performance of buildings and integrate this analysis into the operational and decision-making tools and processes for granting credit.

In 2025, Palatine was therefore included in the Group's work to collect the data needed to calculate its carbon intensity, which stands at 22 $kgCO_2eq/m^2$, as well as to enhance its action plan, a process that will be completed in 2026.

The actions already implemented by Palatine are as follows:

Palatine finances real estate professionals: developers, property dealers and property companies, as well as institutional investors, mainly REITs.

Concerning real estate professionals:

- Palatine has defined a strict ESG risk policy (see above) to only finance projects contributing to national decarbonisation objectives;
- it has defined a simple internal assessment model to classify its financing production according to ESG priority criteria;
- for all new financing, the correct consideration of standards and regulations relating to decarbonisation is verified: RE2020 for new buildings, tertiary decree for energy renovation.

Concerning institutional investors:

- Palatine has set up a dedicated impact financing offering incorporating non-financial performance criteria in the credit documentation (reduction of GHGs, reduction in energy consumed, % of assets certified as BREEAM or HQE, etc.), thus promoting the decarbonisation pathways defined by these players. 2025 production of impact finance under this scope amounted to €98 million.

Decarbonisation of residential real estate

Palatine is fully involved in Groupe BPCE's work to measure emissions and implement actions aimed at decarbonisation.

The reference value of this sector was established by Groupe BPCE for the 2024 financial year according to the exposures at 31 December 2023. The average carbon intensity of the Group's consolidated residential mortgage portfolio is therefore around 25 $kgCO_2eq/m^2$.

Due to the dependence on regulatory and governmental actions (uncertainty about the application of renovation policies and construction plans), Groupe BPCE has not set a specific carbon target for 2030. Nevertheless, action plans have been defined and implemented within the institutions: client advice and awareness-raising via the "Sustainable Advice and Solutions" module available on the mobile banking app. This module enables customers to measure their carbon footprint and benefit from advice on how to optimize their energy consumption.

- support for energy-efficiency renovation projects for individual housing through partnerships, including Cozynergy: energy audits, grant applications, coordination of works and completion guarantee;
- financing solutions: ECOPTZ interest-free loans, impact mortgages, personal loans for energy-efficiency renovation, loans for condominiums.

Palatine has implemented the following actions to help decarbonise the sector:

In order to raise awareness among and support private clients who own real estate with energy-efficient renovations, Palatine has defined an ESG risk policy specific to home loans, as described in section 2.2.3, deployed tools and expanded its offering:

- The “Sustainable Advice and Solutions” module available in the mobile banking app allows clients to measure their carbon footprint and benefit from advice on how to optimise their energy consumption, amongst other things. It recorded 8,368 unique visitors in 2025 compared to 3,248 in 2024.
- the partnership with Cozynergy, launched in 2025, enables us to offer clients a bespoke, end-to-end support service for their renovation projects: from energy audits to a completion guarantee. The Cozynergy simulator is also available and offers a guided process to help clients explore their options regarding the work to be carried out;
- a management tool has been made available to private bankers, showing the breakdown of assets financed by EPC, to help them prioritise their client support actions in this area;
- the impact mortgage, introduced in 2025, is systematically applied to finance the purchase of a property with an EPC rating of E, F or G (with the exception of certain types of financing, such as interest-only loans): this scheme allows the owner of the financed property to benefit from a reduction in their monthly loan repayments if they undertake to carry out work aimed at improving the energy performance rating by two levels, within a maximum contractual period of 40 months;
- the zero-interest Eco-Loan is also now offered to Palatine's private clients. Palatine's sales and production teams have therefore been trained to fully understand the key aspects of this product and to explain it effectively to clients, in partnership with SGFGAS (Société de gestion des financements et de la garantie de l’accession sociale à la propriété, the company responsible for managing financing and guarantees for social home ownership); finally
- an energy-efficiency renovation loan (non-earmarked loan) has been included in the offer.

Clients will therefore benefit from a financing offer and comprehensive support.

In addition, a specific offer for condominiums was launched in 2025, comprising:

- the Eco-PTZ "COPRO RENO COLLECTIF", a subsidised and regulated loan, similar to the Eco PTZ provided to individuals;
- the "COPRO RENO COLLECTIF" loan, a voluntary membership loan offered to co-owners, with CEGC guarantee;
- the grant advance, for the pre-financing of public subsidies.

2.2.4.2.4 Asset management activities

Targets

Palatine AM has set out a long-term ambition to gradually align the assets under management in its open-ended funds with a trajectory compatible with the goal of limiting global warming to 1.5°C by 2050.

This objective constitutes a long-term strategic orientation and is not accompanied, at this stage, by a formal decarbonisation trajectory, quantified interim targets or a comprehensive alignment methodology.

Furthermore, this long-term objective depends on developments in the methodologies available and on improvements in the quality of available data.

Actions and resources

Products: Palatine Asset Management sees climate change as a strategic investment opportunity, combining long-term value creation with sustainable transition. With its environmental fund dedicated to solutions for the planet, "Palatine Planète", Palatine AM now incorporates the social dimension through its "sustainable employment" funds, thereby embodying the principle of a "just transition": a low-carbon, inclusive and solidarity-based economy.

Resources: the company relies on dedicated ESG management and analysis teams that are actively involved in integrating ESG and climate criteria. Palatine AM uses data provided by specialised providers to measure and monitor the carbon footprint, carbon intensity, and physical and transition risks of its investments.

Internal governance systems are in place to ensure rigorous monitoring and continuous oversight of ESG and climate-related issues.

Policies and minimum standards: Palatine AM applies rigorous policies and standards through normative and sector-specific exclusion policies (particularly regarding thermal coal, oil and gas, and the most carbon-intensive electricity producers) as well as through active monitoring of environmental controversies in order to reduce its portfolios' exposure to climate risks.

Engagement process: Palatine AM firmly believes that shareholder engagement is an essential lever to support companies in their transition and improve their long-term performance. To this end, it maintains regular dialogue with the companies in its portfolio and applies an SRI-focused voting policy.

Description of progress achieved

At 31 December 2025

Management company	% of assets under management committed(1)	Total committed assets under management	Approach	Ambition
Palatine AM	86%	€3.4 bn	Implicit increase in temperature related to investments in 2025 is < 2°C	Align all our portfolios with a temperature trajectory of less than 2°C in 2050.

(1) assets that Palatine AM manages by integrating ESG criteria

Palatine AM assesses the alignment of its issuers’ and its portfolios’ investment strategies with the Paris Agreement using the GDA approach of the Paris Alignment methodology developed by data provider Trucost (S&P). This methodology assesses an issuer’s alignment with the Paris Agreement’s objectives of limiting global warming to below 2°C compared to pre-industrial temperature levels. Based on historical data, this approach not only provides an overview of the company’s current alignment with its past GHG emissions, but also presents a transition assessment methodology based on forward-looking data that examines the adequacy of GHG emission reductions over time to meet a 2°C carbon budget. In other words, this methodology enables the scale of GHG emission reductions to be achieved by 2030 to meet the Paris Agreement targets on a year-by-year basis to be identified. By comparing the portfolio’s total GHG emissions (actual or estimated) from 2012 to 2030 in comparison to the maximum number of GHG emissions to be aligned with the Paris Agreement, one can calculate the GHG emissions which the portfolio emits in excess of, or below its alignment trajectory. A negative result therefore means that the portfolio is aligned with the scenario, whereas, conversely, a positive result shows an excess of GHG emissions. Based on this result, this methodology enables temperature intervals to be defined: >1.5°C, >1.75°C, >2°C, etc.

GHG emissions data are expressed, per issuer, in tonnes of CO_2 equivalent. These data are segmented (GICS classification) and for some issuers they are modelled/extrapolated.

Palatine AM assesses the alignment of its investments with the Paris Agreement for all its article 8 or 9 funds within the meaning of the SFDR.

2.2.5 A transition plan integrated into the commercial strategy [E1-1-16h and ESRS 2-SBM-3]

With all the actions undertaken in 2025 as part of the Sustainable Finance programme, a key project of the Palatine 2030 strategic plan, and the creation of the sustainable and specialised finance department on 1 January 2026, Palatine has firmly embedded its commitment to promoting the sustainable transition in its business strategy.

In 2025, some of the highlights for Palatine included:

- numerous internal initiatives (training on sustainable finance, setting 2025 targets for the sales force, incorporating the sustainable finance production indicator in the 2025-2026 profit-sharing agreement, and rolling out tools and methodological resources);
- strengthening the sustainable finance offering across all markets.

2.2.5.1 Supporting individual clients

As described in 2.2.4.2.2, Palatine has completed its offering with advice on decarbonisation as well as solutions to finance soft mobility and energy renovation. On this second axis, a specific offer dedicated to condominiums, on which a significant part of the decarbonisation objectives of housing in France depend, is now also proposed.

Since 2025, Palatine has also been able to offer savings products whose resources are fully allocated to financing projects contributing to the energy and environmental transition, as defined in the reference framework of the Palatine Greencap 2032 EMTN. In December 2025, the first green bond issue was launched: Palatine Greencap 2032.

From the beginning of 2026, the CAT Vair will be marketed and will complement our range of sustainable savings products. These offers are based on Groupe BPCE's "green" bank savings products labelling system, which ensures that the funds collected are channelled into areas of financing that contribute to the transition: energy-efficient renovation, "low-carbon" mobility, business transition, renewable energies and real estate development meeting the latest energy performance standards.

Lastly, through securities accounts, PEA savings plans and life insurance policies, Palatine offers its clients Article 9 investment funds or SRI funds, in line with the ESG preferences expressed by clients.

2.2.5.2 Supporting the needs of legal entity clients in the evolution of business models

In line with Groupe BPCE's Impact strategy, Palatine is working closely with its SME and mid-sized clients to support them in transforming their business models.

In other words, and in more detail, this involves:

- engaging in regular strategic dialogue with its clients on these issues in order to incorporate the risks and opportunities associated with this transition into its analysis, tailored to each client's sector, and to identify their support needs. This approach is based on "ESG dialogues" and the use of public non-financial reports and data, or those provided by the client.
- leading a community of coordinators within each of the Bank's sales teams, in order to drive the initiative across all teams;
- providing a comprehensive range of savings, financing and expertise solutions tailored to clients' needs. In 2026, Palatine will therefore seek to:
  - accelerate green and impact financing,
  - highlight the solutions offered by our partners within Groupe BPCE: BPCE Lease, for green financing in the form of leasing contracts or long-term leases, and Natixis Interépargne, for responsible employee savings solutions,
  - offer the expertise of our external partners: KPMG to advise mid-sized companies in their transition strategies, Naldéo for expertise in transition in industrial processes, SAMI for carrying out a carbon footprint and the development of a decarbonisation plan, Économies d'énergies to facilitate the search for subsidies and Opéra Energie for the subscription and management of energy contracts;
- promote clients who are committed to the transition through:
  - the ETI BFM Business award, CSR category,
  - sustainable dialogue events and round table discussions co-organised in the regions with KPMG, where business leaders, CFOs and CSR managers share their commitment and practical experience with their peers.

2.2.6 Management of climate change risks and opportunities

2.2.6.1 Management of climate change risks

ESG risk management framework deployment program

The ESG risk department is coordinating the gradual strengthening of the ESG risk management framework at Groupe BPCE level through a dedicated action plan, in line with the Impact Inside programme and the climate and environmental commitments of Groupe BPCE as part of the VISION 2030 strategic project. The execution of this action plan is monitored by the ESG Risk Committee and the Risk Committee of the Groupe BPCE Supervisory Board.

This programme is presented in section 1.3.4.2 of this sustainability report.

Financing activities

Credit risk

Groupe BPCE is gradually incorporating ESG risk factors into its operational decision-making processes and risk monitoring and oversight systems. This approach draws on the risk management systems in place in the bank's main risk functions, as described in this section.

Credit policies

Groupe BPCE's credit risk policies include eligibility criteria or points of vigilance relating to ESG issues and associated risks when they are relevant for the sector in question. These criteria are used to guide the analysis of financing applications on these aspects. They are compiled and regularly updated from the ESG sector knowledge base developed by Groupe BPCE, in coordination with Groupe BPCE entities and institutions as part of the regular updating of credit policies.

As part of the local implementation of credit policies, Groupe BPCE institutions and subsidiaries are able to reinforce their local policy through additional criteria to take into account ESG risks specific to their operational and commercial context.

When relevant, Groupe BPCE's credit policies refer to Groupe BPCE's voluntary commitments and in particular, to ESG sector policies. These policies require that exclusion criteria set be taken into account in the context of credit decisions.

ESG sectoral policies are described in detail in Section 2.2.3 of this chapter.

Palatine's credit risks are strictly based on Groupe BPCE's policies.

ESG dialogue with corporate clients of the networks

At Palatine, in order to integrate ESG considerations into client knowledge, a strategic dialogue is established with corporate clients to assess their level of maturity in addressing ESG issues. This dialogue is based on a questionnaire used to collect information on clients' knowledge, actions and commitment in terms of climate and the environment. This ESG dialogue has been in place since mid-2023, and was expanded in 2025 to incorporate sector-specific issues, amongst other things.

Lastly, an analysis of non-financial issues is now required when assessing a client's risk profile. It is adapted according to the size and business sector of the counterparty.

Financial and market risks

Investment risks related to the liquidity reserve

Palatine incorporates ESG criteria into the management of the liquidity reserve in order to manage both the ESG risks associated with investments and the associated reputational risk.

These ESG criteria are defined according to two axes: a target is set on the proportion of “sustainable” securities (Green, Social or Sustainable) and an exclusion on issuers of securities with a downgraded non-financial rating.

Furthermore, the criteria set out in the ESG policies also apply to securities held in the liquidity reserve.

Operational risks

Litigation risks are dealt with in section GOV-5 - 1.3.4.2.

System specific to asset management activities

Asset Management

Climate change presents both a financial risk and a strategic opportunity for Palatine AM.

The risks identified are mainly related to the transition to a low-carbon economy (changes in the regulatory framework, technological developments, client and investor expectations in terms of climate alignment) and the portfolios' indirect exposure to physical risks (extreme weather events, water stress, sea level rise). To manage climate risks, Palatine Asset Management assesses portfolio exposure. This involves modelling different carbon emission scenarios and analysing how these scenarios may affect asset performance.

At the same time, the climate transition opens up opportunities through the steered allocation of investments that contribute to sustainable environmental activities within the meaning of the European taxonomy.

Risks and opportunities are incorporated into the investment processes as part of:

- the ESG analysis of issuers, with a focus on companies that adopt sustainable practices;
- sectoral exclusion policies, notably targeting fossil fuels (coal, oil and gas sectors) and certain heavy industries with a high carbon footprint;
- shareholder engagement strategies, in particular through the exercise of voting rights at General Meetings and dialogue with companies to encourage them to adopt more sustainable practices and better manage climate risks;
- in the main climate indicators and analyses, which are monitored regularly and included in internal reporting.

An environmental performance monitoring programme has been developed to assess the impact of investments on the climate and regularly analyse the carbon footprint of portfolios. Finally, regular reports on progress and commitments in terms of environmental impact are published, reinforcing Palatine Asset Management's transparency and responsibility towards its stakeholders.

2.2.6.2 Strategy and Business Model Resilience [ESRS 2-SBM-3]

Resilience analysis at Groupe BPCE level

With respect to climate risks, Groupe BPCE analyses the resilience of its business model across its three activities (financing, insurances, assets management) through climate stress tests as part of the self-assessment process of its capital (ICAAP) and liquidity (ILAAP) with regard to the risks it may face. This analysis takes place each year between October and February, on the basis of assumptions defined upstream in the cycle (between June and November). Each year, the analysis is enriched in terms of coverage of the scope (increase in the number and/or modulation of the severity of hazards) as part of the continuous improvement process.

Groupe BPCE continues to enhance its ICAAP framework by incorporating new factors:

• A new acute physical risk hazard, heat wave, based on the 99th percentile of the NGFS scenario applied to France, the Eurozone and the United States, taking into account current and future intensity (2042);

• Transition risk still based on the NGFS Net Zero 2050 scenario (which assumes a rapid transition to a low-carbon economy, significantly impacting the functioning of the economy) and also including changes in chronic physical risk;

• Climate risk components are integrated into an adverse scenario.

Although the quantifications carried out in the ICAAP take place over a short-term horizon (3 years), they result from the use of assumptions that are assumed to occur in some cases at the earliest in the medium term (transition risk, consistent with the central assumption used in materiality analysis) or even in the long term (acute physical risk of heat wave in year 3).

The other material risks identified as part of the double materiality analysis exercise are covered through the overall quantifications of operational risks (including in particular legal and reputational risks) carried out within the framework of the ICAAP.

From a liquidity perspective, the Group's resilience to climate-related risks has been assessed in relation to physical and transition risks across its key components (client deposits, financing to investors, liquid assets) under the ILAAP. In addition, the impact of material ESG risks on the Group's reputation was also assessed on the main components (client deposits, financing with investors) under the ILAAP.

Although the quantifications carried out in the ILAAP take place over a short-term horizon (1 year), they result from the use of assumptions that are assumed to occur in some cases at the earliest in the medium term (transition risk, consistent with the central assumption used in materiality analysis) or even in the long term (intensity of physical risk). The regulatory risk component (change in ECB eligibility rules) is assumed to be able to take place in the short term.

None of the material risks identified as part of the double materiality analysis and subsequently assessed call into question the resilience of Groupe BPCE's business model over the time horizon of its strategic plan. They do not require dedicated strategic actions, beyond the actions already planned in response to a solvency or liquidity stress situation assessed in the ICAAP or ILAAP.

Palatine did not carry out any stress tests at its level. Palatine's activities are well covered by the stress tests conducted by BPCE, in the same way as all Groupe BPCE subsidiaries and institutions. Calculations are carried out centrally (quantification analyses, including stress tests).

2.2.6.3 Assessment of opportunities

Groupe BPCE and its institutions, including Palatine, take into account economic developments related to climate change in order to adapt their business models as a banker, insurer and investor. The challenges of mitigating and adapting to climate change generate development opportunities by supporting the economic players concerned and deploying transformation levers for its business lines.

In order to identify, assess and implement opportunities to support the environmental transition of its customers:

- Palatine has set up a specialised and sustainable finance department, in charge of:
  - leading the ESG dialogue process with clients,
  - identifying additional client support needs,
  - rolling out an offer adapted to these needs, leveraging the resources developed by Groupe BPCE;
- the ESG dialogue aims not only to ensure that clients properly incorporate the climate and transition risks they face, depending on their activity, location and specific features, into their business models, but also to explore their understanding of the associated opportunities. Depending on the client's level of maturity, this involves either raising awareness and encouraging them to initiate a process to identify impacts, risks and opportunities, or identifying their needs for support, expertise or financing.

2.2.7 Metrics

2.2.7.1 (E1-6) Gross Scopes 1, 2, 3 and Total GHG emissions

Scope 1, 2 and 3 emissions for Palatine (1)

	Historical data				Milestones and target years		
	Reference year	**Comparative data (N-1)**	**N**	**% N/N-1**	**2026**	**2030**	**Annual target in %/ Reference year**
Scope 1 GHG emissions							
Gross Scope 1 GHG emissions – Emissions **(tCO_2eq)**	31/12/2023	189	147	(22%)			
Percentage of Scope 1 GHG emissions resulting from regulated emission trading schemes **(in %)**	31/12/2023	-	-				
Scope 2 GHG emissions							
Gross Scope 2 GHG emissions, location-based **(tCO_2eq)**	31/12/2023	131	39	(70%)			
Gross Scope 2 GHG emissions, market-based **(tCO_2eq)**	31/12/2023	80	-	(100%)			
Significant Scope 3 GHG emissions							
Total gross indirect Scope 3 GHG emissions **(tCO_2eq)**	31/12/2023	5,421	4,474	(17%)			
1. Goods and services purchased	31/12/2023	3,544	2,853	(19%)			
[Optional subcategory: Cloud Computing & Data Centre Services]	31/12/2023	-	-				
2. Capital goods	31/12/2023	968	771	(20%)			
3. Activities in the fuel and energy sectors (not included in Scopes 1 and 2)	31/12/2023	111	82	(26%)			
4. Upstream transport and distribution	31/12/2023	-	-				
5. Waste generated during operations	31/12/2023	10	13	30%			
6. Business travel	31/12/2023	89	80	(10%)			
7. Employee commuting	31/12/2023	290	329	14%			
8. Upstream leased assets	31/12/2023	-	-				
9. Forwarding	31/12/2023	410	347	(15%)			
10. Processing of products sold	31/12/2023	-	-				
11. Use of products sold	31/12/2023	-	-				
12. End-of-life treatment of products sold	31/12/2023	-	-				
13. Downstream leased assets	31/12/2023	-	-				
14. Franchises	31/12/2023	-	-				
Total Own footprint emissions							
Own footprint GHG emissions (location-based) **(tCO_2eq)**	31/12/2023	5,741	4,661	(18.82%)	(6%)		
Own footprint GHG emissions (market-based) **(tCO_2eq)**	31/12/2023	5,689	4,621	(18.77%)	(6%)		
Portfolio emissions							
15. Investments (Banking)	31/12/2023	2,267,373	2,298,876	1.39%			
Total GHG emissions							
Total GHG emissions (location-based) **(tCO_2eq)**	31/12/2023	2,273,114	2,303,537	1.34%			
Total GHG emissions (market-based) **(tCO_2eq)**	31/12/2023	2,273,062	2,303,497	1.34%			

1) *The data presented in column (N-1) for the own footprint scope have been recalculated compared to the 2024 publication (5,756 t CO2eq) in order to take into account the change in the emission factors of the ADEME footprint database, corrections to indicators and changes in methodology.*

The above table is intended to represent all of Palatine's activities within the accounting scope of consolidation, with the limitations described in the MDR-M below.

Palatine has not set targets for 2030 or annual targets in % compared to the reference year in 2023, but has set a target of -6% overall for its clean footprint by 2026.

Palatine considers that the format of this table "Scope 1, 2 and 3 emissions for Palatine" (hereinafter referred to as table AR 48 in reference to the ESRS E1 standard) does not allow it to present the milestones it has set out in its transition plan, as this format details many categories of emissions that are of little significance when considered individually, and furthermore does not detail the most significant emission categories relating to financing and investments, which require sectoral transparency. For this reason, some of the "milestones and target years" columns have been left blank, as these milestones and target years are described in detail in section 2.2.4.2 (E1-3 and E1-4) Targets and progress.

As part of the production of indicators related to the "own footprint" universe, which corresponds to emissions related to everyday office life, Palatine includes the following scopes:

Scope 1: direct company emissions

Scope 2: indirect emissions related to electricity production;

Scope 3: categories 1 to 9, in accordance with the GHG Protocol classification.

To facilitate the reading of this scope, two sums are presented in the table:

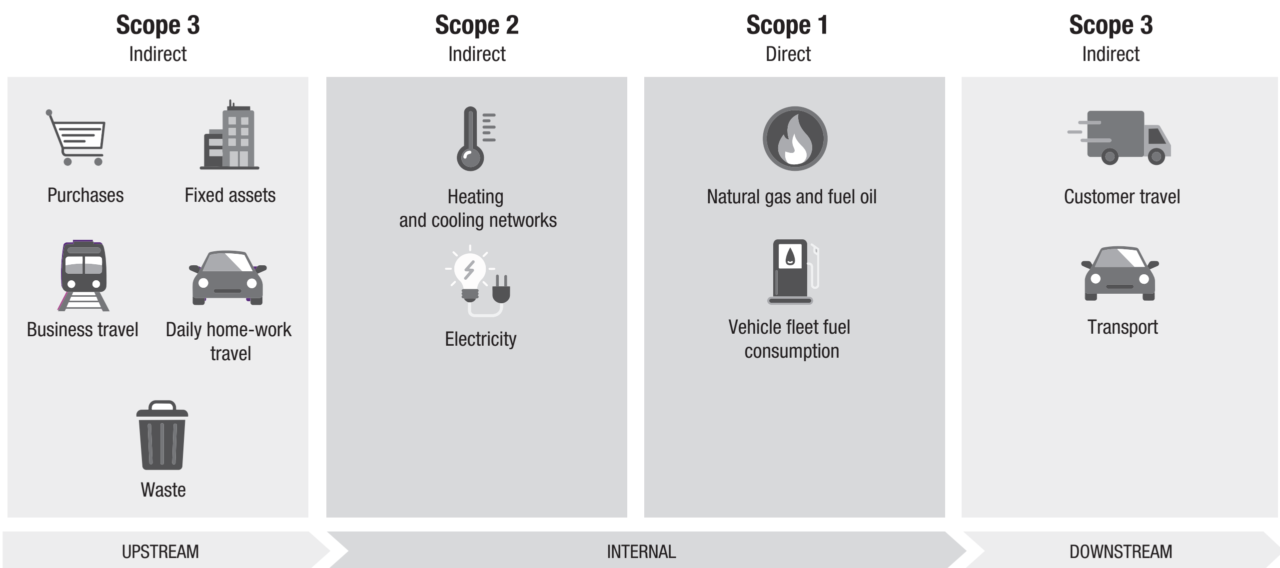
- Total own footprint emissions (with Scope 2 emissions calculated using the location-based method);
- Total own footprint emissions (with Scope 2 emissions calculated using the market-based method).

Portfolio emissions (Scope 3, Category 15) aggregate the Scope 1, 2 and 3 emissions of the companies financed.

With regard to the Group's activity, the following categories are not published as they are not significant at the Group Scope 3 level:

- 3.4 - Upstream transport and distribution;
- 3.8 - Upstream leased assets;
- 3.10 - Processing of products sold;
- 3.11 - Use of products sold;
- 3.12 - End-of-life treatment of products sold;
- 3.13 - Downstream leased assets;
- 3.14 - Franchises.

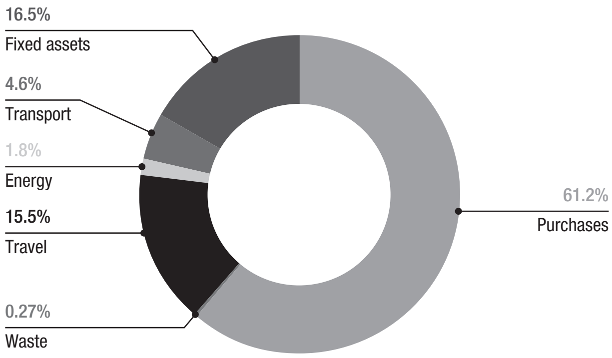
Focus on scope of calculated greenhouse gas (GHG) emissions



Focus on own footprint

Scope

GHG emissions related to the own footprint include all Scope 1, 2 and several Scope 3 categories.



2.2.7.2 Technical elements clarifying the scopes and methodologies for calculating the metrics for monitoring the decarbonisation of the Group

Calculation method: note in relation to the following, Palatine uses Groupe BPCE's tools and methodology

Greenhouse gas emissions are calculated for each of the scopes and for each item, in accordance with the breakdown defined by the GHG Protocol.

The emission factors used are revised annually. They are mainly provided by the Empreinte database administered by ADEME, a national database cited by article L.229-25 of the French Environmental Code (BEGES decree). This database is managed by a governance committee bringing together various public and private players (Ministries, Technical bodies, Associations, MEDEF, etc.). With a view to continuously improving and strengthening the management of purchasing decarbonisation, Groupe BPCE has calculated specific monetary emission factors for three categories: "Consulting", "Strategy Consulting" and "IT Intellectual Services". These emission factors are calculated on the basis of the actual carbon footprints of the Group's suppliers, compared to the turnover achieved with Groupe BPCE in 2025. Specific emission factors for cash-in-transit have also been defined with the suppliers concerned.

The methodology applied to non-current assets is based on the principles of French regulations concerning the preparation of a Greenhouse Gas Report (BEGES V5), which meets the regulatory requirements set out in article L. 229-25 of the French Environment Code. This methodology is also consistent with ISO 14064-1:2018. More specifically, the calculation of emissions associated with fixed assets is based on the collection of data from the inventories of the various fleets (IT equipment, real estate, vehicles, etc.) and on the application of amortisation coefficients making it possible to distribute the emissions over the useful life of the assets concerned.

Work has been carried out to enable Palatine to also calculate its carbon footprint according to the methodological principles of the GHG Protocol, i.e. by accounting for all emissions associated with the manufacture of capitalized assets during the year of acquisition.

A new metric has also been introduced to take into account the consumption in kWh of electric professional vehicles: mileage or monetary data are automatically converted into kWh depending on the country, thus ensuring that emissions related to electric mobility are exhaustively taken into account.

The collection of metrics for the calculation of the Group's consolidated carbon footprint is based on 58% physical metrics and 42% monetary metrics (expressed in tonnes of CO_2e). The automation of information circuits accelerated in 2025 to make the collection of metrics used in the calculation of Scopes 1, 2 and 3 more reliable. Systematic controls for variations (+/-15%) between two years are integrated into the collection tool, requiring contributors to justify any discrepancies.

Scope covered

The scope of calculation of Palatine's carbon footprint covers only Palatine employees, unchanged compared to 2024. The 2 subsidiaries Palatine Asset Management and Ariès are excluded.

MDR-T Own footprint

Carbon emissions reduction trajectory

Following a -34% reduction between 2019 and 2024, Palatine has set itself the target of reducing its GHG emissions by -6% by 2026, compared with 2023 levels.

In order to achieve this objective, it plans to act on various levers, and mainly on two items:

- mobility, by reducing the number of vehicles in its fleet, both service and company vehicles, and by converting the fleet to vehicles with lower emissions (gradual electrification). Apart from non-current assets, this will also have an impact on fuel consumption, with a reduction in associated emissions;
- real estate, by rationalising the surface areas of administrative sites, as the functions of the Val-de-Fontenay administrative headquarters have been grouped together on a new site, the Joya building, in 2024. In addition, apart from the gain in surface area, energy consumption should be significantly improved in the main head office building, as employees have moved into a new building that meets the best environmental criteria. Several business centres and private banks will also be renovated or relocated to less energy-consuming premises. The impact of a reduction in the carbon footprint on fixed assets and energy costs is confirmed, with a significant decrease in 2025.

The carbon emissions reduction trajectory between the 2023 base year and 2026 is as follows: -6%.

Palatine is proposing to smooth out the reduction target annually to build annual targets:

- Year 2024: -2%;
- Year 2025: -2%;
- Year 2026: -2%.

These targets are based on the implementation of the decarbonisation levers described above in the section "Actions and Resources." The quantitative contribution is observed retrospectively in the "Progress" section.

These reduction targets were defined using a method similar to that applied by the SBTi, broken down between Scope 1-2 and Scope 3.

On Scope 3, work was carried out to refine emissions in order to highlight sub-categories with high impact and high decarbonisation potential in order to reduce these items in a pragmatic and iterative approach.

Annual and total targets

2023	2024	2025	2026
Reference year	(2%)	(2%)	(2%)
TOTAL			**(6%)**

MDR-M Financed emissions of Palatine – Banking activities

Scope

The scope of greenhouse gases related to financing activities (Scope 3 category 15 Investments (Banking)) corresponds to the scope of corporate financing and dedicated financing of the banking book and also includes home loan financing. Home loan financing corresponds to home loans granted to individual customers and to self-employed customers.

Calculation methodology

The calculation of financed carbon measures applies the Partnership for Carbon Accounting Financials (PCAF) methodology, in line with the GHG Protocol recommendations for corporate loan financing (in its guide "The Global GHG Accounting and Reporting Standard Part A: Financed Emissions" published in 2022). These measurements are based on current methodologies, which are identical to those used last year and may change in the future.

The calculation is carried out on the Scope 1, Scope 2 and Scope 3 emissions of financed customers, aligned with the regulatory requirements and scope materiality issues. The sources of carbon data used for corporate financing are mainly based on supplier data (Carbone 4, CDP, Trucost, MSCI): when the data is not available at the company level, the Group's carbon data is used. In the absence of available information, sectoral proxies are used:

- the sectoral carbon data are extrapolated for companies or dedicated financing belonging to sectors with good supplier data coverage;
- for companies related to other sectors, the sectoral proxies provided by PCAF are applied (by NACE code and geographical area). As the coverage by the PCAF proxy is significant (applied to more than 70% of outstandings) related in particular to exposures to small- and medium-sized companies, the estimated nature of the measures should be highlighted for this segment;
- the carbon measurements used for home loan financing correspond to the carbon emissions related to the use of the building. The data sources are based on Energy Performance Certificates (EPCs) when available. Otherwise, proxies are used, relying in particular on data from the French Scientific and Technical Centre for Building (Centre scientifique et technique du bâtiment).

It should be noted that the carbon data used may be one year behind the closing date of the outstandings. The data collected, methods and measurements carried out have not been subject to external verification.

To date and for information purposes, the quality levels of the carbon data used to measure financed emissions at December 31, 2024 and December 31, 2025 are estimated at around four according to the PCAF score. As specified by the PCAF standard, the various carbon data sources used are associated with a quality level ranging from 1 to 5 depending on whether they are based on data audited and communicated by the company (corresponding to the best score: 1), or based on industry proxies/estimates (corresponding to the lowest score: 5).

MDR-M Financed issues of Palatine – Asset Management (AM) activities

Scope

The scope of greenhouse gas emissions related to asset management activities (Scope 3, Category 15: Investments (Asset Management)) covers all of Palatine AM's assets under management.

Calculation methodology

The asset management companies are subject to SFDR reporting obligations and/or Article 29 of the Energy Climate Act and disclose information on the financed emissions that they incur through the investments for their investor clients.

The carbon footprint is consolidated by summing the GHG emissions “attributed” to each position in the portfolio, on companies. The emission allocated corresponds to the carbon emissions (Scope 1, 2 & 3) of the company multiplied by the actual outstanding amount of listed shares or corporate bonds held in the portfolio divided by the value of the company including cash (EVIC).

By way of illustration, emissions from portfolios managed by Palatine AM amounted to 2.095 million tCO_2eq as at 31 December 2025, compared with 1.977 million tCO_2eq as at 31 December 2024.These emissions relate to 94.2% of the eligible base.

Palatine AM's commitments to managing carbon metrics apply to all assets under management, with the exception of cash and external funds, which represent a marginal share of less than 12% of total assets.

These indicators cover the GHG emissions and carbon footprint of the products offered by the management company.

They are calculated annually for all Palatine AM's consolidated investments and for each product in the SRI range.

The purpose of these assessments is to manage the climate risk exposure of investments and to serve as a basis for reflection on an emission reduction trajectory for Palatine AM.

The methodologies used to calculate the carbon metrics are based on the definitions in Annex 1 of Delegated Regulation (EU) 2022/1288 of 6 April 2022 and on S&P data.

The increase in the carbon footprint in 2025 compared with 2024 is mainly due to methodological changes implemented by our data provider, S&P. These adjustments, effective since March 2025, have improved the comprehensiveness and reliability of the measurements through:

- improved data collection (*via* the CDP), including information that was not previously reported;
- the estimation of missing data for non-responding companies;
- the updating of emission factors to give greater weight to recent, verified data.

As a result, the increase observed reflects a more rigorous assessment and more transparent reporting of the carbon footprint of our activities.

MDR-T targets and MDR-M decarbonisation metrics

Palatine is part of Groupe BPCE's work on the decarbonisation of financed emissions. All of the metrics detailed below are therefore established by the Group.

Compatibility of the company’s targets with limiting climate change [E-1-1-16 (a)]

Groupe BPCE has deemed it more relevant and operationally more judicious to set targets for reducing the greenhouse gas emissions from financing transactions (Scope 3 category 15) by business sector and not set one target for all financing transactions. In fact, within its financing portfolio, Groupe BPCE has identified the sectors that emit the most greenhouse gas emissions. These sectors have been assigned absolute carbon emission or intensity targets and/or are the subject of action plans. Based on the methodological framework developed at the international level within the Net Zero Banking Alliance, the Group has prioritised the following sectors: coal, oil and gas, electricity production, automotive transport, air transport, residential real estate, commercial real estate, steel, cement, aluminium, agriculture. The targets are expressed in absolute value for fossil fuel-related sectors, and in physical intensity for the GHG emissions of other sectors.

For financing activities, “financed emissions” consist in attributing a portion of the borrowers’ GHG emissions to the credit exposures. In the fossil fuel sector, the target - expressed in absolute value - aims to steer a reduction in the credit exposures over the long term, as well as a reduction in the financed emissions. The intensity targets are based on GHG emissions at the level of each physical unit produced by the corporate customer (e.g. metric tons of cement, metric tons of iron, kWh, km travelled, etc.). An intensity target aims to manage the decarbonisation of the most carbon-intensive financed activities and to support the Group’s customers in their efforts to improve energy efficiency and transition to less carbon-intensive energies.

To define its targets by sector, Groupe BPCE generally uses as a reference scenario the Net Zero Emissions by 2050 scenario (NZE 2050 scenario) published by the International Energy Agency in 2021. This scenario plots sector trajectories compatible with limiting global warming to +1.5°C, in accordance with the most ambitious objectives of the Paris Agreement. When this scenario is not sufficiently precise and granular to be reconciled with the composition of certain sector portfolios, the Group may have to use alternative scenarios by ensuring the quality of the organizations that produce them and their compatibility with the +1.5°C target without or with limited overshoot of the global carbon budget.

The science-based decarbonisation targets are used to identify the decarbonisation levers relevant to each sector and to engage customers in a discussion on their transition. The Group relies on its regional presence and cooperative model to offer its customers financing adapted to their transition needs and compatible with the targets that the Group has set for itself.

The scientific scenarios are most often expressed in terms of emission intensity. They are also used by the vast majority of the customers that Groupe BPCE finances in these sectors. This shared use of the scientific reference base optimizes the dialog between the bank and its customer.

For insurance activities, BPCE Assurances has set itself the ambition of aligning its investment policy on a trajectory compatible with the objectives of the Paris Agreement, an ambition materialized by its membership of the NZAOA in 2022. The members of this initiative commit to evolve their investment portfolios to zero net greenhouse gas emissions by 2050, in line with a maximum temperature increase of +1.5°C above pre-industrial temperatures, taking into account the best scientific knowledge. At the end of 2024, BPCE Assurances had reached a first checkpoint of +2.0°C, marking the completion of the 2021-2024 strategic plan.

CEGC also applies a responsible investment strategy in its investment decisions, which covers all asset classes in the portfolio. In 2023, CEGC joined the NZAOA, illustrating its desire to make its portfolio of assets compatible with a temperature change trajectory of +1.5°C by the end of 2050.

Limits related to GHG measurements and associated targets

The data collected, methods and measurements carried out have not been subject to external verification.

The data used regarding the customers are derived primarily from data providers or publications of companies funded by Groupe BPCE. Differences may exist in the measurements of greenhouse gases from data providers (for example, in terms of geography and scope) as well as inaccuracies or incompleteness of the activities covered by the clients in their publications. Estimates will evolve as the quality of available data improves. These measurements and targets are based on methodologies known to date and which may change in the future.

To date, and for information purposes, the carbon data quality levels measured as at 31 December 2024 are estimated, according to the PCAF score [(1)], at 3.7 for residential and commercial real estate.

Furthermore, the objectives targeted by Groupe BPCE are conditioned by the commitments of its customers and their ability to meet them over time. These objectives also depend on current government policies and the development of low-carbon technologies, which are critical for long-term horizons.

For the residential real estate sector, due to the dependence on regulatory and governmental actions (uncertainty about the application of renovation policies and construction plans), Groupe BPCE has not set a specific carbon target for 2030.

These measurements and targets are based on methodologies known to date and which may change in the future.

Commercial real estate

The Group has set itself the ambition of reducing the carbon intensity of commercial real estate by 25% to 35% by 2030, compared to the 2023 base year, i.e. an intensity of around [17; 19] $kgCO_2eq/m^2$ by 2030 vs. 26 $kgCO_2eq/m^2$ in 2023.

The carbon intensity measurements and targets cover dedicated exposures with real estate professionals for the Banques Populaires and Caisses d'Epargne, SOCFIM and BPCE Lease networks, dedicated exposures and non-dedicated exposures with social landlords and for the Natixis scope.

The Carbon Risk Real Estate Monitor (CRREM) scenarios were used as a scientific reference. They are compatible with the Net Zero 2050 scenario of the International Energy Agency. They specify the Real Estate carbon budget by country and by type of asset. This allocation is made by taking as a starting point the average carbon intensity of the portfolio in each country and each type of asset, to converge towards the same final carbon intensity by type of asset by 2050. This scenario was supplemented by the analysis of the energy-climate scenario known as "With Existing Measures" produced by the French Ministry for the Ecological Transition.

Target setting for Groupe BPCE takes into account the current and projected breakdown of the outstanding loans in the portfolio.

1) As specified by the PCAF standard, the different carbon data sources used are assigned a quality rating ranging from 1 to 5, depending on whether they are based on data audited and reported by the company (corresponding to the highest rating: 1) or on sector proxies/estimates (corresponding to the lowest rating: 5).

Residential real estate

Groupe BPCE has not set a target and is managing changes in the emission intensity of this sector. Setting a target for reducing absolute greenhouse gas emissions would have the effect of restricting the flow of financing to energy-efficient housing and of penalizing individual customers.

Groupe BPCE, as the main player in the financing of residential housing in France, has decided to focus its actions on reducing the emission intensity of the homes it has helped to finance. The greenhouse gas emissions related to its financing are estimated on average at 25 $kgCO^2eq/m_2$ at the end of 2022. Levers and actions have been put in place to meet customer needs. They aim to facilitate access to ownership of low-energy homes, help finance the renovation of so-called energy-intensive homes, and preserve the value of customers' assets. These actions will contribute to significantly lowering the average intensity of the residential real estate loan portfolio by 2030.

Given the significant need for the transition to more energy-efficient homes and the financial challenge faced by private owners, there is a strong dependence on public policies to achieve this carbon neutrality target. It is essential to take into account a private and public contribution when calculating a trajectory. While the share of the trajectory linked to private financing solutions put in place by Groupe BPCE is clearly identifiable, the public share, which is based on structural and sectoral actions, in particular to promote the marketing of new homes and the renovation of so-called energy-intensive housing needs to be adapted to the current economic context. The assumptions used to build the National Low Carbon Strategy therefore need to be reassessed. Groupe BPCE contributed to the formulation of proposals for additional actions within the French Banking Federation (Fédération bancaire française) that could be implemented.

The quality of the data is correlated with the EPD coverage of all outstandings. While, to date, the inventory is not fully covered by the EPC provided by the advisors, Groupe BPCE is working on systematising the recovery of the EPC implemented since 2022.

Part 3 - Social Information

3.1 S1 - Own workforce

3.1.1 SBM-2 – Interests and views of stakeholders

Palatine has an ongoing dialogue with its stakeholders. This process enables levers for improvement to be identified to maximise the positive impact of its activities, both environmentally and socially, and to adapt its strategy and business model accordingly. Palatine interacts with stakeholders through its business lines. The methods of dialogue, adapted to the points of view and rights of the stakeholders, are presented accordingly.

Support for employees’ career paths

The human resources department is committed to providing individualised support for each employee, in close collaboration with managers. Annual reviews are essential to identify employees’ skill development needs and career ambitions.

Stakeholders:

- managers & employees;
- HR managers.

Skills development to retain and engage employees

The human resources department considers skills development to be a crucial lever for retaining and engaging employees. Training programmes tailored to employee's job profiles, whether internal or external, are offered to meet the company's strategic challenges, in partnership with managers and the training department.

Stakeholders:

- employees;
- training manager;
- HR managers;
- internal and external training.

Recruitment and employer brand

The human resources department relies on recruitment managers and managers to strengthen the employer brand and attract the best talent. They promote a positive image of the company by highlighting its values, culture and development opportunities, particularly through social media communications and participation in recruitment events.

Stakeholders:

- recruitment managers;
- managers.

Communities of HR officers

The human resources department coordinates communities of HR officers around issues of diversity, gender equality, disability and well-being at work. Diversity and gender equality officers, disability officers, quality of life at work (QLWC) officers, and harassment officers share and implement initiatives related to company agreements in their respective areas to promote an inclusive and respectful work environment.

Stakeholders:

- diversity and gender equality officer;
- disability officers;
- QLWC officer;
- harassment officers.

Social dialogue to guarantee quality of life at work, health and safety

Social dialogue is a fundamental element of the HR policy to guarantee quality of life at work. The human resources department works closely with HR contact persons, employee and social relations representatives to establish an open and constructive communication framework. This includes the implementation of information and consultation mechanisms on employee working conditions, health and safety. The objective is to create a healthy and safe working environment, where each employee feels listened to and valued.

Stakeholders:

- HR contact persons;
- employee representatives;
- social relations contacts.

3.1.2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Among the three topics related to the own workforce “Attractiveness, employee loyalty and engagement”, “Working conditions” and “Equal treatment and opportunities”, eleven issues have been identified as material:

Attractiveness, employee loyalty and commitment

- With regard to the recruitment strategy and employer brand, Palatine sees an **opportunity** to strengthen its employer brand and its attractiveness on the job market through the implementation of a digital and inclusive recruitment strategy.
- In terms of onboarding new hires and retaining employees, Palatine has identified a **positive impact** on its employees through the implementation of preboarding, onboarding, and individualised integration and career paths, contributing to a welcoming environment.

- However, with regard to *listening to and engaging employees*, there could be a **risk** of employee disengagement, which could lead to financial losses in the event of insufficient or no listening systems and associated action plans.

Working conditions

In terms of *quality of life and risk prevention and safety at work*, Palatine has identified two risks and one positive impact:

- a **financial risk** arising from recruitment and training costs, declining performance and loss of talent, linked to employee turnover, absenteeism and disengagement;
- failures in the application of the occupational health and safety risk prevention systems, which could generate **operational risks** and financial consequences for Palatine;
- however, a **positive impact** has been identified on employees' quality of life at work thanks to the implementation of a secure working environment adapted to the well-being of employees.

Social dialogue, when it is sustained and constructive, contributes to improving working conditions, thereby having a positive impact.

Lastly, in terms of *remuneration and social protection*, the Group has noted a **positive impact** linked to the transparent remuneration policy that is understood by employees and goes beyond the legal minimums, and the strong social protection that significantly improves the well-being of employees.

Equal treatment and opportunities

Regarding the "Equal treatment and opportunities" topic, Palatine has identified **two material positive impacts** as well as one **opportunity** considered as material, resulting from the various initiatives implemented: adapted skills development systems, policies aimed at supporting career paths and enhancing employability, policies promoting gender balance, professional equality, diversity and inclusion, support for people with disabilities, and measures to combat discrimination of any kind.

The management of material impacts, risks and opportunities are described in the following paragraphs.

Summary table of the links between material IROs and policies, actions, metrics and targets:

Attractiveness, employee loyalty and commitment

IRO Category	Material issue	Policies	Equities	Metrics	Targets
Risk	Listening to employees and strengthening their commitment	• Group Workforce and Career Management (GEPP) agreement	• IPSOS Palatine 2030 survey • Upcoming Great Place to Work survey	N/A	• Great Place To Work recommendation rate of 65% by the end of 2026
Positive impact	Integration of new hires and strengthening employee loyalty	• Group Workforce and Career Management (GEPP) agreement	• Onboarding, follow-up • Personalized training portal • Onboarding tools	• Breakdown of own workers by type of contract	• 100% of employees trained in Impact/ ESG & AI
Opportunity	Recruitment strategy and employer brand	• Attractiveness policy • Promoting internal mobility (Group GEPP agreement)	• School forums • Employee ambassadors (2026) • Cooptation • BPCE recruitment website • Palatine Mobility Fortnight	• LinkedIn statistics • Employees by type of contract	• Target % of young people in recruitment (Vision 2030) • Conversion of youth employment contracts into fixed-term/ permanent contracts

Working conditions

IRO Category	Material issue	Policies	Equities	Metrics	Targets
Positive impact	Social dialogue (SEC, negotiations, working group)	• Corporate social policy	• Negotiation of company agreements relating to HR policies beyond mandatory topics (professional equality and QLWC, profit-sharing) • Consultation on the three mandatory blocks (social policy, economic and financial situation, strategic orientations)	• Coverage rate of employees by collective bargaining agreements • Signature of company agreements on mandatory topics or establishment of an action plan in the event that no agreement is signed Mandatory annual consultations	N/A
Risks	Quality of life at work and risk prevention and safety at work	N/A	• Change management (HIM)	• Absenteeism rate (social report)	N/A
		• Health and safety policy and working conditions	• Health & Safety passport • Single Occupational Risk Assessment Document (DUERP) • Annual programme for the prevention of occupational risks and working conditions • Annual health and working conditions report	• Workplace accidents • Occupational illnesses	N/A
Positive impact		• Quality of life at work (QLW) policy • Policy for caregivers	• Awareness campaign • Training program • Guide manager • Coordination of the QLW and harassment officers • Prev & Care system • Support for transformations • Sports initiatives and the fight against sedentary lifestyles	• Work-life balance metrics	N/A
Positive impact	Decent pay and social protection	• Remuneration policy	• Remuneration survey • index on gender equality • Rixain Index	• Collective bargaining coverage and social dialogue • Adequate wages • Remuneration metrics (pay gap and total remuneration)	N/A

Equal treatment and opportunities

IRO Category	Material issue	Policies	Equities	Metrics	Targets
Positive impact & Opportunity	Training and skills development	• Group Workforce and Career Management (GEPP) agreement • Skills development policy	• Company and Group job exchange • Personalised training portal • Ongoing GEPP project	• Employee turnover • Performance assessment • Number of hours of training completed	• Personalised development path
Positive impact	Diversity & inclusion (disability, discrimination and harassment)	• Diversity, equity and inclusion policy • Disability policy	• Training and awareness on Disability & Professional Equality • Monitoring of remuneration • Budget allocation to close the gender pay gap • GESAT network partnership • Support for the recognition of the status as a disabled worker • Parenthood support systems • Survey of employees with disabilities	• Breakdown of own workers (W/M) • Women and men in senior management • Employment rate of people with disabilities • Breakdown by age group	• Employment rate of people with disabilities (permanent or fixed-term contracts, work-study contracts, internships)

3.1.3 Impact, risk and opportunity management

3.1.3.1 (S1-1) Policies related to own workforce

Policy	Description of the content of the policy	Scope of application	Person responsible for implementation	Stakeholder interaction and dissemination
• Group Workforce and Career Management (GEPP) agreement	• Agreement aligned with the VISION 2030 strategic plan and effective over a period of 3 years, divided into three pillars: talent management, business development and improvement of the employee experience	• Groupe BPCE	• HR department of Groupe BPCE • HR departments of Groupe BPCE entities	• GEPP Monitoring Committee with employee representative organizations • Dissemination on the Palatine internal website
• Social dialog policy	• Regular discussions with the trade unions within the framework of the joint bodies	• Palatine	• HR department of Groupe BPCE • Palatine industrial relations department	• Joint committees: CSE, negotiations, Working Group
• Health and safety policy	• Contains policies to prevent risks related to employee health and safety, by incorporating prevention protocols	• Groupe BPCE	• Head of Human Resources Palatine • Safety of People and Property department	• Dissemination through internal documentation (NORMA) • CSSCT meetings
• Quality of life at work (QLW) policy	• Agreements signed covering various areas of QLW	• Palatine	• Palatine industrial relations department	• Dissemination through the employee intranet
• Policy to support caregivers	• Group agreement for caregivers	• Palatine	• Palatine industrial relations department	
• Remuneration policy	• Defines the Group's general principles in several dimensions: fairness, professional equality, non-discrimination, CSR...	• Palatine and PAM	• Head of Human Resources Palatine	• Dissemination through the intranet • Dedicated commissions

Policy	Description of the content of the policy	Scope of application	Person responsible for implementation	Stakeholder interaction and dissemination
• Skills development policy	• Describes the skills development systems in place (career development, talent and potential management, training...)	• Palatine	• Head of Human Resources Palatine • BPCE Campus	• Intranet site • Training Monitoring Committee
• Group diversity, equity and inclusion policy	• Defines the objectives for building an ever more respectful and inclusive working environment that capitalizes on the diversity of its employees	• Palatine	• Head of Human Resources Palatine	• Diversity officers • Intranet site (Diversity sharepoint)
• Disability policy	• Aims to promote the integration and job retention of people with disabilities (job retention / recruitment & integration / change of outlook / support for the Sheltered and Adapted Work Sector)	• Palatine	• Head of Human Resources Palatine	• disability officers • Intranet site (Diversity sharepoint)

3.1.3.1.1 Human rights

Palatine is committed to respecting and promoting human rights, which is one of the cornerstones of its corporate social responsibility.

All forms of forced labour are prohibited inside Palatine. The human resources department checks the age of all new employees when they are hired.

Palatine stresses its commitment to following Groupe BPCE's actions in terms of respect for human rights. Groupe BPCE, a signatory of the United Nations Global Compact, is committed to promoting and respecting human rights in all its activities, in accordance with its "Ten Principles". This includes creating an inclusive and respectful working environment, preventing human rights abuses, as well as guaranteeing the rights of its employees to freedom of association and collective bargaining.

The Group's convictions and commitments have been set out in the form of "Principles" in the Groupe BPCE's Code of Conduct and Ethics, which applies to all Group employees, including those of Palatine.

3.1.3.1.2 Employee attractiveness, retention and engagement

Attractiveness

Palatine's attractiveness is reflected by Groupe BPCE's major HR policy guidelines, which are implemented within the Bank, particularly in terms of Skills, Equality/Diversity/Inclusion and Well-being at work.

They are implemented through daily actions and communicated across all internal HR channels (HR representatives, recruitment managers, training managers, etc.) and external channels (social media, trade shows, etc.).

Skills

Palatine firmly believes that skills development begins as soon as an employee joins the Bank and continues throughout their professional life. As such, it is in line with the major orientations of Groupe BPCE's HR policy, while implementing them operationally within the Bank.

Palatine leverages its recruitment system to attract new talent, in particular by focusing on apprenticeships and work-study programmes, which are real drivers of professional integration. Each year, the Bank takes on work-study students and supports them in developing their skills, providing them with an environment that fosters their success. Its ability to convert these work placements into fixed-term or permanent contracts demonstrates its commitment to investing in the younger generation for the long term and to building a strong pool of future employees.

Palatine's commitment is also reflected in its proactive approach to career management, which aims to enhance each individual's employability. It develops tailor-made training programmes, encourages internal mobility and ensures that each employee is offered the means to undertake continuous professional development, grow, and even reinvent themselves within the Bank.

This ambition is part of a long-term strategy: to enable every employee – whether a new entrant, a work-study student, a recent graduate or an experienced professional – to thrive in their career and grow with Palatine, in line with the challenges of transformation and the professions of tomorrow.

Equality and inclusion

Palatine is convinced that diversity is a real strength. It makes inclusion a performance and solidarity issue by incorporating measures to promote gender equality, employment of people with disabilities, and equal pay. Its actions demonstrate its commitment to creating an environment where each employee feels valued and respected (see diversity and gender equality).

Well-being at work

The well-being of employees is a priority for Palatine. It strives to ensure a healthy and balanced working environment, with a focus on quality of life at work. Palatine aims to continuously improve the experience of everyone inside the organisation.

Sense and pride in belonging

Palatine employees' pride in belonging is deeply rooted in its purpose. As a: "Banking House since 1780, we shape our know-how, our agility and a culture of excellence to be the trusted partner of our customers, Corporate and Private Banking. We are convinced that French medium-sized companies and their senior executives are at the heart of the economic and socio-environmental challenges of today and tomorrow. As entrepreneurs at the service of entrepreneurs, we contribute to a more sustainable economy by investing in the success of their development, transformation and transmission projects".

This approach, which focuses on supporting entrepreneurs in their development, transformation and transfer projects, enables each employee to see themselves as a key player in a larger undertaking. By working together to build a more sustainable economy, they contribute to a positive future for their customers and for society as a whole. This shared vision strengthens their pride in belonging, because they know they are part of an organisation that not only values excellence, but also acts for the common good, thus having a significant impact on regions and communities. The IPSOS 2025 barometer confirms this commitment: 90% of employees say they are proud to work for Palatine, demonstrating a strong commitment to the company's values, mission and ambition.

Recruitment and employer brand

HR communication strategy

Palatine's employer brand plays a key role in the company's appeal, building on a strong visual identity, with a powerful slogan, "The art of banking", and authentic testimonials from its employees.

Its aim is to highlight the Bank's unique strengths: its values, its culture, its working environments, as well as the breadth of its HR policies, particularly in the areas of career management, inclusion and training.

In 2025, Palatine strengthened and enriched its Welcome to the Jungle employer profile by publishing new immersive content:

- photos illustrating its different working environments;
- videos showcasing business lines, teams or moments from company life;
- interviews with employees, highlighting their backgrounds, expertise and commitments;
- content focusing on HR policies (training, inclusion, mobility, quality of life at work, etc.), to provide candidates with a clear, transparent and meaningful insight into the employee experience.

These initiatives help strengthen Palatine's visibility and offer an authentic and inspiring candidate experience.

- strategic partnerships: Palatine renewed its partnerships with LinkedIn, Welcome to the Jungle and Dogfinance, professional and media networks that increase its visibility. These partnerships enable the Bank to showcase its business lines, its unique characteristics and its employment opportunities;
- communication on LinkedIn;
- thanks to collaborative efforts with the business line teams and increasing commitment from managers, a variety of content — business pitches, attractive visuals, testimonials — is regularly shared to promote the Bank's attractiveness and strengthen alignment between HR communication and the teams' needs;
- incentive co-option policy: the Bank has also deployed an incentive-based co-option policy, thus encouraging its employees to recommend candidates, which further strengthens the Bank's attractiveness.

All of these actions demonstrate Palatine's commitment to building a strong, authentic and distinctive employer brand, capable of attracting and retaining talent in a competitive environment.

Strengthening the employer brand and Palatine's commitments to young people

Palatine is resolutely committed to strengthening its employer brand among young talent. The bank aware of the importance of this new generation for the future of the company, has a dedicated strategy aimed at attracting, developing and recruiting young professionals. Each year, it welcomes around 60 work-study students, representing more than 5% of its workforce, as well as a significant number of interns. This commitment shows Palatine's desire to promote the employment of young talent and encourage their development within the organisation, while helping to drive its growth and innovation.

Engaging employees in recruitment

At Palatine, employees have the opportunity to become actively involved in the recruitment process, which strengthens their commitment and sense of belonging. They can contribute in several ways:

- participation in school initiatives: employees are encouraged to represent Palatine at events in schools and universities, thereby promoting the bank's professions and attracting new talent;

- candidate co-option: thanks to an incentive HR co-opting process implemented in 2023, employees can recommend candidates for job offers, thus strengthening their role in the recruitment and their investment in the quality of new hires;
- ambassadors on social networks: employees are invited to become ambassadors of Palatine on social networks, sharing their experience and highlighting the company's values and culture to attract potential candidates.

Palatine, by enabling employees to be both ambassadors and co-opters, has created a strong commitment lever, promoting a collaborative and dynamic environment that values their contribution to the success of the organisation.

Supporting employees as soon as they join the company

Since 2022, Palatine has set up an onboarding system for new employees, called "ACADEM'IN". This is a two-to five-day in-person onboarding programme designed to give new recruits a warm welcome, in line with the company's commitment to excellence towards its customers (symmetry of attention).

This onboarding programme enables employees to interact with senior Palatine executives and quickly familiarise themselves with the company's culture, values and business challenges. It also helps develop a sense of belonging and encourages interaction between new employees, thereby helping to create support and collaboration networks.

The "ACADEM'IN" programme consists of:

- a two-day general introduction: this first module gives employees an overview of the bank, its history, its business lines and its markets through meetings with various speakers who present their departments and the challenges they face;
- three additional days: intended for the private customers and corporate market business lines. These days are designed to deepen participants' knowledge of tools, products, management approaches and business management, in order to further educate them. This format ensures that new entrants receive a high-quality welcome, serving as a highly valued induction enabler.

In 2025, three ACADEM'IN sessions were organised, allowing 93 new employees to take part

A specific induction day was also dedicated to work-study students and interns, in order to offer them a better understanding of Palatine's organisation and activities, while involving them in collaborative workshops on the strategic plan. By implementing such comprehensive and well-structured schemes, Palatine is strengthening its employer brand. A high-quality integration programme reflects the attention given to new employees and contributes to their satisfaction and commitment.

To further enhance the experience for new hires, a digital pre-integration and **onboarding** platform was set up in 2025 to digitise all administrative procedures related to recruitment, give future employees early access to information about Palatine and Groupe BPCE, and enable them to chat with their future manager. This system helps to strengthen Palatine's employer brand and enhance the employee experience during onboarding.

Offer enriching career development through strong internal mobility, detailed knowledge of employees and support through tailored career paths linked to opportunities at Palatine.

Palatine has made internal mobility one of its priorities, in order to strengthen the sense of belonging and commitment and retain talent. Employees have access to several mechanisms to boost internal mobility:

- a job exchange: Palatine has a specific job exchange for its company, as well as a job exchange at Groupe BPCE level, which make it easier for all employees to access available opportunities;
- Mobiliway: a dedicated platform that supports employees with their mobility projects and is accessible to everyone *via* their job board. It is a valuable tool for employees wishing to explore new opportunities within Groupe BPCE.

These initiatives demonstrate Palatine's commitment to promoting the professional development of its employees, strengthening their loyalty and creating an environment conducive to their personal fulfilment.

Furthermore, in 2025, Palatine introduced a number of innovations to boost internal mobility, namely:

- organising a Mobility Fortnight comprising dedicated HR initiatives such as:
  - a Mobility series: 10 episodes (5 women and 5 men) showcasing career journeys at Palatine;
  - CV, Pitch and Networking workshops to support employees in their career development;
  - a Speed Meeting to encourage interaction between employees and business line managers;
  - a Webinar presenting the new Career and Mobility Guide.
- the "Flash *Bourse à l'emploi*" (Job Exchange update), broadcast on the third Thursday of each month, highlighting internal opportunities and focusing on a specific HR initiative (Cooptation charter, Career and Mobility Guide, etc.)

Training employees

Training plays an essential role in enabling employees to acquire, maintain and develop the skills they need to cope with changes in their jobs and their environment.

In 2024, Palatine invested 5.62% of its payroll in employee training within the Economic and Social Unit, demonstrating its commitment to the professional development of its teams. On average, each employee received 3.9 days of training, highlighting the importance of continuous skills development and employee adaptability in the face of industry challenges. This training system not only contributes to the development of employees, but also to the excellence and overall performance of Palatine, thus strengthening its employer brand.

Palatine has defined four priority areas for its training objectives over the next three years:

1 enhancing the relationship of excellence with its customers:
   - deploying training programmes on relationship excellence and a comprehensive approach to improve customer experience and enhance satisfaction;
   - supporting customers' environmental transition as part of the "sustainable finance" programme.

2 adapting managerial practices:
   - strengthening the skills of managers and deputy managers in business centre & private banks;
   - establishing a managerial training program to develop a common culture and approach.

3 strengthening the "risk" expertise of employees:
   - continuing measures to update knowledge of regulations;
   - strengthening risk management skills through business training and the use of emerging technologies such as AI and data.

4 supporting employees' skills development:
   - designing business-specific training to meet operational needs;
   - optimising the integration of new employees through dedicated training courses;
   - promoting a culture focused on project management and the development of key behavioural skills.

These guidelines aim to strengthen employees' ability to provide exceptional service, improve managerial practices, effectively manage risks and develop the skills necessary to meet future challenges.

Supporting high-potential employees

Since 2022, Palatine has benefited from Groupe BPCE's system aimed at identifying and supporting high-potential employees within the bank.

Two pools have been created: potential senior executives and core business lines to fill management positions with experts.

Employees have a shared development plan and are regularly monitored by an assigned career manager. They benefit from personal development support actions.

The AEL "The Art of Being a Leader" programme was created by Palatine with the aim of retaining and supporting talented non-managerial staff who have expressed an interest in moving into a managerial role. The main objectives of this course are as follows:

- retain and support talent: this programme aims to offer a differentiating employee experience, while preparing Palatine's future managers to meet the challenges of tomorrow;
- group sessions and individual coaching sessions: the programme combines group sessions for exchanging views and ideas with individual coaching sessions that encourage introspection and greater self-awareness;
- key themes: the course addresses many aspects of the managerial sphere by offering inputs on key themes, thus helping to develop the skills necessary for effective and inspiring leadership.

These mechanisms demonstrate Palatine's commitment to fostering the growth and fulfilment of its talents, while strengthening its ability to meet future challenges through bespoke career paths.

Skills development

Skills at the heart of the HR policies

Within the framework of its talent management strategy, Palatine is committed to the long-term employability of its employees by offering them the possibility of broadening their experiences through rewarding career opportunities and the continuous development of new skills.

The major challenges for Palatine in terms of skills development are:

- continuing to modernise and digitise practices by leveraging new tools and guaranteeing AI support for all;
- strengthening the successful internal mobility programme that has shaped the bank's identity and enabled many talented individuals to build rich and diverse careers;
- supporting the Bank's talents individually and collectively to build the bank of tomorrow.

The continued digitisation of administrative tasks with no added value should enable business lines to become more efficient while ensuring that operations comply with the legal framework and allowing teams to devote more time to their core activities. AI is expected to deliver efficiency gains while bringing about changes to job roles; this is why training and awareness-raising sessions on artificial intelligence were held in 2025 for all Palatine employees

Furthermore, the development of proactive management of HR data should enable better support for employees, their professional projects and their development, particularly through training and remuneration etc.

In practice, this involves:

- continuing to develop the bank's employer brand to attract and recruit the best profiles in the market;
- welcoming and ensuring high-quality onboarding so that Palatine's talented employees become the bank's best ambassadors;
- supporting and retaining talent through talent paths/typologies identified and validated with managers;
- promoting inspiring and transformative career paths in line with the bank's needs;
- daring to be different through creative career paths and supporting them with a programme co-designed by HR and the business lines;
- anticipating the skills of tomorrow to support future transformations;
- further boosting the development of ongoing skills to reinforce permanent adaptation, both in terms of the job itself and the level of excellence expected in terms of written/oral communication, conduct and attitude on a daily basis;
- working on HR and business synergies to enable joint thinking and the birth of new innovative ideas in career paths and gateways.

In summary:

- an excellent knowledge of employees and managers is one of the key foundations for anticipating, proposing and co-constructing original career paths with the business lines that set us apart from our competitors. Only a strong and regular relational intensity makes it possible to update this knowledge;
- key HR events (annual appraisal campaign, staff reviews, etc.) conducted by HR representatives in the various business lines, which ensure that key information is constantly updated;
- all HR-related news must be constantly monitored to anticipate future changes in the profession and provide individual and collective support.

3.1.3.1.3 Working conditions

Palatine social policy

Palatine's social policy is based on continuous and constructive dialogue, while guaranteeing respect for the fundamental rights and freedoms of its employees. This social dialogue is based on regular exchanges, in particular with employee representatives and recognised trade unions.

Palatine's commitment to maintaining high-quality social dialogue, respectful of the rights and freedoms of employees, is reflected in the negotiation of agreements that establish the foundations of its social policy. These efforts have a high positive impact on employee engagement and performance.

Social dialogue also takes the form of Group agreements applicable to Palatine, such as:

- the 2025 GEPP agreement on Employment and Skills Forecasting (which addresses the themes of intergenerational balance, end-of-career arrangements, skills development, professional and geographical mobility and mobility leave);
- the 2022 employee career path agreement, which aims to support employee representatives throughout their term of office.

In addition, social dialogue is reflected in the agreements signed in 2024 at the level of the Palatine ESU (Palatine and Palatine Asset Management) on various themes: professional equality and diversity, profit-sharing, quality of life at work, teleworking…

Palatine is committed to maintaining an open, transparent and constructive dialogue, which is essential to the implementation of its strategy and the performance of its activities. This quality dialogue also promotes the deployment of policies aimed at creating a harmonious working environment conducive to the well-being of its employees. With this in mind, the bank attaches great importance to the involvement of employee representatives from the earliest stages of major strategic issues and the transformations to be carried out within the organisation. These discussions prior to project deployment make it easier to understand the challenges and development prospects facing the bank, thereby avoiding deadlocks or obstruction that could hinder its operations and reduce employee commitment. In addition to collective bargaining, the bank's social dialogue policy is committed to respecting the fundamental rights and freedoms of employees, including freedom of association, the right to strike and labour law regulations.

Social dialogue, as managed within the Palatine ESU (Economic and Social Unit) enables Palatine to comply with all its legal obligations, whether in terms of negotiations or information for employee representatives.

The coordination of relations with employee representatives based on the negotiation and signature of collective agreements as well as the deployment of social policies aims to meet both the aspirations of employees and the challenges facing the Palatine ESU. This quality social dialogue supports the bank's economic and social performance.

Pay

Palatine's remuneration policy is designed to encourage the long-term commitment of employees and strengthen the company's attractiveness. It is intended to reflect both individual and collective performance, while avoiding creating conflicts of interest between employees and customers. Furthermore, it promotes behaviour that is consistent with Groupe BPCE's culture and Code of Conduct and Ethics.

Another objective of this policy is to ensure levels of remuneration that are competitive with reference markets. Palatine regularly compares its practices with those of similar players through remuneration surveys or Group benchmarking to ensure that its policy remains appropriate and competitive for each of its business lines.

The remuneration policy not only guarantees a high level of attractiveness, but also ensures the fundamental objectives of professional equality in the workplace and non-discrimination. In this respect, Palatine is committed to ensuring equal pay between women and men (the details of the action plan can be found in the section on diversity and inclusion). In addition, special attention is paid to the remuneration of each employee, whether junior or senior.

Finally, the Corporate Social Responsibility (CSR) dimension is integrated into the remuneration policy at several levels. For example, CSR indicators are incorporated into the criteria for executive management's variable remuneration, as well as into the profit-sharing scheme.

The choice of SRI-certified funds or funds incorporating ESG are offered criteria for the free management of employee savings plans (PES) and collective retirement savings plan (PERCO);

The remuneration of Palatine employees consists of three main components:

- **fixed remuneration:** this reflects the skills, responsibilities and expertise required for each position, as well as the role and importance of the function within the organisation. It is determined according to the particularities of each business line. This component includes the basic pay, which remunerates the skills and responsibilities of the position held. It can also include fixed salary supplements, awarded in line with regulations, based on geographical mobility or the specific nature of certain jobs and responsibilities;
- **individual variable remuneration:** awarded annually, this depends on the results of the activity and the achievement of predefined individual targets. This remuneration can be paid in full in cash in the year it is awarded. For some employees, depending on their regulatory status, job and/or variable remuneration level, part of this remuneration may be deferred, indexed to a financial instrument and subject to conditions, with the aim of retaining staff and aligning their interests with those of Palatine in the long term;
- **collective variable remuneration:** this component is linked to employee savings schemes, such as profit-sharing and incentive schemes, as well as other local savings and/or social protection schemes.

Each employee benefits from a combination of these different components, depending on their job, responsibilities, skills, performance and seniority.

Description of the highest level in the organisation responsible for implementing the policy

Palatine's Executive Committee is responsible for approving remuneration policy and its implementation. Its composition and powers ensure that decisions are taken independently.

More specifically, the decision-making process is structured around several successive levels of validation:

- the management teams submit their proposals after consultation with the managers of the relevant departments;
- executive management approves in coordination with the Human Resources Department;
- the Compliance and Risk Management Departments, as control functions, are usually involved in the implementation of the remuneration policy, in particular to ensure that risk management and behaviour in terms of conduct and compliance are properly taken into account when determining the amounts of individual variable remuneration.

Presentation of the standards or initiatives which are taken into account when implementing the policy

The remuneration policy strictly complies with the legal obligations applicable to the company in relation to labour law and social and tax legislation.

Description of how stakeholder interests are taken into account when determining the policy

Management and employee representatives play an active role in developing remuneration policy. Each year, mandatory annual negotiations (MAN) are held with employee representative bodies on remuneration issues. In addition, employee savings schemes, such as profit-sharing and incentive schemes, as well as social protection measures (health insurance, life insurance), are governed by collective agreements negotiated between the management and employee representatives. Finally, the issue of equal pay is included in the agreements signed on professional equality at work.

Internal communication

Remuneration and benefits policies and practices are disseminated and rolled out internally in the form of guides and guidelines via the Palatine intranet. Managers involved in the annual review of their employees' remuneration are supported in the same way in this exercise.

Each year, an Individual Social Report is handed to employees to clarify the components of their annual remuneration. This assessment provides both quantitative and qualitative information on:

- direct remuneration and its composition;
- employee savings schemes;
- social protection (protection, health, retirement, etc.);
- the various benefits.

External communication

In addition, as part of its compliance with its regulatory obligations, Palatine publishes an annual report on its remuneration policies and practices on its website, with a focus on employees identified as having a significant impact on the company's risk profile under the CRD regulation [1].

1) Capital Requirements Directive

Palatine also complies with transparency requirements vis-à-vis supervisory bodies in France, such as the French prudential supervisory authority for the banking and insurance sector (ACPR), the European central bank (ECB) and the French financial markets authority (AMF).

Quality of life at work

The bank, which has been certified as "CSR-committed" since May 2024, aims to foster a strong team spirit, as part of its new Palatine 2030 strategic plan and its purpose, while supporting each individual's development through the promotion of diversity within its teams. It therefore puts people at the heart of its concerns as a key pillar of its strategy for future years.

Quality of Life and Working Conditions (QLWC) is a major priority for Palatine. The purpose of the QLWC policy is to strengthen collective commitment and effectiveness, while promoting employee development and health, to serve the bank’s overall performance.

QLWC covers various issues, such as the work environment, work-life balance, inclusion and diversity measures, career development, and support for specific situations.

Instead of perceiving the strengthening of the legal framework as a mere regulatory constraint, Palatine has adopted a long-term vision, considering it an opportunity to reaffirm the central role of people in its social policies.

Since 2017, several agreements have been signed within Palatine aimed at improving the quality of life at work for its employees: agreements on quality of life and working conditions, agreements relating to working hours, teleworking, the prevention of psychosocial risks, workload, work-life balance, time savings accounts, etc.

In December 2024, Palatine management and all trade unions signed a new agreement on Quality of Life and Working Conditions. Palatine is implementing this agreement as part of the agreed measures.

With this four-year agreement, the bank is reaffirming its commitment to promoting quality of life at work for everyone and its focus on continuously improving working conditions for all.

Several practical measures were introduced in 2025 to improve the quality of life and working conditions of Palatine employees. Quality of life at work is a catalyst for sustainable performance, enabling efficiency and employee well-being to go hand in hand. It stems in particular from the following initiatives: anti-sexism day, International Women's Rights Day, European Day for Intergenerational Solidarity, Gender Diversity Week, Pride Month, Parenting Week, European Week for the Employment of People with Disabilities, QLWC fortnight, and the implementation of the caregiver agreement.

In 2025, business and Private Banking centres were also refurbished, notably in Avignon, Saint-Étienne, Metz, Dijon and Montpellier, to reflect the high-end branch concept, thereby ensuring a pleasant working environment for employees.

These actions, supported by constant social dialogue, aim to mitigate the financial risks related to employee turnover, absenteeism and disengagement. These risks can lead to:

- costs related to the loss of talent, recruitment and training of new employees, and costs related to making up for all or part of absences;
- lost revenue related to a fall in productivity, sales performance and customer satisfaction.

Risk prevention and safety at work

Palatine ensures that working conditions comply with current health and safety standards by integrating risk prevention protocols at all its entities. The Group develops policies that comply with regulatory requirements in order to manage the health and safety risks faced by its employees.

It issues safety and occupational risk prevention rules.

The body of documentation applies to all employee activities as well as outsourced services.

Through the prevention of occupational risks, major risks and the safety of banking activities, Palatine aims for:

- a positive impact on the feeling of safety and the improvement of working conditions;
- the reduction of the financial impact on the amount of the social security contributions, in addition to the reduction in the number of days lost in the event of a workplace accident.

Permanent control plans ensure risk management and the compliance of measures.

All stakeholders are working together to contribute to the process of continuously improving working conditions (occupational physician, social worker, counselling and psychological support services) as well as the employee representative bodies (Social and Economic Committee and Health and Safety Committee). Every year, Palatine carries out a risk assessment, which is used to update the Single Occupational Risk Assessment Document (DUERP). This preliminary work is used to establish the prevention and improvement of working conditions programme, which serves as the annual roadmap for prevention. Each year, a report on hygiene, health and working conditions is compiled to measure the impact of the actions undertaken and their direct benefits in terms of improving working conditions. These documents serve as the monitoring indicators for Palatine's QLWC policy.

3.1.3.1.4 *Equal treatment and opportunities*

The HR policies on equality, diversity and inclusion implemented at Palatine reflect its senior executives' belief that there can be no performance without collective intelligence, and therefore without diversity.

Palatine has been implementing proactive HR policies for several years to build an increasingly respectful and inclusive working environment. It values the diversity of its employees, ensuring that everyone is heard, recognised and able to make a meaningful contribution. Its HR policies ensure fair opportunities for all talents, regardless of their age, origin, gender, orientation or gender identity, or disability.

Palatine's HR policies on equality, diversity and inclusion present an opportunity and have a positive impact on several levels:

- innovation and transformation: the diversity of its employees, customers and partners promotes enriching exchanges and increased creativity;
- performance: this provides a better understanding of the needs of its customers on all its markets;
- commitment and employer branding: Palatine meets the growing expectations of prospects, employees and civil society, who are increasingly attentive to these issues.

Gender equality and professional equality

As part of its commitment to equal treatment and opportunities for all, Palatine places diversity and inclusion at the heart of its strategy. This commitment has a positive impact by fostering a respectful and fair working environment. This is reflected in policies that promote professional equality and the inclusion of people with disabilities.

The policy is concretely illustrated through the commitments implemented in terms of recruitment, equal pay, professional promotion, parenthood, the fight against sexual harassment, sexist acts and other forms of violence.

Palatine is committed to equal opportunities and the fight against discrimination. Actions are put in place to promote an inclusive and fair environment, both within the bank and in its interactions with candidates and service providers.

In terms of professional equality and diversity, Palatine is committed to promoting professional gender equality by guaranteeing fair treatment in terms of recruitment, remuneration and career development.

The signature of an agreement in April 2024 on professional equality between women and men and diversity within the Palatine ESU reaffirms the company's commitment to promoting an inclusive and fair working environment.

This agreement aims to guarantee equal opportunities, fight discrimination and promote diversity, while recognising the added value that diversity brings to innovation, performance and employee commitment. It also demonstrates a desire to meet the growing expectations of employees and civil society in terms of social responsibility and inclusiveness.

This agreement is the subject of annual follow-up meetings with staff representatives, which provide an opportunity to present the actions taken and monitor progress on gender diversity and professional equality indicators.

Palatine's actions in terms of gender equality and professional equality were recognised with an equality index of 96/100 in 2025, as well as by the renewal of the AFNOR equality label until 2025, and the award of the "Confirmed" level of the AFNOR Engagé RSE label in 2025.

Obtained in 2016 and renewed in 2021, the professional equality label recognises actions taken to promote gender equality: management practices that promote equality between men and women, reduction of pay gaps, and work-life balance.

In December 2023, a follow-up audit was carried out to highlight key facts and convincing qualitative and quantitative data such as:

- the professional equality index, which has fluctuated between 95/100 and 97/100 over the last 3 years;
- a committed executive management that participates in conferences on this topic and regularly communicates on the subject;
- training programmes tailored to professional equality issues;
- the Palatine PlurieL (mixed Palatine network) and ESSENTI'ELLES (Groupe BPCE network) professional networks.

Throughout 2025, events were held for Palatine employees to raise their awareness of the following themes:

- the fight against sexism;
- International Women's Day;
- the European Day of Intergenerational Solidarity;
- Pride Month;
- the Day for the Elimination of Violence against Women; as well as
- weeks dedicated to gender diversity and parenthood

In 2025, according to the IPSOS survey, 78% of employees stated that Palatine offers equal opportunities to all its employees, regardless of their gender, origin, age or disability.

The composition of Palatine's workforce is a concrete illustration of its commitment to professional equality and gender equality:

As at 31 December 2025:

- the workforce comprises 51.28% women and 48.72% men.

In addition, Palatine promotes and supports female entrepreneurship through the Palatine Women Project.

Disability

Palatine is committed to the inclusion of people with disabilities and the retention of employees faced with health challenges. It deploys a voluntary inclusion policy, in accordance with the legal obligations relating to the Obligation to Employ Disabled Workers (Obligation d'emploi de travailleurs handicapés - OETH).

This policy covers several main areas:

- job retention: by implementing early detection measures for situations that could hinder employees, Palatine adapts working conditions and tools to support employees with disabilities, while ensuring fair career prospects;
- recruitment and onboarding: support for applicants with disabilities; In 2025, a dedicated "disability mission" address was created to facilitate exchanges with candidates with disabilities;
- awareness and inclusion: regular communication actions are carried out to change perceptions of disability and foster an inclusive culture within the company;
- support for the sheltered and adapted employment sector: the bank works with specialised structures to contribute to external employment for people with disabilities and enhance its social impact.

Since 2024, two disability officers have been appointed to support employees throughout their careers and ensure the operational implementation of this inclusive policy.

Palatine implements various actions and events to promote and improve the inclusion of people with disabilities:

- videos and testimonials: distribution of videos and testimonials from employees with disabilities;
- awareness-raising/communication: awareness-raising during the European Week for the Employment of People with Disabilities with the publication of a disability guide, quizzes, infographics and testimonials;
- systematic exchanges: organisation of regular exchanges with employees recognised as having a disability and/or under medical prescription for workstation adaptation;
- in 2025, 90% of employees with disabilities and/or incapacities met with a disability officer;
- participation in meetings of disability officers: involvement in meetings of Groupe BPCE's disability officers, with the application of standards and sharing of best practices.

Thanks to the implementation of this policy, the employment rate for people with disabilities at Palatine has risen from 3.99% in 2021 to 4.49% in 2024. Actions remain to be taken to achieve an employment rate of people with disabilities of 6%.

In order to continue promoting awareness of disability and keeping employees in employment, the agreement on quality of life and working conditions within the Palatine ESU, signed on 20 December 2024, sets out specific measures to support employees in special circumstances, including carers, people with disabilities and employees with disabling illnesses.

Employees can also donate their unused leave days to colleagues who need them, such as carers for elderly or people with disabilities.

The objective is to guarantee a respectful and fair working environment for all, by implementing specific measures to support these employees in their daily professional lives.

Fight against discrimination & harassment

To ensure a respectful and safe working environment where every employee can fully express their skills and potential, Palatine implements HR measures to combat discrimination and harassment as part of its equality, diversity and inclusion policy. These measures aim to reduce the associated risks, including the degradation of working conditions, harm to the company's reputation and the resulting financial implications.

The measures available to Palatine employees include:

- guides and regular awareness-raising campaigns carried out jointly by the two Social and Economic Committee (SEC) and Employer contact persons;
- all forms of discrimination, including sexism, as part of a preventive approach where everyone must be mindful of their verbal and written communication;
- training/awareness-raising on inclusion: e-learning courses are provided to employees to help them understand the importance of inclusion and their active role in creating an inclusive environment, beyond established policies;
- specific awareness-raising initiatives to enable employees to recognise and combat different types of discrimination and harassment;
- harassment officers: Palatine has two officers trained to combat sexual harassment and sexist behaviour, supported by the human resources department.

3.1.3.2 (S1-2) Processes for engaging with own workforce and workers' representatives about impacts

3.1.3.2.1 Employee attractiveness, retention and engagement

Attractiveness

Human resources (HR) staff at Palatine, who work on recruitment, HR development and career development, receive regular training by Groupe BPCE's HR Department. This focuses on key topics such as recruitment and employer branding, employee onboarding and retention, and staff feedback mechanisms. These meetings provide employees and their representatives with information about ongoing projects and relevant news within the Group.

Palatine is also covered by a Group GEPP agreement (signed on 17 July 2025 and covering the period from 2025 to 2028), which gives rise to an Annual Monitoring Committee bringing together staff representatives as well as corporate HR managers and the Group's HR department. This agreement lays down key principles on the integration and retention of employees over 3 years, on the development of skills and career development.

Listening system

For more than ten years, Groupe BPCE has been conducting an annual employee listening survey with Ipsos and the Diapason barometer. To deepen this approach with a view to continuous improvement, five fundamental areas have been identified on which progress can be made: respect, friendliness, fairness, pride and management credibility. The Great Place to Work method was chosen as part of the strategic plan to strengthen the listening system around these pillars. The objective is to obtain a recommendation rate of 65% by the end of 2026.

Diapason barometer survey

Palatine decided to roll out an employee listening barometer in 2025 to gauge team trust and commitment, particularly as part of the new Palatine 2030 strategic plan.

The results of the listening barometer conducted in 2025 show a high level of trust and commitment within the teams:

- 80% participation rate;
- 82% engagement rate (+6 points compared to 2023);
- 88% of employees support Palatine's orientations (+12 points compared to 2023);
- 77% of employees say they have confidence in Palatine's management (+12 points compared to 2023);
- 90% of employees say they are proud to work for Palatine (+11 points compared to 2023).

Palatine employee ambassadors

Palatine employees are regularly asked to post on social media, thereby helping to promote their business lines and highlight their commitment to the bank. They are also encouraged to leave a review on the Glassdoor platform, where the Bank has a score of 4.3/5, reflecting a high level of employee satisfaction.

In addition, Palatine employees can play an active role in the recruitment process by:

- taking part in initiatives to promote their jobs to target schools, with a view to attracting future talent;
- co-opting applicants for job vacancies inside Palatine, which promotes high-quality recruitment based on internal recommendations.

Allowing employees to be ambassadors or co-opters is also a strong commitment driver. This gives them the opportunity to become actively involved in building Palatine's image and contributing to the development of a dynamic and inclusive corporate culture.

Skills development

"People at the heart of our concerns" is the guiding principle behind Palatine's HR policy for attracting, retaining and engaging employees. Its ambition: to promote a strong employer brand that clearly reflects its values of excellence and uniqueness.

Interactions between managers and their employees are at the heart of the skills development policy. These informal and formal exchanges help to cultivate each employee's motivation, identify their support and/or training needs, and involve them in jointly building and managing their career path, by making them the primary player in their career path.

Support for employee development

Employees can share their training needs throughout the year and also during their annual development interviews. Annual staff reviews between managers and Human Resources Managers help prepare employees for career advancement and support their career development.

Challenge: Build succession plans and promote career plans with sometimes unconventional paths to encourage mobility and a personalised approach. Similar to the services it offers its clients, Palatine values tailor-made solutions as a way of standing out in a highly competitive business environment.

A learning experience to encourage employees to train

In 2025, Palatine launched a new training portal for its employees, responding to requests for greater visibility regarding training programs. Employees can thus find the main offers organised by theme (communication, project management, impact, etc.) as well as simplified access to self-learning platforms and content, including LinkedIn Learning.

3.1.3.2.2 *Working conditions*

Dynamic social dialogue

Social dialogue is based on a series of interactions both within Palatine’s Human Resources Department (“HR department”), and with employee representatives appointed throughout the Palatine ESU scope (Palatine and Palatine Asset Management) as well as with employees via the Human Resources department.

Palatine is part of the Group's human resources/social relations division. This function ensures harmonisation of practices, comprehensive monitoring of issues affecting the entire working community and shared expertise through regular exchanges, working groups dedicated to specific topics as required, and two seminars per year.

Palatine’s HR department coordinates its social dialogue policy at the Palatine ESU level.

Interactions with staff representatives are organised on a regular basis, in particular through monthly meetings with the Social and Economic Committee (SEC). Regular discussions are also held in specialised committees within the Social and Economic Committee on specific topics (health, safety, working conditions, professional equality, housing, etc.). In addition, staff representatives act as local points of contact for employees within the Palatine ESU companies, to relay their concerns and questions and obtain answers.

Collective agreements are negotiated with union representatives. Once the agreements have been signed, all the employees concerned are informed of the measures negotiated that apply to them.

Pay

Payroll is subject to a regular individual review via annual interviews conducted by management under the supervision of the HR Department. In addition, employees can contact their line managers or the HR Department at any time to discuss the subject of pay. At the collective level, pay is subject to mandatory annual negotiations with the social partners (details available in Section 3.1.3.1. S1-1 Remuneration policy).

Quality of life at work

Quality of life and working conditions are the result of collective and concerted action involving employees, managers, senior executives, occupational health professionals, social assistance providers and social partners.

Palatine sets up annual employee feedback mechanisms to encourage dialogue and continuous improvement.

Palatine's commitment to open dialogue with its employees enables it to identify their needs and expectations and adapt its actions to improve their day-to-day well-being.

In parallel, Palatine has set up a dedicated Quality of Life at Work (QLW) programme. This initiative has resulted in the appointment of a QLW officer, who acts as the coordinator and promoter of the local well-being at work policy within Palatine.

Palatine’s QLW officer is supported by Groupe BPCE’s QLW function. This function offers specific activities through discussions, co-construction, sharing of experiences and studies. Web conferences and meetings are regularly organised, enabling the officer to stay informed about best practices and developments in QLW.

In addition, QLW officers have access to a dedicated QLW website, which serves as a repository for the function's work, as well as a social networking platform specific to their community. This system promotes the sharing of information and tools between the different players, thus strengthening their network.

A professionalisation system that can be adapted to the needs and constraints of participants is available to new officers. This programme enables them to acquire the skills required to implement appropriate measures, thus avoiding the negative consequences of poor quality of life at work.

Palatine firmly believes that this decentralised approach, supported by the QLW function, enables employee commitment to be strengthened and a positive and inclusive work environment to be created. The bank is committed to promoting practices that meet regulatory requirements and reflect its fundamental values of solidarity, listening and respect.

By incorporating these principles into its overall strategy, Palatine aims to build a corporate culture that promotes personal and professional development, while contributing to the institution’s overall performance.

Risk prevention and safety at work

The Social Relations Department and the Work Environment Department work together with the Health and Safety Committee and the Occupational Health Department to consolidate the reference documentation on the safety of persons and property and ensure that it is implemented and updated.

Special information and follow-up sessions are held with staff and their representatives at several levels:

- Quarterly Health and Safety Committee meeting, consisting of management and staff representatives who meet every quarter to discuss health and safety issues. An annual accident report and an action plan is presented to the Social and Economic Committee (SEC). It is regularly consulted to give its opinion on different matters or when an expert is referred to;
- health and safety assessment and programme to improve working conditions;
- the single risk assessment document is updated at least once a year;
- inventory of safety systems and equipment taking technological developments into account;
- study of safety rules and procedures.

3.1.3.2.3 Equal treatment and opportunities

The collaboration between the social partners and the HR department to develop a new agreement on professional gender equality and diversity, signed on 19 April 2024, marked a major milestone in the commitment to work together on issues that are essential to developing a resolutely modern HR policy that protects everyone's rights.

As a responsible employer, promoting equality for all and diversity is a major objective. Palatine is a human community integrated into society, with a social and societal responsibility; it needs all talents to ensure its economic development. Palatine is convinced that the diversity of the women and men who make up its teams and the recognition of each individual's value while respecting differences leads to greater creativity, commitment and performance. It has been actively committed to equal opportunities for many years and regularly speaks on these topics. It is particularly mindful of the importance of taking specific situations into account and reaffirms its commitment to combating discrimination of all kinds. This approach reflects the bank's existing commitment to developing conditions that promote employee engagement and motivation, which are drivers of performance, and to ensuring that every employee is treated equally from the moment they apply for a job and throughout their career with the bank. As a reminder, the Bank was awarded the A Professional Equality label in 2016 (renewed in 2021) and is committed to a process of continuous improvement in areas such as recruitment, training, promotion, equal pay, work-life balance, communication, etc. It naturally draws on existing systems within Groupe BPCE, in particular to adapt and continue to improve the coordination of actions aimed at equal opportunities and the ongoing fight against all forms of discrimination.

In line with this, Palatine will launch a new audit cycle in 2026 to renew its AFNOR Professional Equality label and, at the same time, obtain the Diversity label. The combination of these two accreditations is aimed at obtaining the Alliance label, a symbol of a strong and integrated commitment to equality, diversity and inclusion.

3.1.3.3 (S1-3) Processes to remediate negative impacts and channels for own workforce to raise concerns

3.1.3.3.1 Employee attractiveness, retention and engagement

Attractiveness

Consultation mechanisms and continuous process improvement plans

At Palatine, the IPSOS "Palatine 2030" barometer conducted in 2025 provided employees with a valuable space to voice their frustrations, expectations, and sources of satisfaction. This listening system helps gauge employee engagement and gives them an opportunity to voice their frustrations and express their dissatisfaction.

The results of these surveys are reported to managers, who then share them with their teams in close collaboration with HR managers. This collaborative approach makes it possible to identify operational and adapted action plans aimed at better supporting employees on a daily basis.

By listening attentively to its employees and regularly analysing the results, Palatine is committed to a process of continuous improvement, with the aim of sustainably enhancing the teams' well-being and fostering a positive working environment.

An open and transparent application process

An open and transparent application process is in place for all candidates. They can ask for their applications and related data to be deleted directly through the recruitment site, in line with the laws and regulations in force.

By using Groupe BPCE's recruitment tool, Palatine benefits from advanced functionalities that guarantee effective monitoring of applications and optimal data management. This helps to improve the candidate experience while respecting their privacy.

Skills development

Palatine is committed to the long-term employability of its employees by offering them the opportunity to develop their career prospects through new experiences and rewarding career opportunities. In a constantly changing environment, it is committed to developing its talents to ensure continuity in key positions within the company and to achieving its commitments, particularly in terms of diversity and inclusion.

The skills development policy is part of an evolving context of its business lines and strong competition. The bank firmly believes that developing technical and interpersonal skills is a key driver of individual and collective success, in a spirit of excellence and high standards. The main objectives of the skills development policy are broken down into several major areas:

- promote the integration of young people into our business lines through work-study initiatives;
- develop job mobility in line with the transformation of business lines;
- develop a positive AI culture with gradual acculturation.

Continuous updating of business line frameworks

In 2025, the GEPP project, which forms part of the Palatine 2030 strategic plan, was launched within the Bank, notably with a dedicated project team to ensure coverage of all of the Bank's business lines.

3.1.3.3.2 Working conditions

There are different channels for raising employee concerns. In particular, they can contact their manager and their human resources manager. Complaints can also be made via employee representatives or trade unions. Employee representatives can be contacted at any time to take into account employee concerns.

The labour inspectorate may also be solicited directly by employees.

In addition, social dialogue at the Palatine ESU enables meetings to be arranged quickly when the social partners request a meeting with management on a specific, extraordinary issue outside the monthly meetings of the staff representative bodies. The regularity of these meetings ensures that all complaints and demands raised by the working community are reported through the trade unions.

Each employee can ask their line manager and/or the HR Department to express a concern about their own pay.

The bank's Human Resources Department defines remedial procedures, manages and provides support in collective and individual situations that are identified.

A counselling and psychological support service is available on a 24/7 basis to address psychosocial risks. Employees have free access to a telephone listening platform in complete confidentiality.

Risk prevention and safety at work

The processing and identification of employee exposure and accidents in the Palatine ESU companies are organised according to severity or organisational scope criteria.

All employees who are victims of an accident related to a professional activity or while commuting, inform their employer of the occurrence of a workplace accident by any means (email, telephone, SMS, etc.). This procedure is performed on the day of the accident or within 48 hours at the latest.

The circumstances surrounding the accident or occupational illness are recorded on the basis of the victim's statements and reported to the relevant Health Service Department in accordance with national procedures.

Faced with the constant increase in crime figures across the country, as a preventive measure, in 2023, Groupe BPCE's HR Department decided to strengthen measures to report incivilities. The system includes a reporting tool to identify incidents, a management and processing workflow, an innovative training programme based on virtual reality, awareness-raising guides adapted to managers and employees, and support measures for victims (psychological assistance, legal assistance, etc.).

Finally, procedures for preparing for and responding to emergencies or major incidents are implemented by companies through business continuity plans. A monitoring and management unit can be activated at Group level.

Infrastructure improvement and business transformation projects are regularly subject to specific assessments proposing measures to improve working conditions, risk prevention and protection.

In addition, safety visits (safety and security of people and property) and actions in the workplace (health at work) are regularly scheduled. All of this contributes to the regular updating of the Single Occupational Risk Assessment Document (DUERP).

Prevention, management and safety training programmes cover all known risks and are adapted to safety experts, managers and employees. An annual assessment measures the skills acquired and available.

Actions to prevent occupational risks are undertaken within the bank.

Permanent control plans ensure risk management and the compliance of measures.

3.1.3.3.3 Equal treatment and opportunities

In 2024, the Group rolled out a "Whistleblowing" system to all employees (see 4.1.1.5 G1-1 *Whistleblowing procedure*).

The teams of the HR Department are the entry point for the Diversity, Fairness & Inclusion policy with all stakeholders, employees and their representatives.

Agreements Monitoring Committees (Professional Equality, QLWC) draw up the quantitative and qualitative assessment of the actions deployed and are part of a constructive dialogue with employee representatives.

In terms of interaction, the Bank relies on a number of HR officers (disability, QLWC, mental harassment, sexual harassment, gender equality). They cover several distinct scopes and are spread across the whole of the Palatine ESU:

These groups of officers are key contacts for employees, who can call on them as needed.

The Bank launched a "whistleblowing" system for all employees in 2025, enabling them to report information relating to serious crimes, offences, threats or harm to the public interest. In particular:

- a breach of the Groupe BPCE Code of Conduct and Ethics;
- a violation, or an attempted violation, of the law or regulations in force;
- any action that has a negative impact on the environment;
- any behaviour that is inappropriate in the workplace or that could harm everyone's safety.

Employees who are victims or witnesses of discrimination or harassment can contact the aforementioned officers. Their contact details are available on the Intranet and on notice boards.

Several contacts are able to answer employees' questions on diversity, inclusion and disability in complete confidentiality in order to inform them and support them in their approach depending on the situation and the subject.

Disability officers: they welcome, inform and guide employees regarding accommodation needs, the steps to be taken, and the impact of a disability on professional life, in complete confidentiality.

Sexual and sexist behaviour officers: they are identified and trained to support and guide employees in sensitive situations.

A diversity and gender equality officer: she steers and coordinates actions to promote diversity and professional equality.

The occupational health doctor is the key person who can help assess the impact of a health problem on a person's work and make a request for adjustments to their job. He/she is bound by medical confidentiality.

The social worker has expertise in legal and internal systems. She supports employees in their administrative procedures, including those related to their personal lives, and provides a listening ear and support.

The human resources manager serves as the primary point of contact throughout a person's professional life, he or she can be consulted for any questions or situations requiring HR support.

Employee representatives can be solicited as part of the diversity, inclusion and disability policy. They contribute to the protection of the physical and mental health and safety of employees within the company.

This ecosystem of contacts contributes to providing an attentive, inclusive and supportive working environment, where every employee can receive the support they need.

3.1.3.4 (S1-4) Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and the effectiveness of those actions

3.1.3.4.1 Human rights

Palatine ESU companies comply with applicable human rights and labour legislation:

- child labour and forced labour are strictly prohibited; Palatine is required to check the age of all new employees when hired in France;
- working hours comply with local standards or are more favourable, sometimes with the possibility of remote working and additional days off;
- maternity leave is compliant with local regulations and even surpasses them;
- employees benefit from additional health coverage.

3.1.3.4.2 Employee attractiveness, retention and engagement

Skills development

All of the skills development action plans described fall within rolling time horizons. They are in fact intended to continue in future years with no scheduled end date.

A training investment was made in 2024 to pursue these ambitions. Thus, with 5.62% of the payroll dedicated to continuing professional training, the expenditure allocated to professional training in 2024 remains significant.

The training focus is being emphasised from both an individual and collective angle, enabling training programmes to be tailored to the needs of the profession and the employee.

Challenge: anticipate changes in business lines today to adjust training and prepare the bank of tomorrow.

The BPCE Campus offer provides extensive coverage of key training courses for both employees and managers on a wide range of topics such as:

- network business lines;
- banking services;
- mandatory regulatory training;
- the Group's IT, data and digital business lines;
- external fraud, mandatory regulatory training, etc.

The quality of the programmes on offer enables the campus to provide students with access to a diverse, up-to-date range of courses that are at the cutting edge of the challenges facing the Group.

Professional mobility & job transformation

Palatine encourages the mobility of its employees and develops tools to facilitate their professional development:

- digital platforms and job exchanges to discover jobs and identify opportunities;
- workshops or individualized support to build professional projects and prepare for interviews;
- continuous training programs to develop employees' skills and thus strengthen their employability.

Support for professional mobility through targeted pathways

Palatine supports the preparation of future professional mobility through several key pathways available:

- **the "Art of being a Leader" course** serves as a catalyst for innovation and collective performance, aimed at developing the leaders of tomorrow, capable of navigating a complex and interconnected world.

This programme has two main objectives:

- **to create a pool of future managers;**
- **to foster talent retention within the Bank.**

- development courses for high-potential employees are also offered within each major business line, such as the certification developed in partnership with ESCP, "**Leading transformation and change**", among other initiatives.

The role of ESG

Since 1 September 2024, Palatine has set up a cross-functional sustainable finance programme, the main objectives of which are to:

- define the Bank's Green Business strategy;
- train the corporate sales teams to engage in strategic dialogue with their clients about the climate transition;
- develop and coordinate all "green" or impact loans and investments;
- set up and coordinate partnerships, including with KPMG;
- motivate the sales force to build on this momentum;
- integrate ESG criteria into processes and tools;
- lead a community of sustainable finance contacts.

In line with this, a training course is planned for the private sector in 2026.

The Climate Fresco

The collaborative and entertaining climate awareness tool developed by the Fresque du Climat association (Climate Fresco Association) has been in use at Palatine since March 2022. Based on scientific data from the IPCC (intergovernmental panel on climate change), the set of 42 cards makes it possible to understand the cause and effect links of climate change with a time for discussion between employees on the levers of action faced with this environmental challenge.

The workshops are run by a team of around ten employees trained by a member of the association. More than 600 employees have been trained since the rollout began.

Developing a positive AI culture

AI-based training programmes

In 2025, Palatine employees had the opportunity to receive training in AI, including:

- “The responsible use of data and AI”, the objective of which is to enable them to understand the opportunities and responsibilities of the advanced use of data and AI;
- “Generative AI for employees” helps to acculturate them and raise awareness of best practices in the use of generative AIs. This training is a prerequisite for using the Group’s generative AI tool (Maia);
- “The discovery of the essentials of prompt writing” in order to make employees autonomous and efficient in drafting prompts.

A secure chat to help employees familiarize themselves with AI

Since 2024, Palatine employees have had access to a generative AI tool (Maia) that help them with a range of tasks, including text translation, generating summaries, drafting texts, preparing meeting agendas, finding inspiration for brainstorming sessions, and so on.

In 2025, a store with almost 40 assistants was available. They interact like a business expert and allow the user to process a specific task and generate structured content.

Acculturation programs

To enable employees familiarise themselves with Data and AI technologies, frameworks and tools, acculturation actions and programmes are being rolled out, supported by a network of digital coaches present within Palatine.

Training to support business line AIs

Training programmes are being rolled out to develop the adoption of AI in the business lines, and in particular: "Discovering and improving in the HR meta prompt", a training course for HR teams.

Attractiveness

Launch of Great Place To Work

As part of its new Palatine 2030 strategic plan, Palatine, in line with Groupe BPCE's ambitions, wishes to embody a **strengthened human model**, based on commitment, trust and collective performance. One of the priority projects is to achieve **Great Place To Work certification**, a benchmark that measures internal perception of the business model across five managerial pillars: **credibility**, **respect**, **fairness**, **pride** and **camaraderie**.

This certification, recognised both in France and internationally, serves as a structuring tool for continuously improving managerial quality and strengthening the employee commitment index. It enables the organisation to objectively identify its strengths and areas for improvement, and to guide the actions needed to create an increasingly fulfilling working environment.

With this in mind, Palatine is committed to strengthening its human model and developing its corporate culture, in full alignment with Groupe BPCE's strategic priorities. The aim is to offer each employee a working environment in which they feel **listened to**, **respected** and **valued**, while encouraging everyone to contribute to collective success.

By adopting this ambitious approach, Palatine aspires to create a workplace where everyone can give their best, thereby contributing directly to the achievement of the company's strategic objectives and its sustainable development.

Increased digital accessibility of the Group’s HR tools

In order to improve the employee experience and meet the requirements of the European directive, Groupe BPCE has embarked on a major programme to improve digital accessibility across all its sites, tools and media. This work makes it possible to take into account all disabilities when using digital products. The recruitment website, the job market and internal time management tools are among the priority HR tools in 2026.

Palatine will leverage the work undertaken by Groupe BPCE on its Digital Accessibility Programme.

A benchmark employer

As part of its strategic project, Palatine aims to strengthen its position as a benchmark employer and establish a strong, distinctive employer brand. This issue is fully in line with the drive to enhance the employer brand, aiming to attract the best talent and reflect the ambition of the human model upheld by the Bank.

In order to build this employer brand and raise the profile of HR actions among candidates, Palatine launched a series of design thinking workshops in 2025, bringing together employees and HR stakeholders. This work will help to define a clear, authentic employer value proposition that is aligned with the aspirations of both current employees and future candidates. These workshops, which began in 2025, will continue in 2026, in line with the key stages of the overhaul of HR communication materials and candidate pathways.

The objective is clear: to stand out in the job market, boost Palatine's attractiveness and establish an inspiring, coherent and meaningful employer brand.

3.1.3.4.3 Working conditions

Risk prevention and safety at work

The bank is implementing a strategy to identify any major impact on working conditions, such as significant fluctuations in the number of employees, problems with accidents at work or commuting accidents, the identification of serious accidents, specific risks, or material changes in the organisational structure.

"Occupational risk prevention" is a set of principles/actions formulated as commitments where the bank defines its occupational risk prevention measures. These measures are consolidated in PAPRIPACT, DUERP and the agreement on quality of life at work, among others.

Quality of life at work

The Bank adheres to regulatory requirements and those implemented at the Groupe BPCE level. These actions, resulting in concrete measures to improve the working conditions of employees, directly contribute to the well-being and satisfaction of employees as well as to the reduction of psychosocial risks.

The bank's QLW policy pays particular attention to individual and collective situations. Indeed, the quality of life and working conditions is an approach that is materialised and experienced on the ground in the working environment. However, the bank promotes and monitors actions under an agreement on quality of life at work and working conditions. This policy is based on three pillars:

- guaranteeing a rewarding working environment for all, whereby everyone has the right to a high-quality working conditions that are respectful of work-life balances;
- ensuring a responsible working environment for all, through existing safety/health prevention systems;
- supporting specific situations, to assist in cases of caregiving, disability, disabling illness, donation of days, etc.

3.1.3.4.4 Equal treatment and opportunities

In accordance with its professional equality policy, Palatine's action plans are divided into three topics:

- actions for professional equality;
- actions relating to disability;
- actions to combat discrimination and harassment.

Actions to promote professional equality

Palatine implements several preventive measures to promote equality in the workplace and prevent risks of discrimination.

Pay

This is strictly monitored on an annual basis, especially in connection with the production of the gender equality index. This monitoring is part of the mandatory annual negotiations with employee representatives. Pay gaps are therefore the subject of special attention.

Therefore, specific budget allocations are reserved to reduce any discrepancies that are not justified by the nature of the position or the job classification. This proactive approach demonstrates Palatine's commitment to guaranteeing fair remuneration and promoting an inclusive working environment for all its employees.

Recruitment

Job offers are written in a neutral and objective manner.

On 22 April 2024, Palatine signed an agreement on gender equality and diversity within the Palatine ESU in which it reaffirms its commitment to gender parity in all its business lines and levels of responsibility. The objective is to achieve parity in operational management and senior management positions by 31 December 2027.

The proportion of women among employees with permanent contracts was 51.20% on 31 December 2025.

Aware of the importance of acting on its pool of employees, particularly employees from the network, the Bank is also aiming for gender parity in the corporate account manager role, where the proportion of women is 38.80% based on the number of employees on permanent contracts as at 31 December 2025 (compared with 38.1% in 2024).

Parenthood

Palatine undertakes to guarantee that maternity leave does not constitute an obstacle to the professional development and remuneration of women. Thus, women returning from maternity leave benefit from the average increases granted to all employees, in accordance with the legal provisions in force.

In addition, it is agreed that any employee with 6 months' seniority who takes paternity leave covered by social security shall receive remuneration equivalent to 100% of the difference between the amount paid by social security and their gross remuneration.

Palatine also organises awareness-raising initiatives throughout the year, such as Diversity Week, Parenting Week and Anti-Sexism Day, to raise employee awareness of these issues and encourage behavioural changes.

Labels

In addition, Palatine was awarded the professional gender equality label in 2016, which was renewed in 2021 until 2025. This label recognises actions taken to promote gender diversity, such as management practices that promote equality between men and women, reducing pay gaps, and improving work-life balance.

This label, created in 2004 by the State, in association with social partners and experts, is a true methodological guide, which certifies respect for equal rights between male and female employees.

Palatine is therefore actively committed to professional equality, as reflected in its award of the Equality label. This label highlights the bank's efforts to guarantee fair working conditions and to prevent any form of discrimination between its employees.

As part of this proactive approach, Palatine also aspires to obtain the AFNOR Alliance label in 2026, which combines the Diversity Label and the Professional Equality Label. By aiming for this label, Palatine wishes to strengthen its commitment to diversity and gender equality within its teams.

The AFNOR Alliance label will enable Palatine to promote its initiatives in terms of inclusive recruitment and professional development, while consolidating its human resources management practices. This objective is part of a commitment to promoting a respectful and inclusive working environment where every employee can flourish and grow, regardless of their background or gender.

Palatine thus continues to assert its role as a responsible player committed to promoting equality and diversity, and thus contributing to a dynamic and respectful corporate culture.

Actions related to disability

In terms of actions related to disability, several corrective measures are applied to prevent risks in terms of job retention, recruitment, integration and change of perspective.

The following actions are implemented:

- information for employees experiencing health difficulties on the specific support measures they could be entitled if their disability was recognised;
- support for employees wishing to apply for recognition of the status as a disabled worker (RQTH);
- multidisciplinary management of individual situations and search for solutions;
- assistance with the financing of disability support measures in a professional and personal context;
- training of HR teams, recruiters and disability officers on the principles of non-discrimination applied to disability.

In 2025, nearly 100 managers received training on disability.

In 2025, Palatine continued to implement measures aimed at raising awareness of both visible and non-visible disabilities and improving the inclusion of employees with disabilities.

It also sought to support the sheltered and adapted work sector, in particular by making greater use of Groupe BPCE's national partnerships and by raising awareness among its buyers of its practices.

Actions to combat discrimination and harassment

Raising awareness and training employees with varying levels of granularity depending on the topic are key challenges. The bank maintains a strong and consistent effort to ensure best practices, including:

- Non-discrimination training for recruiters;
- e-learning programmes widely implemented for employees, enabling them to:
  - distinguish non-discrimination, diversity and inclusion,
  - Identify the impact of stereotypes on daily working life.

In addition, Palatine has distributed to its employees a guide titled “Everyone United Against Sexism” provided by Groupe BPCE, along with a self-assessment tool and a dedicated e-learning course designed to prevent sexism and sexist behaviour.

Palatine has also made commitments to specific populations. For example, a partnership has been established with the Capital Filles charity to help young women in their final year of secondary school to consider their career options.

Soutien aux jeunes (Support for young people) from priority urban areas

Palatine has entered into a partnership with the Capital Filles association to help young girls in their final high school year explore their career options. These volunteer mentors continued to support young people from rural areas or priority urban areas in 2025.

Inclusion des personnes LGBT+ (inclusion of LGBT+ people)

To mark Pride month, Palatine hosted this event in 2025 by sharing the LGBT+ Guide at Work, to clarify certain definitions and dispel common misconceptions, by providing an e-learning course entitled "Understanding diversity and inclusion" – which brought together 790 participants – and by presenting the All Equals network, a Groupe BPCE association committed to these issues.

Intergenerational

The Group GEPP agreement signed in 2025 emphasises the importance of intergenerational relations: diversifying recruitment, strengthening the support and visibility of the careers of experienced employees, transmission of their skills, and end-of-career adjustment measures. Its objective is to promote:

- the roll-out of a recruitment policy for young people under the age of 30;
- keeping employees aged over 50 in employment, in accordance with French law;
- in this context, measures are being deployed to help young people integrate the business lines, and to enable older workers to advance under the same conditions as other employees, change jobs, and receive practical support as they approach retirement. For example, at Palatine, pension assessments may be offered to provide specific support at key moments in an individual's career.

3.1.4 Targets

With regard to the following, and the consultation of stakeholders in the definition of targets, the HR metrics set in company agreements are defined, by nature, between management and the trade unions. Some agreements provide for monitoring committees, and employee representatives are also stakeholders. The metrics in the strategic plan are defined by Palatine's Executive Management.

3.1.4.1 (S1-5) Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

3.1.4.1.1 Human rights

The Social Relations Department ensures that labour law regulations relating to all members of the bank's Human Resources Department are respected and enforced.

3.1.4.1.2 Employee attractiveness, retention and engagement

Skills development

On a practical level, the bank has set itself the targets by 2027 of increasing:

- gender equality for our main jobs in sectors or professions that are unbalanced (banking operations specialists, corporate account managers);
- the feminisation of executive grades, management jobs and positions of greater responsibility;
- leadership training and mentoring:
  - capitalising on the "The Art of Leadership" programme launched in 2019 with the aim of bringing together 10 non-managerial participants to create a pool of future Palatine managers.
- promoting its mentoring activities as part of a visible social and solidarity-based approach, with the following measures in particular:
  - a Palatine Pluriel network for women and men;
  - the Palatine Women Project: Palatine is committed to supporting entrepreneurs with a mentoring programme designed to assist female athletes and para-athletes transitioning to a new career with a business project. They take part in a nine-month programme offering comprehensive support to help them get their projects off the ground under the best conditions possible.

Strengthening employee engagement

- The latest employee engagement survey, entitled "Palatine 2030" and conducted in collaboration with Ipsos, found that employee engagement stood at 82% in 2025. To build on this assessment and improve the employee experience, Palatine is committing to the **Great Place to Work** initiative by 2027.
- This commitment demonstrates Palatine's desire to increase employee satisfaction and engagement, as part of a broader initiative to continuously improve quality of life at work.

3.1.4.1.3 Social dialogue and working conditions

Social dialogue

Social dialogue, as managed within the Palatine ESU (Economic and Social Unit), enables Palatine to comply with all legal obligations, whether in terms of negotiations or information for employee representatives.

The coordination of relations with employee representatives based on the negotiation and signature of collective agreements as well as the deployment of social policies aims to meet both the aspirations of employees and the challenges facing the Group's companies. This social dialog supports the Group's economic and social performance.

Risk prevention and safety at work

In order to reduce the number of significant adverse incidents by implementing preventive measures and risk management protocols, the Palatine ESU has developed a risk management strategy that takes into account professional risks, natural risks and, where applicable, industrial risks. This approach aims to anticipate and mitigate the effects on employees.

A safety policy is rolled out at all the sites, taking into account the results of an adapted risk assessment (DUERP) and action plans, annual plan for prevention and improvement of working conditions (PAPRIPACT) revised annually.

They make it possible to ensure regular monitoring of prevention as closely as possible to the challenges of the regions.

The Palatine ESU social report includes a paragraph dedicated to claims. The indicators of the consolidated companies make it possible to monitor its evolution and identify significant discrepancies without seeking to determine other target objectives.

Quality of life at work

The QLW policy is structured to be as close as possible to employees. Palatine signed its new QLWC agreement in December 2024.

The objectives of this agreement are:

- support the “Great Place To Work” initiative by promoting respect, pride and fairness;
- cultivate the strength of a cohesive team in line with Palatine's purpose;
- strengthen Palatine’s CSR strategy.

Main pillars:

- ensure a fulfilling working environment for all;
- ensure a responsible environment for all;
- provide support in special situations and promote inclusion.

Key Actions:

- quality working environment: ethics and professional conduct, strengthening teamwork, attentiveness and managerial practices, prevention of psychosocial risks (PSR);
- work-life balance: right to disconnect, work-life balance;
- health at work: adequate medical supervision, prevention and health policy;
- support for specific situations: caregivers, disability, illness.

Company commitment:

- awareness-raising and training on the right to disconnect;
- promotion of best practices in the use of digital tools;
- continuous assessment of job satisfaction regarding the right to disconnect.

Importance of managerial practices:

- they promote cooperation and are aligned with the corporate governance strategy and the company's purpose;
- the bank's undertaking: to raise awareness among managers about team management, support and recognition for employees, and the prevention of occupational risks, including psychosocial risks.

Inclusiveness and support:

- raise awareness of the benefits of recognition: job adaptation, retirement, listening to the whole team;
- communicate about inclusion: eliminating stigma and penalisation, deconstructing stereotypes about disabilities;
- support for employees with disabling illnesses: adapted medical monitoring, partnership with Cancer@work, raising awareness of the challenges of cancer and chronic diseases;
- these elements show how Palatine’s QLW policy is designed to be as close as possible to employees, by highlighting key indicators and concrete measures to improve their well-being at work.

3.1.4.1.4 Discrimination and equal opportunities

Diversity & Inclusion - professional equality

The agreement on professional equality between men and women and diversity within the Palatine ESU sets ambitious targets aimed at promoting equal treatment and combating discrimination.

The main targets in this agreement are:

Equal pay:

- reduction in the pay gap: the objective is to reduce the weighted gap of the gender equality index to 2.5% or less by 31 December 2027 (currently 4.3%);
- remuneration monitoring: the bank undertakes to monitor unjustified remuneration on an ongoing basis and to implement corrective measures in the event of any discrepancies observed.

Recruitment and gender equality:

- gender parity in recruitment: ensure that 100% of job offers are drafted in a non-discriminatory manner;
- applications by gender: ensure that at least one candidate of each gender is shortlisted when recruiting with equal skills;
- gender parity objectives: achieve parity for operational manager positions, managers of managers, as well as for benchmark business lines (corporate account managers and banking operations specialists) by 31 December 2027.

Training and skills development:

- access to training: guarantee equal access to training for women and men, ensuring a balanced distribution of training actions;
- leadership training and mentoring: continue to promote professional development pathways for women and men, ensuring gender parity in the candidates proposed.

Promotion and career development:

- objectives for the progression of women: maintain parity in management classification levels and aim for a rate of 40% of women in management bodies by 31 December 2027;
- access to management positions: promote women’s access to positions of responsibility, notably through training and mentoring programs.

Diversity & inclusion - Disability

The agreement on Palatine's Quality of Life at Work (QLW) policy includes several indicators and specific measures in terms of disability to support and include the employees concerned. The main elements are as follows:

- awareness-raising and communication: the agreement aims to raise awareness of the benefits of recognising disabilities, eliminating stigma and deconstructing stereotypes;
- workstation layout: budget earmarked for workstation layout, whether on-site or teleworking, with the support of an ergonomist for job retention;
- training of management teams: specific training for managers to improve understand and to manage disability situations;
- administrative support: one day of paid leave is allowed for administrative procedures related to the recognition of disability;
- partnerships: collaboration with partners such as Cancer@work to raise awareness of the challenges of cancer and chronic diseases, and improve inclusion practices.

Campaigns and Initiatives:

- dedicated annual campaign: an annual campaign to raise awareness and inform about the actions and supports available for employees with disabilities;
- support for long absences: specific arrangements for employees on long-term leave, including medical check-ups before and when they return, as well as a liaison interview after 30 days of absence.

These indicators and measures demonstrate Palatine's commitment to creating an inclusive working environment and supporting employees with disabilities.

3.1.5 Metrics

3.1.5.1 General introduction – scope of application

Scope of publication of S1 metrics for the 2025 CSRD:

Scope of publication of S1 metrics for the 2025 CSRD (for the 2025 reference year):

The scope referred to in this CSRD report concerns the scope of the Palatine ESU. Unconsolidated data to date in certain categories include data for 2024.

Populations concerned

Population exclusions (fixed-term contracts/work-study) according to the metrics were made for reasons of data availability and/or the relevance and reliability of the calculations.

3.1.5.2 (S1-6) Characteristics of the undertaking's employees

A. General introduction: definition and transversal methods for S1-6 metrics

Preliminary reminder: S1-6 only concerns employees (therefore non-employees are excluded from the scope of the S1-6 metrics).

Scope

- for the Palatine scope, see 3.1.5.1 (S1-6) Characteristics of the undertaking's employees – Palatine;

Definition

The total number of employees was calculated based on the scope of entities subject to the CSRD and the following definition of employee status:

- permanent internal employees (CDI);
- temporary internal employees (fixed-term contracts - CDD);
- work-study employees.

Note:

Interns were not included in the scope, insofar as in France, interns are not considered as company employees.

Calculation

Methodology for calculating the total number of employees based on:

- a counting of the number of own workers in number of contracts;
- the number of employees present at the end of the reference period;
- a closing date at December 31 of the reference year.

B. Breakdown of own workers:

Completion of the table based on three fields:

- the "Men" and "Women" fields: based on the information available in the information system;
- the "Not declared" field is the field used in the event of data not available in the information system;
- the "Other" field is currently not available in the employee gender self-declaration process, as French legislation does not prescribe the place of such a system.

Breakdown of own workers by gender

Gender	Number of employees 31/12/2025	31/12/2024
Male	530	546
Female	560	578
Other		
Not declared		
TOTAL SALARIED EMPLOYEES	**1,090**	**1,124**

C. *Own workers by country*

Scope

Countries in which the company has at least 50 employees representing at least 10% of its total number of employees.

The calculation basis for own workers is that applied to the scope of publication of the CSRD.

Presentation of the number of employees in countries where the company has at least 50 employees representing at least 10% of its total number of employees

Country	Number of employees 31/12/2025	31/12/2024
France	1,090	1,124

D. *Employees by type of contract*

Definition

See definition in the introduction.

Note: Palatine has no employees on "non-guaranteed hours" contracts. Palatine is not concerned by this category of employees given the types of contracts offered by the Bank and the Bank's business model.

Calculation

For the breakdown by gender: see section B. Breakdown of own workers.

The breakdown by contract is detailed in the section A. General introduction: definition and transversal methods for indicators.

Publication of the full-time/part-time split on a voluntary basis.

Any employee with a contractual FTE of 100% is considered as full-time. All others are considered part-time. Note: work-study students are excluded from the scope of calculation of the metric because they have a dedicated time format.

Presentation of information on employees by type of contract, broken down by gender

	31/12/2025				
	Women	Men	Other(1)	No com-municated	Total
Number of employees	560	530			1,090
Number of permanent employees	514	488			1,002
Number of temporary employees	46	42			88
Number of non-guaranteed hours employees					
Number of full-time employees	491	492			983
Number of part-time employees	69	38			107

(1) *Gender as specified by the employees themselves.*

	31/12/2024				
	Women	Men	Other(1)	No communicated	Total
Number of employees	578	546			1,124
Number of permanent employees	530	497			1,027
Number of temporary employees	48	49			97
Number of non-guaranteed hours employees					
Number of full-time employees	538	539			1,077
Number of part-time employees	40	7			47

(1) *Gender as specified by the employees themselves.*

E. Employees by type of contract, by region

Definition

Definition of the term "Region": the Group understands the definition of region in the sense of geographical area. The group differentiates between 4 regions: France/Americas/APAC (for Asia-Pacific)/EMEA (excluding France; for European States, Middle East and Africa).

All Palatine employees work in France.

Calculation

- for the breakdown by gender: see Part *B. Breakdown of own workers*;
- the breakdown by contract is detailed in Part *A. General introduction: definition and transversal methods for indicators*.

Presentation of information on employees by type of contract, broken down by region

The table will be the same as the one shown in the previous section (D. Employees by type of contract), as all Palatine employees work in France.

F. Total number of employees who left the group during the reference period

Definition

The metric presented only concerns permanent (CDI) contracts.

Calculation

- The following reasons for departure were used in the calculation of the indicator: contractual terminations, resignations, deaths in the course of employment, dismissals and retirements;
- departures related to internal mobility have not been included in the calculation of the indicator.

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NUMBER OF EMPLOYEES WHO LEFT PALATINE DURING THE YEAR

G. Employee turnover during the reference period

Two indicators are published: the departure rate and the turnover rate.

Definition

The calculation is based on permanent employees present at the end of 2025.

Note: Fixed-term contracts and work-study employees have been excluded from the calculation of the turnover rate, as their presence in the Group is by definition temporary.

Calculation

Calculation formulas applied:

$$\text{Rate of departure:} \quad \frac{\text{number of permanent contract departures over the reference period}}{\text{number of employees on permanent contracts at December 31 of reference year Y-1}}$$

$$\text{Rate of Turnover:} \quad \frac{\text{(number of permanent contract hires over the reference period + number of permanent contract departures during the reference period) / 2}}{\text{number of employees on permanent contracts at December 31 of reference year Y-1}}$$

6.91%

TURNOVER RATE
OF PERMANENT STAFF

8.18%

DEPARTURE RATE
OF PERMANENT STAFF

H. Reconciliation between the own workers mentioned in Section "3.1.4.2 (S1-6) Characteristics of the undertaking's employees" and the most representative workforce in the financial statements.

The Human Resources department relies on a notion of number of contracts and not FTE [1], it is therefore not relevant to reconcile the FTEs with the financial statements for the 2025 reference year, as the latter are not comparable.

3.1.5.3 (S1-7) Characteristics of non-employees in the undertaking's own workforce

In accordance with the transitional implementing measure provided for in the regulations, this metric is not published for the reference year 2025.

The action plan for future publications is as follows:

- define the concept of "non-salaried employee" and identify the populations concerned based on the standard;
- list the companies for which data can be collected via tools (group people repository);
- the group will manually collect and report the number of non-salaried employees for companies that are not integrated into the RPG tool [2]

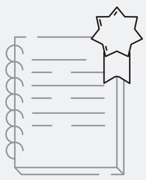
3.1.5.4 (S1-8) – Collective bargaining coverage and social dialog

A. General introduction

Social dialogue is consolidated at the Palatine ESU level. This ESU comprises Palatine and Palatine Asset Management. The companies in the Palatine Economic and Social Unit (ESU), including Palatine, also apply the agreements negotiated at the Groupe BPCE level. The collective agreement which applies at the Palatine ESU is the banking industry collective agreement of 10 January 2000, extended by order of 17 November 2004. It applies to all Palatine employees.

B. Percentage of all employees covered by collective bargaining agreements

Collective convention, company agreements or any other form of agreement negotiated between an employer, a group of employers or one or more employers' organizations, on the one hand, and one or more trade unions or, in their absence, employee representatives elected in accordance with national laws and regulations, on the other hand, shall be considered as "collective agreements".



100%

RATE OF ALL EMPLOYEES
COVERED BY A COLLECTIVE
AGREEMENT

1) *Full-time equivalent.*
2) *Group people repository.*

Percentage of all employees covered by collective bargaining agreements

The percentage of employees covered by collective agreements is calculated using the following formulas:

$$100 \times \frac{\textbf{Number of employees covered by collective agreements}}{\textbf{Number of employees}}$$

For the France scope, regulations require that all employees meeting the definition criteria in section "S1-6 - Characteristics of the undertaking's employees" be covered by a collective agreement and by social dialogue/employee representation. The Bank's employees are integrated into the Palatine ESU.

The employees covered by a collective agreement are the fixed-term contracts (CDD), permanent contracts (CDI), work-study students.

C. Social dialogue coverage rate & workplace representation

Social dialogue covers 100% of Palatine employees (fixed-term contracts - permanent contracts - work-study students). The Social and Economic Committee is at the Palatine ESU level. The last elections were held from 2 to 6 December 2024, when all seats on the Social and Economic Committee (SEC) were filled, with a turnout of over 50% of employees eligible to vote. The union representatives are also elected at the Palatine ESU level; they negotiate the applicable company agreements for 100% of the Bank's employees.

D. Percentage of employees covered by a collective agreement (outside the EU)

Not concerned, all Palatine institutions are located in France.

3.1.5.5 (S1-9) – Diversity metrics

On 31 December 2025, Palatine's workforce was balanced between men and women. This parity reflects Palatine's commitment to professional equality and diversity within its teams.

Scope

- for the Palatine scope, see 3.1.5.1. General introduction.

Definition

Senior management metric:

Senior management means employees:

- who are entrusted with responsibilities for which the importance implies a great deal of independence in the organization of their schedule;
- who are empowered to make decisions on a largely autonomous basis;
- who receive pay within the highest levels of pay systems applied in their company or establishment.

Breakdown of employees by age group:

Taking apprentices professionalisation contracts, fixed-term contracts, permanent contracts and corporate officers into account in calculating the metrics

Calculation

Breakdown by gender at senior management level in number and percentage:

% of women in management senior:

$$\frac{\textbf{Number of women in senior management}}{\textbf{Number of employees in senior management}}$$

% of men in management senior:

$$\frac{\textbf{Number of men in senior management}}{\textbf{Number of employees in senior management}}$$

Breakdown of employees by age group:

$$\frac{\textbf{Number of employees by age group}}{\textbf{Total number of employees (within the meaning of metric S1-6)}}$$

Breakdown by age group:

- under 30;
- between 30 and 50;
- 50 and over.

Breakdown of employees by gender at senior management level in percentage

	Women	Men
	%	%
Breakdown of employees at senior management level	50%	50%

Breakdown of employees by age group and percentage – Own workforce(1)

	31/12/2025		31/12/2024	
Age groups	Number of employees (own workers)	%	Number of employees (own workers)	%
< 30 years	176	16.15	207	18.38
≥ 30 and < 50 years	586	53.76	590	52.4
≥ 50 years	328	30.09	329	29.22
Not reported				
TOTAL SALARIED EMPLOYEES	**1,090**	**100**	**1,126**	**100**

(1) *Note that this is the total headcount: apprentices, professional training contracts, fixed-term contracts, permanent contracts and corporate officers.*

Breakdown of Executive Committee members by gender, number and percentage

	Women		Men	
	Own workers	%	Own workers	%
Executive Committee breakdown	3	75%	1	25%

Ditto for 2025, 3 women and 1 man among senior executives.

3.1.5.6 (S1-10) – Adequate wages

Scope

- refer to 3.1.5.1 General Introduction.

All Palatine employees receive an adequate wage in accordance with the applicable benchmarks. The adequate wage refers to the minimum social wages set by legislation or collective bargaining or applicable benchmarks.

3.1.5.7 (S1-11) – Social protection

In terms of social protection (health and personal risk coverage)

In terms of social protection (health and personal risk coverage)

In France, all employees have social protection covering the 5 major life events: illness; unemployment, workplace accidents, parental leave and retirement.

In addition to statutory and contractual provisions, Palatine offers its employees comprehensive supplementary and additional social security coverage through group health insurance and disability, invalidity and death benefit schemes. The social protection policy is managed directly by the Human Resources Department

Palatine strives to implement an appropriate management system for employee benefits that complies with regulations, and which is intended to keep risks, particularly those relating to URSSAF, to a minimum.

In terms of pensions

Palatine employees benefit from supplementary or additional pension plans.

These plans supplement the mandatory and statutory plans to which Palatine contributes for employees. They can be of two different types (defined benefit plans or defined contribution plans).

3.1.5.8 (S1-12) – Persons with disabilities

Scope

The metrics are produced within the scope of the Palatine ESU.

Definition

- number of employees with disabilities as of 31 December of the reference year;
- to ensure consistency between this metric and other metrics published under the CSRD, the "workforce" data is considered to be the number of registered employees (number of contracts) and not as FTEs. The types of contract to be taken into account are those of S1-6 (permanent (CDI), fixed-term (CDD), and work-study students).

Calculation

$$100 \times \frac{\textbf{Number of workers recognised as having a disability as of 31 December of the reference year}}{\textbf{Average annual headcount (excluding apprenticeship contracts, interns)}}$$

4.86% (for 2025): percentage of employees at Palatine registered as having a disability. The data are taken from the DOETH (mandatory annual declaration of employment of disabled workers).

In 2026, the OETH contribution paid for the year 2025 was €93,184.

3.1.5.9 (S1-13) – Training and skills development metrics

Performance assessment and career development

Palatine ESU

An annual appraisal campaign for all permanent employees enables an annual assessment interview to be held, based on:

- a preliminary phase by the employee who carries out his or her self-assessment on several items;
- an assessment by the direct manager in conjunction with a face-to-face interview;
- a commentary from the higher level manager;
- an assessment of skills and performance based on the job held.

Population: permanent contracts (CDI)

Calculation formula: number of employees who participated in regular assessments of their performance and career development/total number of employees present on 31 December of the reference year.

Definition

All interviews relating to performance, career development and professional appraisal are to be taken into account across the entire scope of the Palatine ESU. In practical terms, in addition to the annual appraisal campaigns carried out by managers (Direct managers and Higher level managers) which guarantee that each employee has an annual appraisal interview, emphasis is placed on the close relationships developed by HR representatives with employees through specific types of interviews, such as mobility interviews, career development interviews, departure interviews, return-from-maternity interviews, etc. The metrics below are calculated on the basis of interviews for which a documented report has been created in our HR Process tool.

Calculation

Population: permanent contracts (CDI)

Calculation formula: $\frac{\textbf{number of employees who participated in regular performance and career development reviews}}{\textbf{total workforce (as at 31 December of the reference year)}}$

Breakdown by gender of employees who participated in their regular performance and career development assessments

	31/12/2025		31/12/2024	
Gender	**Number of assessments**	**%**	**Number of assessments**	**%**
Male	475	49.63	464	50.33
Female	468	50.37	458	49.67
Other(1)	0	0	0	0
Not declared	0	0	0	0
TOTAL SALARIED EMPLOYEES	**943**	**100**	**922**	**100**

(1) Gender as specified by the employees themselves.

Training hours completed in 2025

Scope

The metrics are produced within the scope of the Palatine ESU.

Definition

The calculation is made on the basis of training hours completed during the reference year, including training not completed.

Number of employees trained(1)

	31/12/2025			31/12/2024		
	Women	Men	Total	Women	Men	Total
Number of employees	593	572	1,165	619	599	1,218

Number of paid training hours by gender(1)

	31/12/2025			31/12/2024		
	Women	Men	Total	Women	Men	Total
Number of training hours	16,702	18,832	35,534	15,881	16,665	32,546

(1) *Accounting based on the total headcount of Palatine ESU: apprentices, professional training contracts, fixed-term contracts, permanent contracts and corporate officers.*

3.1.5.10 (S1-14) – Health and safety metrics

A. Health and Safety Management System

Scope

For the scope: the regulations require that all employees, according to the criteria defined in S1-6, are covered by a health and safety management system.

Calculation

- population: permanent contracts (CDI), fixed-term contracts (CDD), work-study students;
- calculation formula: number of employees covered by the health and safety management system/total number of employees;
- percentage of own workers covered by the health and safety management system based on legal requirements and/or recognized standards or guidelines:

Calculation formula:

$$\frac{\textbf{number of employees covered by the health and safety management system}}{\textbf{Total number of employees at 31 December}}$$

Percentage of own workers covered by the health and safety management system based on legal requirements and/or recognized standards or guidelines.

100%

EMPLOYEE HEALTH
AND SAFETY MANAGEMENT
SYSTEM COVERAGE RATE

B. Workplace accident frequency rate

Scope

The scope is that of the Palatine ESU, and therefore concerns the employees of the Palatine ESU and Palatine Asset Management.

Definition

The metric used relates to the frequency rate of workplace accidents:

- the notion of "days lost" is interpreted as "days of absence" linked to work stoppage due to workplace/commuting accidents;
- data relating to workplace accidents/occupational illnesses and commuting accidents recognised by the Social Security system are measured and collected at the Palatine ESU.

Calculation

- population: permanent, fixed-term contracts;
- the calculation of the metric excludes absences and accidents of non-employees;
- the indicator used for the workplace accident rate is the frequency rate of workplace accidents involving permanent (CDI) and fixed-term (CDD) contracts. The formula for calculating the frequency rate, according to INSEE (French National Institute of Statistics and Economic Studies) is as follows: Number of accidents with lost time/hours worked x 1,000,000;
- The number of days absent due to accidents at work/commuting accidents should be calculated in calendar days.

Occupational health and safety

	31/12/2025	31/12/2024
Number of fatalities due to workplace accidents or illnesses	0	0
Number of workplace accidents over the period	9	24
Workplace accident rate *(in %)*	4.78	0.66
Number of days lost due to workplace accidents	965	555
Number of cases of occupational illness	0	0

C. Number of recorded cases of work-related health problems (employees) – occupational illnesses

Scope

- for the scope, see 3.1.5.1. General introduction.

Definition

The indicator concerns occupational illnesses that were declared to the social security administration during the year or recognized as such according to local regulations.

3.1.5.11 (S1-15) – Work-life balance metrics

Scope

The scope is that of the Palatine ESU: permanent contracts (CDI), fixed-term contracts (CDD), work-study students.

Definition

- the concept of family leave takes into account the following arrangements:
  - maternity leave;
  - paternity leave;
  - parental leave;
  - caregiver leave provided for by legislation or collective agreements;
- population: permanent contracts (CDI)/fixed-term contracts (CDD)/work-study students.

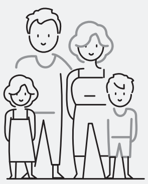
Calculation

“% of employees entitled to family leave”

Calculation formula: $\frac{\textbf{Number of employees eligible for family leave}}{\textbf{total number of employees}}$

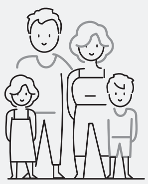
“% of employees concerned who took such leave, with a breakdown by gender”

Calculation formula: $\frac{\textbf{Number of employees who took family leave}}{\textbf{number of eligible employees}}$



100%

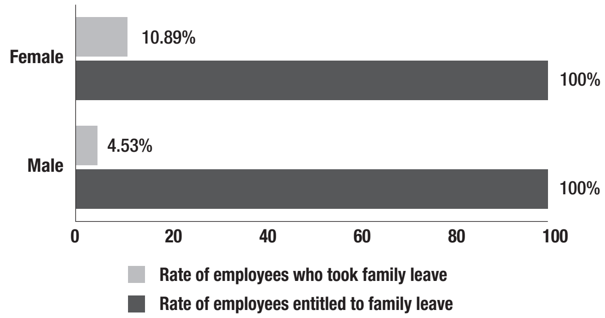
OVERALL RATE
OF EMPLOYEES ENTITLED
TO FAMILY LEAVE



7.80%

OVERALL RATE
OF EMPLOYEES
WHO TOOK FAMILY LEAVE

Breakdown by gender of the percentage of employees entitled to and having taken family leave



Work-life balance is monitored by the Human Resources Department and line managers, in particular through careful consideration of paid leave and RTT (reduced working time) arrangements and compliance with the right to disconnect. This item is discussed annually in detail between the employee and their manager as part of an annual performance review.

Managerial employees with fixed number of contractual days of work complete a monthly declaration confirming that they have taken their daily and weekly rest periods. This declaration is reviewed by the Human Resources Department so that any necessary action plans can be organised in conjunction with the managers.

3.1.5.12 (S1-16) Remuneration metrics (pay gap and total remuneration)

Gender pay gap metric

Scope

- Within the scope of the Palatine ESU group.

Definition

The following definition is applicable to both indicators:

- The consolidated population includes own workers on permanent contracts (CDI) who are present and paid at full rate throughout the reference year excluding:
  - corporate officers;
  - employees on fixed-term contracts (CDD);
  - temporary workers;
  - work-study employees;
  - people without an employment contract and employees with long-term illnesses (ALD).
- Fixed salary and variable pay are taken into account;
- elements taken into account **in the fixed salary**: theoretical full-time annual fixed wage + fixed annual duty allowance, if applicable, for the reference year;
- the elements taken into account **in the variable remuneration** are the following: value-sharing bonus paid in the reference year + performance bonus or any individual + variable bonus paid in the reference year.

Calculation

- **Metric: gender pay gap:** (Average gross annual remuneration of male employees – average gross annual remuneration of female employees/average gross remuneration of male employees) x 100: 16.74%

16.74%

GENDER PAY GAP WITHIN THE BANQUE PALATINE ESU SCOPE

Annual total remuneration ratio metric

Scope

- Within the scope of the Palatine ESU group.

Definition

- The consolidated population includes own workers on permanent contracts (CDI) who are present and paid at full rate throughout the reference year excluding:
  - corporate officers;
  - employees on fixed-term contracts (CDD);
  - temporary workers;
  - work-study employees;
  - people without an employment contract and employees with long-term illnesses (ALD).
- Fixed salary and variable pay are taken into account;
- Elements taken into account in the fixed wage: theoretical full-time annual fixed wage + fixed annual duty allowance, if applicable, for the reference year;
- The elements taken into account in the variable remuneration are the following: value-sharing bonus paid in the reference year + performance bonus or any individual + variable bonus paid in the reference year.

Calculation

- **Indicator: total annual remuneration ratio**: total annual remuneration for the highest-paid individual in the company/ median total annual remuneration excluding the highest-paid individual: 5.34.

If the maximum annual total remuneration is the same for several employees, then they are excluded from the denominator in the calculation presented above (median level of annual total remuneration (excluding the highest-paid individual).

The ratio of the total annual remuneration between the highest-paid employee and the median of other employees was 5.34 in 2025.

In 2024, this ratio was 5.53.

3.1.5.13 (S1-17) Incidents, complaints and severe human rights impacts

Palatine is not concerned by these indicators, as no complaints were recorded in 2024 and 2025.

3.2 S4 – Consumers and end-users

Palatine serves its 60,000 clients in France, including private banks, senior executives and corporates, and more particularly medium-sized companies.

3.2.1 SBM-2 – Interests and views of stakeholders

Palatine has an ongoing dialogue with its stakeholders. Palatine's stakeholder consultation process is based on systems that involve its stakeholders in its process for identifying and assessing impacts, risks, opportunities and levers for improvement, on environmental as well as societal topics. The summary of the dialogue by stakeholder category is presented in section 1.2.2 - SBM-2 Interests and views of stakeholders.

3.2.2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

All customers and end-users likely to be significantly affected by the company are included in the scope of the information to be disclosed under ESRS 2, as set out in the corresponding section 1.2 – Strategy.

Among the two themes related to consumers and end-users, "Information of consumers and end-users" and "Financial inclusion and accessibility of the offer", four issues were identified as material: one relating to personal data protection and cybersecurity, two relating to access to products and services and responsible marketing practices, and the last relating to non-discrimination.

The group's convictions regarding its vision of the interests of customers and Palatine's commitment as a useful player over the long term, have been expressed in its Code of Conduct and Ethical Standards [(1)].

Therefore, to safeguard customers' interests, employees are responsible for presenting offers to customers in a clear, transparent and non-misleading manner, as part of a relationship of trust. They must:

- **Protect the interests of customers (Principle 3)**: in particular, by constantly prioritising the customer's interests and ensuring that the customer fully understands the characteristics and particularities of the solution offered to them, but also by protecting their personal data;
- **Communicate completely transparently (Principle 4)**: Palatine's clients are assured that the services and products offered by Palatine are the best choice for their needs and long-term interests. To achieve this, Palatine is committed to communicating with them in a transparent and honest manner.

The following material risk, related to the issue relating to data protection and cybersecurity, has been identified: "Risk of financial losses arising from legal and/or reputational risk in the event of failure in the implementation of measures to protect customers' personal data".

The protection of personal data and cybersecurity are a major matter in terms of risks: Palatine is exposed to strict regulations such as the General Data Protection Regulation (GDPR). Strong privacy and cybersecurity measures are crucial to protecting customer data and complying with applicable regulations; the Group pays particular attention to the responsible use of data. Risks of sanctions or financial losses may arise in the event of non-compliance with regulations or insufficient measures to prevent or combat cybercrime, which may lead to leaks, theft or inappropriate use of customers' personal data. These risks, resulting from non-compliance with legislative and regulatory provisions, can be qualified as systemic.

With regard to financial inclusion and accessibility of the offer, the issue of "access to products and services and responsible marketing practices" carries a financial opportunity linked to the development of new innovative products and services and a positive impact on customers; by offering products and services adapted to the needs of all customers and economic players (including those in financial difficulty) and by ensuring global geographical coverage and appropriate digital solutions

The development of new innovative products and services to meet customer expectations opens up opportunities for Palatine, in particular in terms of new markets, customer segments, partnerships, stimulating creativity and innovation and likely to strengthen customers' interest for these new products and services.

Regarding the offer of products and services adapted to customer needs, all the measures implemented contribute to a positive impact for customers:

- As part of the distribution of products and services to individual customers, the protection system includes a set of rules relating to the validation of the products marketed as well as the commercial processes (regardless of the channel used);
- Palatine's strategy focuses on improving the transparency of its offerings, which enables a good understanding of products and their environmental, societal and governance (ESG) impact. This increased transparency represents a positive impact for Palatine on its clients, enabling them to make informed decisions.

1) *Code-of-conduct-ethics-FR.pdf (groupebpce.com).*

The issue of "non-discrimination" entails a potential negative impact on customers in the event of a failure to apply measures aimed at combating discrimination (customer choice, access to finance or essential services).

In its Code of Conduct and Ethical Standards, Palatine considers it its social responsibility to:

- **ensure fair treatment of customers (Principle 2)**: it offers a system for listening to and receiving customers in vulnerable situations, particularly those experiencing financial difficulties, which enables it to tailor its services to their specific needs and to remain attentive and offer personalised solutions in all circumstances;
- **contribute to a humanely responsible market economy (Principle 9)**: it undertakes to finance all regional players with a personalised offer;
- **be a banking group that is socially inclusive and open to all (Principle 10)**: it takes preventive action with individual customers to avoid over-indebtedness proceedings, and is careful to contact them, listen to them and offer simple solutions (account management, Vulnerable Customer Offer, loan restructuring solutions, etc.) and to put them in contact, if necessary, with dedicated correspondents. It is committed, through its managers and customer advisors, to taking special responsibility for providing the best possible support to customers in difficulty. Palatine makes every effort to accommodate all customers, adapting and personalising its services and relationships.

In terms of financial inclusion, specific systems are deployed to cover the needs and issues of customers: support for financially vulnerable customers.

A lack of transparency in offers, abusive sales practices or discriminatory practices undermining the equality and inclusion of certain groups of clients, in particular those already identified as financially vulnerable or disabled, may have a negative impact on these clients. These potential adverse impacts would concern isolated incidents and are not considered to be widespread or systemic.

In the specific context of asset management activities, this topic concerns consumers and end-users of the companies invested in and does not refer to the investors of the financial products offered by the asset management companies themselves.

For Palatine and its management company Palatine Asset Management, these issues are integrated into the activities of management companies through the investment process, the financial products offered and engagement activities. Palatine Asset Management is responsible for its investment process and for integrating environmental, social and governance factors in accordance with their fiduciary duty.

In the VISION 2030 strategic project, Groupe BPCE and Palatine intend to develop simplified relationship models, thanks to the best of people (clients choosing how they prefer to interact with their bank from 100% digital to 100% physical, transparent, simple and innovative offers) and digital (thanks to its banks' applications, among the best rated on the market, thanks to 100% self-service pathways for all its clients and high-performance transactional spaces for professional and corporate clients), augmented by AI (to enrich the client experience, make life easier for bank advisors and simplify the everyday life for all clients and employees).

The management of material impacts, risks and opportunities is described in the following paragraphs, including developments specific to certain customers (customers in economically vulnerable situations, people with disabilities).

Summary table of the links between material IROs and policies, actions and metrics

IRO Category	Material issue	Policies	Equities	Metrics	Targets
Risks	Personal data protection and cybersecurity	• Groupe BPCE's personal data protection policy • General cyber and IT risk management policy	• Privacy Center work • Regulatory compliance • Data Protection Officer (DPO) • Training and awareness-raising • Audit and internal control • Data breach management • Charter for the Use of Information and Communication Technologies	N/A	• Strategic plan for cybersecurity over the coming years
Opportunity, Positive impact	Access to products and services and responsible marketing practices	• Code of Conduct and Ethical Standards • AFECEI Banking Inclusion Charter • 2025-2027 multi-year accessibility plan	• Vulnerable customer offer • Awareness-raising, training, change management, action plan to comply in terms of digital accessibility	N/A	N/A
Negative impact	Non-discrimination	• Code of Conduct		N/A	N/A

3.2.3 Impact, risk and opportunity management

3.2.3.1 (S4-1) Policies related to consumers and end-users

Corpus documentary	Content	Scope of application	Person responsible for implementation	Stakeholder interaction and dissemination
Code of Conduct and Ethical Standards	Ensures the customer's interest, employer responsibility and social responsibility. Established by BPCE and subsequently implemented by Palatine, it emphasises the importance of employees complying with the rules of good conduct. It enables each entity to perform its activities honestly, fairly and professionally, and to serve the best interests of its customers	Group BPCE	Compliance and training sector	Intranet (Clickandlearn, Groupe BPCE's training platform) Internet (external stakeholders)
Personal data protection policy	Describes the standards related to the processing of personal data; it sets out the principles and ethics for the use of personal data and describes in particular: • the organization and governance of Groupe BPCE to ensure the protection of personal data, through roles, responsibilities and reporting relationships; • the data protection principles and practices to be respected by the entire privacy sector; • the tools offered by Groupe BPCE available to players in the sector.	Group BPCE	Protection of Group Personal Data reporting to the Group Security Director, who in turn reports to the Group General Secretary (SGG)	Intranet (internal stakeholders) Electronic or physical format (service providers, on request) This policy is distributed in standard form to all Group employees who may use personal data Its implementation for the benefit of clients is done through the personal data protection policies present at each Groupe BPCE site
General Policy on Cyber and IT Risk Management (PGTRM)	Defines a body of rules whose objective is to reduce cyber and IT risks, and which defines the principles of the organisation put in place to manage these risks. In particular, it specifies the roles of the various lines of defence, the responsibility of the main players and the committee that must enable the good governance of these risks. This policy provides a framework for the new Technology Risk Management (TRM) policies: • cyber; • IT projects and developments; • IT production; • IT governance and strategy; • information systems continuity.	Group BPCE	Head of the Cyber and IT Risk business line (local CISO functionally reporting to the CTRM-G, for Cyber & Technology Risk Manager – Group). The CTRM-G reports hierarchically to the Group Security Director, who in turn reports to the Group General Secretary (SGG)	This policy is linked to the business continuity, outsourcing, and datacenter security policies
2025-2027 multi-year accessibility plan	Presents the commitments to digital accessibility in the digital strategy of the Group's entities as well as in their policies in favour of the integration of people with disabilities	Group BPCE	Group accessibility sector and Palatine local coordinator	Intranet (internal stakeholders) Public document, available on the institutional website and on Palatine's mobile and web applications (external stakeholders)

Within the framework of the double materiality analysis, no material negative impacts on human rights were identified in relation to customers and end-users. Groupe BPCE and Palatine's general approach to Human Rights is presented in the Group's Human Rights Charter [1]. Further details are provided in section 3.1.3.1.1 (S1) Human rights.

3.2.3.1.1 Personal data protection and cybersecurity

Personal data protection

The Groupe BPCE data protection policy aims to describe the standards related to the processing of personal data and applies to all entities, in all countries where the group operates (taking into account local contexts where applicable) and to all employees. It lays down the principles of use and ethics for the use of personal data and describes, in particular:

- the organization and governance of Groupe BPCE to ensure the protection of personal data, through roles, responsibilities and reporting relationships;
- the data protection principles and practices to be respected by the entire privacy sector;
- the tools offered by Groupe BPCE available to players in the sector.

Applicable to each group entity, this policy must be presented to the executive or to an umbrella committee dealing with risks. With regard to the integration of a new entity, the application of the policy may be subject to the determination of a compliance plan, the implementation period of which is defined jointly between the central institution and the entity.

Local personal data protection legislation may require more stringent criteria or impose less stringent rules than those contained in this policy. Thus, any national policy that diverges from the Group policy must be submitted for prior approval to the DPO-G (Group Data Protection Officer).

The contracts with service providers processing personal data are concluded in accordance with the legislation on the protection of personal data and the group's standards and instructions. They thus guarantee the strict use of personal data solely for the purpose of performing their services.

Any sharing of data within or outside the group is strictly limited to legal obligations such as those relating to the fight against money laundering and the financing of terrorism.

The policy is accessible to all entities via the group Intranet and can also be distributed - in electronic or physical format - to employees and service providers as needed.

This policy has been implemented at Palatine. It lays down the principles of use and ethics for the use of personal data.

Cybersecurity

Groupe BPCE is strengthening its cyber and IT risk management framework in a context of continuous increase in the threat and strengthening of regulatory requirements. A general cyber and IT risk management policy was adopted in 2025. This policy specifies the scope of application and sets the principles of the organisation put in place to manage these risks. In particular, it specifies the expectations of the various lines of defence, the roles of the main players and the committee required for effective governance.

Lastly, this general policy makes the link with the business continuity policies for information systems continuity and the outsourcing policies.

Furthermore, Groupe BPCE has adopted a "cyber-component" technology risk management policy which is in line with the previous general policy. This Cyber policy is based on the directives of the European Banking Authority issued in April 2019, Pillar 1 of European Regulation (EU) 2022/2554 (the Digital Operational Resilience Act - DORA) and its regulatory technical standards (RTS).

This policy defines common requirements, which may be enhanced by each entity to comply with local requirements.

The group's cyber policy covers all the resources necessary for the automated processing of information: data in all their forms (information assets), applications and infrastructure components (ICT assets) and people. It aims to be independent of technologies in order to guarantee its applicability in different technical contexts.

1) *https://www.groupebpce.com/app/uploads/2025/02/01-25-charte-droits-humains-groupe-eng.pdf*

In addition, in the event of a confirmed security incident, each executive management or management board organises the response according to the severity of the incident and the scope affected.

However, the escalation process must provide for systematic information to BPCE, based on the cyber incident management and alert and crisis management systems in place within the Group.

In addition, Groupe BPCE’s entities located abroad must comply with local regulatory requirements in terms of ICT risk management.

The CTRM-G ensures consistency in the management of cyber and IT risks between the different types of risk. The role holder also promotes coherence between the business lines and support functions. He is independent of the operational teams.

Each entity designates a cyber and IT risk manager within its organization, the “local manager”. He ensures the implementation of the policies established by Groupe BPCE and this cyber and IT risk management policy established by Groupe BPCE, their enhancement by local regulatory requirements, the implementation of Level 2 controls, the assessment of cyber and IT risks, their monitoring and escalation if necessary, as well as the promotion of a strong local culture in terms of cyber and IT risk management.

Palatine, as a Groupe BPCE institution, has developed and applies the Group's security policies as they stand, as well as all related issues, within the institution.

3.2.3.1.2 Access to products and services and marketing practices

The protection of customers' interests is a major concern for the Group and is reflected in Palatine's policies. In all circumstances, employees must serve customers with diligence, loyalty, honesty and professionalism, and offer products and services adapted to their skills and needs. In this context, and in order to maintain a high level of customer protection, the Group establishes and maintains a body of procedures and carries out controls on this topic. This is reflected in the implementation of various systems dedicated to customer information and knowledge, and the implementation of governance for the products offered to them.

The systems listed below apply to Palatine, as part of the Group’s policy on the transparency of offers.

Various departments are committed to ensuring transparent offers that are adapted to client needs. The Compliance Department is responsible for ensuring compliance with current legislation on transparent information about commercial offers. When intended for a consumer, product and service offers must comply with the provisions of Articles L. 121-1 to L. 121-24 of the French Consumer Code relating to prohibited commercial practices, with the exception of the refusal to sell. This series of provisions covers misleading commercial practices (articles L. 121-2 to L. 121-5) and aggressive commercial practices (articles L. 121-6 to L. 121-7).

When drafting commercial documents, regardless of their nature, writers are invited to be particularly vigilant concerning the adequacy between the marketing conditions, the method/process of providing information, and the target customers. The writer of promotional documentation must therefore pay close attention to the marketing channels envisaged and the appropriateness of the distribution strategy. All information, including advertising, must be correct, clear and not misleading. Clear information is information that is sufficient to enable customers to understand the main characteristics of the product they are about to subscribe to as well as the related benefits and risks.

Understanding the needs of our customers in order to offer them the most appropriate products and services is at the heart of the principles of the Group’s Code of Conduct. Employees strive to best serve the interests of customers by:

- identifying their needs;
- proposing the most suitable solution, taking into account the customer’s profile;
- treating all customers fairly.

3.2.3.1.3 Financial inclusion and accessibility of the offer

By listening to the expectations of its clients, Palatine ensures that it develops financial inclusion and the accessibility of its offer by designing innovative products and services for all its clients. For example, Palatine wants to protect and support vulnerable clients by facilitating their access to banking services, by preventing over-indebtedness.

Treating its clients fairly is a fundamental principle for Palatine. It acts in this way to promote non-discrimination in its dealings with customers and individuals. Professional ethics form an integral part of the key principles of the Code of Conduct and Ethical Standards established by BPCE and subsequently rolled out by Palatine.

Protecting vulnerable customers

Palatine's approach to serving vulnerable clients is to comply with regulatory requirements. Palatine performs its regulatory obligations by applying the following legislation:

- The banking law of 26 July 2013 on the separation and regulation of banking activities lays down several measures to protect retail customers and promote financial inclusion;
- Decree no. 2014-738 of 30 June 2014, on the specific offer to limit costs in the event of an incident (published in the Official Journal on 1 July 2014 and entered into force on 1 October 2014) specifies the conditions of application of this legal obligation;
- Decree no. 2020-889 of 20 July 2020 (published in the Official Journal on 22 July 2020 which came into force on 1 November 2020) amends the conditions under which credit institutions assess the financial vulnerability of their account holders in order to identify these individuals more quickly and manage the period of financial vulnerability;

- The French Banking Federation published commitments in September and December 2018 to supplement this legislative framework. These commitments were introduced in a charter published by the French Association of Credit Institutions, Financing Companies and Investment Firms, entitled Charter for Banking Inclusion and the Prevention of Indebtedness (AFECEI). It applies to all credit institutions and aims to promote banking inclusion and prevent indebtedness.

When credit institutions, payment institutions and electronic money institutions, and asset management companies offer a payment account management service accompanied by means of payment (transfer, direct debit, payment card, etc.) (hereinafter "payment institutions"), they commit in this charter to:

- implement measures to improve access to banking services for natural persons not acting for business purposes and to facilitate their use;
- develop mechanisms to detect and deal with customers' difficulties early in order to better prevent indebtedness.

Banks must identify vulnerable customers by using two methods: proven detection (based on regulatory criteria) and spontaneous detection (by the bank advisor).

Confirmed detection relies on four regulatory criteria that enable credit institutions to assess the financial vulnerability of their customers. In accordance with the regulations in force, Palatine identifies its individual clients in a financially vulnerable situation based on one of the four criteria below:

- criterion 1: at least 15 incident or irregularity charges over three consecutive months and a maximum amount credited to the account during this three-month period equal to three times the net monthly minimum wage;
- criterion 2: at least 5 incident or irregularity charges during a month and a maximum amount credited to the account during that one-month period equal to the net monthly minimum wage;
- criterion 3: at least one unpaid cheque or bank card withdrawal notice recorded in the Banque de France's centralised register of cheque payment incidents (FCC) during three consecutive months;
- criterion 4: eligibility of a file submitted to an over-indebtedness commission pursuant to article L. 722-1 of the French Consumer Code.

Spontaneous detection takes place during the interview between the advisor and his or her customer. The purpose of the interview with the detected customer is to:

- identify their financial difficulties and the causes;
- check whether their arrangements are suitable for their situation in order to offer them products and services that are more suited to their needs;
- if necessary, refer them to a third party.

Clients who are identified as financially vulnerable receive a written proposal to sign up for the Vulnerable Customer Offer (VCO).

Palatine has entrusted the management of its over-indebted clients to a subsidiary of BPCE, BPCE Solutions Crédit, an EIG expert in credit management and collection. The EIG provides its support to Palatine in this activity sector with regard to client inventories and the flow of new files.

Throughout the management phase of over-indebted clients, the branches and other structures of Palatine provide support to BPCE SC in order to guarantee the best possible treatment of our customers.

Palatine carries out all necessary ongoing and periodic checks, to ensure that the services entrusted to BPCE Solutions Crédit are performed properly.

Digital accessibility: ensuring inclusion for all

Digital accessibility is essential to meeting the objective of universality of digital services, since it aims to ensure that the information and functionalities of a digital service or content are accessible to everyone, regardless of the person's disability or their way of accessing information.

This means that everyone can:

- obtain and understand the information and features of a digital service;
- navigate and interact with; and thereby
- contribute on the Internet.

Digital accessibility thus determines the possibility for any service or digital content to be a vector of inclusion and autonomy for all. In this respect, it is part of the same approach as inclusion for full access to digital technology for each individual.

Groupe BPCE presents its commitments in this area via its multi-year accessibility plan for 2025-2027. The latter focuses on digital accessibility in the digital strategy of Groupe BPCE entities as well as in their policy to promote the integration of people with disabilities. Its launch reflects the Group's desire to include the inclusion of people with disabilities or those experiencing digital difficulties as one of its long-term strategic priorities.

This multi-year plan is common to all Groupe BPCE entities. However, each of them remains individually responsible for making its own digital services accessible, in line with the Group's ambitions and commitments.

Groupe BPCE’s accessibility governance is based on an accessibility network created to:

- ensure regulatory compliance;
- define the Group’s ambitions and priority actions to be carried out, monitor and manage the application of accessibility standards by all Group entities;
- improve the user experience of the Group’s customers and employees;
- enable operational efficiency.

The accessibility function is structured to ensure optimal coordination and effective implementation of digital accessibility initiatives. It is composed of:

- the Group accessibility officer, who supports the Group’s entities, promotes awareness-raising and training, and ensures the monitoring and management of accessibility;
- a core team, comprising representatives from various key functions within the Group, who act as liaisons with the entities and internal and external regulators, overseeing the implementation of the Group's ambitions and centralising best practices;
- local accessibility officers, each as an entry point for their entity guaranteeing compliance and continuous improvement of digital accessibility. It ensures compliance with accessibility standards, manages accessibility (relay between the core team and its entity, etc.) and raises awareness among the various audiences;
- and the IT relays of the various entities concerned.

At Palatine, a person has been appointed to join the project and acts as the local coordinator.

In addition, a control framework will be rolled out in the Group’s entities to manage compliance with regulations and the accessibility of digital services. The system will be based on a set of KPIs produced by the local accessibility officers (first-level control), and supervised by the core team (second-level control).

Digital accessibility is part of a broader regulatory framework. It is a fundamental right, recognised by:

- The United Nations in the Convention on the Rights of Persons with Disabilities in particular;
- the application of the act of February 11, 2005 on equal rights and opportunities, participation and citizenship of people with disabilities. It is more specifically article 47 of this act that makes accessibility a requirement for all online communication services of public bodies, as well as for certain private bodies;
- a dedicated framework has been drafted to complete this legislative framework and define the resulting technical requirements: the RGAA (General Accessibility Improvement Framework);
- It should be noted that in accordance with the latest changes in European regulations, French accessibility obligations have also been extended to certain categories of products and services.

It is in this context that Groupe BPCE entities, including Palatine, must operate to ensure that their digital content and services are accessible to all their clients and employees, as well as to the general public.

This approach, from which Palatine benefited, built with the support of two firms specialising in accessibility, involved collaboration with various partners within the group, such as the Legal department, the Communication department, BPCE-IS, etc. At the same time, the implementation of the Group’s approach, particularly in the context of Retail Banking and Insurance (RB&I), which is also a member of the core team, involves dialogue with specialist associations in these matters, in order to test the effectiveness of these policies.

The multi-year accessibility plan for 2025-2027 is a public document, accessible on all of the Group’s institutional websites and mobile and web applications, including Palatine. A coordination committee, attended by Palatine's local coordinator (around 70 people at Group level), meets on a monthly basis. Specific workshops are also set up to co-construct ambitions, methods and tools with all Group entities.

3.2.3.2 (S4-2) Processes for engaging with consumers and end-users about impacts

3.2.3.2.1 Measuring client satisfaction

Groupe BPCE has an ambitious approach in terms of customer satisfaction. It is rolling out a programme of transformative actions at each of its establishments, aimed at continuously improving the client experience by placing the client at the heart of all its thinking and projects.

In a global context of increasing standards in terms of customer experience, Groupe BPCE relies on the strength of its collective to collect and share best practices within its networks, for example in terms of telephone accessibility or responsiveness to customer requests.

Palatine has placed the improvement of service and client satisfaction at the heart of its strategy and its 2030 Palatine strategic plan.

A commitment has been made to contact all clients at least once a year.

Its quality policy, called “Client Satisfaction”, is focused on a permanent commitment to client satisfaction and is reflected internally through constant efforts to improve its organisation and processes.

Palatine's "client experience" approach is designed to work across the Group and involves all of the bank's employees. It is a process which encourages the commitment of employees by investing in their expertise and relational qualities and by remunerating performance related to customer satisfaction. The Client Satisfaction department is responsible for organising this initiative, primarily across all commercial units. A "Client satisfaction" strategic committee meets regularly under the chairmanship of the deputy executive management.

Listening to clients both in qualitative and quantitative terms is one of the founding principles of the approach which allows Palatine to better understand its clients and provide them with a tailor-made response.

The customer listening system was overhauled in 2023 in order to solicit all of its customers to express their level of satisfaction and report any dissatisfaction. It enables measurement of customer satisfaction and the effectiveness of the actions undertaken to improve its quality of service.

The overall satisfaction level (TS-I) and NPS (Net Promoter Score)

The Net Promoter Score (NPS) remains a key indicator because it enables the recommendation and client experience to be compared with other banking players and other types of service companies. This indicator is internationally recognised and, in addition to measuring client satisfaction, it gauges the likelihood of their recommending the brand to their friends and family. Palatine uses NPS as its benchmark indicator (NPS ranges from +100 to –100).

Palatine also uses another indicator, the TS-I, as a key indicator of client satisfaction. The TS-I calculates the difference between "Very satisfied" and "Dissatisfied" (not very satisfied and not at all satisfied). The TS-I varies between +100 and -100 (as for the NPS).

The Customer Satisfaction - Customer Relations Department conducts quantitative (cold) satisfaction surveys of customers in its two markets (private and corporate customers), in order to measure changes in the perception of the bank by its customers but also consider changes in the customer relationship.

The NPS scores recorded in 2025 – which are steadily improving for Corporate, Private Banking and Premium clients – continue to be affected by the recent transformation of the network (2022) but confirm the excellent relationship and partnership that Palatine has with its clients. Also worthy of note are the excellent results observed for corporate clients using Palatine's specialised services, whether they are professional real estate companies (PIM, NPS at +52 in 2025), regulated real estate professions (NPS of +53 in 2025), the audiovisual and creative industries (NPS +50 in 2024) and large companies and institutions (NPS +40/2024).

Key indicators	Annual client Net Promoter Score
2023 data	No survey conducted among senior executives of medium-sized companies in 2023 Private customers -25 Corporate customers +13
2024 data	Senior executives of medium-sized companies NPS +14 Private customers NPS -18 Corporate customers (Revenue > €15 million) NPS +16
2025 data	Private Banking customers NPS - 6 Premium customers + 12 Corporate customers (Revenue > €15 million) NPS +20

Metric definition

The Net Promoter Score or NPS is the benchmark metric used by Groupe BPCE to measure its ability to recommend the bank. This metric is relevant for all target customers, Corporates, Private customers or High-Net-Worth and Retail customers.

Calculation of the metric

The scale of 0 to 10 allows customers to indicate their intention to recommend with certainty (9 or 10 when they are certain to recommend or, conversely, below 6/10 when they are certain not to recommend).

To organise the overall satisfaction surveys used to measure the NPS, a certain number of customer exclusions are carried out in order to be certain of the true representativeness of customers. These are exclusions at Group level (minors, clients under supervision, etc.) and at Palatine level (accounts in the process of being closed, etc.).

3.2.3.2.2 Personal data protection

As soon as the GDPR was implemented, Groupe BPCE drafted an information notice for the clients of the banks and subsidiaries, with the aim of describing the main data processing activities carried out in compliance with the rules set forth by the GDPR. Indeed, the regulations state that any processing must be based on proper and justified cause with a legal basis. In banking activities, this processing is in most cases the result of either a legal obligation or a contract. This notice was produced by Natixis, it is intended for its customers and natural persons related to its customers.

This notice also specifies the various rights that any natural person can exercise and the points of contact in institutions, in order to be able to activate them.

Although this notice was not mandatory, it fulfils a duty of transparency towards customers and prospects and demonstrates the Group's ambition in terms of personal data protection.

This notice is widely distributed and accessible to everyone (clients and prospective clients) via Palatine's institutional website and on the Intranet for employees.

3.2.3.2.3 Cybersecurity

Groupe BPCE, as the Group's central institution, ensures that the measures taken by all Group companies are sufficient to ensure compliance with the commitments made to customers, employees, partners, regulators, and cooperative shareholders. To do this, the Group has set up an organization to:

- lead the development and evolution of the PGTRM and monitor its deployment according to the management system described below;
- ensure the security of the Group's IS.

BPCE also implements preventive actions to raise awareness among consumers and end users of the threats to which they may be exposed. "Security" pages are published on the websites of the Group's institutions: a page dedicated to account and transaction security provides information on the types of threats (phishing, fake banking services, malicious software, etc.), the security measures implemented by the group, and the additional measures available to customers, and describes the best practices to be implemented at individual level.

Clients also receive communications by email to inform them about the various possible attacks and how to guard against them. This system is supplemented by online banking. Recommendations for use are available through alerts on potential fraud at each connection.

Through Group security, Groupe BPCE organizes conferences where the objective is to raise awareness of cybersecurity among its professional clients. Lastly, it proposes an offer entitled cybersecur+, aimed at protecting the activity of companies, improving their security and anticipating attacks. Cybersecur+ is intended for VSEs, SMEs, mid-sized companies, public sector entities and associations.

3.2.3.2 (S4-3) – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Whistleblowing mechanism open to Groupe BPCE's third parties

Groupe BPCE's general approach to Human Rights is presented in the group's Human Rights Charter. For Palatine, metrics concerning the number of complaints and serious human rights incidents are shown in section 3.1.5.13 (S1-17).

Groupe BPCE companies have a platform to collect reports relating to serious breaches of the Code of Conduct, laws, safety, environmental impact, or any inappropriate behaviour in the workplace. This whistleblowing system is open to all employees and third parties of Palatine, who can express themselves via a tool accessible by URL link, regardless of the country of operation (Europe, United States, etc.) and regardless of the business line (retail banking, Corporate & Investment Banking, etc.).

For more details on the whistleblower system, see G1-1 – 4.1.1.5.

Palatine is not aware of any cases of non-compliance with the guiding principles of the United Nations or the ILO Declaration on Fundamental Principles and Rights at Work regarding its clients.

In addition, no alert was raised via Whispli, Groupe BPCE's whistleblowing channel.

3.2.3.3.1 Complaints management

The collection of customer feedback in real time makes it possible to detect any dissatisfaction and to deal with them as quickly as possible in the complaints management process. The listening system deployed in all institutions of Groupe BPCE as well as the complaints management system feed into discussions on areas for continuous improvement in the range of banking products and services offered by the group. All Groupe BPCE entities have a department that handles customer complaints (SRC).

In 2025, at Palatine, 51% of complaints were handled within 10 working days. The average processing time was 18 days. It is worth noting a 12% increase in the total number of complaints (primarily related to all types of payment fraud).

Complaints handling is a sensitive issue in the relationship between the bank and its customers. It is essential to respect a common process and establish practices that enable complaints to be handled consistently across the bank for all customer segments.

In accordance with legislation, the processing covers complaints received at the head office (regardless of the point of entry) and any complaints received at a branch, a business centre or any other point of contact from any complainant (client, non-client). Complaints may also be made by the bank's specialised business lines and other departments (back and middle offices).

The handling of complaints (by banks in general) is an activity subject to regulation from several sources of standards set by the ACPR - Autorité de Contrôle Prudentiel et de Résolution and the French Financial Markets Authority *(AMF - Autorité des Marchés Financiers)* for their respective areas of competence.

That is why the Client Relations Department of the Client Satisfaction Division (SRC) handles all complaints addressed to the institution and to senior management, as well as those addressed directly to the Mediation Service.

In accordance with legislation, the bank undertakes to reply to complaints within 20 working days of their receipt from the client. However, the customer will be notified if further analysis is required, resulting in additional delay, which should not exceed two calendar months, as stipulated by law.

For reasons related to payment services (PSD2), the bank must respond within 15 days. If additional time is required, the customer is informed and the response time must not exceed 35 working days. These are the regulatory deadlines.

After submitting a complaint, the client is contacted by their representative at the business and private banking centre or branch to gauge their level of satisfaction with the response provided.

In 2025, 386 customer complaints (excluding Mediation) were processed within an average of 18 days and notably in 15 days for "PSD2" complaints (average time outside PSD2: 20 days).

Regarding the option available to customers to use a mediation service, Palatine has chosen to use the mediation service provided by the French Banking Federation (FBF). The contact details for the Mediation Service are clearly indicated in all communications with customers, particularly in all responses to customer complaints, in order to facilitate access for customers.

Complaints: average processing time for complaints, % processed within 10 days*

	2025	2024	2023
Average processing time	18 D	18 D	28 D
% processed within 10 days	51%	55.3%	47.8%

** Until all claims for a given year have been closed, the figures, and in particular the processing time, are subject to change. The figures in the table for the 3 years 2023, 2024 and 2025 are not final. Some complaints for the current year were closed after 31 December and therefore were not included in this table.*

Metric definition

The reporting scope for this metric is the Palatine network.

This indicator calculates the average time taken to process a complaint and the percentage of complaints processed in less than 10 days.

For Palatine, the time frame commitment is 20 days.

Calculation of the metric

The reference year for the calculation of this metric is 2025.

This metric is calculated after data is collected from the Palatine complaint management tool (WRC/Equinoxe) at regular intervals.

Changes in the metric are checked on a quarterly basis and monitored by the Complaints Committee (twice a year).

In accordance with regulations, issues raised by non-clients are identified and handled as complaints through the tool.

3.2.3.3.2 Personal data protection

The Group continues to spread the data protection culture by strictly managing commercial prospecting. Thus, it has become increasingly common to obtain consent for commercial prospecting purposes:

- by bringing the Cookie policy into compliance in April 2021 with the new guidelines published by the French Data Protection Authority (CNIL) in October 2020. Thus Internet users have access to comprehensive information through a Policy made available on the websites and App. Internet users are also asked to give or refuse their consent for the processing of their data according to the purposes pursued;
- by implementing the consent of clients for commercial solicitations based on payment data and on the use of information from the energy performance diagnosis and certain data from the tax notice;
- by developing a consent centre consolidating all customer authorisations relating to cookies, commercial prospecting and specific processing requiring prior consent.

Groupe BPCE has set up a circuit for processing the rights of data holders and is committed to responding to its customers' requests in a timely manner.

Palatine has adopted and incorporated these policies into its internal procedures, which can be consulted by all the Bank's employees.

3.2.3.3.3 Cyber security

In order to be able to listen to incidents affecting end-users, Groupe BPCE has made various communication channels available to them to report their incidents and express their concerns:

- The following public link directs to the document describing the CERT's mission and contains all the necessary information for reporting incidents involving end-users. This document describes how to interact with the CERT to report an incident online;
- A customer service via phone, email or online chat allows users to ask questions and report issues;
- Users can visit branches to discuss their concerns with an advisor;
- the Group uses social media platforms to interact with clients and collect their feedback.

After a complaint or incident is reported, BPCE conducts an in-depth analysis of the incidents to identify the root causes and implement corrective actions.

In addition, performance indicators are used to assess the effectiveness of remedial measures and make continuous improvements.

In the event of persistent dissatisfaction, clients may turn to a banking mediator, who intervenes to resolve disputes.

Regular surveys collect customer opinions on services and identify areas for improvement.

These procedures and channels are essential to ensure that consumer concerns are taken into account and addressed effectively, thus helping to improve customer satisfaction and trust in BPCE's services.

BPCE also implements preventive actions to raise awareness among consumers and end-users of the threats to which they may be exposed. "Security" pages are published on the institutional websites of the Group's institutions, including Palatine:

- our security solutions – Palatine.

3.2.3.4 (S4-4) Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

3.2.3.4.1 Personal data protection and cybersecurity

Personal data protection

Work on the Privacy Center continued in 2025 to obtain consent for commercial prospecting based on information gathered from individual tax notices and energy performance assessments. The information notice will also be updated to include the new processing. Lastly, governance work will continue on cookies on the one hand, and on Artificial Intelligence, on the other hand, given developments and recent recommendations in this area.

BPCE has put several measures in place to manage operational incidents and risks related to regulatory non-compliance, particularly with regard to personal data protection and the reporting of cyber security attacks. These measures concern both BPCE employees and end-users.

In terms of personal data protection risk management, the main actions are as follows:

- regulatory compliance: BPCE ensures compliance with the applicable regulations, such as the General Data Protection Regulation (GDPR), by implementing appropriate policies and procedures;
- Data Protection Officer (DPO): appointment of a DPO to oversee data processing activities, ensure compliance and serve as a point of contact for regulatory authorities and customers;
- training and awareness-raising: organization of regular training for staff on data protection, to raise employee awareness of best practices and legal obligations;
- audit and internal control: implementation of internal audits to assess compliance with regulations and identify weaknesses in data management;
- data breach management: establishment of procedures to detect, report and remedy data breaches, including notification of competent authorities and the persons concerned where necessary.

In terms of communication on cybersecurity attacks, procedures are in place to quickly inform customers and regulatory authorities in the event of a significant attack, in accordance with legal obligations. In addition, a partnership has been established with cybersecurity experts and financial institutions to share information on cybersecurity threats and best practices.

All of this work and measures have been fully implemented within Palatine.

Cybersecurity

In accordance with the Digital Operational Resilience Act (DORA), Groupe BPCE has updated and distributed to all its employees an Information and Communication Technologies Use Charter (UTIC). This charter specifies the rules to be followed in order to reduce the material impact of the use of the resources made available to access the IS of Groupe BPCE entities.

Palatine has implemented the UTIC Group Charter within the institution and its subsidiary.

3.2.3.4.2 Financial inclusion and accessibility of the offer

Protecting vulnerable customers

The vulnerable customers offer (offre clientèle fragile - OCF) provides access to an adapted range of banking services (day-to-day banking, financing, insurance, etc.).

Palatine's approach is to meet regulatory obligations.

Following the example of Groupe BPCE, Palatine offers a specific package charged at a maximum rate of €1 per month, which guarantees access to banking services essential for account management:

- a systematically authorised payment card;
- the specific cap on commission charges at €4 per transaction and €20 per month (article R. 312.4.2 of the French Monetary and Financial Code);
- capping of fees for payment incidents and irregularities when operating the account at €16.50/month;
- a subscription to products providing alerts on the status of the account by text message regarding the level of the account balance.

Palatine provides details of its support services for vulnerable clients on its website. This presentation provides, in addition to information, access to the mini-guide "Managing your account in the event of incidents: the specific offer" [1].

Members of staff are also provided with information on how to assist this type of customer.

"Vulnerable" customers who do not wish to subscribe to the VCO nonetheless benefit from a cap on fees for payment incidents and account irregularities, set at €25/month in accordance with the commitments of the French Banking Federation.

Providing support to customers at risk of excessive debt or in a situation of confirmed financial vulnerability is a key aspect of customer protection.

Palatine has entrusted the management of its over-indebted clients to a subsidiary of BPCE, BPCE Solutions Crédit, an EIG expert in credit management and collection. The EIG provides its support to Palatine in this activity sector with regard to client inventories and the flow of new files.

In parallel, Palatine's branches and other entities provide support to BPCE Solutions Crédit to ensure the best possible client service.

Data

Client base at the end of December 2025: 46,851

- the percentage of clients detected as vulnerable, eligible for the Vulnerable Customer Offer (VCO): 282 clients, *i.e.* 0.60%, of which:
  - "Over-indebted": 32 clients as at 31 December 2025;
  - "VC target": 52 clients;
  - "Incident clients": 73 clients as at 31 December 2025;
  - the percentage of clients detected as vulnerable, equipped with the Vulnerable Customer Offer (VCO): 17 clients as at 31 December 2025, *i.e.* 0.04%;
  - the number of clients benefiting from a fees cap: 108 clients as at 31 December 2025, *i.e.* 0.23%.

As part of the delegation of the management of this type of customer to BPCE SC:

- 92 clients contacted by telephone by BPCE SC in Q4-2025 *vs.* 62 in Q3-2025;
- 110 clients contacted by email by BPCE SC in Q4-2025 *vs.* 100 in Q3-2025.

Metric definition

The reporting scope for this metric is the Palatine network.

This indicator calculates:

- the percentage of customers identified as vulnerable;
- the percentage of customers detected as vulnerable equipped with the VCO;
- the number of customers benefiting from a fee cap.

Calculation of the metric

The reference year for the calculation of this metric is 2025.

The basis for calculating this metric consists of data collected on behalf of the OIB relating to vulnerable clients (number of vulnerable clients and categorisation) collected annually across Palatine.

An inclusive loan insurance offer

Since the Lemoine law came into force on 2 March 2022, people who have survived cancer or viral hepatitis C and whose treatment has been completed for more than five years without relapse are entitled to the right to be forgotten. Thanks to the work conducted under the AERAS agreement, people who have suffered from certain forms of breast cancer can now be insured without any increase in premiums or restrictions on coverage within a shorter time frame than that stipulated under the right to be forgotten. By partnering with CNP Assurances in this initiative, Palatine, true to the values of Groupe BPCE, wants to become even more involved in the daily lives of families and support them in all their projects.

Palatine is committed to providing the best possible support to breast cancer patients and survivors by choosing to assume the portion of risk that remains after the end of active treatment.

Since 19 March 2024, Palatine clients who have overcome breast cancer are able to take out a group mortgage and/or professional loan insurance policy without any additional premiums or exclusions, even partial, as soon as their active treatment (surgery, chemotherapy, radiotherapy, etc.) has ended.

From 23 September 2024, a new cover option has been added to the CNP A340G group loan insurance policy: the Family Help Guarantee.

The Family Help Guarantee provides financial support to parents facing a difficult situation: when their child is seriously ill or has been involved in a serious accident.

1) *Offer of Support for financially vulnerable clients – Palatine*

If one of the parents is forced to take a break from work to look after their child, this cover provides financial support equivalent to half of the monthly loan repayment. This cover applies to a 100% insured sum.

This cover applies to all clients (employees, civil servants, self-employed individuals, etc.) insured under the group policy for a mortgage intended for the acquisition of a main residence, rental property or second home, provided they have taken out the temporary total incapacity cover.

It reinforces the protection provided by the group policy to families or prospective families taking out a mortgage.

Digital accessibility program, ensuring inclusion for all

Palatine is part of Groupe BPCE's "accessibility" project, which is implementing measures to improve digital accessibility. This includes a control system with indicators to monitor progress, as well as an internal standard to standardize the accessibility of digital services. The Group has set ambitious targets up to 2030 and has estimated the resources needed to achieve them by 2025. Tools, models and methodologies have been developed to guarantee accessibility "by design". Compliance audits are underway to assess the maturity of key publishers, and accessibility requirements have been integrated into the purchasing policy. Lastly, Groupe BPCE offers training on accessibility and is developing a change management plan to facilitate the adoption of these measures.

Improvement of the accessibility of digital services

As part of the Accessibility program, Groupe BPCE has set a twofold objective in its ambitions for 2025:

- in the priority scope, remedy the problems of accessibility of digital services to ensure at least partial accessibility (i.e. a compliance rate with the RGAA of more than 50%). To that end, the entities will have to conduct audits of compliance with the RGAA and plan the remediation necessary to achieve this objective via their own annual action plans, taking into account any user complaints;
- For new digital services, the evolution of project methodologies to take into account digital accessibility from their design in order to ensure an optimal level during their production.

To this end, the Group's entities will have target processes, accompanied by a toolbox to assist them through the diagnostic, design, development and deployment stages of a digital project.

The accessibility team is studying the possibility of including user tests with people with disabilities for digital services within the priority or extended scope. To reap the full benefits, they will only be considered when the teams have a sufficient level of accessibility and maturity.

Skills base

Recruitment

Groupe BPCE wants to integrate technical skills related to digital accessibility in the profiles of eligible positions, as well as in the recruitment process of the corresponding profiles (in particular via dedicated criteria).

Awareness, training and change management

In 2025, Groupe BPCE will provide its entities with an internal training offer to disseminate the skills necessary for the accessibility of digital products and services. This will include, among other things:

- accessibility awareness sessions for all employees;
- technical training for a more specialised audience (developers, UI/UX designers, content creators, etc.).

In addition, the accessibility function will develop various measures to raise the challenges of disability and inclusion among the Group's employees.

Alongside the skills development platform for employees, a change management plan is being drawn up to ensure the long-term accessibility of the entities' digital content and services.

Diagnostics and audits

The procedures for performing diagnostics and audits on compliance with the RGAA have not yet been defined. These will be detailed in this section during a subsequent review of this multi-year plan.

In the meantime, the Group's entities will conduct the diagnostics and audits according to the methods that seem most appropriate to their situation and level of maturity.

The Group's multi-year plan and these actions cover the French level.

3.2.4 Metrics and targets

3.2.4.1 (S4-5) Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

To date, stakeholders have not been consulted regarding the setting of targets or the measurement of their performance.

3.2.4.1.1 Cybersecurity

Groupe BPCE has drawn up a strategic plan that will be rolled out over the next few years, with the following ambitions and objectives:

- Consolidate foundations to ensure trust, resilience and compliance;
- Change practices to be more efficient;
- Adapt to new threats, technological developments, particularly in terms of AI and quantum, and societal changes.

Groupe BPCE takes a holistic approach to managing material negative impacts, promoting positive impacts, and managing material risks and opportunities.

A committee dedicated to the reporting of information on cybersecurity events, at the operational and strategic levels, enables documentation to be updated and lessons learned to be disseminated to players in the ISS-G value chain.

To effectively manage these risks, BPCE conducts regular audits to assess the compliance and effectiveness of risk and opportunity management processes. It collects and analyses feedback from clients and employees to identify areas for improvement and adjust the strategies accordingly.

These same audits are also carried out at Palatine.

3.2.4.1.2 Financial inclusion and accessibility of the offer

Digital accessibility: ensuring inclusion for all

Groupe BPCE’s strategic priorities described in its VISION 2030 strategic project include “improving the accessibility of digital products and services”. The 2025-2027 multi-year accessibility plan and VISION 2030 promote an ethical approach to digital technology, in line with the Group's cooperative values.

In addition, all Groupe BPCE legal entities, including Palatine, are required to publish an accessibility statement for a maximum legal period of 3 years. New audits are currently being carried out, led by the digital division. The results of these audits will enable to identify the technical changes in terms of accessibility that the Group may be able to implement.

Palatine has implemented this digital accessibility ambition as part of its CSR roadmap for 2030.

Part 4 - Governance information

4.1 (G1-1) Corporate Culture and Business Conduct

4.1.1 Impact, risk and opportunity management

4.1.1.1 GOV-1 - The role of the administrative, management and supervisory bodies

See the GOV1 section in the General information chapter.

4.1.1.2 (IRO-1) Description of the processes to identify and assess material impacts, risks and opportunities

In order to identify material impacts, risks and opportunities relating to business conduct, Groupe BPCE has relied on:

- the list of sub (sub) topics indicated in AR16 of ESRS 1, particularly in terms of corporate culture, whistle-blower protection, supplier relationship management and corruption;
- the mapping of the Group’s non-compliance risks, which takes into account both the Group’s activities and its sector of activity, particularly in terms of regulations relating to money laundering, terrorist financing and measures of sanctions, embargoes and asset freezes.

Palatine relied on this work.

Through the double materiality analysis carried out by Palatine, two material risks were identified in connection with business conduct:

- Risk of financial losses arising from a reputational risk or a legal risk, a sanction related to a failure to implement anti-corruption obligations;
- Risk of financial losses resulting from a legal risk, a sanction related to a failure to implement obligations to combat money laundering and the financing of terrorism and, more broadly, to prevent and detect criminal financial behaviour by clients, and in terms of the implementation of sanctions (embargoes, sectoral sanctions, asset freezes).

Through the double materiality analysis carried out by Palatine, two material risks were identified in connection with business conduct:

Summary table of the links between material IROs and policies, actions and metrics (1)

IRO Category	Material issue	Policies	Equities	Metrics
Risk of financial losses arising from a reputational risk or a legal/sanction risk related to a failure to implement anti-corruption obligations	Fight against corruption and bribery	• Code of Conduct and Ethical Standards • "Whistleblower" system • "Gifts, benefits and invitations" policy • Policy for assessing third parties with regard to the risk of corruption in the context of commercial activity	• Corruption risk mapping • Anti-corruption rules of conduct • Mandatory training in the form of e-learning • "Whistleblower" system with a dedicated group tool • Declaration of gifts, benefits and invitations received and offered, centralised in a Group tool • Supplier assessment • Supervision of relations with intermediaries and Group partners • "Fraud and corruption" accounting control framework	• Number of convictions for violation of anti-corruption and anti-bribery laws: 0 • Amount of fines for violation of anti-corruption and anti-bribery laws: 0 • Percentage of high-risk roles within the workforce covered by training programmes: 100% of MRTs (encompassing all high-risk roles) are enrolled in the mandatory regulatory training courses on "Essentials of Ethics and Corruption" at the required frequency.
Risk of financial losses resulting from a legal risk/sanction related to a failure to implement obligations to combat money laundering and the financing of terrorism and, more broadly, to prevent and detect criminal financial behaviour by clients, and in terms of the implementation of sanctions (embargoes, sectoral sanctions, asset freezes)	Fight against money laundering and terrorism financing (AML-CTF)	• AML-CFT procedure	• Risk assessment • Know Your Customer • Activity monitoring • Alert processing • Suspicious transaction reports • Related obligations (reporting, internal control, training, etc.)	N/A
	Implementation of national and international sanctions	• Compliance with international sanctions procedure	• Screening of client databases • Transaction screening. These measures make it possible to identify the persons targeted by the freezing measures, as well as to prohibit financial transactions prohibited under sectoral sanctions and embargoes.	N/A

1) *In the context of the "Business conduct" sub-topic (G1-1), the definition of quantified targets has not been retained at this stage, as management is mainly based on a framework comprising policies, a system for managing the associated non-compliance risks (prevention, detection, remediation) and monitoring via metrics and actions*

4.1.1.3 (G1-1) Corporate culture and business conduct policies and related action plans

■ Summary table of Palatine's policies relating to corporate culture and business conduct

Documentary corpus	Content	Scope of application	Person responsible for implementation	Stakeholder interaction and dissemination
Code of Conduct and Ethical Standards	The Code of Conduct highlights the rules of conduct and best practices to be adopted while respecting the best behavioural standards of transparency and confidentiality, with the aim of forging long-term relationships of trust and acting with integrity as responsible bankers and insurers. It is based on principles of professional conduct which are considered fundamental by BPCE's Supervisory Board, Management Board and Executive Management Committee, as well as by all group executives, including those of Palatine.	• BPCE's Code of Conduct and Ethical Standards is based on a Group ambition to prepare a practical and clear document for employees, suppliers and partners in their relations with the Group.	• Group Compliance department / Group Human Resources department	• Groupe BPCE intranet and Groupe BPCE website. • Palatine intranet and internet sites • Mandatory regulatory training (e-learning, Code of Conduct and Ethical Standards) • Operational implementation by Palatine
"Whistleblower" system	The procedure for whistleblowers presents the type of alerts that can be submitted, the process for submitting and handling alerts, the confidentiality of information, the whistleblower's protected status and the penalties incurred in the event of non-compliance as well as persons that can launch an alert.	• All legal entities of Groupe BPCE, in France and abroad, taking into account the regulatory specificities of the country in which they operate, regardless of the number of employees of the entity (including foreign branches or subsidiaries). Palatine is integrated into this system	• Compliance department	• Mandatory regulatory training (whistleblower e-learning) • Group whistleblowing tool • The procedure is applicable and implemented by Palatine. For service providers and suppliers, a clause in their contracts indicates this possibility.
"Gifts, benefits and invitations" policy	The policy presents the system governing gifts, benefits and invitations received or offered by employees in order to respect the independence of their duties and to avoid any inappropriate influence in professional relations. Groupe BPCE has defined methods and thresholds for reporting, authorizing and/or prohibiting gifts, benefits and invitations.	• The rules defined in this policy apply to all executive management and employees of Groupe BPCE entities.	• Compliance department	• The Compliance department ensures that this policy (or any other procedure/policy implementing this group policy) is made available and well understood by employees • Annual reminder to all bank employees
Policy for assessing third parties with regard to the risk of corruption in the context of commercial activity	The policy applies to clients, in particular corporate clients with risky activities when granting credit, intermediaries and business partners	• All Group entities	• Compliance department	The policy, approved by the Group Risk and Compliance Committee, was distributed to all entities, including Palatine.
Financial security risk appetite policy	The policy defines the risk appetite with respect to certain activities and/or types of transactions, and in particular prohibitions and restrictions. The group policy constitutes the minimum basis for the requirements. It is of direct and immediate application. It may be supplemented by prohibitions, restrictions and situations systematically considered as presenting a ML-TF risk, decided locally by affiliates and subsidiaries.	• The rules defined in this policy apply to all Group Affiliates (institutions, subsidiaries and branches in France and abroad), regardless of whether they are directly or indirectly attached to BPCE.	• Compliance department	As the group's financial security risk appetite policy applies directly to the institutions, Palatine is subject to it

4.1.1.4 Code of Conduct and Ethical Standards

Description of the Code of Conduct and Ethical Standards

BPCE's Code of Conduct and Ethical Standards is based on a Group ambition to prepare a practical and clear document for employees, suppliers and partners in their relations with the Group. It highlights the rules of conduct and best practices to be adopted while respecting the best behavioural standards of transparency and confidentiality, with the aim of forging long-term relationships of trust and acting with integrity as responsible bankers and insurers. It is based on principles of conduct divided into three parts:

- interests of clients and cooperative shareholders: foster a spirit of openness and a trusting relationship; guarantee an impartial treatment for all our clients; protect the interests of our clients and cooperative shareholders; communicate in complete transparency;
- employer and employee responsibility: promote exemplary, principled and considerate behaviour; promote respect for employees and favor their professional growth; at in a manner consistent with ethical business practices at all times; ensure the continuity of Groupe BPCE; promote free and fair competition;
- social responsibility: contribute to the development of a socially responsible market economy consistent with human dignity; be a banking group that is socially inclusive and open to all; take effective steps to protect the environment and facilitate the transition toward a low carbon economy; promote Human Rights in the pursuit of all our activities.

Operationally reflected in the codes of conduct and charters of the group's entities.

The Groupe BPCE Code of Conduct and Ethical Standards is available on the Groupe BPCE intranet and on the Groupe BPCE website. All employees can access it, as can anyone outside the group who visits the BPCE website. [1]

Mandatory regulatory training

A regulatory training course, in e-learning format, has been developed to ensure that the principles of the Code of Conduct and Ethical Standards are known throughout the Group. This training is mandatory for all Group employees and for all new hires.

4.1.1.5 "Whistleblower" system

Group framework

All Palatine employees and co-contractors can report breaches of the Code of Conduct via the whistleblowing system applicable in all Group entities and described in the procedure relating to the "Whistleblower" system. It presents the type of alert that can be submitted, the process for submitting and handling alerts, the confidentiality of the information, the whistleblower's protected status and the penalties incurred in the event of non-compliance as well as persons that can launch an alert. The group procedure is applicable and implemented within Palatine. It disseminates the policy by any means that ensures sufficient awareness, in particular by means of notification, posting or publication, where applicable on its website or by electronic means, under conditions that make the policy permanently accessible to the persons concerned. For service providers and suppliers, a clause in their contracts indicates this possibility. Palatine employees and co-contractors can therefore use the tool provided by Groupe BPCE to exercise their right to launch an alert.

Protection of whistle-blowers

Strict confidentiality of the information collected in an alert is guaranteed, in particular the identity of the person submitting the alert, the persons targeted by the alert and any third party mentioned in it, throughout the handling of the alert.

The procedure specifies the categories of persons who are subject to protection: the whistleblower, the facilitators, the persons linked with the whistleblower, and the legal entities controlled by a whistleblower and in which he or she works or with which he or she is connected in a professional context. Under no circumstances may they be subject to any disciplinary sanction or legal action, provided that they act without direct financial compensation and in good faith. They may not be subject to retaliation, threats or attempts to resort to such measures.

Mandatory regulatory training

A regulatory training course, in e-learning format, accompanies the deployment of the tool and specifies the rights, duties and protections of a whistleblower. 99.3% of those who signed up completed this course.

4.1.1.6 (G1-3) Prevention and detection of corruption and bribery

During the double materiality analysis in the area of business conduct, Palatine identified a material risk in connection with the prevention and detection of corruption and bribery.

The rules and measures set forth below enable compliance with the requirements introduced by article 17 of act no. 2016-1691 of 9 December 2016 on transparency, anti-corruption and modernisation of economic life (known as the “Sapin 2” law). The rules, procedures and their implementation by Palatine help to prevent and detect behaviours likely to characterise acts of corruption, including facilitation payments ("bribery") or influence peddling.

1) *code-of-conduct-english-new.pdf*

Groupe BPCE actions to prevent and detect incidents of corruption, applicable to Palatine

- corruption risk mapping: this is established and updated regularly by the Group's entities, using a methodology that complies with the recommendations of the French Anti-Corruption Agency (AFA); It is based on exchanges with the business lines, which make it possible to identify and assess the risks of corruption, whether active or passive, direct or indirect (complicity, concealment), and to arrive at a shared vision of the stakes involved in fighting corruption; the elements of the internal control system, including accounting control, are explicitly targeted at the corruption risks identified; the results of the risk mapping, including any necessary action plans, are presented for validation to the management bodies of each Group entity; a consolidation of the maps is presented to the Group Risk and Compliance Committee, as well as to BPCE's supervisory body.
- anti-corruption rules of conduct: also available on the Group's website (page "Ethics and compliance: Groupe BPCE's actions and commitments" https://www.groupebpce.com/le-groupe/ethique-et-conformite/), they supplement the Code of Conduct, in particular with illustrations; they are intended to be adapted by each entity and appended to its internal rules; disciplinary sanctions, up to and including dismissal, are provided for in the event of failure to comply with these rules.
- training actions: anti-corruption training in the form of e-learning is available in the Group's entities; classified as "mandatory regulatory training" (MRT), they concern all personnel, including managers; they are supplemented by e-learning courses on the Code of Conduct and Ethical Standards (presented in section 4.1.1.4) and the "Whistleblower" system (presented in section 4.1.1.5).
- "Whistleblower" system with a dedicated group tool, presented in section 4.1.1.5. For whistleblowers, Palatine uses WHISPLI (also a Group tool). The access rules are more complicated: the Head of Risks, Compliance and Financial Security has access to everything. Then, depending on the subject selected by the whistleblower, one or two additional persons are assigned to the case. For example, if an alert is triggered regarding money laundering, it will be sent to two people in the Risk and Compliance department.
- system for declaring gifts, benefits and invitations received and offered, centralised in a group tool. For gift declarations, Palatine uses the group ETIC tool. Only Compliance employees have full access to it.
- supplier assessment: this concerns as a minimum suppliers whose total purchase amount at Group level is at least €50,000; it takes into account a number of criteria (purchasing category, geographical criterion, negative information about the supplier, etc.); this assessment leads, if necessary, to additional procedures aimed at assessing the risk in fine, particularly with regard to the anti-corruption measures put in place by the supplier.
- supervision of relations with intermediaries (including business introducers) and Group partners: contracts and agreements include anti-corruption clauses; the integrity of the Group's new partners is assessed by the "Group New Products New Activities Committee".
- a group control framework has been drawn up to help prevent and detect fraud, corruption and influence peddling: it is formalised and its deployment in the entities is monitored by Group Financial Control.
- system for handling allegations of corruption being formalised in line with that applied under the "Whistleblowers" system.

4.1.1.7 Fight against money laundering and terrorist financing

During the double materiality analysis, Palatine identified a material risk related to financial security.

The legal framework is implemented by the Group's obliged entities, whose compliance resources are designed, according to their specificities in terms of geographical locations, internal organisation or information systems. It is communicated internally to all relevant stakeholders via the Intranet distribution tool, as well as during audio conferences regularly organised for all employees in charge of the AML-CTF system within the Group. It is repeated during training for employees and managers.

The fight against money laundering and terrorism financing (AML-CTF) has a dual objective:

- preventing criminal activities by depriving them of funds, on the one hand;
- ensuring the soundness, integrity and stability of the economic and financial system, on the other hand.

As AML-CFT obliged entities, Groupe BPCE and Palatine are fully committed in the fight against illegal financial circuits, in addition to the action of public authorities: financial intelligence units, law enforcement agencies, and judicial authorities.

Groupe BPCE and Palatine's ML-TF risk assessment and management system includes measures to prevent, mitigate and remediate financial transactions that may be linked to criminal activities. It is based on a corporate culture promoted across all hierarchical levels and all "lines of defence" (LoD), as well as an appropriate internal organisation and resources (human resources, IT, data).

The AML-CFT framework applies to all Groupe BPCE entities (banks of the Banques Populaires and Caisses d'Epargne networks and their subsidiaries and branches, as well as BPCE, its subsidiaries and branches in France and abroad), which are subject to AML-CFT requirements.

The Group AML-CFT system, implemented within the bank, is based on 5 main components:

- **ML-TF risk assessment.** Each entity, subsidiary or branch of the Group, subject to the AML-CFT requirements, assesses its exposure to the risks described by the public authorities according to factors related to customers, activities and products, transactions and delivery channels, as well as geographical zones of activities. In addition, a risk profile is attributed for each client based on a certain number of criteria leading to the attribution of an AML-CTF vigilance rating, which, in particular, enables the "Know Your Customer" (KYC) review frequency and due diligence on the client's transactions to be adapted;
- **customer knowledge.** In addition to identifying the customer and verifying the customer's identity, KYC includes, in particular, information on the nature of the customers' business, including, in the case of undertakings, whether they carry out activities, or of their employment or occupation, as well as reputation information available in trustworthy media, so that obliged entities are able to have an overall understanding of the customer's financial transactions (origin, destination and purpose of funds and transfers). Customer knowledge includes, in particular, the detection of politically exposed persons (PEP) and the identification of beneficial owners for legal entities;
- **ongoing monitoring of transactions, throughout the business relationship.** Due diligence on transactions relies on the ML-TF risk profile and is based on human vigilance as well as on automated means of detecting unusual transactions, in strict compliance with the rules provided for by the General Data Protection Regulation (GDPR). Alerts are mainly handled by the networks, as close as possible to KYC. Most sensitive alerts or those suspicious are forwarded to the local financial security department; **Alert processing resources**, for which deadlines are monitored locally and at the level of the central institution. Enhanced due diligence measures are undertaken to raise doubts over legality of amounts or atypical/unusual transactions, when one of the following three alternative conditions is fulfilled: (i) the transaction is of a particularly complex nature, (ii) the transaction is unusually large or (iii) the transaction does not have an apparent economic or lawful purpose. This analysis leads the entities to carry out a certain number of verifications: analysis of the operation of the account, request for supporting documents, etc.;
- **reporting of "suspicions" to the Financial Intelligence Unit (FIU; TRACFIN in France)** of doubtful/suspicious amounts or transactions when there is a concern about their legality. Entities are required to report to the French financial intelligence Unit, where they know, suspect or have reasonable grounds to suspect that funds or activities are the proceeds of an offense punishable by more than one year's imprisonment (organised crime, trafficking of various kinds, corruption, misuse of corporate assets, laundering of all crimes and offenses, tax, social security or customs fraud, etc.) or are related to terrorist financing. Conversely, if the investigations remove any doubt as to the legality of the sums or transactions, the alert is "closed without further action" accompanied by an audit trail of the checks carried out. Reporting time periods are monitored as part of the risk appetite policy.

Other elements supplement this system such as, in particular, a permanent and periodic control system, regular training and information for employees and managers of the Group and affiliates, regular monitoring of dedicated metrics by the governance bodies, periodic reporting to national supervisors and managers, national and international sanctions (embargoes and asset freezes).

4.1.1.8 Compliance with national and international sanctions, embargoes and asset freezes

Compliance with national and international financial sanctions is a key element of Groupe BPCE and Palatine's compliance system, which, as French and European entities, strictly comply with French and European Union laws and regulations and with the Resolutions of United Nations Security Council (UNSC).

Furthermore, all entities within Groupe BPCE comply with the US financial sanctions regime due to Groupe BPCE's presence in the United States and the large volume of transactions denominated in US dollars, as well as other criteria that establish US jurisdiction. In particular, the extraterritorial scope of certain US regulations on financial sanctions, including secondary sanctions that extend the extraterritoriality of US sanctions to transactions without American links.

French, European, UN and US legislation therefore constitutes a "common base" in terms of financial sanctions applicable to Groupe BPCE. The other regulations of the jurisdictions in which Groupe BPCE operates apply locally, and concurrently to the common base. The strictest provisions prevail.

Groupe BPCE and Palatine strive to strictly apply the regulations and do not accept any activity the purpose or effect of which is to circumvent the prohibitions provided for therein.

4.1.1.9 Training on business conduct

Groupe BPCE and Palatine offer mandatory regulatory training to enable employees to acquire the skills necessary to carry out their activities:

Details of the implementation of these training courses within Palatine:

BPCE denomination	Palatine
Code of Conduct and Ethical Standards	yes
Whistleblowers	yes
Essentials of professional ethics and the fight against corruption	yes
AML-CFT – The fundamentals	yes

Groupe BPCE's MRTs are mapped according to the activity and scope of each division. This mapping details the target employees to be trained, the duration of the training, its frequency, the timeframe for carrying out the training and the type of contracts concerned. Palatine implements these MRTs at the level of its activity.

Mapping of Mandatory Regulatory Training (MRT

	Target	Duration	Training frequency	Time to complete training from entering the company or employment	Type of contract	Monitoring: Employees enrolled at a date or enrolled over a period	Typical target jobs
Code of Conduct and Ethical Standards	All employees	20 min	Every 5 years	6 months	All permanent and fixed-term contracts, including work-study students	Employees enrolled to date	All employees
Whistleblowers	All employees	30 min	All Group employees in 2023 New hires in subsequent years	6 months	All except temporary holiday personnel	Employees enrolled to date	All employees
Essentials of professional ethics and the fight against corruption	All employees	1 hour	Every 5 years	6 months	All permanent and fixed-term contracts, including work-study students	Employees enrolled to date	All employees
AML-CTF	All employees	1hr30 to 1hr50	Initial module to be carried out when starting work, then alternation between refresher module(s) and initial module Every 2 years	6 months	All permanent and fixed-term contracts, including work-study students	Employees enrolled to date and meeting the eligibility criteria	Training whose content is adapted to the different populations of contributors: • head office and support function; • sales functions; • managers.
Sanctions and embargoes	All compliance employees and those whose job is related to flows, guarantees and international business	30 min	Every 2 years	6 months	All permanent and fixed-term contracts, including work-study students	Employees enrolled to date and meeting the eligibility criteria	Employees in charge of the commercial proposal up to the accounting unwinding (including guarantee, flow, specialist, etc.)

4.2 (G1-2) Management of relationships with suppliers

Since 2024, Palatine has revised its purchasing management procedure by incorporating the responsible purchasing approach, based in particular on the following key principles:

- build a lasting relationship with suppliers;
- integrate CSR criteria into each purchasing stage (supplier sourcing, eco-design, life cycle analysis, measurement of the environmental impact of goods and services purchased, in particular carbon, etc.);
- assess suppliers using appropriate CSR criteria during consultations;
- measure the environmental impacts of the purchasing actions carried out, including the carbon impact, in line with the Group's CSR ambitions;
- promote, together with all Groupe BPCE companies, the economic and social development of the local economic fabric;
- develop the use of the inclusion market.

Lastly, CSR questionnaires for each type of purchase are made available to assess suppliers' CSR approach, and awareness-raising campaigns were carried out throughout 2025, targeting the Bank's business lines.

The implementation of the principles of Palatine's responsible purchasing policy has been identified as having a positive impact, helping to support suppliers not only through the management of payment terms, but also in the prioritisation of local, sustainable and constructive relationships, and the consideration of environmental and societal criteria in decision-making.

Summary table of the links between material IROs and policies, actions

IRO Category	Material issue	Policies	Equities	Metrics	Targets
Positive impact	Working conditions and other work-related rights of subcontractors, service providers and suppliers	• Responsible purchasing policy • Supplier payment terms white paper	• System for monitoring Palatine's payment terms • White paper & quarterly dashboard • "Supplier voices" survey • Launch of the process to obtain the Supplier Relations and Responsible Purchasing (RFAR) label • Responsible purchasing approach within the purchasing sector • Social and environmental criteria to select suppliers	• Average payment period for suppliers by Palatine	• Pay suppliers within an optimal 28 days after the issuance of the invoices

4.2.1 Supplier payment policy

Summary table of Palatine's policies relating to supplier relationship management

Policy	Content	Scope of application	Person responsible for implementation	Stakeholder interaction and dissemination
Palatine responsible purchasing policy	This document presents the reference framework, organization, regulatory framework, CSR commitments, as well as the tools and methods used to manage purchasing and supplier relations.	• Palatine specifiers and buyers	• Purchasing Department of BPCE Achats & Services	• Quarterly interviews with all the divisions • SharePoint Palatine: provision of documents (charters, CSR questionnaires, etc.)

Groupe BPCE's payment terms policy aims to ensure that suppliers are paid within a maximum of 28 days of the invoices being issued.

This objective, which goes beyond the maximum regulatory requirements set at 60 days from the date of issue of the invoice or 45 days from the end of the month following the date of issue of the invoice, by way of a contractual derogation (Article L. 441-10 *et seq.* of the French Commercial Code), addresses Palatine's concern regarding the financial situation of its suppliers.

In 2025, the average supplier payment period by Group entities reached 24 days, which is better than the initial target of 28 days. This result demonstrates effective cash flow management and our ability to meet our objectives towards our suppliers in a shorter than expected timeframe.

Actions implemented: system for monitoring payment terms

To ensure that its suppliers are paid within the average payment period achieved in 2025, *i.e.* 24 days, Palatine has introduced a system for monitoring payment times by budget centre. This system makes it possible to check that payment times are in line with Groupe BPCE's maximum target of 28 days and to issue alerts should this threshold be exceeded.

As a result, a quarterly monitoring system has been put in place to track payment times. Palatine compiles a quarterly survey to collect data concerning:

- the cumulative average payment period since 1 January;
- the proportion of outstanding invoices issued more than 60 days ago;
- the total amount of outstanding invoices.

4.2.2 Supplier relations

Relationship monitoring system

BPCE Achats & Services regularly meets the Group's strategic and "important" suppliers (defined in particular according to the volume of purchases, the criticality of the services delivered for the continuity of banking activities and/or essential to the Group's development). They are met every 12 to 18 months.

At the same time, each Business line meets with its suppliers to monitor the service.

These meetings provide an opportunity to have a privileged exchange on all aspects of the service and to share on the strategic issues concerning both parties.

Assessing the supplier relationship

As part of our desire to establish a quality relationship with our partners, BPCE Achats & Services collects "the suppliers' voice". A survey, rolled out in 2025, assesses the level of satisfaction of suppliers as part of their collaboration with Groupe BPCE entities.

This initiative made it possible to analyse the relationships between our suppliers and sixteen Groupe BPCE companies. More than a hundred suppliers were interviewed, and a response rate close to 80% was recorded. The results of the survey showed a very high level of satisfaction, with more than 90% of suppliers declaring themselves "satisfied" or "very satisfied" with the relationships with the Group's entities, which is reflected in a Net Promoter Score of 44.

During this survey, suppliers expressed a strong desire to strengthen their collaboration, to innovate together, and to be more closely involved in projects with an impact in terms of Corporate Social Responsibility (CSR).

Supplier Relations and Responsible Purchasing certification (RFAR)

The Supplier Relations and Responsible Purchasing label (RFAR) is awarded by the Company mediator reporting to the Ministry of the Economy and Finance, as well as by the French National Purchasing Council (CNA). The aim of this label is to reward French companies that establish lasting and balanced relationships with their suppliers.

This label validates the suitability of the approach with the ISO 20400 standard, which provides guidelines on integrating sustainable development principles into the procurement process.

Currently, BPCE Achats & Services, along with 14 Groupe BPCE entities, hold the RFAR label. Since the second half of the year, Palatine has been working on the questionnaire and the information to be submitted so that an audit can be carried out in 2027 with a view to obtaining this label.

In November 2025, the Chairman of BPCE Achats & Services agreed to take over the chairmanship of the "Club des labellisés". This demonstrates Groupe BPCE's strong commitment to this approach for over 10 years. This appointment underlines the Group's desire to maintain and strengthen a collective momentum based on exemplarity, responsibility and the improvement of practices.

Promotion of a sustainable relationship and impact within the territories

Palatine is committed to promoting a long-term and balanced relationship with suppliers, one of the commitments made as part of its responsible purchasing policy.

A study carried out in 2025 by "Utopies" demonstrates Palatine's impact on the regions, with more than €65.4 billion in wealth created in the French economy in 2024, of which €25.8 million at local level.

Palatine's purchasing expenses also supported 851 jobs (FTEs) in France in 2024, in several sectors of activity, including 3 main ones:

- health, education, social: 186;
- professional, scientific and technical services: 126;
- business support: 106.

In addition, in 2025, Palatine continued the actions carried out in 2024:

- strengthening of the control system for dependency, corruption and Provigis compliance rates: all these focus areas have been added to the quarterly business meetings and are reviewed with each business line in order to identify issues, anticipate risks and implement action plans where necessary;
- regular meetings with strategic suppliers;
- the "Supplier Voices" survey, already carried out in 2025, will be repeated in 2026;
- maintaining purchasing commitments to comply with the Ethics Charter:
  - adopt honest and transparent conduct in all transactions;
  - avoid conflicts of interest and declare any situation likely to create them;
  - comply with all applicable regulations;
  - promote ethical and responsible purchasing practices;
  - take environmental, social and governance (ESG) criteria into account during the purchasing process;
  - promote suppliers who share the same values in terms of sustainability and social responsibility;
  - favour suppliers listed by BPCE Achats when they exist;
  - treat all suppliers fairly, without favouritism or discrimination;
  - ensure equal opportunities for all business partners;
  - protect the sensitive and confidential information of suppliers and partners;
  - not to disclose information without prior consent;
  - foster collaborative relationships with suppliers based on trust and mutual respect;
  - encourage open dialogue to solve problems and improve practices;
  - commit to constantly improving purchasing practices by incorporating feedback and best practices.

4.2.3 Social and environmental criteria to select suppliers

The Group's Corporate Social Responsibility (CSR) commitments are included in the Group's responsible purchasing policy, in the Responsible Purchasing Charter and in the BPCE Achats & Services consultation process. The Responsible purchasing policy and the Responsible Purchasing Charter for the Banking Sector are available on the Groupe BPCE website.

The consultation process includes several elements enabling social and environmental criteria to be taken into account during the consultations for selecting suppliers:

- the level of CSR risk specific to the service is determined (AFNOR tool) in order to identify the priority measures to be addressed to mitigate these risks, in particular the sending of a questionnaire related to the duty of care. A risk weighting is also proposed for assessing the supplier's response;
- CSR specifications are proposed for inclusion in the specifications by the prescribing business lines in line with the previously identified risks;
- a CSR questionnaire specific to the target purchasing category is used during the consultations to measure the CSR performance of suppliers and identify improvement plans to be implemented as part of the service. These questionnaires also aim to raise suppliers' awareness of CSR issues and to integrate carbon issues into the solutions proposed;
- the contracting phase includes, as soon as possible, progress plans previously defined through the analysis of responses to the CSR questionnaire.

The Responsible Purchasing Charter, attached to the tender documents, specifies the reciprocal commitments. The tender documents and specifications, prepared by the business lines, clearly set out the expectations in terms of CSR and are explicitly communicated to suppliers. The tender documents include a proposed response in the form of co-contracting with suppliers from the inclusion market.

In 2025, BPCE Achats & Services developed a digitalised supplier CSR questionnaire, adapted to the size of the company (VSEs/ mid-sized companies /Large Groups). This new tool simplifies supplier responses, especially for small and medium-sized companies. These assessments are valid for 18 months.

In 2025, Palatine worked in collaboration with BPCE to prepare the elements necessary to obtain the Supplier Relations and Responsible Purchasing label (RFAR) label. The application is scheduled to be submitted in 2027.

The Purchasing department has communicated via the HOSMOZ website, provided by BPCE, to all business lines during annual interviews, to ensure that an inclusive establishment is automatically added at each consultation.

The HOSMOZ website makes it possible to search, by purchasing category, for registered suppliers in the STPA sector and to have their contact details.

The purchasing teams took part in a training course on responsible purchasing, which gave us an insight into our level of maturity in this area.

4.3 Metrics and targets

4.3.1 (G1-3) – Training of exposed personnel

All employees, including employees in exposed positions, in particular executive managers, are required to undergo training in professional ethics and the fight against corruption. With regard to the administrative and supervisory bodies, awareness-raising sessions on corruption were organized by the Fédération Nationale des Caisses d’Epargne (in 2024) and the Fédération Nationale des Banques Populaires (in 2025). BPCE’s Supervisory Board also received an awareness raising session on corruption in 2025.

Background information on the published metrics (MDR-M requirement):

This indicator is calculated based on the scope of Palatine. The bank has set up specific training on the anti-corruption system for at-risk staff. For the purposes of this report, functions for which staff are qualified as Material Risk Takers (MRTs) are considered to be at-risk functions covered by anti-corruption training programmes. MRT functions include executives, executive directors and managers of departments such as finance, risk, commercial, trading, customer relations, audit, taxation, etc.

At Palatine level, 46 employees are identified as MRTs. They benefited from additional specific training, with an achievement rate of 100% at 31 December 2025:

- if an entity has deployed a "Mandatory Regulatory Training" *(Formation Réglementaire Obligatoire - FRO)* course on professional ethics and the fight against corruption to all its employees, the at-risk functions are considered as covered.

4.3.2 (G1-4) – Incidents of corruption or bribery

In the reference year 2025, there were 0 convictions for breaches of anti-corruption legislation and for acts of corruption. These are:

- 0 convictions for corruption or bribery involving employees (none of whom were terminated and are no longer part of the workforce as at 31 December 2025).

The amount of the fines paid for violation of anti-corruption and anti-bribery laws is €0.

Background information on the published metrics (MDR-M requirement)

These two metrics are calculated based on the Palatine ESU scope.

For each entity in the scope, the convictions taken into account are as follows:

- Administrative sanctions against the company for breaches of anti-corruption legislation, imposed by the French Anti-Corruption Agency’s Sanctions Commission or by a foreign supervisor competent to monitor the application of equivalent laws and regulations abroad;
- Criminal convictions of the company for offences of corruption, influence peddling, complicity in corruption, concealment of corruption, complicity in influence peddling, concealment of influence peddling, regardless of the jurisdiction; approved judicial agreements in the public interest or other similar transactions are included;
- criminal convictions of an executive or employee (including if they have left the company) for offenses of corruption, influence peddling, complicity in corruption, concealment of corruption, complicity in influence peddling, concealment of influence peddling committed as part of his or her duties in the company, regardless of the jurisdiction.

The fines taken into account are those corresponding to the sanctions imposed on the company in 2025:

- administrative sanctions for breaches of anti-corruption legislation imposed by the French Anti-Corruption Agency’s Sanctions Commission or by a foreign supervisor competent to monitor the application of equivalent laws and regulations abroad;
- criminal convictions of the company for offenses of corruption, influence peddling, complicity in corruption, concealment of corruption, complicity in influence peddling, concealment of influence peddling, regardless of the jurisdiction; approved judicial agreements in the public interest *(Conventions judiciaires d'intérêt public - CJIP)* or other similar transactions are included.

4.3.3 (G1-6) – Payment practices

Palatine undertakes to respect the regulatory payment deadlines, in accordance with the legal definition, which stipulates a period of 60 days from the date of issue of the invoice. In 2025, 93.4% of payments (by amount) met this commitment. In addition, it is Palatine's policy to pay suppliers within 28 days of the invoice date. The average payment term is in line with this requirement, standing at 24 days. Lastly, there are no ongoing legal proceedings concerning late payments.

Background information on the published metrics (MDR-M):

The scope of intervention includes all non-group invoices.

The average payment term for invoices paid is measured taking into account all invoices paid between 1 January and 31 December of the year, regardless of their date of issue. Expense claims are not taken into account in this analysis.

The payment term is calculated as the difference between the issue date of the invoice (and not from the date of receipt or recognition) and the settlement date.

Limitation on published information

The indicator "Description of the company's standard payment deadlines (in number of days) per major supplier category and the percentage of payments made within these deadlines", corresponding to the disclosure requirement of section 33b of DR G1-6 of the CSRD standard, is not published. Palatine is not in a position to publish this indicator for the 2025 reference year, given the unavailability of data.

Part 5 – Appendices

The information relating to the GAR is presented below in accordance with the template tables applicable to credit institutions as set out in Annex VI of delegated regulation 2023/2486.

5.1 IRO-2 — Disclosure Requirements in ESRS covered by the undertaking's sustainability statements

After identifying the material topical ESRS (which are disclosed in this sustainability report), Groupe BPCE identified the material data points to be published with regard to the disclosure requirements and based on the relevance of the information required by the European CSRD regulation in relation to Groupe BPCE's activities. The transitional measures of Annex C of ESRS 1 have been taken into account. All mandatory and material data points are disclosed with the exception of data points that are unsuitable for the Group's activities. The Group has chosen to disclose certain data points on a voluntary basis. If a data point cannot be linked to a material IRO, no disclosure about the data point is made.

Palatine relied on the work of Groupe BPCE and applied the same principle.

Disclosure Requirements in ESRS covered by the undertaking's sustainability report.

ESRS 2 GOV-1

Disclosure Requirement and related data point	SFDR reference(1)	Pillar 3 reference(2)	Benchmark indices regulation reference(3)	EU European law on climate	Report section
Board's gender diversity section 21, **point d)**	Indicator No. 13, Table 1, Annex I		Annex II of Commission delegated regulation (EU) 2020/1816		1.3.1.1
Percentage of board members who are independent section 21, **point e)**			Annex II of Commission delegated regulation (EU) 2020/1816		1.3.1.1

(1) Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability reporting in the financial services sector (OJ L 317, 09.12.2019, p. 1).

(2) Regulation (EU) 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) 648/2012 (Capital Requirements Regulation - CRR) (OJ L 176, 27.06.2013, p. 1).

(3) Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on the indices used as benchmarks for financial instruments and contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and regulation (EU) 596/2014 (OJ L 171, 29.06.2016, p. 1).

ESRS 2 GOV-4

Disclosure Requirement and related data point	SFDR reference(1)	Pillar 3 reference(2)	Benchmark indices regulation reference(3)	EU European law on climate	Report section
Statement on due diligence section 30	Indicator No. 10, Table 3, Annex I				1.3.5

ESRS 2 SBM-1

Disclosure Requirement and related data point	SFDR reference[1]	Pillar 3 reference[2]	Benchmark indices regulation reference[3]	EU European law on climate[4]	Report section
Involvement in activities related to fossil fuel activities section 40, point d) i)	Indicator No. 4, Table 1, Annex I	Article 449a of Regulation (EU) 575/2013; Commission Implementing Regulation (EU) 2022/2453[6], Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk	Annex II of Commission delegated regulation (EU) 2020/1816		Not applicable
Involvement in activities related to chemical production section 40, **point d) ii)**	Indicator No. 9, Table 2, Annex I		Annex II of Commission delegated regulation (EU) 2020/1816		Not applicable
Involvement in activities related to controversial weapons section 40, point d) iii)	Indicator No. 14, Table 1, Annex I		Article 12 (1) of Delegated Regulation (EU) 2020/1818[7], Annex II of Delegated Regulation (EU) 2020/1816		Not applicable
Involvement in activities related to cultivation and production of tobacco, Section 40, **point d) iv)**			Delegated regulation (EU) 2020/1818, article 12 (1) of delegated regulation (EU) 2020/1816, Annex II.		Not applicable

ESRS E1-1

Disclosure Requirement and related data point	SFDR reference[1]	Pillar 3 reference[2]	Benchmark indices regulation reference[3]	EU European law on climate	Report section
Transition plan to reach climate neutrality by 2050 section 14				Article 2 (1) of regulation (EU) 2021/1119	2.2.1.2
Undertakings excluded from Paris Agreement-aligned Benchmarks, Section 16, **point g)**		Article 449 bis regulation (EU) 575/2013, Commission Implementing regulation (EU) 2022/2453, Template 1: Banking book - Climate change transition risk: Credit quality of exposures by sector, issues and residual maturity	Article 12 (1) (d) to (g) and article 12 (2) of delegated regulation (EU) 2020/1818		Not applicable

ESRS E1-4

Disclosure Requirement and related data point	SFDR reference[1]	Pillar 3 reference[2]	Benchmark indices regulation reference[3]	EU European law on climate	Report section
GHG emission reduction targets section 34	Indicator No. 4, Table 2, Annex I	Article 449 *bis* regulation (EU) 575/2013, Commission Implementing regulation (EU) 2022/2453, Template 3: Banking book - Climate change transition risk: alignment indicators	Article 6 of delegated regulation (EU) 2020/1818		2.2.4.2

ESRS E1-5

Disclosure Requirement and related data point	SFDR reference[1]	Pillar 3 reference[2]	Benchmark indices regulation reference[3]	EU European law on climate[4]	Report section
Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) section 38	Indicator No. 5, Table 1, and Indicator No. 5, Table 2, Annex I				Not material
Energy consumption and mix section 37	Indicator No. 5, Table 1, Annex I				Not material
Energy intensity associated with activities in high climate impact sectors sections 40 to 43	Indicator No. 6, Table 1, Annex I				Not material

ESRS E1-6

Disclosure Requirement and related data point	SFDR reference[1]	Pillar 3 reference[2]	Benchmark indices regulation reference[3]	EU European law on climate	Report section
Gross Scopes 1, 2 or 3 emissions and Total GHG emissions, section 44	Indicators No. 1 and No. 2, Table 1, Annex I	Article 449 *bis* of regulation (EU) 575/2013, Commission implementing regulation (EU) 2022/2453, Template 1: Banking book - Climate change transition risk: Credit quality of exposures by sector, issues and residual maturity	Article 5, article 6 and article 8 of delegated regulation (EU) 2020/1818		2.2.7.1
Gross GHG emissions intensity sections 53 to 55	Indicator No. 3, Table 1, Annex I	Article 449 *bis* of regulation (EU) 575/2013, Commission implementing regulation (EU) 2022/2453, Template 3: Banking book - Climate change transition risk: alignment indicators	Article 8 of delegated regulation (EU) 2020/1818		Not applicable

ESRS E1-7

Disclosure Requirement and related data point	SFDR reference[1]	Pillar 3 reference[2]	Benchmark indices regulation reference[3]	EU European law on climate	Report section
GHG removals and carbon credits section 56				Article 2 (1) of regulation (EU) 2021/1119	Not applicable

ESRS E1-9

Disclosure Requirement and related data point	SFDR reference(1)	Pillar 3 reference(2)	Benchmark indices regulation reference(3)	EU European law on climate	Report section
Exposure of the benchmark portfolio to climate-related physical risks section 66			Annex II of delegated regulation (EU) 2020/1818, Annex II of delegated regulation (EU) 2020/1816		Phase-in
Disaggregation of monetary amounts by acute and chronic physical risk section 66, point (a) Location of significant assets at material physical risk section 66, **point c)**		Article 449 *bis* of regulation (EU) 575/2013, Commission implementing regulation (EU) 2022/2453, paragraphs 46 and 47, Template 5: Banking portfolio - Climate-related physical risks: exposures subject to a physical risk.			Phase-in
Breakdown of the carrying value of its real estate assets by energy-efficiency classes section 67, **point c)**		Article 449 *bis* of regulation (EU) 575/2013, Commission implementing regulation (EU) 2022/2453, paragraph 34, Template 2: Banking book - Climate change transition risk: Loans secured by real estate assets - Energy efficiency of collateral			Phase-in
Degree of exposure of the portfolio to climate-related opportunities section 69			Annex II of Commission Delegated Regulation (EU) 2020/1818		Phase-in

ESRS E2-4

Disclosure Requirement and related data point	SFDR reference(1)	Pillar 3 reference(2)	Benchmark indices regulation reference(3)	EU European law on climate	Report section
Amount of each pollutant listed in Annex II of the European Pollutant Release and Transfer Register Regulation (E-PRTR) emitted to air, water and soil, section 28	Indicator No. 8, Table 1, Annex I; Indicator No. 2, Table 2, Annex I; Indicator No. 1, Table 2, Annex I; Indicator No. 3, Table 2, Annex I				Not material

ESRS E3-1

Disclosure Requirement and related data point	SFDR reference(1)	Pillar 3 reference(2)	Benchmark indices regulation reference(3)	EU European law on climate	Report section
Water and marine resources section 9	Indicator No. 7, Table 2, Annex I				Not material
ESRS E3-1Dedicated policy, Section 13	Indicator No. 8, Table 2, Annex I				
ESRS E3-1Sustainable oceans and seas, Section 14	Indicator No. 12, Table 2, Annex I				Not material

ESRS E3-4

Disclosure Requirement and related data point	SFDR reference[(1)]	Pillar 3 reference[(2)]	Benchmark indices regulation reference[(3)]	EU European law on climate	Report section
Total percentage of water recycled and reused section 28, **point c)**	Indicator No. 6.2, Table 2, Annex I				Not material
Total water consumption in m3 per net revenue on own operations section 29	Indicator No. 6.1, Table 2, Annex I				Not material

ESRS 2 - SBM 3 - E4

Disclosure requirement and related data point	SFDR reference[(1)]	Pillar 3 reference[(2)]	Benchmark indices regulation reference[(3)]	EU European law on climate	Report section
Section 16, **point a) i)**	Indicator No. 7, Table 1, Annex I				Not material
Section 16, **point b)**	Indicator No. 10, Table 2, Annex I				Not material
Section 16, **point c)**	Indicator No. 14, Table 2, Annex I				Not material

ESRS E4-2

Disclosure Requirement and related data point	SFDR reference[(1)]	Pillar 3 reference[(2)]	Benchmark indices regulation reference[(3)]	EU European law on climate	Report section
Sustainable land/ agricultural practices or policies section 24, **point b)**	Indicator No. 11, Table 2, Annex I				Not material
Sustainable ocean/sea practices or policies section 24, **point c)**	Indicator No. 12, Table 2, Annex I				Not material
Policies to address deforestation section 24, **point d)**	Indicator No. 15, Table 2, Annex I				Not material

ESRS E5-5

Disclosure Requirement and related data point	SFDR reference[(1)]	Pillar 3 reference[(2)]	Benchmark indices regulation reference[(3)]	EU European law on climate	Report section
Non-recycled waste section 37, **point d)**	Indicator No. 13, Table 2, Annex I				Not material
Hazardous waste and radioactive waste section 39	Indicator No. 9, Table 1, Annex I				Not material

ESRS 2 - SBM3 - S1

Disclosure Requirement and related data point	SFDR reference[1]	Pillar 3 reference[2]	Benchmark indices regulation reference[3]	EU European law on climate	Report section
Risk of incidents of forced labour section 14, **point f)**	Indicator No. 13, Table 3, Annex I				Not material
Risk of incidents of child labour section 14, **point g)**	Indicator No. 12, Table 3, Annex I				Not material

ESRS S1-1

Disclosure Requirement and related data point	SFDR reference[1]	Pillar 3 reference[2]	Benchmark indices regulation reference[3]	EU European law on climate	Report section
Human rights policy commitments section 20	Indicator No. 9, Table 3, and Indicator No. 11, Table 1, Annex I				3.1.3.1.1
Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8 section 21			Annex II of Commission delegated regulation (EU) 2020/1816		3.1.3.1.1 3.1.3.4.1
Processes and measures for preventing trafficking in human beings section 22	Indicator No. 11, Table 3, Annex I				3.1.3.1.1 3.1.3.4.1
Workplace accident prevention policy or management system section 23	Indicator No. 1, Table 3, Annex I				3.1.3.1.3

ESRS S1-3

Disclosure Requirement and related data point	SFDR reference[1]	Pillar 3 reference[2]	Benchmark indices regulation reference[3]	EU European law on climate	Report section
Grievance/complaints handling mechanisms section 32, **point c)**	Indicator No. 5, Table 3, Annex I				3.1.3.3

ESRS S1-14

Disclosure Requirement and related data point	SFDR reference[(1)]	Pillar 3 reference[(2)]	Benchmark indices regulation reference[(3)]	EU European law on climate	Report section
Number of fatalities and number and rate of work-related accidents section 88, **points b) and c)**	Indicator No. 2, Table 3, Annex I		Annex II of Commission delegated regulation (EU) 2020/1816		3.1.5.10
Number of days lost to injuries, accidents, fatalities or illness section 88, **point e)**	Indicator No. 3, Table 3, Annex I				3.1.5.10

ESRS S1-16

Disclosure Requirement and related data point	SFDR reference[(1)]	Pillar 3 reference[(2)]	Benchmark indices regulation reference[(3)]	EU European law on climate	Report section
Unadjusted gender pay gap section 97, **point a)**	Indicator No. 12, Table 1, Annex I		Annex II of delegated regulation (EU) 2020/1816		3.1.5.12
Excessive CEO pay ratio section 97, **point b)**	Indicator No. 8, Table 3, Annex I				3.1.5.12

ESRS S1-17

Disclosure Requirement and related data point	SFDR reference[(1)]	Pillar 3 reference[(2)]	Benchmark indices regulation reference[(3)]	EU European law on climate	Report section
Incidents of discrimination section 103, **point a)**	Indicator No. 7, Table 3, Annex I				3.1.5.13
Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines section 104, **point a)**	Indicator No. 10, Table 1, and Indicator No. 14, Table 3, Annex I		Annex II of delegated regulation (EU) 2020/1816, article 12 (1) of delegated regulation (EU) 2020/1818		3.1.5.13

ESRS S4-1

Disclosure Requirement and related data point	SFDR reference[1]	Pillar 3 reference[2]	Benchmark indices regulation reference[3]	EU European law on climate	Report section
Policies related to consumers and end-users section 16	Indicator No. 9, Table 3, and Indicator No. 11, Table 1, Annex I				3.2.3.1
Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, Section 17	Indicator No. 10, Table 1, Annex I		Annex II of delegated regulation (EU) 2020/1816, article 12 (1) of delegated regulation (EU) 2020/1818		Not material

ESRS S4-4

Disclosure requirement and related data point	SFDR reference[1]	Pillar 3 reference[2]	Benchmark indices regulation reference[3]	EU European law on climate	Report section
Human rights issues and incidents, Section 35	Indicator No. 14, Table 3, Annex I				Not material

ESRS G1-1

Disclosure requirement and related data point	SFDR reference[1]	Pillar 3 reference[2]	Benchmark indices regulation reference[3]	EU European law on climate	Report section
United Nations Convention against Corruption section 10, **point b)**	Indicator No. 15, Table 3, Annex I				4.1.1.6
Protection of whistle-blowers section 10, **point d)**	Indicator No. 6, Table 3, Annex I				4.1.1.5

ESRS G1-4

Disclosure requirement and related data point	SFDR reference(1)	Pillar 3 reference(2)	Benchmark indices regulation reference(3)	EU European law on climate	Report section
Fines for violation of anti-corruption and anti-bribery laws section 24, **point a)**	Indicator No. 17, Table 3, Annex I		Annex II of Delegated Regulation (EU) 2020/1816		4.3.2
Standards of anti-corruption and anti-bribery section 24, **point b)**	Indicator No. 16, Table 3, Annex I				4.3.2

(1) Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability reporting in the financial services sector (OJ L 317, 09/12/2019, p. 1).

(2) Regulation (EU) 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) 648/2012 (Capital Requirements Regulation - CRR) (OJ L 176, 27/06/2013, p. 1).

(3) Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on the indices used as benchmarks for financial instruments and contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and regulation (EU) 596/2014 (OJ L 171, 29/06/2016, p. 1).

reference table of published information

ESRS	Disclosure requirement	References in the sustainability statement
ESRS 2	BP-1 — General basis for the preparation of sustainability statements	1.1.1 BP-1 – General basis for the preparation of sustainability statements
	BP 2 — Disclosures in relation to specific circumstances	1.1.2 BP-2 – Disclosures in relation to specific circumstances
	GOV-1 — The role of the administrative, management and supervisory bodies	1.3.1 GOV-1 – The role of the administrative, management and supervisory bodies
	GOV 2 — Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	1.3.2 GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies
	GOV-3 — Integration of sustainability-related performance in incentive schemes	1.3.3 GOV-3 – Integration of sustainability-related performance in incentive schemes
	GOV 4 — Statement on due diligence	1.3.5 GOV-4 – Statement on due diligence
	GOV 5 — Risk management and internal controls over sustainability reporting	1.3.4 GOV-5 - Risk management and internal controls over sustainability reporting
	SBM-1 — Strategy, business model and value chain	1.2.1 SBM-1 - Strategy, business model and value chain
	SBM 2 — Interests and views of stakeholders	1.2.2 SBM-2 – Interests and views of stakeholders
	SBM 3 — Material impacts, risks and opportunities and their interaction with strategy and business model	1.4.3 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model
	IRO-1 — Description of the processes to identify and assess material impacts, risks and opportunities	1.4 IRO-1 – Impact, risk and opportunity management
	IRO-2 — Disclosure Requirements in ESRS covered by the undertaking's sustainability statements	5.1 IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statements
ESRS E1	ESRS 2 GOV-3 — Integration of sustainability-related performance in incentive schemes	1.3.3 GOV-3 – Integration of sustainability-related performance in incentive schemes

ESRS	Disclosure requirement	References in the sustainability statement
	E1-1 — Transition plan for climate change mitigation	2.2.1.2 (E1-1) Transition plan for climate change mitigation 2.2.4.1 (E1-1-1-b) Description of decarbonisation levers and key actions
	ESRS 2 SBM-3 — Material impacts, risks and opportunities and their interaction with the strategy and business model	2.2.5 (E1-1 16h. and ESRS 2 SBM-3) A transition plan integrated into the business strategy 2.2.6.2 (ESRS 2 SBM-3) Strategy and Business Model Resilience
	ESRS 2 IRO-1 —Description of the processes to identify and assess material climate-related impacts, risks and opportunities	1.4 (IRO-1) - Impact, risk and opportunity management
	E1-2 — Policies related to climate change mitigation and adaptation	2.2.3 (E1-2) Policies related to climate change mitigation and adaptation
	E1-3 — Actions and resources in relation to climate change policies	2.2.4.2 (E1-3 and E1-4) Targets and progress achieved
	E1-4 — Targets related to climate change mitigation and adaptation	2.2.4.2 (E1-3 and E1-4) Targets and progress achieved
	E1-6 — Gross Scopes 1, 2, 3 and Total GHG emissions	2.2.7.1 (E1-6) Gross Scopes 1, 2, 3 and Total GHG emissions
ESRS S1	ESRS 2 SBM-2 — Interests and views of stakeholders	3.1.1 SBM 2 - Interests and views of stakeholders
	ESRS 2 SBM-3 — Material impacts, risks and opportunities and their interaction with the strategy and business model	3.1.2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model
	S1-1 — Policies related to own workforce	3.1.3.1 (S1-1) Policies related to own workforce
	S1-2 — Processes for engaging with own workforce and workers' representatives about impacts	3.1.3.2 (S1-2) Processes for engaging with own workforce and workers' representatives about impacts
	S1-3 — Processes to remediate negative impacts and channels for own workforce to raise concerns	3.1.3.3 (S1-3) Processes to remediate negative impacts and channels for own workforce to raise concerns
	S1-4 — Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and the effectiveness of those actions	3.1.3.4 (S1-4) Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and the effectiveness of those actions
	S1-5 — Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.1.4.1 (S1-5) Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
	S1-6 — Characteristics of the undertaking's employees	3.1.5.2 (S1-6) Characteristics of the undertaking's employees
	S1-7 - Characteristics of non-employees in the undertaking's own workforce	3.1.5.3 (S1-7) Characteristics of non-employees in the undertaking's own workforce
	S1-8 — Collective bargaining coverage and social dialogue	3.1.5.4 (S1-8) Collective bargaining coverage and social dialog
	S1-9 — Diversity metrics	3.1.5.5 (S1-9) Diversity metrics
	S1-10 — Adequate wages	3.1.5.6 (S1-10) Adequate wages
	S1-11 — Social protection	3.1.5.7 (S1-11) Social protection
	S1-12 — People with disabilities	3.1.5.8 (S1-12) Persons with disabilities
	S1-13 — Training and skills development metrics	3.1.5.9 (S1-13) Training and skills development metrics

ESRS	Disclosure requirement	References in the sustainability statement
	S1-14 — Health and safety metrics	3.1.5.10 (S1-14) Health and safety metrics
	S1-15 — Work-life balance metrics	3.1.5.11 (S1-15) Work-life balance metrics
	S1-16 — Remuneration metrics (pay gap and total remuneration)	3.1.5.12 (S1-16) Remuneration metrics (pay gap and total remuneration)
	S1-17 — Incidents, complaints and severe human rights impacts	3.1.5.13 (S1-17) Incidents, complaints and severe human rights impacts
ESRS S4	ESRS 2 SBM-2 — Interests and views of stakeholders	3.2.1 SBM-2 – Interests and views of stakeholders
	ESRS 2 SBM-3 — Material impacts, risks and opportunities and their interaction with the strategy and business model	3.2.2 (ESRS 2 SBM-3) Material impacts, risks and opportunities and their interaction with the strategy and business model
	S4-1 —Policies related to consumers and end-users	3.2.3.1 (S4-1) Policies related to consumers and end-users
	S4-2 — Processes for engaging with consumers and end-users about impacts	3.2.3.2 (S4-2) Processes for engaging with consumers and end-users about impacts
	S4-3 — Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	3.2.3.3 (S4-3) Processes to remediate negative impacts and channels for consumers and end-users to raise concerns
	S4-4 — Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	3.2.3.4 (S4-4) Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions
	S4-5 — Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.2.4.1 (S1-5) Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
ESRS G1	ESRS 2 GOV-1 — The role of the administrative, management and supervisory bodies	4.1.1.1 (ESRS 2 - GOV-1) The role of the administrative and management bodies
	ESRS 2 IRO-1 — Description of the processes to identify and assess material impacts, risks and opportunities	4.1.1.2 (IRO-1) Description of the processes to identify and assess material impacts, risks and opportunities
	G1-1 — Corporate culture and business conduct policies	4.1.1.3 (G1-1) Corporate culture and business conduct policies and related action plans
	G1-2 — Management of relationships with suppliers	4.2 (G1-2) Management of relationships with suppliers
	G1-3 — Prevention and detection of corruption and bribery	4.1.1.6 (G1-3) Prevention and detection of corruption and bribery 4.3.1 (G1-3) Training of exposed personnel
	G1-4 — Incidents of corruption or bribery G1-6 — Payment practices	4.3.2 (G1-4) Incidents of corruption or bribery 4.3.3 (G1-6) Payment practices

5.2 Indicators of the European taxonomy on sustainable activities

The information relating to the GAR is presented below in accordance with the template tables applicable to credit institutions as set out in Annex VI of delegated regulation 2023/2486.

Template 1 - Assets for the calculation of GAR (Turnover basis)

	in millions of euros	a	b	c	d	e	f	g	h	i	j	k	l	m	n
			Disclosure reference date T												
		Total [gross] carrying amount	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Aquatic resources and marines (RAM)			
			Of which to taxonomy-relevant sectors (taxonomy-eligible)					Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)			
				Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator														
1	**Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for the GAR calculation**	**3,286**	**2,115**	**784**											
2	**Financial corporations**	**311**	**0**	**0**											
3	Credit institution	128	-	-											
4	Loans and advances	2	-	-											
5	Debt securities, including specific use of proceeds (UoP)	125	-	-											
6	Equity instruments	0	-	-											
7	Other financial corporations	183	0	0											
8	of which investment firms														
9	Loans and advances														
10	Debt securities, including specific use of proceeds (UoP)														
11	Equity instruments														
12	of which management companies														
13	Loans and advances														
14	Debt securities, including specific use of proceeds (UoP)														
15	Equity instruments														
16	of which insurance undertakings	0	-	-											
17	Loans and advances	0	-	-											
18	Debt securities, including specific use of proceeds (UoP)														
19	Equity instruments	-	-	-											
20	**Non-financial corporations**	**715**	**148**	**50**											

o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
Disclosure reference date T																
Circular economy (CE)					Pollution (PRP)				Biodiversity and ecosystems (BIO)			TOTAL (CCM + CCA + WMR + CE + PRP + BIO)				
Of which to taxonomy-relevant sectors (taxonomy-eligible)					Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)							
	Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)			Of which environmentally sustainable (taxonomy-aligned)			
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
												2,115	784			
												0	0			
												-	-			
												-	-			
												-	-			
												-	-			
												0	0			
												-	-			
												-	-			
												-	-			
												148	50			

	in millions of euros	a	b	c	d	e	f	g	h	i	j	k	l	m	n
			Disclosure reference date T												
			Climate change mitigation (CCM)					Climate change adaptation (CCA)				Aquatic resources and marines (RAM)			
		Total [gross] carrying amount	Of which to taxonomy-relevant sectors (taxonomy-eligible)					Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)			
				Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
21	Loans and advances	690	133	46											
22	Debt securities, including specific use of proceeds (UoP)	24	15	3											
23	Equity instruments	0	-	-											
24	**Households**	**2,174**	**1,931**	**735**											
25	of which loans secured by residential real estate assets	1,929	1,929	735											
26	of which building renovation loans	-	-	-											
27	of which motor vehicle loans	2	2	-											
28	**Local government funding**	**87**	**36**	**-**											
29	Housing financing	36	36	-											
30	Other local government financing	50	-	-											
31	**Collateral obtained by seizure: residential and commercial real estate assets**	**-**	**-**	**-**											
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**12,685**													
33	**Financial and Non-financial corporations**	**11,294**													
34	SMEs and non-financial corporations (other than SMEs) not subject to CSRD disclosure obligations	11,164													
35	Loans and advances	11,059													
36	of which loans secured by commercial real estate assets	1,545													
37	of which building renovation loans														
38	Debt securities	99													
39	Equity instruments	5													
40	Third country counterparties not subject to CSRD disclosure obligations	131													

o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
Disclosure reference date T																
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)				
Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)								
	Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)			
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
												133	46			
												15	3			
												-	-			
												1,931	**735**			
												1,929	735			
												-	-			
												2	-			
												36	**-**			
												36	-			
												-	-			
												-	**-**			

	in millions of euros	a	b	c	d	e	f	g	h	i	j	k	l	m	n
			Disclosure reference date T												
		Total [gross] carrying amount	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Aquatic resources and marines (RAM)			
			Of which to taxonomy-relevant sectors (taxonomy-eligible)					Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)			
				Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
41	Loans and advances	73													
42	Debt securities	58													
43	Equity instruments	-													
44	**Derivatives**	**45**													
45	**On demand interbank loans**	**1,146**													
46	**Cash and cash equivalents**	**4**													
47	**Other categories of assets (e.g. Goodwill, commodities, etc.)**	**196**													
48	**TOTAL GAR ASSETS**	**15,971**	**2,115**	**784**											
49	**Assets not included in the GAR calculation**	**3,746**													
50	**Central governments and supranational issuers**	**2,330**													
51	**Central banks exposure**	**1,146**													
52	**Trading book**	**271**													
53	**TOTAL ASSETS**	**19,717**	**2,115**	**784**											
	Off-balance sheet exposures - Corporate customers subject to CSRD disclosure obligations														
54	Financial guarantees	1,266	53	21											
55	Assets under management														
56	Of which debt securities														
57	Of which equity instruments														

o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
Disclosure reference date T																
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)				
Of which to taxonomy-relevant sectors (taxonomy-eligible)	Of which environmentally sustainable (taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which to taxonomy-relevant sectors (taxonomy-eligible)	Of which environmentally sustainable (taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which to taxonomy-relevant sectors (taxonomy-eligible)	Of which environmentally sustainable (taxonomy-aligned)	Of which Use of Proceeds	Of which enabling		Of which environmentally sustainable (taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling
												2,115	**784**			
												2,115	**784**			
												53	21			

	in millions of euros	ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at
			Disclosure reference date T-1												
		Total [gross] carrying amount	Climate change mitigation (CCM)						Climate change adaptation (CCA)				Aquatic resources and marines (RAM)		
			Of which to taxonomy-relevant sectors (taxonomy-eligible)						Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)		
				Of which environmentally sustainable (taxonomy-aligned)						Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)	
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator														
1	**Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for the GAR calculation**	**3,085**	**1,945**	**875**											
2	**Financial corporations**	**266**	**-**	**-**											
3	Credit institution	99	-	-											
4	Loans and advances	4	-	-											
5	Debt securities, including specific use of proceeds (UoP)	86	-	-											
6	Equity instruments	9	-	-											
7	Other financial corporations	167	-	-											
8	of which investment firms														
9	Loans and advances														
10	Debt securities, including specific use of proceeds (UoP)														
11	Equity instruments														
12	of which management companies														
13	Loans and advances														
14	Debt securities, including specific use of proceeds (UoP)														
15	Equity instruments														
16	of which insurance undertakings	0	-	-											
17	Loans and advances	0	-	-											
18	Debt securities, including specific use of proceeds (UoP)														
19	Equity instruments	-	-	-											
20	**Non-financial corporations**	**761**	**135**	**54**											

au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
Disclosure reference date T-1																
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)				
	Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)							
		Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)		
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
												1,945	875			
												-	-			
												-	-			
												-	-			
												-	-			
												-	-			
												-	-			
												-	-			
												-	-			
												-	-			
												135	54			

	in millions of euros	ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at
			Disclosure reference date T-1												
		Total [gross] carrying amount	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Aquatic resources and marines (RAM)			
			Of which to taxonomy-relevant sectors (taxonomy-eligible)					Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)			
				Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
21	Loans and advances	730	121	51											
22	Debt securities, including specific use of proceeds (UoP)	29	14	3											
23	Equity instruments	2	-	-											
24	**Households**	**2,000**	**1,773**	**821**											
25	of which loans secured by residential real estate assets	1,772	1,772	821											
26	of which building renovation loans	-	-	-											
27	of which motor vehicle loans	1	1	-											
28	**Local government funding**	**57**	**37**	**-**											
29	Housing financing	37	37	-											
30	Other local government financing	20	-	-											
31	**Collateral obtained by seizure: residential and commercial real estate assets**														
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**12,930**													
33	**Financial and Non-financial corporations**														
34	SMEs and non-financial corporations (other than SMEs) not subject to CSRD disclosure obligations														
35	Loans and advances														
36	of which loans secured by commercial real estate assets														
37	of which building renovation loans														
38	Debt securities														
39	Equity instruments														
40	Third country counterparties not subject to CSRD disclosure obligations														

au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
Disclosure reference date T-1																
Circular economy (CE)						**Pollution (PRP)**				**Biodiversity and ecosystems (BIO)**		**TOTAL (CCM + CCA + WMR + CE + PRP + BIO)**				
Of which to taxonomy-relevant sectors (taxonomy-eligible)						**Of which to taxonomy-relevant sectors (taxonomy-eligible)**				**Of which to taxonomy-relevant sectors (taxonomy-eligible)**						
	Of which environmentally sustainable (taxonomy-aligned)					**Of which environmentally sustainable (taxonomy-aligned)**				**Of which environmentally sustainable (taxonomy-aligned)**			**Of which environmentally sustainable (taxonomy-aligned)**			
		Of which Use of Proceeds	**Of which enabling**				**Of which Use of Proceeds**	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**		**Of which Use of Proceeds**	**Of which transitional**	**Of which enabling**
												121	51			
												14	3			
												-	-			
												1,773	**821**			
												1,772	821			
												-	-			
												1	-			
												37	**-**			
												37	-			
												-	-			

	in millions of euros	ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at
			Disclosure reference date T-1												
		Total [gross] carrying amount	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Aquatic resources and marines (RAM)			
			Of which to taxonomy-relevant sectors (taxonomy-eligible)					Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)			
				Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
41	Loans and advances														
42	Debt securities														
43	Equity instruments														
44	**Derivatives**														
45	**On demand interbank loans**														
46	**Cash and cash equivalents**														
47	**Other categories of assets (e.g. Goodwill, commodities, etc.)**														
48	**TOTAL GAR ASSETS**	**16,014**	**1,945**	**875**											
49	**Assets not included in the GAR calculation**														
50	**Central governments and supranational issuers**														
51	**Central banks exposure**														
52	**Trading book**														
53	**TOTAL ASSETS**	**19,602**	**1,945**	**875**											
	Off-balance sheet exposures - Corporate customers subject to CSRD disclosure obligations														
54	Financial guarantees	1,264	49	21											
55	Assets under management														
56	Of which debt securities														
57	Of which equity instruments														

au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
Disclosure reference date T-1																
Circular economy (CE)				**Pollution (PRP)**				**Biodiversity and ecosystems (BIO)**				**TOTAL (CCM + CCA + WMR + CE + PRP + BIO)**				
Of which to taxonomy-relevant sectors (taxonomy-eligible)				**Of which to taxonomy-relevant sectors (taxonomy-eligible)**				**Of which to taxonomy-relevant sectors (taxonomy-eligible)**								
	Of which environmentally sustainable (taxonomy-aligned)				**Of which environmentally sustainable (taxonomy-aligned)**				**Of which environmentally sustainable (taxonomy-aligned)**				**Of which environmentally sustainable (taxonomy-aligned)**			
		Of which Use of Proceeds	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**			**Of which Use of Proceeds**	**Of which transitional**	**Of which enabling**
												1,945	**875**			
												1,945	**875**			
												49	21			

1 This template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates (NFC), including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only) and local governments/municipalities (house financing).

2 The following accounting categories of financial assets should be considered: Financial assets at amortized cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange in of cancellation of debts.

3 Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the CSRD apply only at EU level, credit institutions with subsidiaries in third countries should, given the relevance of these exposures for those credit institutions with non-EU subsidiaries, disclose a separate GAR for their non-EU exposures, on a best effort basis, in the form of estimates and ranges, using proxies, and explaining the assumptions, caveats and limitations.

4 For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure.

Template 1 - Assets for the calculation of GAR (CapEx basis)

	in millions of euros	a	b	c	d	e	f	g	h	i	j	k	l	m	n
		Disclosure reference date T													
		Total [gross] carrying amount	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Aquatic resources and marines (RAM)			
			Of which to taxonomy-relevant sectors (taxonomy-eligible)					Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)			
				Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator														
1	**Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for the GAR calculation**	**3,286**	**2,208**	**807**											
2	**Financial corporations**	**311**	**12**	**0**											
3	Credit institution	128	-	-											
4	Loans and advances	2	-	-											
5	Debt securities, including specific use of proceeds (UoP)	125	-	-											
6	Equity instruments	0	-	-											
7	Other financial corporations	183	12	0											
8	of which investment firms														
9	Loans and advances														
10	Debt securities, including specific use of proceeds (UoP)														
11	Equity instruments														
12	of which management companies														
13	Loans and advances														
14	Debt securities, including specific use of proceeds (UoP)														
15	Equity instruments														
16	of which insurance undertakings	0	-	-											
17	Loans and advances	0	-	-											
18	Debt securities, including specific use of proceeds (UoP)														
19	Equity instruments	-	-	-											
20	**Non-financial corporations**	**715**	**228**	**72**											

o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
Disclosure reference date T																
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)				
Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)								
	Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)			
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
												2,208	807			
												12	0			
												-	-			
												-	-			
												-	-			
												-	-			
												12	0			
												-	-			
												-	-			
												-	-			
												228	72			

		a	b	c	d	e	f	g	h	i	j	k	l	m	n
			Disclosure reference date T												
	in millions of euros	Total [gross] carrying amount	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Aquatic resources and marines (RAM)			
			Of which to taxonomy-relevant sectors (taxonomy-eligible)					Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)			
				Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
21	Loans and advances	690	214	63											
22	Debt securities, including specific use of proceeds (UoP)	24	14	8											
23	Equity instruments	0	-	-											
24	**Households**	**2,174**	**1,931**	**735**											
25	of which loans secured by residential real estate assets	1,931	1,929	735											
26	of which building renovation loans	-	-	-											
27	of which motor vehicle loans	2	2	-											
28	**Local government funding**	**87**	**36**	**-**											
29	Housing financing	36	36	-											
30	Other local government financing	50	-	-											
31	**Collateral obtained by seizure: residential and commercial real estate assets**	**-**	**-**	**-**											
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**12,685**													
33	**Financial and Non-financial corporations**	**11,294**													
34	SMEs and non-financial corporations (other than SMEs) not subject to CSRD disclosure obligations	11,164													
35	Loans and advances	11,059													
36	of which loans secured by commercial real estate assets	1,545													
37	of which building renovation loans														
38	Debt securities	99													
39	Equity instruments	5													
40	Third country counterparties not subject to CSRD disclosure obligations	131													

o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
Disclosure reference date T																
Circular economy (CE)					Pollution (PRP)				Biodiversity and ecosystems (BIO)			TOTAL (CCM + CCA + WMR + CE + PRP + BIO)				
Of which to taxonomy-relevant sectors (taxonomy-eligible)					Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)							
	Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)			Of which environmentally sustainable (taxonomy-aligned)			
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
												214	63			
												14	8			
												-	-			
												1,931	**735**			
												1,929	735			
												-	-			
												2	-			
												36	**-**			
												36	-			
												-	-			
												-	**-**			

		a	b	c	d	e	f	g	h	i	j	k	l	m	n
			Disclosure reference date T												
		Total [gross] carrying amount	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Aquatic resources and marines (RAM)			
	in millions of euros		Of which to taxonomy-relevant sectors (taxonomy-eligible)					Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)			
				Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
41	Loans and advances	73													
42	Debt securities	58													
43	Equity instruments	-													
44	**Derivatives**	**45**													
45	**On demand interbank loans**	**1,146**													
46	**Cash and cash equivalents**	**4**													
47	**Other categories of assets (e.g. Goodwill, commodities, etc.)**	**196**													
48	**TOTAL GAR ASSETS**	**15,971**	**2,208**	**807**											
49	**Assets not included in the GAR calculation**	**3,746**													
50	**Central governments and supranational issuers**	**2,330**													
51	**Central banks exposure**	**1,146**													
52	**Trading book**	**271**													
53	**TOTAL ASSETS**	**19,717**	**2,208**	**807**											
	Off-balance sheet exposures - Corporate customers subject to CSRD disclosure obligations														
54	Financial guarantees	1,266	49	24											
55	Assets under management														
56	Of which debt securities														
57	Of which equity instruments														

o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
Disclosure reference date T																
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)				
Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)								
	Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)			
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
												2,208	**807**			
												2,208	**807**			
												49	24			

		ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at
			Disclosure reference date T-1												
			Climate change mitigation (CCM)					Climate change adaptation (CCA)				Aquatic resources and marines (RAM)			
	in millions of euros	Total [gross] carrying amount	Of which to taxonomy-relevant sectors (taxonomy-eligible)					Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)			
				Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator														
1	**Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for the GAR calculation**	**3,085**	**2,002**	**887**											
2	**Financial corporations**	**266**	**4**	**-**											
3	Credit institution	99	-	-											
4	Loans and advances	4	-	-											
5	Debt securities, including specific use of proceeds (UoP)	86	-	-											
6	Equity instruments	9	-	-											
7	Other financial corporations	167	4	-											
8	of which investment firms														
9	Loans and advances														
10	Debt securities, including specific use of proceeds (UoP)														
11	Equity instruments														
12	of which management companies														
13	Loans and advances														
14	Debt securities, including specific use of proceeds (UoP)														
15	Equity instruments														
16	of which insurance undertakings	0	-	-											
17	Loans and advances	0	-	-											
18	Debt securities, including specific use of proceeds (UoP)														
19	Equity instruments	-	-	-											
20	**Non-financial corporations**	**761**	**188**	**66**											

au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
Disclosure reference date T-1																
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)				
	Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)							
		Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)			Of which environmentally sustainable (taxonomy-aligned)			
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
												2,002	887			
												4	**-**			
												-	-			
												-	-			
												-	-			
												-	-			
												4	-			
												-	-			
												-	-			
												-	-			
												188	**66**			

		ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at
			Disclosure reference date T-1												
	in millions of euros	Total [gross] carrying amount	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Aquatic resources and marines (RAM)			
			Of which to taxonomy-relevant sectors (taxonomy-eligible)					Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)			
				Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
21	Loans and advances	730	173	59											
22	Debt securities, including specific use of proceeds (UoP)	29	15	7											
23	Equity instruments	2	-	-											
24	**Households**	**2,000**	**1,773**	**821**											
25	of which loans secured by residential real estate assets	1,772	1,772	821											
26	of which building renovation loans	-	-	-											
27	of which motor vehicle loans	1	1	-											
28	**Local government funding**	**57**	**37**	**-**											
29	Housing financing	37	37	-											
30	Other local government financing	20	-	-											
31	Collateral obtained by seizure: residential and commercial real estate assets	-	-	-											
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**12,930**													
33	**Financial and Non-financial corporations**														
34	SMEs and non-financial corporations (other than SMEs) not subject to CSRD disclosure obligations														
35	Loans and advances														
36	of which loans secured by commercial real estate assets														
37	of which building renovation loans														
38	Debt securities														
39	Equity instruments														
40	Third country counterparties not subject to CSRD disclosure obligations														

au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
Disclosure reference date T-1																
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)				
Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)								
	Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)			
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
												173	59			
												15	7			
												-	-			
												1,773	**821**			
												1,772	821			
												-	-			
												1	-			
												37	**-**			
												37	-			
												-	-			
												-	-			

	ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at
	Disclosure reference date T-1													
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Aquatic resources and marines (RAM)			
in millions of euros	Total [gross] carrying amount	Of which to taxonomy-relevant sectors (taxonomy-eligible)					Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
41 Loans and advances														
42 Debt securities														
43 Equity instruments														
44 Derivatives														
45 On demand interbank loans														
46 Cash and cash equivalents														
47 Other categories of assets (e.g. Goodwill, commodities, etc.)														
48 TOTAL GAR ASSETS	**16,014**	**2,002**	**887**											
49 Assets not included in the GAR calculation														
50 Central governments and supranational issuers														
51 Central banks exposure														
52 Trading book														
53 TOTAL ASSETS	**19,602**	**2,002**	**887**											
Off-balance sheet exposures - Corporate customers subject to CSRD disclosure obligations														
54 Financial guarantees	1,264	51	21											
55 Assets under management														
56 Of which debt securities														
57 Of which equity instruments														

au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
Disclosure reference date T-1																
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)				
Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)				Of which to taxonomy-relevant sectors (taxonomy-eligible)								
	Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)			
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
												2,002	**887**			
												2,002	**887**			
												51	21			

1 This template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates (NFC), including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only) and local governments/municipalities (house financing).

2 The following accounting categories of financial assets should be considered: Financial assets at amortized cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange in of cancellation of debts.

3 Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the CSRD apply only at EU level, credit institutions with subsidiaries in third countries should, given the relevance of these exposures for those credit institutions with non-EU subsidiaries, disclose a separate GAR for their non-EU exposures, on a best effort basis, in the form of estimates and ranges, using proxies, and explaining the assumptions, caveats and limitations.

4 For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure.

Template 2 - GAR Information by sector (Turnover basis)

		a	b	c	d	e	f	g	h	i	j	k	l
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				Aquatic resources and marines (RAM)			
		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)
1	10.20 – Processing and preserving of fish, crustaceans and molluscs	0	-										
2	10.85 – Manufacture of prepared meals	0	-										
3	13.20 – Weaving	13	-										
4	14.13 – Manufacture of outerwear	0	-										
5	16.10 – Lumber sawing and planing	4	-										
6	16.24 – Manufacture of wooden packaging	9	-										
7	16.29 – Manufacture of miscellaneous wooden articles, manufacture of cork, basketry and wickerwork articles	0	-										
8	17.12 – Manufacture of paper and paperboard	9	-										
9	17.23 – Manufacture of stationery products	0	-										
10	17.29 – Manufacture of other paper and paperboard products	0	-										
11	18.12 – Other printing (commercial)	3	-										
12	20.13 – Manufacture of other basic inorganic chemical products	4	-										
13	20.42 – Manufacture of perfumes and toiletries	1	-										
14	20.53 – Manufacture of essential oils	13	-										
15	22.23 – Manufacture of plastic components for construction	5	-										
16	22.29 – Manufacture of other plastic products	0	-										
17	23.51 – Manufacture of cement	10	0										
18	24.20 – Manufacture of steel tubes, pipes, hollow sections and related fittings	4	-										
19	24.42 – Aluminium metallurgy	1	-										
20	24.44 – Copper metallurgy	0	-										

m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)			
Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD	
[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)
												0	-		
												0	-		
												13	-		
												0	-		
												4	-		
												9	-		
												0	-		
												9	-		
												0	-		
												0	-		
												3	-		
												4	-		
												1	-		
												13	-		
												5	-		
												0	-		
												10	0		
												4	-		
												1	-		
												0	-		

		a	b	c	d	e	f	g	h	i	j	k	l
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				Aquatic resources and marines (RAM)			
		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)
21	25.11 – Manufacture of metal structures and parts of structures	0	0										
22	25.50 – Forging, stamping, powder metallurgy	0	-										
23	25.62 – Machining	9	-										
24	25.99 – Manufacture of other metal products n.e.c.	0	-										
25	26.11 – Manufacture of electronic components	15	-										
26	26.12 – Manufacture of assembled electronic boards	2	-										
27	26.20 – Manufacture of computers and peripheral equipment	0	-										
28	26.30 – Manufacture of communication equipment	0	-										
29	27.40 – Manufacture of electric lighting equipment	1	-										
30	27.51 – Manufacture of household appliances	15	0										
31	28.13 – Manufacture of other pumps and compressors	0	-										
32	28.14 – Manufacture of other valves and fittings	0	-										
33	28.22 – Manufacture of lifting and handling equipment	3	-										
34	28.25 – Manufacture of industrial ventilation and refrigeration equipment	1	-										
35	28.93 – Manufacture of machinery for the food industry	0	-										
36	28.94 – Manufacture of machinery for the textile industry	0	-										
37	29.32 – Manufacture of other automotive equipment	24	4										
38	32.50 – Manufacture of medical and dental instruments and supplies	3	-										
39	33.20 – Installation of industrial machinery and equipment	0	0										
40	35.11 – Generation of electricity	16	0										

m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)			
Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD	
[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)
												0	0		
												0	-		
												9	-		
												0	-		
												15	-		
												2	-		
												0	-		
												0	-		
												1	-		
												15	0		
												0	-		
												0	-		
												3	-		
												1	-		
												0	-		
												0	-		
												24	4		
												3	-		
												0	0		
												16	0		

		a	b	c	d	e	f	g	h	i	j	k	l
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				Aquatic resources and marines (RAM)			
		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)
41	35.14 – Electricity wholesale trade	0	0										
42	38.11 – Collection of non-hazardous waste	2	1										
43	38.21 - Treatment and disposal of non-hazardous waste	0	0										
44	38.22 – Treatment and disposal of hazardous waste	0	0										
45	38.32 – Recovery of sorted waste	9	7										
46	41.10 – Real estate development	38	5										
47	41.20 – Construction of residential and non-residential buildings	3	0										
48	42.11 – Road and motorway construction	0	0										
49	42.22 – Construction of electricity and telecommunications networks	0	0										
50	42.99 – Construction of other civil engineering works n.e.c.	0	-										
51	43.13 – Test drilling and boring	0	-										
52	43.22 – Plumbing, heating and air conditioning installation	0	0										
53	43.29 – Other installation work	0	-										
54	43.32 – Joinery work	0	0										
55	45.32 – Retail trade of automotive equipment	0	-										
56	46.19 – Agents involved in the sale of miscellaneous goods	1	-										
57	46.34 – Wholesale of beverages	0	-										
58	46.37 – Wholesale trade of coffee, tea, cocoa and spices	0	-										
59	46.41 – Wholesale trade of textiles	0	-										
60	46.45 – Wholesale trade of perfumes and cosmetics	0	-										

m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)			
Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD	
[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)
												0	0		
												2	1		
												0	0		
												0	0		
												9	7		
												38	5		
												3	0		
												0	0		
												0	0		
												0	-		
												0	-		
												0	0		
												0	-		
												0	0		
												0	-		
												1	-		
												0	-		
												0	-		
												0	-		
												0	-		

		a	b	c	d	e	f	g	h	i	j	k	l
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				Aquatic resources and marines (RAM)			
		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)
61	46.46 – Wholesale trade of pharmaceutical products	2	-										
62	46.49 – Wholesale trade of other household goods	5	-										
63	46.51 – Wholesale trade of computers, computer peripheral equipment and software	2	-										
64	46.52 – Wholesale trade of electronic and telecommunication components and equipment	2	-										
65	46.69 – Wholesale trade of other machinery and equipment	2	-										
66	46.71 – Wholesale of fuel and related products	8	0										
67	46.72 – Wholesale trade of minerals and metals	4	-										
68	46.73 – Wholesale trade of timber, construction materials and sanitary equipment	0	-										
69	46.90 – Non-specialised wholesale trade	16	-										
70	47.19 – Other retail trade in non-specialised stores	9	-										
71	47.75 – Retail sale of perfume and beauty products in specialised stores	0	-										
72	47.78 – Other retail trade of new goods in specialised stores	3	-										
73	47.91 – Distance selling	2	-										
74	51.10 – Passenger air transport	0	0										
75	52.10 – Warehousing and storage	15	3										
76	55.10 – Hotels and similar accommodation	11	0										
77	56.21 – Catering services	0	-										
78	58.21 – Publishing of electronic games	23	-										
79	58.29 – Publishing of other software	1	-										
80	59.11 – Motion picture, video and television programme production	15	-										

m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)			
Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD	
[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)
												2	-		
												5	-		
												2	-		
												2	-		
												2	-		
												8	0		
												4	-		
												0	-		
												16	-		
												9	-		
												0	-		
												3	-		
												2	-		
												0	0		
												15	3		
												11	0		
												0	-		
												23	-		
												1	-		
												15	-		

		a	b	c	d	e	f	g	h	i	j	k	l
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				Aquatic resources and marines (RAM)			
		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)
81	60.20 – Television programming and broadcasting	8	1										
82	61.10 – Fixed-line telecommunications	0	0										
83	62.01 – Computer programming	3	0										
84	62.02 – IT consultancy	8	-										
85	62.09 – Other IT activities	4	0										
86	64.20 – Holding company activities	5	0										
87	64.30 – Investment funds and similar financial entities	43	0										
88	64.92 – Other credit distribution	10	0										
89	66.19 – Other activities auxiliary to financial services, except insurance and pension funding	19	-										
90	66.30 – Fund management	14	-										
91	68.10 – Activities of real estate dealers	7	1										
92	68.20 – Rental and operation of own or leased real estate	89	6										
93	68.31 – Real estate agencies	0	-										
94	68.32 – Property management	0	-										
95	69.20 – Accounting activities	0	-										
96	70.10 – Activities of head offices	64	4										
97	70.22 – Business and other management advice	2	0										
98	71.12 – Engineering activities	14	10										
99	72.11 – Research and development in biotechnology	0	-										
100	74.10 – Specialised design activities	0	-										

m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)			
Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD	
[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)
												8	1		
												0	0		
												3	0		
												8	-		
												4	0		
												5	0		
												43	0		
												10	0		
												19	-		
												14	-		
												7	1		
												89	6		
												0	-		
												0	-		
												0	-		
												64	4		
												2	0		
												14	10		
												0	-		
												0	-		

		a	b	c	d	e	f	g	h	i	j	k	l
		Climate change mitigation (CCM)				**Climate change adaptation (CCA)**				**Aquatic resources and marines (RAM)**			
		Non-financial corporations (subject to CSRD)		**SMEs and other non-financial corporations not subject to CSRD**		**Non-financial corporations (subject to CSRD)**		**SMEs and other non-financial corporations not subject to CSRD**		**Non-financial corporations (subject to CSRD)**		**SMEs and other non-financial corporations not subject to CSRD**	
		[Gross] carrying amount		**[Gross] carrying amount**		**[Gross] carrying amount**		**[Gross] carrying amount**		**[Gross] carrying amount**		**[Gross] carrying amount**	
	Breakdown by sector - NACE 4 digits level (code and label)	**in millions of euros**	**Of which environ-mentally sustainable (CCM)**	**in millions of euros**	**Of which environ-mentally sustainable (CCM)**	**in millions of euros**	**Of which environ-mentally sustainable (CCM)**	**in millions of euros**	**Of which environ-mentally sustainable (CCM)**	**in millions of euros**	**Of which environ-mentally sustainable (CCM)**	**in millions of euros**	**Of which environ-mentally sustainable (CCM)**
101	74.20 – Photographic activities	3	-										
102	77.12 – Truck rental and leasing	0	-										
103	77.29 – Rental and leasing of other personal and household goods	6	-										
104	77.39 – Rental and leasing of other machinery, equipment and physical assets n.e.c.	7	2										
105	78.20 – Activities of temporary employment agencies	0	-										
106	78.30 – Other provision of human resources	8	-										
107	79.12 – Tour operator activities	0	0										
108	82.99 – Other business support activities n.e.c.	9	-										
109	86.10 – Hospital activities	0	0										
110	87.10 – Residential care	36	-										
111	88.10 – Social action without housing for the elderly and the disabled	0	-										
112	93.29 – Other recreational and leisure activities	20	5										
113	Unidentified NACE code	0	-										

m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)			
Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD	
[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)
												3	-		
												0	-		
												6	-		
												7	2		
												0	-		
												8	-		
												0	0		
												9	-		
												0	0		
												36	-		
												0	-		
												20	5		
												0	-		

1 In this template, credit institutions provide information on the exposures of the banking book to sectors covered by the taxonomy (level 4 of NACE sectors), using the relevant NACE codes for the counterparty's main activity.

2 The attachment of the counterparty to a NACE sector is based exclusively on the nature of the direct counterparty. The classification of exposures jointly concerning more than one debtor is based on the characteristics of the debtor that was the most relevant, or the most significant, for the authorisation of the exposure by the institution. The breakdown by NACE code of the exposures incurred jointly depends on the characteristics of the most relevant or significant debtor. The information is published by the institutions by NACE code with the level of detail required in the template.

Template 2: GAR sectors (CapEx basis)

		a	b	c	d	e	f	g	h	i	j	k	l
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				Aquatic resources and marines (RAM)			
		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)
1	10.20 – Processing and preserving of fish, crustaceans and molluscs	0	-										
2	10.85 – Manufacture of prepared meals	0	-										
3	13.20 – Weaving	13	-										
4	14.13 – Manufacture of outerwear	0	-										
5	16.10 – Lumber sawing and planing	4	-										
6	16.24 – Manufacture of wooden packaging	9	0										
7	16.29 – Manufacture of miscellaneous wooden articles, manufacture of cork, basketry and wickerwork articles	0	-										
8	17.12 – Manufacture of paper and paperboard	9	-										
9	17.23 – Manufacture of stationery products	0	-										
10	17.29 – Manufacture of other paper and paperboard products	0	-										
11	18.12 – Other printing (commercial)	3	-										
12	20.13 – Manufacture of other basic inorganic chemical products	4	-										
13	20.42 – Manufacture of perfumes and toiletries	1	-										
14	20.53 – Manufacture of essential oils	13	0										
15	22.23 – Manufacture of plastic components for construction	5	-										
16	22.29 – Manufacture of other plastic products	0	-										
17	23.51 – Manufacture of cement	10	3										
18	24.20 – Manufacture of steel tubes, pipes, hollow sections and related fittings	4	-										
19	24.42 – Aluminium metallurgy	1	-										
20	24.44 – Copper metallurgy	0	-										

m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)			
Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD	
[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)
												0	-		
												0	-		
												13	-		
												0	-		
												4	-		
												9	0		
												0	-		
												9	-		
												0	-		
												0	-		
												3	-		
												4	-		
												1	-		
												13	0		
												5	-		
												0	-		
												10	3		
												4	-		
												1	-		
												0	-		

		a	b	c	d	e	f	g	h	i	j	k	l
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				Aquatic resources and marines (RAM)			
		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	**in millions of euros**	**Of which environmentally sustainable (CCM)**	**in millions of euros**	**Of which environmentally sustainable (CCM)**	**in millions of euros**	**Of which environmentally sustainable (CCM)**	**in millions of euros**	**Of which environmentally sustainable (CCM)**	**in millions of euros**	**Of which environmentally sustainable (CCM)**	**in millions of euros**	**Of which environmentally sustainable (CCM)**
21	25.11 – Manufacture of metal structures and parts of structures	0	0										
22	25.50 – Forging, stamping, powder metallurgy	0	-										
23	25.62 – Machining	9	-										
24	25.99 – Manufacture of other metal products n.e.c.	0	-										
25	26.11 – Manufacture of electronic components	15	-										
26	26.12 – Manufacture of assembled electronic boards	2	-										
27	26.20 – Manufacture of computers and peripheral equipment	0	-										
28	26.30 – Manufacture of communication equipment	0	-										
29	27.40 – Manufacture of electric lighting equipment	1	-										
30	27.51 – Manufacture of household appliances	15	0										
31	28.13 – Manufacture of other pumps and compressors	0	-										
32	28.14 – Manufacture of other valves and fittings	0	-										
33	28.22 – Manufacture of lifting and handling equipment	3	-										
34	28.25 – Manufacture of industrial ventilation and refrigeration equipment	1	-										
35	28.93 – Manufacture of machinery for the food industry	0	-										
36	28.94 – Manufacture of machinery for the textile industry	0	-										
37	29.32 – Manufacture of other automotive equipment	24	5										
38	32.50 – Manufacture of medical and dental instruments and supplies	3	-										
39	33.20 – Installation of industrial machinery and equipment	0	0										
40	35.11 – Generation of electricity	16	5										

m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)			
Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD	
[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
in millions of euros	Of which environmentally sustainable (CCM)	in millions of euros	Of which environmentally sustainable (CCM)	in millions of euros	Of which environmentally sustainable (CCM)	in millions of euros	Of which environmentally sustainable (CCM)	in millions of euros	Of which environmentally sustainable (CCM)	in millions of euros	Of which environmentally sustainable (CCM)	in millions of euros	Of which environmentally sustainable (CCM)	in millions of euros	Of which environmentally sustainable (CCM)
												0	0		
												0	-		
												9	-		
												0	-		
												15	-		
												2	-		
												0	-		
												0	-		
												1	-		
												15	0		
												0	-		
												0	-		
												3	-		
												1	-		
												0	-		
												0	-		
												24	5		
												3	-		
												0	0		
												16	5		

		a	b	c	d	e	f	g	h	i	j	k	l
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				Aquatic resources and marines (RAM)			
		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	**in millions of euros**	**Of which environ-mentally sustainable (CCM)**	**in millions of euros**	**Of which environ-mentally sustainable (CCM)**	**in millions of euros**	**Of which environ-mentally sustainable (CCM)**	**in millions of euros**	**Of which environ-mentally sustainable (CCM)**	**in millions of euros**	**Of which environ-mentally sustainable (CCM)**	**in millions of euros**	**Of which environ-mentally sustainable (CCM)**
41	35.14 – Electricity wholesale trade	0	0										
42	38.11 – Collection of non-hazardous waste	2	1										
43	38.21 - Treatment and disposal of non-hazardous waste	0	0										
44	38.22 – Treatment and disposal of hazardous waste	0	0										
45	38.32 – Recovery of sorted waste	9	7										
46	41.10 – Real estate development	38	8										
47	41.20 – Construction of residential and non-residential buildings	3	0										
48	42.11 – Road and motorway construction	0	0										
49	42.22 – Construction of electricity and telecommunications networks	0	0										
50	42.99 – Construction of other civil engineering works n.e.c.	0	-										
51	43.13 – Test drilling and boring	0	-										
52	43.22 – Plumbing, heating and air conditioning installation	0	0										
53	43.29 – Other installation work	0	-										
54	43.32 – Joinery work	0	0										
55	45.32 – Retail trade of automotive equipment	0	-										
56	46.19 – Agents involved in the sale of miscellaneous goods	1	-										
57	46.34 – Wholesale of beverages	0	-										
58	46.37 – Wholesale trade of coffee, tea, cocoa and spices	0	-										
59	46.41 – Wholesale trade of textiles	0	-										
60	46.45 – Wholesale trade of perfumes and cosmetics	0	-										

m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)			
Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD	
[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)
												0	0		
												2	1		
												0	0		
												0	0		
												9	7		
												38	8		
												3	0		
												0	0		
												0	0		
												0	-		
												0	-		
												0	0		
												0	-		
												0	0		
												0	-		
												1	-		
												0	-		
												0	-		
												0	-		
												0	-		

		a	b	c	d	e	f	g	h	i	j	k	l
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				Aquatic resources and marines (RAM)			
		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	**in millions of euros**	**Of which environ-mentally sustainable (CCM)**	**in millions of euros**	**Of which environ-mentally sustainable (CCM)**	**in millions of euros**	**Of which environ-mentally sustainable (CCM)**	**in millions of euros**	**Of which environ-mentally sustainable (CCM)**	**in millions of euros**	**Of which environ-mentally sustainable (CCM)**	**in millions of euros**	**Of which environ-mentally sustainable (CCM)**
61	46.46 – Wholesale trade of pharmaceutical products	2	-										
62	46.49 – Wholesale trade of other household goods	5	-										
63	46.51 – Wholesale trade of computers, computer peripheral equipment and software	2	0										
64	46.52 – Wholesale trade of electronic and telecommunication components and equipment	2	0										
65	46.69 – Wholesale trade of other machinery and equipment	2	0										
66	46.71 – Wholesale of fuel and related products	8	1										
67	46.72 – Wholesale trade of minerals and metals	4	0										
68	46.73 – Wholesale trade of timber, construction materials and sanitary equipment	0	-										
69	46.90 – Non-specialised wholesale trade	16	1										
70	47.19 – Other retail trade in non-specialised stores	9	-										
71	47.75 – Retail sale of perfume and beauty products in specialised stores	0	-										
72	47.78 – Other retail trade of new goods in specialised stores	3	-										
73	47.91 – Distance selling	2	-										
74	51.10 – Passenger air transport	0	0										
75	52.10 – Warehousing and storage	15	6										
76	55.10 – Hotels and similar accommodation	11	0										
77	56.21 – Catering services	0	-										
78	58.21 – Publishing of electronic games	23	0										
79	58.29 – Publishing of other software	1	-										
80	59.11 – Motion picture, video and television programme production	15	-										

m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)			
Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD	
[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)
												2	-		
												5	-		
												2	0		
												2	0		
												2	0		
												8	1		
												4	0		
												0	-		
												16	1		
												9	-		
												0	-		
												3	-		
												2	-		
												0	0		
												15	6		
												11	0		
												0	-		
												23	0		
												1	-		
												15	-		

		a	b	c	d	e	f	g	h	i	j	k	l
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				Aquatic resources and marines (RAM)			
		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	**in millions of euros**	**Of which environ-mentally sustainable (CCM)**	**in millions of euros**	**Of which environ-mentally sustainable (CCM)**	**in millions of euros**	**Of which environ-mentally sustainable (CCM)**	**in millions of euros**	**Of which environ-mentally sustainable (CCM)**	**in millions of euros**	**Of which environ-mentally sustainable (CCM)**	**in millions of euros**	**Of which environ-mentally sustainable (CCM)**
81	60.20 – Television programming and broadcasting	8	0										
82	61.10 – Fixed-line telecommunications	0	0										
83	62.01 – Computer programming	3	0										
84	62.02 – IT consultancy	8	0										
85	62.09 – Other IT activities	4	0										
86	64.20 – Holding company activities	5	0										
87	64.30 – Investment funds and similar financial entities	43	1										
88	64.92 – Other credit distribution	10	0										
89	66.19 – Other activities auxiliary to financial services, except insurance and pension funding	19	-										
90	66.30 – Fund management	14	0										
91	68.10 – Activities of real estate dealers	7	1										
92	68.20 – Rental and operation of own or leased real estate	89	11										
93	68.31 – Real estate agencies	0	-										
94	68.32 – Property management	0	-										
95	69.20 – Accounting activities	0	-										
96	70.10 – Activities of head offices	64	4										
97	70.22 – Business and other management advice	2	0										
98	71.12 – Engineering activities	14	8										
99	72.11 – Research and development in biotechnology	0	-										
100	74.10 – Specialised design activities	0	-										

m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)			
Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD	
[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)
												8	0		
												0	0		
												3	0		
												8	0		
												4	0		
												5	0		
												43	1		
												10	0		
												19	-		
												14	0		
												7	1		
												89	11		
												0	-		
												0	-		
												0	-		
												64	4		
												2	0		
												14	8		
												0	-		
												0	-		

		a	b	c	d	e	f	g	h	i	j	k	l
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				Aquatic resources and marines (RAM)			
		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)
101	74.20 – Photographic activities	3	-										
102	77.12 – Truck rental and leasing	0	-										
103	77.29 – Rental and leasing of other personal and household goods	6	-										
104	77.39 – Rental and leasing of other machinery, equipment and physical assets n.e.c.	7	3										
105	78.20 – Activities of temporary employment agencies	0	-										
106	78.30 – Other provision of human resources	8	-										
107	79.12 – Tour operator activities	0	0										
108	82.99 – Other business support activities n.e.c.	9	0										
109	86.10 – Hospital activities	0	0										
110	87.10 – Residential care	36	1										
111	88.10 – Social action without housing for the elderly and the disabled	0	0										
112	93.29 – Other recreational and leisure activities	20	4										
113	Unidentified NACE code	0	-										

m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)			
Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD		Non-financial corporations (subject to CSRD)		SMEs and other non-financial corporations not subject to CSRD	
[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)	in millions of euros	Of which environ-mentally sustainable (CCM)
												3	-		
												0	-		
												6	-		
												7	3		
												0	-		
												8	-		
												0	0		
												9	0		
												0	0		
												36	1		
												0	0		
												20	4		
												0	-		

1 In this template, credit institutions provide information on the exposures of the banking book to sectors covered by the taxonomy (level 4 of NACE sectors), using the relevant NACE codes for the counterparty’s main activity.

2 The attachment of the counterparty to a NACE sector is based exclusively on the nature of the direct counterparty. The classification of exposures jointly concerning more than one debtor is based on the characteristics of the debtor that was the most relevant, or the most significant, for the authorisation of the exposure by the institution. The breakdown by NACE code of the exposures incurred jointly depends on the characteristics of the most relevant or significant debtor. The information is published by the institutions by NACE code with the level of detail required in the template.

Template 3 - GAR KPI Outstanding (Turnover base)

		a	b	c	d	e	f	g	h	i	j	k	l	m
		Disclosure reference date T												
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Aquatic resources and marines (RAM)			
		Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)					Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)			
			Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)					Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator													
1	**Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for the GAR calculation**	**64.37%**	**23.87%**											
2	**Financial corporations**	**0.00%**	**0.00%**											
3	Credit institution	0.00%	0.00%											
4	Loans and advances	0.00%	0.00%											
5	Debt securities, including specific use of proceeds (UoP)	0.00%	0.00%											
6	Equity instruments	0.00%	0.00%											
7	Other financial corporations	0.00%	0.00%											
8	of which investment firms													
9	Loans and advances													
10	Debt securities, including specific use of proceeds (UoP)													
11	Equity instruments													
12	of which management companies													
13	Loans and advances													
14	Debt securities, including specific use of proceeds (UoP)													
15	Equity instruments													
16	of which insurance undertakings	0.00%	0.00%											
17	Loans and advances	0.00%	0.00%											
18	Debt securities, including specific use of proceeds (UoP)													
19	Equity instruments	0.00%	0.00%											
20	**Non-financial corporations**	**20.66%**	**6.94%**											

n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
Disclosure reference date T																	
Circular economy (CE)				**Pollution (PRP)**				**Biodiversity and ecosystems (BIO)**				**TOTAL (CCM + CCA + WMR + CE + PRP + BIO)**					
Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)**				**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)**				**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)**					
	Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)				**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)**				**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)**				**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)**				
		Of which Use of Proceeds	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**			**Of which Use of Proceeds**	**Of which transitional**	**Of which enabling**	**Share of total hedged assets**
												64.37%	**23.87%**				**16.66%**
												0.00%	**0.00%**				**1.58%**
												0.00%	0.00%				0.65%
												0.00%	0.00%				0.01%
												0.00%	0.00%				0.63%
												0.00%	0.00%				0.00%
												0.00%	0.00%				0.93%
												0.00%	0.00%				0.00%
												0.00%	0.00%				0.00%
												0.00%	0.00%				0.00%
												20.66%	**6.94%**				**3.62%**

		a	b	c	d	e	f	g	h	i	j	k	l	m
		Disclosure reference date T												
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Aquatic resources and marines (RAM)			
		Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)					Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)			
			Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)					Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
21	Loans and advances	19.27%	6.70%											
22	Debt securities, including specific use of proceeds (UoP)	60.43%	13.67%											
23	Equity instruments	0.00%	0.00%											
24	**Households**	**88.84%**	**33.80%**											
25	of which loans secured by residential real estate assets	100.00%	38.08%											
26	of which building renovation loans	0.00%	0.00%											
27	of which motor vehicle loans	100.00%	0.00%											
28	**Local government funding**	**41.92%**	**0.00%**											
29	Housing financing	100.00%	0.00%											
30	Other local government financing	0.00%	0.00%											
31	**Collateral obtained by seizure: residential and commercial real estate assets**	**0.00%**	**0.00%**											
32	**TOTAL GAR ASSETS**	**13.24%**	**4.91%**											

n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
Disclosure reference date T																	
Circular economy (CE)				**Pollution (PRP)**				**Biodiversity and ecosystems (BIO)**				**TOTAL (CCM + CCA + WMR + CE + PRP + BIO)**					
Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)**				**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)**				**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)**					
	Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)				**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)**				**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)**				**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)**				
		Of which Use of Proceeds	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**			**Of which Use of Proceeds**	**Of which transitional**	**Of which enabling**	**Share of total hedged assets**
												19.27%	6.70%				3.50%
												60.43%	13.67%				0.12%
												0.00%	0.00%				0.00%
												88.84%	**33.80%**				**11.03%**
												100.00%	38.08%				9.78%
												0.00%	0.00%				0.00%
												41.92%	**0.00%**				**0.44%**
												100.00%	0.00%				0.18%
												0.00%	0.00%				0.26%
												0.00%	**0.00%**				**0.00%**
												13.24%	**4.91%**				**81.00%**

		ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as
		Disclosure reference date T-1												
		Climate change mitigation (CCM)						Climate change adaptation (CCA)				Aquatic resources and marines (RAM)		
		Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)						Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)		
			Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)						Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)	
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator													
1	**Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for the GAR calculation**	**63.07%**	**28.36%**											
2	**Financial corporations**	**0.00%**	**0.00%**											
3	Credit institution	0.00%	0.00%											
4	Loans and advances	0.00%	0.00%											
5	Debt securities, including specific use of proceeds (UoP)	0.00%	0.00%											
6	Equity instruments	0.00%	0.00%											
7	Other financial corporations	0.00%	0.00%											
8	of which investment firms													
9	Loans and advances													
10	Debt securities, including specific use of proceeds (UoP)													
11	Equity instruments													
12	of which management companies													
13	Loans and advances													
14	Debt securities, including specific use of proceeds (UoP)													
15	Equity instruments													
16	of which insurance undertakings	0.00%	0.00%											
17	Loans and advances	0.00%	0.00%											
18	Debt securities, including specific use of proceeds (UoP)													
19	Equity instruments	0.00%	0.00%											
20	**Non-financial corporations**	**17.72%**	**7.08%**											

at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
Disclosure reference date T-1																	
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)					
Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)					
	Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)				
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	Share of total hedged assets
												63.07%	**28.36%**				**15.74%**
												0.00%	**0.00%**				**1.36%**
												0.00%	0.00%				0.51%
												0.00%	0.00%				0.02%
												0.00%	0.00%				0.44%
												0.00%	0.00%				0.05%
												0.00%	0.00%				0.85%
												0.00%	0.00%				0.00%
												0.00%	0.00%				0.00%
												0.00%	0.00%				0.00%
												17.72%	**7.08%**				**3.88%**

		ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as
		Disclosure reference date T-1												
		Climate change mitigation (CCM)					**Climate change adaptation (CCA)**				**Aquatic resources and marines (RAM)**			
		Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)					**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)**				**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)**			
			Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)					**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)**				**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)**		
	% (compared to total covered assets in the denominator)			**Of which Use of Proceeds**	**Of which transitional**	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**
21	Loans and advances	16.54%	6.93%											
22	Debt securities, including specific use of proceeds (UoP)	48.17%	11.26%											
23	Equity instruments	0.00%	0.00%											
24	**Households**	**88.64%**	**41.04%**											
25	of which loans secured by residential real estate assets	100.00%	46.33%											
26	of which building renovation loans	0.00%	0.00%											
27	of which motor vehicle loans													
28	**Local government funding**	**64.80%**	**0.00%**											
29	Housing financing	100.00%	0.00%											
30	Other local government financing	0.00%	0.00%											
31	**Collateral obtained by seizure: residential and commercial real estate assets**	**0.00%**	**0.00%**											
32	**TOTAL GAR ASSETS**	**12.15%**	**5.46%**											

at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
Disclosure reference date T-1																	
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)					
Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)					
	Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)				
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	Share of total hedged assets
												16.54%	6.93%				3.72%
												48.17%	11.26%				0.15%
												0.00%	0.00%				0.01%
												88.64%	**41.04%**				**10.21%**
												100.00%	46.33%				9.04%
												0.00%	0.00%				0.00%
												100.00%	0.00%				0.01%
												64.80%	**0.00%**				**0.29%**
												100.00%	0.00%				0.19%
												0.00%	0.00%				0.10%
												0.00%	**0.00%**				**0.00%**
												12.15%	**5.46%**				**81.70%**

1 The institution shall disclose in this template the GAR KPIs on stock of loans calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.

2 Information on the GAR (green asset ratio of "eligible" activities) shall be accompanied with information on the proportion of total assets covered by the GAR.

3 Credit institutions can, in addition to the information included in this template, show the proportion of assets funding taxonomy relevant sectors that are environmentally sustainable (taxonomy-aligned). This information would enrich the information on the KPI on environmentally sustainable assets compared to total covered assets

4 Credit institutions shall duplicate this template for the information based on income received and CapEx.

Template 3 - GAR KPI Outstanding (CapEx basis)

		a	b	c	d	e	f	g	h	i	j	k	l	m
		Disclosure reference date T												
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Aquatic resources and marines (RAM)			
		Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)					Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)			
			Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)					Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator													
1	**Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for the GAR calculation**	**67.20%**	**24.55%**											
2	**Financial corporations**	**3.93%**	**0.00%**											
3	Credit institution	0.00%	0.00%											
4	Loans and advances	0.00%	0.00%											
5	Debt securities, including specific use of proceeds (UoP)	0.00%	0.00%											
6	Equity instruments	0.00%	0.00%											
7	Other financial corporations	6.67%	0.00%											
8	of which investment firms													
9	Loans and advances													
10	Debt securities, including specific use of proceeds (UoP)													
11	Equity instruments													
12	of which management companies													
13	Loans and advances													
14	Debt securities, including specific use of proceeds (UoP)													
15	Equity instruments													
16	of which insurance undertakings	0.00%	0.00%											
17	Loans and advances	0.00%	0.00%											
18	Debt securities, including specific use of proceeds (UoP)													
19	Equity instruments	0.00%	0.00%											
20	**Non-financial corporations**	**31.97%**	**10.06%**											

n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
Disclosure reference date T																	
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)					
Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)					
	Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)				
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	Share of total hedged assets
												67.20%	**24.55 %**				**16.66%**
												3.93%	**0.00%**				**1.58%**
												0.00%	0.00%				0.65%
												0.00%	0.00%				0.01%
												0.00%	0.00%				0.63%
												0.00%	0.00%				0.00%
												6.67 %	0.00%				0.93%
												0.00%	0.00%				0.00%
												0.00%	0.00%				0.00%
												0.00%	0.00%				0.00%
												31.97%	**10.06%**				**3.62%**

		a	b	c	d	e	f	g	h	i	j	k	l	m
		Disclosure reference date T												
		Climate change mitigation (CCM)					**Climate change adaptation (CCA)**				**Aquatic resources and marines (RAM)**			
		Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)					**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)**				**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)**			
			Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)					**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)**				**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)**		
	% (compared to total covered assets in the denominator)			**Of which Use of Proceeds**	**Of which transitional**	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**
21	Loans and advances	31.02%	9.19%											
22	Debt securities, including specific use of proceeds (UoP)	59.21%	35.05%											
23	Equity instruments	0.00%	0.00%											
24	**Households**	**88.84%**	**33.80%**											
25	of which loans secured by residential real estate assets	100.00%	38.08%											
26	of which building renovation loans	0.00%	0.00%											
27	of which motor vehicle loans	100.00%	0.00%											
28	**Local government funding**	**41.92%**	**0.00%**											
29	Housing financing	100.00%	0.00%											
30	Other local government financing	0.00%	0.00%											
31	**Collateral obtained by seizure: residential and commercial real estate assets**	**0.00%**	**0.00%**											
32	**TOTAL GAR ASSETS**	**13.83%**	**5.05%**											

n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
Disclosure reference date T																	
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)					
Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)					
	Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)				
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	Share of total hedged assets
												31.02%	9.19%				3.50%
												59.21%	35.05%				0.12%
												0.00%	0.00%				0.00%
												88.84%	**33.80%**				**11.03%**
												100.00%	38.08%				9.78%
												0.00%	0.00%				0.00%
												41.92%	**0.00%**				**0.44%**
												100.00%	0.00%				0.18%
												0.00%	0.00%				0.26%
												0.00%	**0.00%**				**0.00%**
												13.83%	**5.05%**				**81.00%**

		ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as
		Disclosure reference date T-1												
		Climate change mitigation (CCM)						Climate change adaptation (CCA)				Aquatic resources and marines (RAM)		
		Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)						Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)		
			Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)					Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator													
1	**Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for the GAR calculation**	**64.92%**	**28.76%**											
2	**Financial corporations**	**1.40%**	**0.00%**											
3	Credit institution	0.00%	0.00%											
4	Loans and advances	0.00%	0.00%											
5	Debt securities, including specific use of proceeds (UoP)	0.00%	0.00%											
6	Equity instruments	0.00%	0.00%											
7	Other financial corporations	2.24%	0.00%											
8	of which investment firms													
9	Loans and advances													
10	Debt securities, including specific use of proceeds (UoP)													
11	Equity instruments													
12	of which management companies													
13	Loans and advances													
14	Debt securities, including specific use of proceeds (UoP)													
15	Equity instruments													
16	of which insurance undertakings	0.00%	0.00%											
17	Loans and advances	0.00%	0.00%											
18	Debt securities, including specific use of proceeds (UoP)													
19	Equity instruments	0.00%	0.00%											
20	**Non-financial corporations**	**24.74%**	**8.70%**											

at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
Disclosure reference date T-1																	
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)					
Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)					
	Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)				
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	Share of total hedged assets
												64.92%	28.76%				15.74%
												1.40%	**0.00%**				**1.36%**
												0.00%	0.00%				0.51%
												0.00%	0.00%				0.02%
												0.00%	0.00%				0.44%
												0.00%	0.00%				0.05%
												2.24%	0.00%				0.85%
												0.00%	0.00%				0.00%
												0.00%	0.00%				0.00%
												0.00%	0.00%				0.00%
												24.74%	**8.70%**				**3.88%**

		ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as
		Disclosure reference date T-1												
		Climate change mitigation (CCM)						**Climate change adaptation (CCA)**				**Aquatic resources and marines (RAM)**		
		Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)						**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)**				**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)**		
			Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)						**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)**				**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)**	
	% (compared to total covered assets in the denominator)			**Of which Use of Proceeds**	**Of which transitional**	**Of which enabling**				**Of which Use of Proceeds**	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**
21	Loans and advances	23.67%	8.05%											
22	Debt securities, including specific use of proceeds (UoP)	52.89%	25.38%											
23	Equity instruments	0.00%	0.00%											
24	**Households**	**88.64%**	**41.04%**											
25	of which loans secured by residential real estate assets	100.00%	46.33%											
26	of which building renovation loans	0.00%	0.00%											
27	of which motor vehicle loans													
28	**Local government funding**	**64.80%**	**0.00%**											
29	Housing financing	100.00%	0.00%											
30	Other local government financing	0.00%	0.00%											
31	**Collateral obtained by seizure: residential and commercial real estate assets**	**0.00%**	**0.00%**											
32	**TOTAL GAR ASSETS**	**12.50%**	**5.54%**											

at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
Disclosure reference date T-1																	
Circular economy (CE)				**Pollution (PRP)**				**Biodiversity and ecosystems (BIO)**				**TOTAL (CCM + CCA + WMR + CE + PRP + BIO)**					
Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)**				**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)**				**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)**					
	Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)				**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)**				**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)**				**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-aligned)**				
		Of which Use of Proceeds	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**			**Of which Use of Proceeds**	**Of which transitional**	**Of which enabling**	**Share of total hedged assets**
												23.67%	8.05%				3.72%
												52.89%	25.38%				0.15%
												0.00%	0.00%				0.01%
												88.64%	**41.04%**				**10.21%**
												100.00%	46.33%				9.04%
												0.00%	0.00%				0.00%
												100.00%	0.00%				0.01%
												64.80%	**0.00%**				**0.29%**
												100.00%	0.00%				0.19%
												0.00%	0.00%				0.10%
												0.00%	**0.00%**				**0.00%**
												12.50%	**5.54%**				**81.70%**

1 The institution shall disclose in this template the GAR KPIs on stock of loans calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.

2 Information on the GAR (green asset ratio of "eligible" activities) shall be accompanied with information on the proportion of total assets covered by the GAR.

3 Credit institutions can, in addition to the information included in this template, show the proportion of assets funding taxonomy relevant sectors that are environmentally sustainable (taxonomy-aligned). This information would enrich the information on the KPI on environmentally sustainable assets compared to total covered assets

4 Credit institutions shall duplicate this template for the information based on income received and CapEx.

Template 4 - GAR KPI flows (Turnover base)

		a	b	c	d	e	f	g	h	i	j	k	l	m
		Disclosure reference date T												
		Climate change mitigation (CCM)						Climate change adaptation (CCA)				Aquatic resources and marines (RAM)		
		Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)						Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)		
			Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)						Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)	
	% (of flows of all eligible assets)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator													
1	**Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for the GAR calculation**	**45.99%**	**4.56%**											
2	**Financial corporations**	**0.00%**	**0.00%**											
3	Credit institution	0.00%	0.00%											
4	Loans and advances	0.00%	0.00%											
5	Debt securities, including specific use of proceeds (UoP)	0.00%	0.00%											
6	Equity instruments	0.00%	0.00%											
7	Other financial corporations	0.00%	0.00%											
8	of which investment firms													
9	Loans and advances													
10	Debt securities, including specific use of proceeds (UoP)													
11	Equity instruments													
12	of which management companies													
13	Loans and advances													
14	Debt securities, including specific use of proceeds (UoP)													
15	Equity instruments													
16	of which insurance undertakings	0.00%	0.00%											
17	Loans and advances	0.00%	0.00%											
18	Debt securities, including specific use of proceeds (UoP)													

n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
Disclosure reference date T																	
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)					
Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)					
	Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)				
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	Share of total hedged assets
												45.99%	**4.56%**				**17.22%**
												0.00%	**0.00%**				**2.80%**
												0.00%	0.00%				1.49%
												0.00%	0.00%				0.00%
												0.00%	0.00%				1.49%
												0.00%	0.00%				0.00%
												0.00%	0.00%				1,31 %
												0.00%	0.00%				0.00%
												0.00%	0.00%				0.00%

	% (of flows of all eligible assets)	a	b	c	d	e	f	g	h	i	j	k	l	m
		Disclosure reference date T												
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Aquatic resources and marines (RAM)			
		Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)					Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
19	Equity instruments	0.00%	0.00%											
20	**Non-financial corporations**	**13.46%**	**5.15%**											
21	Loans and advances	13.46%	5.15%											
22	Debt securities, including specific use of proceeds (UoP)	0.00%	0.00%											
23	Equity instruments	0.00%	0.00%											
24	**Households**	**92.21%**	**5.84%**											
25	of which loans secured by residential real estate assets	100.00%	6.36%											
26	of which building renovation loans	0.00%	0.00%											
27	of which motor vehicle loans	100.00%	0.00%											
28	**Local government funding**	**0.00%**	**0.00%**											
29	Housing financing	0.00%	0.00%											
30	Other local government financing	0.00%	0.00%											
31	**Collateral obtained by seizure: residential and commercial real estate assets**	**0.00%**	**0.00%**											
32	**TOTAL GAR ASSETS**	**9.94%**	**0.98%**											

n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
Disclosure reference date T																	
Circular economy (CE)				**Pollution (PRP)**				**Biodiversity and ecosystems (BIO)**				**TOTAL (CCM + CCA + WMR + CE + PRP + BIO)**					
Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)**				**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)**				**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)**					
	Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)				**Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)**				**Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)**				**Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)**				**Share of total hedged assets**
		Of which Use of Proceeds	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**			**Of which Use of Proceeds**	**Of which transitional**	**Of which enabling**	
												0.00%	0.00%				0.00%
												13.46%	**5.15%**				**6.58%**
												13.46%	5.15%				6.58%
												0.00%	0.00%				0.00%
												0.00%	0.00%				0.00%
												92.21%	**5.84%**				**7.63%**
												100.00%	6.36%				7.01%
												0.00%	0.00%				0.00%
												100.00%	0.00%				0.03%
												0.00%	**0.00%**				**0.21%**
												0.00%	0.00%				0.00%
												0.00%	0.00%				0.21%
												0.00%	**0.00%**				**0.00%**
												9.94%	**0.98%**				**79.67%**

1 The institution shall disclose in this template the GAR KPIs on stock of loans calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.

2 Credit institutions shall duplicate this template for the information based on income received and CapEx.

Template 4 - GAR KPI Flows (CapEx basis)

		a	b	c	d	e	f	g	h	i	j	k	l	m
		Disclosure reference date T												
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Aquatic resources and marines (RAM)			
		Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)					Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)		
	% (of flows of all eligible assets)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator													
1	**Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for the GAR calculation**	**52.48%**	**5.00%**											
2	**Financial corporations**	**9.28%**	**0.00%**											
3	Credit institution	0.00%	0.00%											
4	Loans and advances	0.00%	0.00%											
5	Debt securities, including specific use of proceeds (UoP)	0.00%	0.00%											
6	Equity instruments	0.00%	0.00%											
7	Other financial corporations	19.79%	0.00%											
8	of which investment firms													
9	Loans and advances													
10	Debt securities, including specific use of proceeds (UoP)													
11	Equity instruments													
12	of which management companies													
13	Loans and advances													
14	Debt securities, including specific use of proceeds (UoP)													
15	Equity instruments													
16	of which insurance undertakings	0.00%	0.00%											
17	Loans and advances	0.00%	0.00%											
18	Debt securities, including specific use of proceeds (UoP)													

n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
Disclosure reference date T																	
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)					
Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)					
	Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)				Share of total hedged assets
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
												52.48%	**5.00%**				**17.22%**
												9.28%	**0.00%**				**2.80%**
												0.00%	0.00%				1.49%
												0.00%	0.00%				0.00%
												0.00%	0.00%				1.49%
												0.00%	0.00%				0.00%
												19.79%	0.00%				1,31 %
												0.00%	0.00%				0.00%
												0.00%	0.00%				0.00%

		a	b	c	d	e	f	g	h	i	j	k	l	m
		Disclosure reference date T												
		Climate change mitigation (CCM)					**Climate change adaptation (CCA)**				**Aquatic resources and marines (RAM)**			
		Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)					**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)**				**Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)**			
			Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)					**Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)**				**Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)**		
	% (of flows of all eligible assets)			**Of which Use of Proceeds**	**Of which transitional**	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**
19	Equity instruments	0.00%	0.00%											
20	**Non-financial corporations**	**26.50%**	**6.30%**											
21	Loans and advances	26.50%	6.30%											
22	Debt securities, including specific use of proceeds (UoP)	0.00%	0.00%											
23	Equity instruments	0.00%	0.00%											
24	**Households**	**92.21%**	**5.84%**											
25	of which loans secured by residential real estate assets	100.00%	6.36%											
26	of which building renovation loans	0.00%	0.00%											
27	of which motor vehicle loans	100.00%	0.00%											
28	**Local government funding**	**0.00%**	**0.00%**											
29	Housing financing	0.00%	0.00%											
30	Other local government financing	0.00%	0.00%											
31	**Collateral obtained by seizure: residential and commercial real estate assets**	**0.00%**	**0.00%**											
32	**TOTAL GAR ASSETS**	**11.34%**	**1.08%**											

n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
Disclosure reference date T																	
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)					
Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)					
	Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)				Share of total hedged assets
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
												0.00%	0.00%				0.00%
												26.50%	**6.30%**				**6.58%**
												26.50%	6.30%				6.58%
												0.00%	0.00%				0.00%
												0.00%	0.00%				0.00%
												92.21%	**5.84%**				**7.63%**
												100.00%	6.36%				7.01%
												0.00%	0.00%				0.00%
												100.00%	0.00%				0.03%
												0.00%	**0.00%**				**0.21%**
												0.00%	0.00%				0.00%
												0.00%	0.00%				0.21%
												0.00%	**0.00%**				**0.00%**
												11.34%	**1.08%**				**79.67%**

1 The institution shall disclose in this template the GAR KPIs on stock of loans calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.

2 Credit institutions shall duplicate this template for the information based on income received and CapEx.

Template 5 - KPI of off-balance sheet exposures (Turnover basis)

		a	b	c	d	e	f	g	h	i	j	k	l	m
		Disclosure reference date T												
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Aquatic resources and marines (RAM)			
		Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)					Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)		
	% (relative to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	4.22%	1.66%											
2	Assets under management (AuM KPI)													

n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
Disclosure reference date T																
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)				
Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				
	Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)			
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
												4.22%	1.66%			

1 The institution shall disclose in this model the KPIs of its off-balance sheet exposures (financial guarantees and assets under management) calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.

2 Institutions shall duplicate this model to disclose KPIs relating to stocks and flows for off-balance sheet exposures.

Template 5 - KPI of off-balance sheet exposures (CapEx basis

		a	b	c	d	e	f	g	h	i	j	k	l	m
		Disclosure reference date T												
		Climate change mitigation (CCM)						Climate change adaptation (CCA)				Aquatic resources and marines (RAM)		
		Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)						Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)		
			Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)						Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)	
	% (relative to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	3.84%	1.88%											
2	Assets under management (AuM KPI)													

n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
Disclosure reference date T																
Circular economy (CE)				Pollution (PRP)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + PRP + BIO)				
Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				Share of total hedged assets dedicated to financing taxonomy relevant sectors (taxonomy-eligible)				
	Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (taxonomy-aligned)			
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
												3.84%	1.88%			

1 The institution shall disclose in this model the KPIs of its off-balance sheet exposures (financial guarantees and assets under management) calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.

2 Institutions shall duplicate this model to disclose KPIs relating to stocks and flows for off-balance sheet exposures.

Nuclear and gas

Template 1 - Activities related to nuclear energy and fossil gas (Turnover basis)

Row	Activities related to nuclear energy	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using the best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Activities related to fossil gas	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Template 2 - Taxonomy-aligned economic activities (denominator) (Turnover basis)

		Amount and proportion (information must be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	784	5%	784	5%	-	0%
8.	**TOTAL APPLICABLE KPI**	**15,971**	**5%**	**15,971**	**5%**	**15,971**	**0%**

Template 2 - Taxonomy-aligned economic activities (denominator) (CapEx basis)

		Amount and proportion (information must be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	**Economic activities**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	807	5%	807	5%	-	0%
8.	**TOTAL APPLICABLE KPI**	**15,971**	**5%**	**15,971**	**5%**	**15,971**	**0%**

Template 3 - Taxonomy-aligned economic activities (numerator) (Turnover basis)

		Amount and proportion (information must be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	**Economic activities**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0%	-	0%	-	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0%	-	0%	-	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0%	-	0%	-	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0%	-	0%	-	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0%	-	0%	-	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0%	-	0%	-	0%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	784	100%	784	100%	-	0%
8.	**TOTAL AMOUNT AND PROPORTION OF TAXONOMY-ALIGNED ECONOMIC ACTIVITIES IN THE NUMERATOR OF THE APPLICABLE KPI**	**784**	**100%**	**784**	**100%**	**-**	**0%**

Template 3 - Taxonomy-aligned economic activities (numerator) (CapEx basis)

		Amount and proportion (information must be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	**Economic activities**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0%	-	0%	-	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0%	-	0%	-	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0%	-	0%	-	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	4	0%	4	0%	-	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0%	-	0%	-	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0%	-	0%	-	0%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	803	100%	803	100%	-	0%
8.	**TOTAL AMOUNT AND PROPORTION OF TAXONOMY-ALIGNED ECONOMIC ACTIVITIES IN THE NUMERATOR OF THE APPLICABLE KPI**	**807**	**100%**	**807**	**100%**	**-**	**0%**

Template 4 - Taxonomy-eligible but not taxonomy-aligned economic activities (Turnover basis)

		Amount and proportion (information must be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	**Economic activities**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1,331	100%	1,331	100%	-	0%
8.	**TOTAL AMOUNT AND PROPORTION OF TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES IN THE DENOMINATOR OF THE APPLICABLE KPI**	**1,331**	**100%**	**1,331**	**100%**	**-**	**0%**

Template 4 - Taxonomy-eligible but not taxonomy-aligned economic activities (CapEx basis)

		Amount and proportion (information must be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	**Economic activities**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1,402	100%	1,402	100%	-	0%
8.	**TOTAL AMOUNT AND PROPORTION OF TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES IN THE DENOMINATOR OF THE APPLICABLE KPI**	**1,402**	**100%**	**1,402**	**100%**	**-**	**0%**

Template 5 - Taxonomy non-eligible economic activities (Turnover basis)

Row	Economic activities	Amount	Percentage
1.	Amount and proportion of the economic activity referred to in line 1 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
2.	Amount and proportion of the economic activity referred to in line 2 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
3.	Amount and proportion of the economic activity referred to in line 3 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
4.	Amount and proportion of the economic activity referred to in line 4 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
5.	Amount and proportion of the economic activity referred to in line 5 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
6.	Amount and proportion of the economic activity referred to in line 6 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
7.	Amount and proportion of other taxonomy non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	13,856	100%
8.	**TOTAL AMOUNT AND TOTAL PROPORTION OF ECONOMIC ACTIVITIES NOT ELIGIBLE FOR TAXONOMY IN THE DENOMINATOR OF THE APPLICABLE KPI**	**13,856**	**100%**

Template 5 - Taxonomy non-eligible economic activities (CapEx basis)

Row	Economic activities	Amount	Percentage
1.	Amount and proportion of the economic activity referred to in line 1 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
2.	Amount and proportion of the economic activity referred to in line 2 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
3.	Amount and proportion of the economic activity referred to in line 3 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
4.	Amount and proportion of the economic activity referred to in line 4 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
5.	Amount and proportion of the economic activity referred to in line 5 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
6.	Amount and proportion of the economic activity referred to in line 6 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
7.	Amount and proportion of other taxonomy non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	13,762	100%
8.	**TOTAL AMOUNT AND TOTAL PROPORTION OF ECONOMIC ACTIVITIES NOT ELIGIBLE FOR TAXONOMY IN THE DENOMINATOR OF THE APPLICABLE KPI**	**13,762**	**100%**

Part 6 - Certification report on information in terms of sustainability and verification of the disclosure requirements for information provided for in article 8 of regulation (EU) 2020/852 for Palatine, relating to the financial year ended 31 December 2025

To the General Meeting of the company,

This report is issued in our capacity as the Statutory Auditors for Palatine. It covers the information on sustainability and the information provided for in article 8 of regulation (EU) 2020/852, relating to the financial year ended 31 December 2025 and included in section 2 of the "Palatine Sustainability report" of the universal registration document report (hereinafter the "Palatine Sustainability Report").

Our work, which focuses on this information, was carried out in an evolving context characterised by uncertainties about the interpretation of texts and the development of market practices.

Pursuant to article L. 233284 of the French Commercial Code, Palatine is required to include the aforementioned information in a separate section of the Group's management report.

This information enables the impacts of Palatine's activities on sustainability matters, as well as how these issues influence the Group's business development, results and position, to be understood. Sustainability issues include environmental, social and corporate governance issues.

Pursuant to II of article L. 82154 of the aforementioned code, our mission is to carry out the work necessary to issue an opinion, expressing limited assurance, on:

- compliance with the sustainability reporting standards adopted pursuant to article 29b of Directive (EU) 2013/34 of the European Parliament and the Council of 26 June 2013, as amended by the Directive (EU) 2022/2464 of the European Parliament and the Council of 14 December 2022 (hereinafter ESRS for European Sustainability Reporting Standards) of the process implemented by Palatine to determine the disclosures, which include, when the entity is subject to it, the obligation to consult the Social and Economic Committee stipulated in paragraph 6 of article L. 231217 of the French Labour Code;
- compliance of the sustainability disclosures included in the Palatine Sustainability Report with the requirements of article L. 233284 of the French Commercial Code, including the ESRS; and
- compliance with the disclosure requirements of article 8 of regulation (EU) 2020/852.

This mission is carried out in accordance with the ethical rules, including independence, and the quality rules prescribed by the French Commercial Code.

It is also governed by the guidelines of the Haute Autorité de l'Audit (High Authority for Audit) "*Mission to certify information in terms of sustainability and verify the disclosure requirements of the information provided for in article 8 of regulation (EU) 2020/852*".

In the three separate parts of the following report, we present, for each of the areas of our mission, the nature of the verifications that we carried out, the conclusions that we drew from them, and, in support of these conclusions, the elements that required our particular attention and the procedures we carried out in respect of these elements. We draw your attention to the fact that we do not express a conclusion on these elements taken in isolation and that the procedures explained must be considered as part of the overall context of the formation of the conclusions issued on each of the three areas of our mission.

Finally, we have provided a paragraph of observations whenever we consider it necessary to draw your attention to one or more items of sustainability information provided by Palatine in the Group's management report.

Limits of our mission

As our mission aims to provide limited assurance, the nature (choice of control techniques) of the work, its extent (scope) and its duration are less than those necessary to obtain reasonable assurance.

This task does not involve guaranteeing the viability or quality of Palatine’s management, in particular by making an assessment that would go beyond the compliance with the ESRS’s information requirements on the appropriateness of the choices made by Palatine in terms of action plans, targets, policies, scenario analyses and transition plans.

In addition, with regard to forward-looking information, which is by nature uncertain, its future materialisation will sometimes differ materially from the forward-looking information presented in Palatine's sustainability report.

However, our mission does allow conclusions to be drawn about the process of determining the sustainability information published, the information itself, and the information published pursuant to article 8 of regulation (EU) 2020/852, regarding the absence or, conversely, the identification of errors, omissions or inconsistencies of such material significance that they could influence the decisions that could be taken by readers of the information that is the subject of our audits.

The sustainability information and information referred to in article 8 of Regulation (EU) 2020/852 may be subject to inherent uncertainty in the state of scientific knowledge and the quality of the external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates used to prepare it and presented in Palatine's sustainability report.

In addition, comparative information for 2023 has not been the subject of a sustainability information certification report within the meaning of article L.821-54 of the French Commercial Code.

Compliance with the ESRS of the process implemented by Palatine to determine the information published, and the compliance with the obligation to consult the Social and Economic Committee stipulated in paragraph 6 of article L. 231217 of the French Labour Code

Nature of the verifications carried out

Our work consisted in verifying that:

the process defined and implemented by Palatine, including the obligation to consult the social and economic committee provided for in the sixth paragraph of article L.231217 of the French Labour Code, has enabled it, in accordance with the ESRS, to identify and assess its impacts, risks and opportunities related to sustainability matters, and to identify which of these material impacts, risks and opportunities led to the publication of the sustainability information in section 2.1 of Palatine's sustainability report, and

- the information provided on this process is also in accordance with the ESRS.

Conclusion of the verifications carried out

Based on the verifications that we performed, we did not identify any material errors, omissions or inconsistencies concerning the compliance of the process implemented by Palatine with the ESRS.

Observation(s)

Without calling into question the conclusion expressed above, we draw your attention to the paragraph relating to the double materiality assessment in note 1.1.2.3 "Sources of uncertainty associated with estimates and results" of Palatine's sustainability report, which exposes, for the 2025 financial year, the uncertainties and limitations relating to the maturity of the assessment methodologies and the availability of the data on which the double materiality assessment relating to thematic standards E2, E3, E4 and E5 (pollution, aquatic and marine resources, biodiversity and ecosystems and resource use and circular economy) is based, which could change in the coming years.

Aspects that were the subject of special attention

We have set out below the aspects that we focused on with regard to the compliance with the ESRS of the process implemented by Palatine to determine the information disclosed.

Regarding the assessment of impact materiality and financial materiality

Information on how the entity updated its double materiality assessment is provided in note 1.4.1 "Double materiality assessment" on the IRO-1 disclosure requirements of Palatine's sustainability report.

Through interviews with management and persons we considered appropriate and through an inspection of available documentation, we became aware of:

- changes made, compared to the previous financial year, in the list of impacts (negative or positive), risks and opportunities ("IRO"), actual or potential, identified by the entity, and in the impact and financial materiality assessment process implemented by the entity to determine the material information published (including threshold setting);
- changes in the decision-making process and, where applicable, in the internal control procedures implemented by the entity during the financial year.

Based on our professional judgement, our procedures also consisted in:

- exercising our critical judgement on the documentation of the analyses carried out by the entity and on the approach implemented by the latter to identify the internal and external factors to be considered;
- assessing the appropriateness of the internal and external factors considered by the entity in light of our knowledge of the entity;
- assessing, for the changes that we deemed significant affecting the actual and potential impacts, risks and opportunities, the compliance of the impact materiality and financial materiality assessment process implemented by the entity (including the setting of thresholds) with the criteria defined by ESRS 1;
- assessing the appropriateness of the description given in this respect in the note "1.4.1.2.6 Results" on the IRO-1 disclosure requirements of Palatine's sustainability report.

Conformity of the sustainability information included in the Banque Palatine Sustainability Report with the requirements of article L. 233284 of the French Commercial Code, including with the ESRS

Nature of the verifications carried out

Our work consisted in verifying that, in accordance with legal and regulatory requirements, including the ESRS:

- the information provided enables an understanding of the procedures for preparing and governing the sustainability-related information included in the Palatine Sustainability Report, including the procedures for determining value chain information and the disclosure exemptions chosen;
- the presentation of this information ensures readability and comprehensibility;
- the scope used by Palatine in relation to this information is appropriate; and
- on the basis of a selection, based on our analysis of the risks of non-compliance of the information provided and the expectations of its users, that this information is free of material errors, omissions, inconsistencies, i.e. liable to influence the judgement or decisions of users of this information.

Conclusion of the verifications carried out

Based on our audits, we did not identify any material errors, omissions or inconsistencies regarding the compliance of the sustainability information included in the Palatine Sustainability Report with the requirements of article L. 233-28-4 of the French Commercial Code, including the ESRS.

Observation(s)

Without qualifying the conclusion expressed above, we draw your attention:

- on the information in points 2.2 "E1 - Climate change" in the Group's sustainability report and 2.2.4.2 "Targets and progress made (E1-3 and E1-4)" in the Group's sustainability report, which sets out Palatine's contribution to Groupe BPCE's transition plan;
- on the information in point 2.2.7.1 "(E16) Gross Scopes 1, 2 and 3 and total GHG emissions" of Palatine's sustainability report, which sets out the scope used to calculate financed emissions relating to the value chain (category 15 of Scope 3 according to the GHG protocol) as well as the limitations related to the availability or quality of the data, the assumptions used and the methodologies applied for estimates relating to decarbonisation targets and the greenhouse gas emissions assessment.

Aspects that were the subject of special attention

We have set out below the elements that were the subject of special attention by us regarding the compliance of the sustainability information included in the Palatine Sustainability Report with the provisions of article L.233-28-4 of the French Commercial Code, including the ESRS.

Disclosures provided in accordance with environmental standards (ESRS E1 - Climate change)

Information published on climate change (ESRS E1) is mentioned in section 2.2 "E1 – Climate change" of Palatine's sustainability report.

We have set out below the aspects that were the subject of special attention by us concerning the compliance with the ESRS of this information.

Our work consisted in particular of:

- on the basis of the interviews conducted with the management or the persons concerned, in particular the "climate" department, assessing whether the description of the policies, actions and targets implemented by the entity covers the following areas: climate change mitigation, adaptation to climate change, energy;

- assessing the appropriateness of the information presented in section 2.2 "E1 – Climate change" of the Group's sustainability report and its overall consistency with our knowledge of the entity.

With regard to the information published in respect of the greenhouse gas emissions assessment:

- we obtained an understanding of internal control and risk management procedures the entity has put in place to ensure compliance with the information published;
- with regard to scope 1, scope 2 and scope 3 emissions (categories 1 "Goods and services purchased", 2 "Investment assets" and 6 "Business travel") relating to Palatine's own operations:
  - we obtained an understanding of the methodology used to calculate the estimated data and the sources of information on which these estimates are based;
  - we assessed whether the methods have been applied consistently or whether there have been any changes since the previous period, and whether these changes are appropriate;
  - we assessed the appropriateness of the emission factors used and verified the calculation of the related conversions;
- We reconciled, based on sampling, the underlying data used to prepare the greenhouse gas emissions report with the supporting documents as well as the arithmetical accuracy of the calculations used to establish the estimated emissions.
- with regard to financed emissions (scope 3, category 15 "Investments (Bank)"):
  - in an interview with management, we obtained an understanding of the methodology used to calculate the estimated data and the sources of information on which these estimates are based, in particular as regards the scope of the assets covered and the sector proxies used;
  - we assessed whether the methods have been applied consistently or whether there have been any changes since the previous period, and whether these changes are appropriate;
  - we verified that the basis used to calculate the financed emissions corresponds to the scope of the assets covered as described and reconciled it with the consolidated accounting balance;
  - checking the arithmetical accuracy of the calculation of financed emissions on a sample basis.
- we implemented analytical procedures.

Compliance with the disclosure requirements of article 8 of regulation (EU) 2020/852

Nature of the verifications carried out

Our works involved checking the process used by Palatine to determine the eligible and aligned nature of the activities of the entities included in the consolidation.

They also involved verifying the information published pursuant to article 8 of regulation (EU) 2020/852, which involves checking the:

- compliance with the rules governing the presentation of this information, which guarantee its readability and comprehensibility;
- on the basis of a selection, the absence of material errors, omissions, inconsistencies in the information provided, *i.e.* liable to influence the judgement or decisions of the users of this information.

Conclusion of the verifications carried out

On the basis of the verifications that we carried out, we did not identify any material errors, omissions or inconsistencies regarding compliance with the requirements of article 8 of regulation (EU) 2020/852.

Observation(s)

Without calling into question the conclusion expressed above, we draw your attention to:

- the information contained in the "Regulatory framework" paragraph of note 2.1 "Indicators of the European taxonomy on sustainable activities" of Palatine's sustainability report, which explains the fact that Palatine publishes the tables required by regulations in the tabular formats presented in appendix VI of the delegated regulation 2023/2486;
- the information in the "Assumptions used and existing limitations in the preparation and collection of information" paragraph of note 2.1 "Indicators of the European taxonomy on sustainable activities" which presents the main limitations existing in the presentation of information, in particular those concerning the presentation of cash flow information on KPIs for off-balance sheet exposures.

Aspects that were the subject of special attention

We determined that there were no specific items to disclose in our report.

The Statutory Auditors

Done in Paris on 29 April 2026

Forvis Mazars SA
Laurence Karagulian
Partner

3 Board of Directors’ corporate governance report

To the shareholders,

In addition to the Board of Directors’ management report and pursuant to the provisions of articles L. 225-37 and L. 225-37-4 of the French Commercial Code, the Board of Directors reports on the following in this report:

- the composition of the board, the conditions for the preparation and organisation of the work of the Board of Directors, the rules and principles governing the determination of remuneration and benefits of any kind granted to corporate officers;
- draft resolutions regarding remuneration which will be submitted to you at the time of the General Meeting called to approve the financial statements for the year ended 31 December 2025.

The items of the report required under article 266 of the order of 3 November 2014, modified by the order of 28 July 2021 and the list of the terms of office held by the corporate officers during the 2025 financial year, are appended.

This report was previously presented to the Appointments Committee and Remuneration Committee meeting of 24 April 2026, before being approved by the Board of Directors on 29 April 2026.

In their report prepared pursuant to article L. 22-10-71 of the French Commercial Code, the Statutory Auditors attest the other information required by article L. 225-37 of the French Commercial Code (presented in the corporate governance report), and if applicable, present their observations.

Board of Directors

3.1 Corporate governance

The AFEP-MEDEF Corporate Governance Code for listed companies, updated in December 2022 and incorporating the recommendations on remuneration for senior executives, is the code used by Palatine to prepare this report.

Some provisions are not relevant to the context of Palatine, since its share capital is held in its entirety by BPCE. Consequently, the following provisions have not been taken into account to date (the complete details are available below):

- the proportion of independent members of the Board of Directors and its committees created by the Board of Directors: Palatine is a 99.9%-owned subsidiary of BPCE. In this context and in view of Palatine's position within Groupe BPCE, a direct shareholder representation (the Chairman and a representative) as well as of Groupe BPCE via the senior executives of the Banque Populaire and Caisse d'Epargne banks was favoured in order to maintain a balance of powers and a balanced representation of the Banque Populaire and Caisse d'Epargne networks. This diversity of profiles on the Board of Directors promotes the quality of work and discussions within the board, an objective pursued by the recommendation of the AFEP-MEDEF Code;
- ownership of a significant number of Banque Palatine shares by the board members. Pursuant to article 11 of the articles of association, the board members are not obliged to be company shareholders.

The principle of a gender balance on the Board of Directors and committees has been upheld.

Two board members were elected by employees - one representing managerial-level employees and the other representing technical and supervisory-grade staff.

On 31 December 2025, the Board of Directors was composed of four women and four men, including two board members representing employees. Thus, the percentage of female board members on the Board of Directors was 50%, including female board members representing employees.

Table summarising compliance with the main recommendations of the AFEP-MEDEF Code

1	Missions of the Board of Directors	Recommendations implemented
2	Board of Directors: collegiate body	Recommendations implemented
3	Diversity of methods of organisation of governance: separation of the duties of the Chairman and the Chief Executive Officer	Recommendations implemented
4	Board of Directors and communication with shareholders and the market	Recommendations implemented
5	The Board of Directors and social and environmental responsibility	Recommendations implemented
6	Board of Directors and General Shareholders' Meeting	Recommendations implemented
7	Composition of the Board of Directors: guidelines	Recommendations implemented
8	Gender diversity policy within the governing bodies	Recommendations implemented
9	Representation of employee shareholders and employees	Recommendation implemented / not relevant for Palatine as regards employee shareholders
10	Independent board members	Recommendation not implemented due to the necessary balanced representation of Groupe BPCE institutions and the bank's status as a wholly-owned subsidiary

11 Board appraisal	Recommendations implemented
12 Board and committee meetings	Recommendations implemented
13 Access to board member information	Recommendations implemented
14 Board member training	Recommendations implemented
15 Board members' terms of office	Recommendations implemented
16 Board committees: general principles	Recommendations implemented
17 Audit Committee	Recommendations partially implemented (not followed for the proportion of independent board members due to the necessary balanced representation of Groupe BPCE institutions and the bank's status as a wholly-owned subsidiary)
18 Committee responsible for appointments	Recommendations partially implemented (not followed for the proportion of independent board members due to the necessary balanced representation of Groupe BPCE institutions and the bank's status as a wholly-owned subsidiary)
19 Committee responsible for remuneration	Recommendations partially implemented (not followed for the proportion of independent board members due to the necessary balanced representation of Groupe BPCE institutions and the bank's status as a wholly-owned subsidiary)
20 Number of terms for executive directors and board members	Recommendations implemented
21 Board members' ethics	Recommendations implemented
22 Remuneration of board members	Recommendations implemented
23 Termination of employment contract for corporate office	Recommendations implemented
24 The obligations for executive directors to hold shares	Recommendations not implemented / not relevant for Palatine (absence of direct ownership of shares by company directors since it is a wholly-owned subsidiary of BPCE)
25 Entering into a non-competition agreement with an executive director	Recommendations not implemented / not relevant for Palatine (absence of a non-compete agreement for company directors since it is a wholly-owned subsidiary of BPCE)
26 Remuneration of executive directors	Recommendations implemented
27 Information on the remuneration of corporate officers and policies for granting stock options and performance shares	Recommendations partially implemented / not relevant for Palatine concerning stock option and performance share allocation policies
28 Implementation of recommendations	Recommendations implemented

3.2 Board of Directors

3.2.1 Composition and appointment method

The composition of the Board of Directors is governed by article 10 of the articles of association, which stipulates that it shall be composed of board members elected at the General Shareholders' Meeting and employee-elected board members.

Board members elected by the General Shareholders' Meeting

There are at least six and no more than eighteen of these board members. They are appointed, reappointed and dismissed in line with the provisions of law and the regulations in force.

They are appointed for a term of four years.

It should be recalled that the direct majority shareholder of Palatine, BPCE (the central institution of Groupe BPCE) has chosen to include on Palatine's Board of Directors Group senior executives from the two networks which are themselves its own shareholders.

Each board member has a wealth of experience in leadership and strategy development. Their diversity in terms of skills, experience, geographical representation and gender is an essential asset for the board.

Employee-elected board members

There are two: one is elected by the managerial staff, the other by the employees.

They are elected in line with the provisions of law and the regulations in force. Any seat vacated through death, resignation, dismissal or termination of an employment agreement is filled in line with the provisions of law and the regulations in force.

They are appointed for a term of four years.

In any event, the period for which a board member is appointed may not exceed the remaining term of office through to the date on which his or her employment agreement ends as a result of retirement or for any other reason.

Provisions common to both categories of board member

Directors may be reappointed unless they have reached the age limit of 70 years.

A board member's duties end at the close of the ordinary General Shareholders' Meeting convened to consider the financial statements for the previous financial year that is held during the year in which such board member's term expires, unless he or she resigns, is dismissed or dies.

3.2.2 Board members

On 31 December 2025, the Board of Directors comprised:

- six board members appointed by the shareholders, whose terms of office will expire at the General Meetings held to approve the financial statements for the years ending on 31 December 2025 and 31 December 2027;
- two employee-elected board members whose terms of office began on 6 December 2024 and will end when the Board of Directors records the results of the employee elections held in 2028, all of whom are French nationals.

Attendance rate in %

	Board members	Age on 31/12/ 2025	Date of appointment/ renewal	Seniority	Expiry date of term of office	Board of Directors	committee (or "board" or "council") Risk	Audit Committee	Appoint-ments Committee	Remu-neration Committee
	**Jérôme Terpereau**, Chairman of the Board of Directors, member of the BPCE Management Board, in charge of Finance	57 years	17 May 2022 effective from 1 June 2022	3 years and 6 months	At the AGM called to approve the financial statements for the year ending 31 December 2025	100%	50% (Guest)	60% (Guest)	100%	100%
	**BPCE**, represented by Marjorie Cozas, Head of Performance Management at Groupe BPCE	40 years	Since 30 August 2023	2 years and 4 months	At the AGM called to approve the financial statements for the year ending 31 December 2027	50%	-	80%	25%	-
	**Sabine Calba**, Chief Executive Officer of Banque Populaire Méditerranée	54 years	Since 30 August 2023	2 years and 4 months	At the AGM called to approve the financial statements for the year ending 31 December 2025	50%	100% (member until 6 November 2025)	100% (member from 6 November 2025)	-	100%
	**Bernard Dupouy**, Chairman of the Board of Directors of Banque Populaire Aquitaine Centre Atlantique	70 years	Since 11 September 2024	1 year and 3 months	At the AGM called to approve the financial statements for the year ending 31 December 2025	100%	-	100%	-	100%
	**Bruno Goré**, Chairman of the Management Board of Caisse d'Epargne et de Prévoyance de Normandie	64 years	31 July 2018 and renewed on 17 May 2022	7 years and 5 months	At the AGM called to approve the financial statements for the year ending 31 December 2025	83.33%	100%	-	100%	-

	Board members	Age on 31/12/ 2025	Date of appointment/ renewal	Seniority	Expiry date of term of office	Board of Directors	committee (or "board" or "council") Risk	Audit Committee	Appoint-ments Committee	Remu-neration Committee
	**Bertrand Magnin**, Chairman of the Management Board of Caisse d’Epargne Loire Drôme Ardèche	48 years	Since 31 July 2024	1 year and 5 months	At the AGM called to approve the financial statements for the year ending 31 December 2027	100%	100%	-	-	100%
	**Zohra Messous,** elected by employees (college of technicians)	46 years	Since 6 December 2024	1 year and 1 month	When the Board of Directors approves the results of the employee elections to be held in 2028	83.33%	-	80%	-	-
	**Guillemette Valantin**, elected by employees (college of managers)	59 years	Since 16 May 2017, re-elected on 2 December 2020 and 6 December 2024	8 years and 7 months	When the Board of Directors approves the results of the employee elections to be held in 2028	100%	100%	-	-	-

Changes to the board during the 2025 financial year

The composition of the Board of Directors did not change during 2025.

It should be noted that, at its meeting on 6 November 2025, the Board of Directors appointed Sabine Calba as a member of the Audit Committee instead of the Risk Committee and kept her as a member of the Remuneration Committee.

Terms of office

The list of all the offices held by the board members during the 2025 financial year appears in this corporate governance report.

Governance framework

The governance framework is based on the adoption by the Board of Directors on 26 May 2020 of a set of documents, the first five of which were updated by the Board of Directors on 13 December 2024 and the last of which was updated at the meeting of the Board of Directors on 29 April 2026:

- a corporate governance framework: an umbrella document that formalises the organisation, operating methods and responsibilities of the management bodies by reference to the various policies and texts applicable in the establishment;
- the Board of Directors' framework rules of procedure which specify the rules relating to the composition, operation and duties of the Board of Directors and its committees;
- an appointment and succession policy for effective managers and board members incorporating applicable diversity principles;
- a policy for assessing the suitability of effective managers, board members and key personnel;
- a board member's Code of Ethics;
- a policy for preventing and managing conflicts of interest among executive management and board members.

Board members’ obligations

The actions of the board members must be based solely on the interests of Palatine.

Board members must not expose themselves to conflicts of interest in relation to their business relations with the company.

They must be mindful of their contribution to the exercise of their powers by the Board of Directors.

The board members ensure compliance with the legal rules relating to the holding of several corporate offices and incompatibilities, as well as those applicable to credit institutions.

The board members, including the board members representing the employees, and all persons present, are bound by an obligation of confidentiality with regard to the proceedings of the board and the specialised committees, without prejudice to the professional secrecy to which they are subject, under criminal law, in relation to certain information pertaining to this secrecy.

The Chairman of the meeting may declare the proceedings of a meeting to be confidential whenever regulations or Palatine's interests so require. He or she may require all individuals taking part in a meeting to sign a confidentiality undertaking. He or she does the same within the board's specialised committees. This statement is placed on record in the minutes of the meeting.

If a board member fails to comply with one of his or her obligations, in particular the obligation to keep matters confidential, the Chairman of the Board of Directors refers the matter to the board with a view to issuing a formal warning to said member, independently of any measures taken under the applicable provisions of the law, regulations or articles of association.

The Board of Directors may, if so proposed by its Chairman, request the dismissal of the board member by the relevant body or authority. In the case of a committee member, the Board of Directors may, on the proposal of its Chairman, terminate his or her duties as a member of the committee.

The member concerned will be informed in advance of the proposed penalties and will be given the opportunity to present observations.

All board members are required to inform the board of any conflict of interest, even potential, and must refrain from voting on the corresponding deliberation.

A conflict of interest situation is defined as a situation in which a member of the Board of Directors has a personal interest that diverges, or is likely to diverge, from the interests of all the bank's shareholders.

Unless authorised by BPCE, taken in agreement with the Chairman of the board, the office of board member of the bank is incompatible with a position of Chief Executive Officer, member of the management board, board member or member of the board within another credit institution or another investment services company that is not part of Groupe BPCE.

Board members are expected to regularly attend meetings of the Board of Directors and its committees.

Those who are unable to comply with this attendance rule undertake, in accordance with the responsibilities attached to the position of board member, to hand over their office to the board at the request of the Chairman.

More generally, a board member who considers him- or herself unable to perform his or her duties on the board, or on the committees of which he or she is a member, must resign.

All newly appointed board members undertake to participate in at least one training session that is offered to them within one year of their appointment.

Insider trading

Regulation no. 596/2014 of the parliament and council of the European Union (the "MAR regulation") and its delegated regulations (the "MAR regulations"), as well as directive no. 2014/57/EU ("MAD"), define, at European Union level, a common regulatory framework on insider trading, unlawful disclosure of inside information and market manipulation ("market abuse") as well as the related sanctions.

The MAR regulation covers three types of infringement:

- insider trading (misuse of inside information);
- unlawful disclosure of inside information; and
- market manipulations (false or misleading indications, actions distorting the price-setting mechanism or calculation of a benchmark index).

Insider trading occurs in four situations:

- when a person holds inside information and uses it by acquiring or selling, on its own behalf or on behalf of a third party, directly or indirectly, the financial instruments to which this information relates;
- when inside information is used to cancel or modify an order concerning a financial instrument to which this information relates, when the order was placed before the person concerned had the inside information;
- for auctions of emission allowances or other products auctioned based on them, where the use of inside information also includes the submission, modification or withdrawal of a bid by a person for his own account or on behalf of a third party;
- to any person who possesses and uses inside information when that person knows or should know that it is inside information.

Inside information is:

- specific information that has not been made public;
- information which concerns, directly or indirectly, one or more issuers, or one or more financial instruments; and
- information which, if made public, would be likely to significantly influence the price of the financial instruments concerned or the price of derivatives related to them.

The qualification of insider trading is presumed in particular for any person who possesses inside information due to the fact that this person:

- is a member of the administrative, management or supervisory bodies of the issuer or of the emission allowance market participant;
- holds a stake in the capital of the issuer or the emission allowance market participant;
- has access to information by virtue of the performance of duties resulting from a job, profession or duties; or
- participates in criminal activities.

Violations of the prohibitions on insider trading, unlawful disclosure of privileged information or market manipulation are punishable by a maximum prison sentence of five years and a fine of up to €100 million.

Prevention of insider trading

Inside information on any company issuing securities on a listed regulated market, whether or not it is a client of the Bank, is liable to be discussed at Board of Directors' meetings.

3.2.3 Non-voting board members

Pursuant to article 19 of the articles of association, the Ordinary General Meeting may appoint up to six non-voting board members. No non-voting board director had been appointed to the Board of Directors on the date of this report.

3.2.4 Role

Duties and powers

The Board of Directors determines the company's business strategies and ensures their implementation, taking into consideration social and environmental issues.

The Board of Directors must ensure that:

- its composition and functioning enable it to act in the best interests of Palatine while taking into consideration the social and environmental challenges of its business;
- appointments or renewals of board members:
  - operate with the aim of seeking a harmonious distribution of knowledge, skills and experience;
  - ensure a balanced representation of women and men on the board, in accordance with current legislation.

Except for the powers expressly reserved for the General Shareholders' Meeting and within the restrictions set by the corporate objects, the Board of Directors handles any issue concerning the smooth running of the company and settles any matters arising.

The Chairman and/or the Chief Executive Officer are required to provide each board member with all the documents or information they require to fulfil their duties.

Pursuant to the provisions of law and the regulations in force, the Board of Directors may entrust one or more board members with any special responsibilities or decide to set up board committees. The board determines the composition and powers of committees, which operate under its authority.

At any time, throughout the year, it carries out all checks and controls it deems appropriate and may request any documents it regards as expedient in fulfilling its mission.

Its main duties are to:

- define Palatine's strategic guidelines, in line with Groupe BPCE's strategy, on the recommendation of the Chairman and Chief Executive Officer;
- oversee the implementation of the strategy;
- control the management of the company;
- control the risk management policy;
- ensure the accuracy of its financial statements;
- review the financial position on a quarterly basis;
- approve the accounts;
- ensure the quality of the financial information provided to shareholders and third parties;
- appoint the effective managers;
- set the rules for the remuneration of the effective managers and all corporate officers;
- control the remuneration of risk takers.

Since the option for the form of a société anonyme (French limited liability corporation with a Board of Directors) was chosen, the Board of Directors on 14 February 2014 opted for the separation of duties of the president and Chief Executive Officer in accordance with article L. 225-51-1 of the French Commercial Code. This option was systematically renewed.

The Board of Directors appoints the Chief Executive Officer and, in consultation with the latter, may appoint Deputy Chief Executive Officers. In addition, it sets the method and amount of the remuneration paid to each member of executive management.

It adopts the framework rules of procedure of the Board of Directors which include the rules of composition and functioning as well as the missions of the board committees.

It convenes the General Shareholders' Meeting on an agenda that it has set and which may include, in particular: the appointment or ratification of board members, the appointment of the Statutory Auditors, the appointment of an auditor in connection with the preparation of the sustainability report, the renewal of the terms of office of board members or Statutory Auditors, consultation with shareholders on the individual remuneration of corporate officers and on the total amount paid to members of the regulated population.

3.2.5 Framework rules of procedure of the Board of Directors

As indicated in the section "Governance framework", the internal framework rules specify the rules governing the composition, functioning and duties of the Board of Directors and the Board committees.

3.2.6 Activity

The Board of Directors meets as often as the company's interests, laws and regulations require and at least once every quarter to review the quarterly separate and consolidated financial statements. Board meetings are convened by its Chairman or by half of its members, and take place at the registered office or at any other location stated in the notice of meeting.

In accordance with article L. 823-17 of the French Commercial Code, the Statutory Auditors are invited to the meetings of the Board of Directors dedicated to the approval of the annual and interim financial statements as well as to those examining the interim financial statements.

The Social and Economic Committee is represented at meeting of the Board of Directors by two representatives appointed as provided for by the legislation in force.

With regard to communication and access to information, the board members benefit from a secure electronic transmission system enabling them to quickly access the information they need to fulfil their responsibilities.

Palatine's Board of Directors met six times in 2025 and the average attendance rate was 83.33%.

The main topics covered at the meetings were:

- commercial activity;
- review of the quarterly separate and consolidated financial statements;
- review of turnover and approval of the budget;
- the approval of the annual and interim financial statements and the Statutory Auditors' reports;
- review of the reports of the specialised committees;
- adoption of the reports of the Board of Directors;
- adoption of the annual financial report (including the sustainability report) and interim financial report;
- press releases relating to the financial statements;
- convening and adoption of the draft resolutions of the Annual General Meeting;
- authorisation to issue EMTNs and delegation of the Board of Directors, as well as a report on the use of the authorisation and delegation of the Board of Directors;
- disposal of *Ariès Assurances*;
- an HR item (equality);
- approval of the risk policy;
- capital adequacy trajectory;
- approval of the multi-year audit plan;
- CSR items, including one concerning feedback on AFNOR's assessment as part of the CSR Committed label and cancer at work label;
- a focus on DORA;
- the ACPR follow-up letter;
- approval of the internal control report;
- approval of the RACI LAB;
- approval of the risk management report;
- article 98;
- the revision of the RAF thresholds;
- review of the risk cost;
- the composition of the specialised committees;
- appointment of the Deputy Chief Executive Officer;
- review of the annual remuneration, including variable remuneration, of executive management;
- the setting of variable remuneration criteria for executive management in respect of 2025;
- annual assessment of the Board of Directors as well as the individual re-assessment of members of the board and executive management;
- composition of the regulated population;
- unblocking of deferred variables;
- setting the amount of remuneration paid to board members and its distribution;
- the article 266 report;
- the training offered to the members of the Board of Directors;
- approval of the Orion related-party agreement and the annual review of related-party agreements;
- the IPSOS results.

3.2.7 Evaluation of the Board of Directors

The Board of Directors conducts a self-evaluation every year.

The responses of the board members to the Board of Directors' assessment questionnaire in respect of the 2025 financial year showed overall satisfaction with the standard of the Board of Directors as well as its committees, both in terms of their organisation (composition, information shared with board members, access to information) and their operations (how well meetings and discussions are organised, relationship with executive management and the Chairman of the board).

The board members are able to perform their duties satisfactorily. The board members emphasised their expectation that priority be given to monitoring the following specific issues: the development strategy, human resources and risks, including climate and environmental and cyber risks.

Furthermore, in order to gain a better understanding of the economic and banking environment, both in France and abroad, as well as the Group's overall strategy and direction, additional information is requested to provide a clearer picture of current events and developments in these areas.

3.2.8 Training of the Board of Directors

In accordance with article L. 511-53 of the French Monetary and Financial Code, Palatine endeavours to ensure that board members are trained.

The Board of Directors of Palatine is composed of senior executives or employees of BPCE and of executive and non-executive officers of the Caisse d'Epargne and Banque Populaire networks.

As such, board members benefit from the training programme offered to members of the BPCE Supervisory Board.

During the 2025 financial year, the board members were offered training on the following topics:

- impact fundamentals;
- executive ALUR VISA 2025;
- non-discrimination in access to housing;
- ethics of the real estate professions;
- executive AML;
- Basel 4: benchmarks and general impacts;
- cybercrime: behind a cyberattacker's screen;
- sanctions and embargoes
- identifying and preventing reputational risk;
- Climate School – season 3;
- the fundamentals of combatting the financing of terrorism;
- AML fundamentals head office;
- the GDPR awareness programme;
- LSB & Volcker Rule - general (FR/UK) - 2025;
- discovering cryptoassets under AML-CFT;
- DATA IA - Generative AI for employees;
- atypical real estate companies;
- the management of a co-ownership;
- land registration;
- the valuation of a property;
- furnished rentals;
- understanding the société civile de placement immobilier;
- climate fresco workshop;
- DEAC corporate market course (2025);
- understanding diversity and inclusion;
- document fraud;
- 'fake Chairman' fraud;
- risk appetite;
- the business model of European banks: competition analysis;
- between normalisation and (geo)political risks and the organisation of business continuity and crisis management within the group;
- risk management (detection, assessment, monitoring, control and mitigation of the main types of risks to which a credit institution is exposed);
- climate and environmental risks;
- capital management and stress tests;
- assessing the effectiveness of a credit institution's systems, guaranteeing effective governance, supervision and control;
- managing the group's liquidity and managing interest rate and hedging risk;
- digital transformation within Groupe BPCE and understanding the challenges related to artificial intelligence;
- interpretation of the financial information of a credit institution, detection of the main issues on the basis of this information and appropriate controls and measures;
- accounting and auditing;
- the global economy in the face of political and geopolitical shocks;
- organisation of business continuity and crisis management within the group;
- MREL/TLAC requirements and resolution;

- the new world according to Trump;
- ensuring digital transformation by controlling digital risks;
- analysis of a company and the construction of a business plan (M&A file);
- the regulatory framework and legal requirements;
- banking and financial markets;
- ESG risks and impact strategy;
- leverage finance: risk nature, framework and risk levels;
- internal models;
- relations with investors and rating agencies and pillar III.

3.3 Functioning of the committees set up by the Board of Directors

The Board of Directors has set up four specialised committees, responsible for preparing its decisions and making recommendations, whose duties, resources and composition are specified in the framework rules of procedure of the Board of Directors.

The committee members are selected by the Board of Directors from among its members based on a proposal made by the Chairman of the board. The term of office of committee members coincides with their term of office as board members.

The Board of Directors adopted framework internal rules for the Board of Directors on 26 May 2020, which it updated at its meeting on 13 December 2024 and which include, in addition to the rules of operation and composition, the tasks of each committee.

Each committee has at least three members with voting rights selected from among the board members on proposal of the board's Chairman.

The members of these committees shall have the appropriate knowledge and skills to carry out the duties of the committees on which they serve. Specifically, each member of the Audit Committee and of the Risk Committee has the necessary skills to carry out their duties. To this end, each member of the Audit Committee and the Risk Committee undertakes to keep themselves informed of regulatory developments that are particularly relevant to the responsibilities of the Audit Committee and the Risk Committee. More generally, members of the Audit Committee and the Risk Committee have the knowledge, skills and expertise to understand and monitor the strategy and risk appetite of Palatine, and at least one member of the Audit Committee has specialised financial or accounting skills.

Any employee of the bank or Groupe BPCE may attend Audit Committee and Risk Committee meetings if invited by the Chairman of the relevant committee, particularly where, in view of the subject matter under discussion, their presence is required in accordance with legislative or regulatory provisions or Groupe BPCE internal rules.

The Chairman of the Board of Directors is invited to the Audit Committee and the Risk Committee and chairs the Appointments Committee and the Remuneration Committee.

The Chairman of the Audit Committee cannot be Chairman of the Risk Committee and *vice versa*.

The members of the committees are neither corporate officers nor bound to Palatine by an employment contract (other than the board members representing employees) or any other relationship of subordination. They have no business relationship with Palatine other than current transactions.

The Chairman designated by the Board of Directors for each committee is responsible for organising its work.

Wherever possible, each committee meets several days ahead of a meeting of the Board of Directors to review, in advance of the board meeting, the points falling within their remit such that the Chairman of each committee can give an exhaustive oral presentation of the committee's positions and any recommendations it may have to the board.

3.3.1 Audit Committee

Composition

On 31 December 2025, Palatine's Audit Committee had the following members:

• BPCE, represented by Marjorie Cozas	Chairman
• Sabine CALBA	Committee Member
• Bernard DUPOUY	Committee Member
• Zohra MESSOUS	Committee Member
• Jérôme TERPEREAU	Guest

Role

The Audit Committee performs the responsibilities required by European law and regulations.

The Audit Committee is responsible for issuing opinions to the Board of Directors on the clarity of the information provided and the relevance of the accounting methods adopted for the preparation of the individual and, where applicable, consolidated financial statements.

Palatine's executive management is responsible for the preparation, presentation and integrity of Palatine's financial statements, for compliance with the appropriate accounting and financial reporting standards and conventions, and for the internal controls and procedures ensuring compliance with the accounting standards, applicable laws and regulations.

The Statutory Auditors are responsible for planning and executing, in accordance with professional standards, the audit of Palatine's annual financial statements and, where applicable, the revision of the interim financial information.

With regard to the process of preparing financial information, the Audit Committee is tasked with:

- monitoring the implementation of accounting policies by Palatine;
- monitoring the process of preparing financial information and communicating recommendations to ensure its integrity.

The description of the main characteristics of the entity's internal control and risk management procedures as part of the process of preparing financial information is available in chapter 4 "Risk management of this annual financial report".

With regard to the statutory audit of the financial statements, the Audit Committee is in particular tasked with:

- monitoring the implementation of the internal audit plan, in conjunction with the Risk Committee;
- reviewing the scope of the audit and the frequency of the statutory audit of the annual or consolidated financial statements;
- communicating to the Board of Directors information on the results of the statutory audit of the financial statements and explanations on how the statutory audit has contributed to the integrity of the financial information and on the role played by the Audit Committee in this process;
- verifying the statutory audit of the annual and consolidated financial statements, in particular its performance, taking into account any findings and conclusions of the ACPR - *Autorité de Contrôle Prudentiel et de Résolution (ACPR)* and the European central bank (ECB). To this end, it reviews the inspection reports of BPCE, as well as those of the ACPR and the ECB, concerning matters that have a direct impact on Palatine's financial statements.

Specifically, its regular areas of concern are as follows:

Budget process

The Audit Committee reviews the draft budget prepared by executive management as well as multi-year projections. After review, it issues a detailed opinion to the Board of Directors.

Reporting dates

The Audit Committee examines, in a timely manner, before it is presented to the Board of Directors or approved by the General Meeting, Palatine's annual report, including the separate annual financial statements (and, where applicable, the consolidated statements) and the management report.

The Audit Committee also reviews the interim report, which includes the interim consolidated financial statements of Palatine for the Board of Directors.

Finally, the Audit Committee also reviews the IFRS financial statements (annual, interim and quarterly) which are sent to BPCE at the appropriate times.

Statutory Auditors

The Audit Committee, at the time of renewal or selection of the Statutory Auditors, conducts a call for tenders and issues an opinion on the choice or renewal of Palatine's Statutory Auditors, in accordance with BPCE's instructions.

The Audit Committee reviews the Statutory Auditors' work programme, the results of their verifications and their recommendations, as well as the follow-up given to them.

It guarantees the independence of the Statutory Auditors, notably by reviewing audit fees paid and by monitoring the provision of services not related to the legal audit.

It also reviews proposals for consultancy projects to be carried out by the Statutory Auditors that exceed one-third of the annual fees paid to the Statutory Auditors.

The Audit Committee can require information from the Statutory Auditors on any issue relating to their duties.

Activity

The Audit Committee met five times in 2025 with an average attendance rate of 88.33%.

The main topics covered at the meetings were:

- review of the quarterly financial statements and the bank's financial position;
- approval of the interim and annual financial statements;
- review of the draft interim report;
- review of the draft annual report, including the sustainability report;
- press releases on the financial statements;
- CSRD audit and progress report;
- progress report on the sustainability report;
- Audit Committee's topic history for the year;
- presentation of Tier-2 maturities;
- review of the management control notes on the bank's results;
- setting and review of the budget, the updated budget and the multi-year plan;
- CVA/DVA;
- ALM update;
- summary of the annual and interim financial statements; the Statutory Auditors' reports;
- Statutory Auditors' fees;
- end of the terms of office of the Statutory Auditors;
- capital trajectory;
- presentation of the Statutory Auditors' annual audit plan;
- presentation of the conclusions of the Statutory Auditors regarding the annual and interim financial statements;
- cost of risk;
- financial control;
- update on the bank's solvency and solvency path;
- review of the findings, concerning audit-related aspects, by the Audit and Risk Committee of the subsidiary controlled by Palatine, Palatine Asset Management.

3.3.2 Risk Committee

Composition

On 31 December 2025, Palatine's Risk Committee had the following members:

• Bruno GORÉ	Chairman
• Bertrand MAGNIN	Committee Member
• Guillemette VALANTIN	Committee Member
• Jérôme TERPEREAU	Guest

The committee reports regularly to the Board of Directors on the progress of its work and reports any difficulties promptly.

Role

The Risk Committee issues opinions to the Board of Directors on the quality of the internal control and in particular the consistency of the risk measurement, monitoring and control systems, and proposes additional measures, where required.

In accordance with articles L. 511-92 *et seq.* of the French Monetary and Financial Code and the order of 3 November 2014, amended by the order of 28 July 2021 on internal control in the banking sector (hereinafter the "order"), the Risk Committee is also responsible for assessing the effectiveness of the internal control systems.

Its main duties are as follows:

Permanent controls:

- regularly review, and at least twice annually, the strategies, policies, procedures, systems, tools and limits mentioned in article 148 of the order and the underlying assumptions and report its conclusions to the Board of Directors;
- review the global risk exposures of Palatine based on the relevant reporting statements;
- review the bank's compliance with the regulations linked to the French law on the separation and regulation of banking activities and the Volcker Rule;
- examining different possible scenarios, including stress scenarios, in order to assess how the institution's risk profile would respond to external and internal events;
- advise the Board of Directors on Palatine's overall strategy and risk appetite, both current and future, and assist the board when it monitors the implementation of this strategy by the Chief Executive Officer, the Deputy Chief Executive Officer and the head of the risk management function;
- assist the Board of Directors when it monitors the implementation of the institution's equity and liquidity management strategies as well as other relevant risks, such as market risk, credit risk and operational risk (including legal and IT risks) and reputational risk, in order to assess their adequacy against the risk appetite and risk strategy that have been approved;
- support the Board of Directors in its regular review of the policies enacted to comply with the order, and assess the effectiveness of measures and procedures put in place for the same end and of the corrective measures implemented in response to shortcomings;
- review the annual reports on risk measurement and monitoring and on the internal control system;
- propose to the board the criteria and thresholds described in article 98 of the order for identifying incidents that must be reported to the board;
- monitor the follow-up to the conclusions of the inspections by the ACPR - *Autorité de Contrôle Prudentiel et de Résolution* and/or the European Central Bank (ECB), and of internal audits, summaries of which are sent to it;
- review the follow-up letters sent by the ACPR and/or ECB and issue an opinion on the projects initiated in response to such letters;
- review, as part of its mission, whether the price of its products and services (mentioned in books II and III of the French Monetary and Financial Code – financial instruments, savings products, banking transactions, investment services, etc.) offered to customers are compatible with Palatine's risk strategy and, if not, to present to the Board of Directors a remediation action plan;
- review whether the incentives envisaged by Palatine's remuneration policy and practice are compatible with the risk position to which Palatine is exposed, with its capital, with its liquidity and with the probability and timing of expected benefits.

Periodic controls:

- oversee the independence of internal audits, being authorised to demand or access all documents, systems and other information necessary for the proper conduct of its work;
- review the multi-year internal audit plan and its implementation.

In addition, the Chief Executive Officer informs the Risk Committee of:

- the appointment of the heads of risk management, compliance and internal audit who report to him or her on the performance of their duties;

- the results of their analyses of the adequacy of the liquidity risk measurement and management procedures, systems, tools and limits with changes in the liquidity situation;
- the essential elements and the main lessons that can be drawn from the analysis and monitoring of the risks associated with the business and the results to which Palatine and, where applicable, the Group are exposed;
- the measures taken to ensure business continuity and the assessment of the effectiveness of the systems in place;
- the measures taken to ensure the control of outsourced activities and any resulting risks for Palatine.

More generally, the Risk Committee is kept informed by the Chief Executive Officer, the Statutory Auditors, the managers responsible for permanent risk control and compliance, as well as by the board member in charge of periodic control of:

- the results of market risk and overall interest rate risk measurements in order to assess Palatine's risks;
- the measurement of settlement-delivery risk and the decisions taken by the effective managers to hedge liquidity risks;
- the conclusions of the reviews and analyses of the liquidity risk referred to in articles 148 *et seq.* of the order;
- the results of the alternative crisis scenarios conducted pursuant to article 168 of the order and the actions taken, where applicable;
- significant incidents with regard to the criteria and thresholds provided for by the risk analysis and measurement systems;
- significant anomalies detected by the anti-money laundering and terrorist financing monitoring and analysis system, as well as the shortcomings of this system.

Activity

The Risk Committee met six times in 2025 with an average attendance rate of 100%.

The main topics covered at the meetings were:

- presentation of permanent control plans;
- risk and compliance reporting;
- article 98;
- focus on DORA;
- update on defence;
- update on customs tariffs in the most exposed sectors;
- update on the ACPR AML-CFT 2024 mission;
- quarterly report on risk, compliance and internal audit;
- review of the risk management report;
- quarterly cost of risk and review of significant files;
- the interim questionnaire from the Group Risk division;
- risk management assessment;
- review of the RACI;
- review of the RACI LAB;
- update of the risk appetite system, reporting and changes in RAF indicators;
- the customer protection questionnaire;
- monitoring and progress of the 2024 and 2025 multi-year audit plans;
- presentation and follow-up of recommendations;
- presentation of finalised audit assignments;
- the review of the Audit Department's audit plan and annual budget;
- annual assessment of the Internal Audit department by the Group Internal Audit division;
- strengthening of the BPCE SA collective's LOD3 framework;
- macro risk mapping;
- review of the findings, concerning risk-related aspects, by the Audit and Risk Committee of the subsidiary controlled by Palatine, Palatine Asset Management.

3.3.3 Appointments Committee

Composition

The committee has a Chairman and two members, all of whom were selected from among the board members. The Appointments Committee is chaired by the Chairman of the Board of Directors.

On 31 December 2025, this committee had the following members:

• Jérôme TERPEREAU	Chairman
• Bruno GORÉ	Committee Member
• BPCE, represented by Marjorie Cozas	Committee Member

Role

The Appointments Committee formulates proposals and recommendations concerning the candidates for the position of effective manager and the candidates qualified to exercise the functions of board member with a view to proposing their candidacy to the General Meeting.

This rule does not apply to candidates for the office of board member representing employees.

The Appointments Committee is also responsible for the ongoing assessment of the individual and collective qualities of the effective managers and members of the Board of Directors.

With regard to the appointment and selection mission:

The Appointments Committee assists and makes recommendations to the Board of Directors for the development of a policy for the assessment of the suitability of board members and effective managers, as well as an appointment and succession policy which it reviews periodically.

The Appointments Committee must verify the suitability of the candidates for the position of effective manager and of the candidates for the office of board member in accordance with the appointment policy and the suitability policy drawn up by the Board of Directors.

In this regard, the Appointments Committee specifies in particular:

- the duties and qualifications required for the duties of an effective manager and the duties performed on the Board of Directors;
- the evaluation of the time to be devoted to these functions;
- the objective to be achieved with regard to the balanced representation of women and men on the Board of Directors.

Concerning the assessment mission:

In accordance with the suitability assessment policy developed by the Board of Directors, the Appointments Committee:

- assesses the balance and diversity of knowledge, skills and experience held individually and collectively by the candidates for the position of effective manager and candidates for the office of board member;
- assesses periodically, and at least once a year:
  - the structure, size, composition and effectiveness of the effective management and the Board of Directors with regard to the missions assigned to them and submits to the board all useful recommendations of internal controls and procedures to ensure compliance with accounting standards, applicable laws and regulations,
  - the knowledge, skills and experience of the effective managers and board members, both individually and collectively, and reports to it;
- recommends, when necessary, training aimed at guaranteeing the individual and collective aptitude of the effective managers and board members.

Lastly, the Appointments Committee ensures that the Board of Directors is not dominated by one person or a small group of people in conditions that are detrimental to the interests of the bank.

The Appointments Committee has the necessary resources to perform its duties and may call on external advisors (article L. 511-101 of the French Monetary and Financial Code).

Activity

The Appointments Committee met four times in 2025 with an average attendance rate of 75%.

The main topics covered at the meetings were:

- appointment of the Deputy Chief Executive Officer;
- the composition of the specialised committees;
- review of the results of the Board of Directors' self-assessment;
- review of the results of the individual re-assessment of members of the Board of Directors and executive management;
- the mapping of the composition of the Board of Directors;
- the mapping of the collective skills of the Board of Directors and training completed;
- schedule of training for board members in 2025 and monitoring training in 2024;
- review of the corporate governance report, in relation to the governance section;
- review of the draft questionnaire for the self-assessment of the Board of Directors by board members;
- the launch of individual assessment of the members of the Board of Directors.

3.3.4 Remuneration Committee

Composition

The committee has a Chairman and three members, all of whom were selected from among the board members. The Remuneration Committee is chaired by the Chairman of the Board of Directors.

On 31 December 2025, this committee had the following members:

• Jérôme TERPEREAU	Chairman
• Sabine CALBA	Committee Member
• Bernard DUPOUY	Committee Member
• Bertrand MAGNIN	Committee Member

Role

The Remuneration Committee provides guidance for decisions by the Board of Directors on remuneration systems.

As such, the Remuneration Committee is responsible for making proposals to the Board of Directors concerning:

- the level and methods of remuneration of the executive management of Palatine, namely: the level of the fixed portion; the level of the variable portion; the benefits in kind; as well as all provisions relating to their retirement and welfare plan. The Remuneration Committee therefore takes into account the objectives for the current year and any potential impacts on risk and risk management within Palatine. The committee also assesses the degree to which targets have been achieved and criteria satisfied for the payment of the variable remuneration and makes proposals accordingly to the Board of Directors;
- the committee deliberates without the presence of the executive management on matters concerning them;
- the systems for allocating board members’ fees among the board members and, where applicable, members of the board committees, and the total amount of such remuneration which is put to the vote at the Palatine General Meeting.

Moreover, the Remuneration Committee also:

- carries out an annual review of:
  - the principles underlying Palatine’s remuneration policy;
  - the remuneration, termination benefits and benefits of any kind granted to Palatine’s corporate officers;
  - the remuneration policy for employees of all categories, including members of executive management, risk-takers, persons exercising control functions and any employee whose total income puts them in the same class of remuneration and whose professional activities have a significant effect on Palatine’s risk profile.
- directly controls the remuneration of the head of risk management referred to in article L. 511-64 of the French Monetary and Financial Code, the head of compliance, and the head of internal audit department;
- regularly reports on its work to the Board of Directors;
- issues an opinion on any report dealing with remuneration;
- reviews and issues an opinion on the civil liability insurance policies taken out by Palatine on behalf of its senior executives.

Generally, it reviews any issue put to it by the Chairman of the Board of Directors relating to any of the matters listed above.

Each year, the committee receives details of the remuneration received by executive management, namely: fixed remuneration, variable remuneration, benefits in kind, remuneration received for the offices held.

Activity

The committee met twice in 2025 with an attendance rate of 100% to rule on the following matters in particular:

- review of the achievement of the objectives set in 2024 for the variable remuneration of executive management, including for the portion linked to Groupe BPCE’s results;
- reminder of the fixed and variable remuneration paid in 2024 to executive management;
- final allocation of deferred variable remuneration for 2021, 2022 and 2023;
- review of the remuneration of the Chief Risk and Compliance Officer and the head of the internal audit department in 2024;
- definition of the criteria for calculating the variable remuneration of executive management for 2025;
- review of the components of the deputy chief executive officer’s remuneration;
- amount of the remuneration package and terms of distribution for 2025;
- opinion on the insurance policies taken out concerning the liability of senior executives;
- the regulated population for 2024;
- the final vesting and payment of the initial and deferred portions of the 2025 variable portion;
- allocation of variable remuneration for 2025;
- the article 266 report;
- draft corporate governance report;
- information on professional and equal pay policy.

4 Executive management

Since the option for the form of a *société anonyme* (French limited liability corporation with a Board of Directors) was chosen, the Board of Directors on 14 February 2014 opted for the separation of duties of the president and Chief Executive Officer in accordance with article L. 225-51-1 of the French Commercial Code. This option was renewed upon the appointment of the Chief Executive Officer on 21 October 2019, with effect from 6 November 2019, upon the renewal of the term of office of the Chairwoman of the Board of Directors on 26 May 2020 as well as at the Board of Directors meeting of 10 December 2021, which appointed Didier Moaté as Chief Executive Officer with effect from 1 March 2022, as well as at the Board of Directors meeting of 3 February 2026, which renewed the term of office of Didier Moaté as Chief Executive Officer.

Pursuant to article L. 512-107 of the French Monetary and Financial Code, the appointment and reappointment of the Chief Executive Officer is subject to the approval of BPCE, the central body.

The Chief Executive Officer is not a board member of the company. He or she is appointed for a period of five years. He or she may be removed from office by the Board of Directors at any time.

In accordance with article 17 of the articles of association, the Chief Executive Officer holds the broadest powers to act on behalf of the company in all circumstances. He or she exercises this authority within the restrictions set by the corporate objects and subject to the authority expressly granted by law to Shareholders' Meetings and the Board of Directors. He or she represents the bank in relations with third parties. The Board of Directors did not set any restrictions on his or her powers in the Board of Directors' framework rules of procedure. Even so, any significant transaction departing from the strategy communicated requires the Board of Directors' prior approval.

The Chief Executive Officer may partially delegate his or her powers to any proxy, with or without the option of substitution.

When the Chief Executive Officer reaches the end of his or her term of office or is prevented from performing his or her duties, the Deputy Chief Executive Officer, unless the Board of Directors decides otherwise, retains his or her duties and responsibilities until a new Chief Executive Officer is appointed.

On 31 December 2025, the members of executive management are:

Members of executive management	Age	Date of appointment	Expiry date of term of office
Didier MOATÉ Chief Executive Officer	62 years	10/12/2021, reappointed 03/02/2026*	03/02/2031*
Nathalie BULCKAERT-GREGOIRE Deputy Chief Executive Officer	57 years	06/02/2024**	04/02/2030

** Since the end of the 2025 financial year, Didier Moaté was reappointed as Chief Executive Officer by the Board of Directors on 3 February 2026 for a period of five years.*

*** Nathalie Bulckaert-Grégoire was appointed Deputy Chief Executive Officer on 4 February 2025. Previously, she held the position of Assistant Deputy Chief Executive from 27 March 2024.*

4.1 Executive management

On 31 December 2025, Didier Moaté and Nathalie Bulckaert-Grégoire made up the executive management of Palatine.

In this capacity, they safeguard and assume full and complete responsibility for the following activities *vis-à-vis* the supervisory authorities and the ACPR in particular:

- determining the strategic direction of Palatine;
- accounting and financial information;
- internal control;
- determining equity.

Didier Moaté and Nathalie Bulckaert-Grégoire

4.2 Executive Committee

On 31 December 2025, the Executive Committee (COMEX) was composed of the two members of executive management, as well as the head of human resources, work environment and purchases, the head of customer excellence and the head of risk and compliance. The Secretary General and the Director of the Sustainable Finance Programme are permanent guest members.

4.3 Executive Management Committee

On 31 December 2025, the Executive Management Committee was composed of the members of the Executive Board, plus the Chief Commercial Officer, the Chief Financial Officer, the head of the customer finance desk, the head of commitments, the head of customer services, the head of private banking, the head of the sustainable finance programme, the head of communications, the Secretary General and the head of corporate banking. The head of internal audit department is a permanent guest. On this date, it comprises 7 women out of a total of 14 members, *i.e.* 50%.

5 Related-party agreements

This report must disclose related-party agreements entered into between Palatine and any of its corporate officers or shareholders holding over 10% of the voting rights and with any business under its control according to the definition under article L. 233-3 of the French Commercial Code.

Two new agreements meeting these criteria were authorised by Palatine's Board of Directors during the 2025 financial year:

- A regulated commitment under BPCE Solutions Informatiques' internal rules (due to common directors);
- Components of the remuneration and other arrangements of the Deputy Chief Executive Officer.

In addition, at its meeting of 18 December 2025, the Board of Directors of Palatine conducted an annual review of the agreements entered into during previous financial years and whose execution continued during the 2025 financial year:

- An agreement with BPCE relating to the invoicing of Palatine;
- Components of the remuneration and other arrangements for the Chief Executive Officer's retirement benefits.

It was also noted that the execution of a related-party agreement approved during a previous financial year by the Board of Directors did not continue during the 2025 financial year.

For more information on related-party agreements, please refer to the Statutory Auditors' special report on these agreements (Chapter 3.2 of this annual financial report).

6 Share capital structure and participation of shareholders at the General Meetings

6.1 Share capital structure

BPCE, the central institution of the Banques Populaires and Caisses d’Epargne group, holds all the share capital of Palatine. Both networks own an equal share in BPCE, the Group’s central body.

BPCE has set up consumer loans, each covering ten shares in Palatine, for two board members.

To the best of the company’s knowledge, there are no direct or indirect agreements between the shareholders.

6.2 General Meeting

No particular arrangements are applicable to shareholders’ participation at General Meetings.

A General Shareholders' Meeting is called and meets in accordance with the regulations in force. It deliberates on issues listed on the agenda as provided for in law.

The General Meeting is chaired by the Chairman of the Board of Directors or, in his or her absence, by a board member specially appointed for this purpose by the Board of Directors. Failing that, the meeting elects its own Chairman.

Shareholders participating at a General Meeting by means of videoconferencing or any other telecommunications-based system permitting their identification in accordance with article L. 225-37 of the French Commercial Code are deemed present for the purpose of calculating the quorum and majority requirements.

Decisions made at a General Meeting are recorded in the minutes kept in a special register.

Decisions made by the General Meeting can be evidenced *vis-à-vis* third parties using copies or excerpts certified as true and accurate copies by the Chairman of the Board of Directors or any other person referred to in article R. 225-108 of the French Commercial Code.

Ordinary General Meetings are those convened to make any decisions that do not involve amendment of the articles of association.

Extraordinary General Meetings are those convened to make decisions or authorise direct or indirect amendments to the articles of association.

There are no provisions in the articles of association restricting the right to vote and the transfer of shares.

There is no valid delegation granted by the General Shareholders' Meeting in the area of capital increases.

7 The rules and principles governing the calculation of remuneration and benefits

7.1 Remuneration of the board members and committee members

With the exception of the Chairmen of the board and specialised committees, who receive a fixed annual allowance prorated according to their term of office, board members receive remuneration for their activities based on their actual attendance. The total amount of this remuneration is voted on by the General Meeting and the allocation of this amount is decided upon by the Board of Directors based on the recommendations of the Remuneration Committee.

The annual remuneration due is paid in December of each year.

The General Meeting of 30 May 2024 set the total annual amount for this remuneration at €134,500 for the current financial year. The Board of Directors meeting of 6 February 2024 maintained the distribution of this envelope, according to the terms set out below, subject to conditions of attendance:

For the Board of Directors:

- Chairman of the Board of Directors: €31,000 (*pro rata temporis*/year);
- Board member: €1,500 per meeting subject to a cap of €9,000 *p.a.*.

For the Audit Committee:

- Chairman of the Audit Committee: €1,000 *p.a.*;
- member of the Audit Committee: €500 per meeting subject to a cap of €3,000 *p.a.* (1).

For the Risk Committee:

- Chairman of the Risk Committee: €1,000 *p.a.*;
- member of the Risk Committee: €500 per meeting subject to a cap of €3,000 *p.a.*(1).

For the Remuneration Committee:

- Chairman of the Remuneration Committee: €1,000 *p.a.*;
- member of the Remuneration Committee: €500 per meeting subject to a cap of €1,500 *p.a.*(1).

For the Appointments Committee:

- Chairman of the Appointments Committee: €1,000 *p.a.*;
- Member of the Appointments Committee: €500 per meeting subject to a cap of €1,500 *p.a.*(1).

The related remuneration for the Chairman of the Board of Directors and the permanent representative of BPCE is paid in full to BPCE, in accordance with Groupe BPCE's guidelines.

For the board members representing the employees, the related remuneration is paid in full to the union to which these board members belong.

There are no agreements concerning indemnity in the event of resignation of a board member, even if it occurs due to public offering or share exchange.

1) *Excluding the Chairman's remuneration.*

Remuneration of board members

The table below shows the remuneration paid by Palatine to the members of the Board of Directors in respect of their duties on the Board of Directors and its committees for 2025.

Board members	gross in euros
Jérôme Terpereau - *paid to BPCE*	35,500
Bernard Dupouy	12,500
Bertrand Magnin	13,000
Bruno Goré	13,000
Sabine Calba	9,500
Zohra Messous - *paid to the parent union*	9,500
Guillemette Valantin - *paid to the parent union*	12,000
BPCE represented by Marjorie Cozas - *paid to BPCE*	8,000
TOTAL	**113,000**

7.2 Remuneration of the members of executive management

The remuneration of the members of executive management is determined by the Board of Directors on the recommendation of the Remuneration Committee.

Fixed remuneration

The Chief Executive Officer is paid exclusively for his corporate office. He receives a specific supplement under article 82 and a benefit in kind (car).

The Deputy Chief Executive Officer (corporate officer) holds an employment contract. Her total remuneration consists of a fixed portion, 90% of which is paid on the basis of her employment contract and 10% on the basis of her corporate office, variable remuneration, and a benefit in kind (car). She was eligible for occasional geographical mobility support within Groupe BPCE until March 2025.

Arrangements for determining variable remuneration

The criteria and amount of the variable remuneration of the effective managers are set by the Board of Directors on the recommendation of the Remuneration Committee.

In 2025, the variable remuneration of executive management is based:

- on quantitative criteria: operating ratio, net income, individual economic net revenue before tax/ETP;
- on qualitative and CSR criteria: CSR and green strategy, NPS indicators for the "corporate" and private banking segments: +25 for corporate customers (with revenue exceeding €15 million), +10 for private banking customers of Business Centres and +10 for private banking customers of premium branches;
- on regulatory and managerial criteria: the RAF, the complete and updated TOP CC, the implementation of the strategic plan and the development of the risk culture;
- the profit or loss of BPCE.

And are weighted as follows:

	Target	Theoretical maxi-mum
A. CRITERIA RELATED TO GROUPE BPCE'S RESULTS	**20%**	**30%**
B. CRITERIA RELATED TO THE BANK'S RESULTS	**80%**	**89%**
B1. Quantitative criteria	40%	49%
Cost/income ratio	15%	15%
Consolidated net income	15%	24%
Individual economic net revenue before tax/FTE	10%	10%
B2. Qualitative and CSR criteria	20%	20%
Green strategy	10%	10%
NPS indicator for company and private management scope:		
• corporates +25	5%	5%
• physical branches +10	3%	3%
• premium branches +10	2%	2%
B3. Regulatory and managerial criteria	20%	20%
RAF	5%	5%
Complete and updated TOP CC	5%	5%
Implementation of the strategic plan	5%	5%
Development of the risk culture	5%	5%
GRAND TOTAL	**100%**	**119%**

The rules regulating variable remuneration apply when the amount of the variable remuneration awarded in respect of a financial year is greater than or equal to a threshold set, since 2021, at €50,000 (or if the variable remuneration represents more than one third of the total remuneration).

If the variable remuneration awarded for the 2025 financial year is greater than or equal to the threshold and less than €500,000:

- 30% of the amount vests and is paid as soon as the award is made in April 2026;
- 30% of the amount vests as soon as the award is made in April 2026 and is paid the following year in the form of indexed cash, *i.e.* in April 2027;
- The vesting of 40% of the amount is deferred and is paid in five instalments, no earlier than April of each year from 2028 to 2031, after verification of the performance condition, and half is paid in the form of indexed cash.

Cash is indexed on the basis of an indicator representative of changes in the value of Groupe BPCE.

The indicator used for the value of Groupe BPCE is the net income attributable to Groupe BPCE (net income Group's share), calculated as a rolling average over the last three financial years preceding the year in which the variable portion is awarded and the year in which each indexed portion of the variable portion is paid.

The coefficients are communicated each year by BPCE.

The indexed portions are paid no earlier than one year after their vesting date in order to respect a retention period of at least 12 months.

Chief Executive Officer

The amount of the variable remuneration is equal to 80% of the fixed remuneration (including the specific bonus) when a 100% performance rate is attained. In any event, the Variable portion allocated for the financial year may not exceed 100% of the fixed remuneration (including the specific bonus).

Deputy Chief Executive Officer

The amount of the variable remuneration is equal to 50% of the fixed remuneration when a 100% performance rate is attained. In any event, the variable portion allocated for the financial year may not exceed 62.50% of the fixed remuneration.

Remuneration of executive management

The tables below show the remuneration paid by Palatine, by Palatine Asset Management, a subsidiary of Palatine, for terms of office on its board and its Audit and Risk Committee, by GPM Assurances and by *Conservateur Finance.*

AMF Table no. 1 - Summary tables of remuneration and options and shares granted to each company director

Didier Moaté, Chief Executive Officer	2024 financial year	2025 fiscal year
Remuneration awarded for the financial year (detailed in AMF Table no. 2)	€738,492	€785,107
Value of multi-year variable remuneration received during the financial year	€0	€0
Valuation of stock options allocated during the financial year (detailed in AMF Table no. 4)	€0	€0
Valuation of free shares granted (detailed in AMF Table no. 6)	€0	€0
Valuation of other long-term remuneration plans	€0	€0
TOTAL	**€738,492**	**€785,107**

Nathalie Bulckaert-Grégoire, Deputy Chief Executive Officer	2024 financial year	2025 fiscal year
Remuneration awarded for the financial year (detailed in AMF Table no. 2)	€256,373	€391,665
Value of multi-year variable remuneration received during the financial year	€0	€0
Valuation of stock options allocated during the financial year (detailed in AMF Table no. 4)	€0	€0
Valuation of free shares granted (detailed in AMF Table no. 6)	€0	€0
Valuation of other long-term remuneration plans	€0	€0
TOTAL	**€256,373**	**€391,665**

AMF Table no. 2 - Summary statement of remuneration granted and paid to each company director

In the following statements:

- the expression “amounts allocated” corresponds to the remuneration and benefits allocated to a corporate officer in respect of their duties during the financial year, regardless of the date of payment;
- the expression “amounts paid” corresponds to the remuneration and benefits actually paid to a corporate officer in respect of their duties during the financial year, regardless of the grant date.

Didier Moaté, Chief Executive Officer	2024 financial year		2025 fiscal year	
	Amounts allocated	Amounts paid	Amounts allocated	Amounts paid
Fixed remuneration	€350,000	€350,000	€350,000	€350,000
Specific bonus	€70,000	€70,000	€70,000	€70,000
Annual variable remuneration	€313,421	€206,755	€362,275	€232,495*
Multi-year variable remuneration	Not concerned	Not concerned	Not concerned	Not concerned
Exceptional pay	€0	€0	€0	€0
Car benefits in kind	€5,071	€5,071	€2,832	€2,832
Attendance fees	Not concerned	Not concerned	Not concerned	Not concerned
Other pay	Not concerned	Not concerned	Not concerned	Not concerned

Nathalie Bulckaert-Grégoire Deputy Chief Executive Officer	2024 financial year (period from 01/04/2024 to 31/12/2024)		2025 fiscal year	
	Amounts allocated	Amounts paid	Amounts allocated	Amounts paid
Fixed remuneration	€165,000	€165,000	€225,000	€225,000
Annual variable remuneration	€76,956	€0	€121,297	€38,478*
Multi-year variable remuneration	Not concerned	Not concerned	Not concerned	Not concerned
Exceptional pay	€0	€0	€0	€0
Car benefits in kind	€3,617	€3,617	€4,268	€4,268
Attendance fees	Not concerned	Not concerned	Not concerned	Not concerned
Geographical mobility support	€10,800	€10,800	€41,100	€41,100

Nathalie Bulckaert-Grégoire has been serving as corporate officer since 5 February 2025. She has also had an employment contract with the bank since 1 April 2024. She held the position of Assistant Deputy Chief Executive until her appointment as Deputy Chief Executive Officer on 5 February 2025. The remuneration appearing in the 2025 column corresponds to the sums paid to her during the full calendar year.

** Breakdown of variable remuneration in 2025 previously allocated to company directors for past financial years.*

	Deferred variable portion allocated to the 2022 financial year	Deferred variable portion allocated to the 2023 financial year	Variable portion allocated to the 2023 financial year postponed by one year	Non-deferred variable portion allocated to the 2024 financial year	Total paid in 2025
Didier Moaté	€22,951	€22,566	€30,268	€156,710	€232,495
Nathalie Bulckaert-Grégoire	€ -	€ -	€ -	€38,478	€38,478

AMF Table no. 4 - Share subscription or purchase options granted to company directors during the 2025 financial year

No share subscription or purchase options were allocated during the 2025 fiscal year.

AMF Table no. 5 - Share subscription or purchase options exercised by company directors during the 2025 financial year

No share subscription or purchase options were exercised during the 2025 fiscal year.

AMF Table no. 6 - Free shares granted to company directors during the 2025 financial year

No shares were allocated during the 2025 fiscal year.

AMF Table no. 7 - Free shares granted that became transferable during the financial year for each company director

No bonus shares became available during the 2025 fiscal year.

AMF Table no. 8 – Past share subscription or purchase option grants

No share subscription or purchase options have been granted by Natixis to Group employees (Natixis, BPCE, Caisse d'Epargne, Banque Populaire) since 2009.

AMF Table no. 9 - Share subscription or purchase options granted and exercised to the first 10 non-executive officer employees during the 2025 financial year

No share subscription or purchase shares were granted or exercised by employees of Banque Palatine during the 2025 financial year.

AMF Table no. 10 - Past free share allocations to company directors

None.

AMF Table no. 11 - Position of company directors

Name of executive directors	Start of term in office	End of term in office	Employ-ment contract	Pension plan	Payments or benefits due or potentially due owing to termination or change in duties	Compensation relating to a non-compete clause
Didier Moaté Chief Executive Officer	01/03/2022	27/02/2027	No	KLESIA: supplementary plan with additional operations ALLIANZ: defined benefit pension	Yes	No
Nathalie Bulckaert-Grégoire Deputy Chief Executive Officer	04/02/2025	04/02/2030	Yes	KLESIA: supplementary plan with additional operations	Yes	No

Nathalie Bulckaert-Grégoire has been serving as corporate officer since 5 February 2025. She has also had an employment contract with the bank since 1 April 2024.
She held the position of Assistant Deputy Chief Executive until her appointment as Deputy Chief Executive Officer on 5 February 2025.

In accordance with the provisions of the Pacte law, the table shows the level of remuneration of the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer (corporate officers) compared to the average remuneration on a full-time equivalent basis of the company's employees other than corporate officers, and the change in this ratio over at least the five most recent financial years, presented together and in a manner that allows for comparison.

	2021	2022	2023	2024	2025
Chairman of the Board of Directors (CBD)*	€0	€0	€0	€0	€0
Chief Executive Officer (CEO)	€325,000	€384,000**(1)	€384,000	€420,000	€420,000
Deputy Chief Executive Officer (DCEO)***	€205,000	€225,000	€225,000	€225,000**	€225,000
Average salary for employees on permanent contracts	€52,673	€53,527	€55,475	€57,155	€58,179
CBD/employee ratio	0	0	0	0	0
CEO/employee ratio	6.17	7.17	6.92	7.35	7.22
DCEO/employee ratio	3.89	4.20	4.06	3.95	3.87

** No remuneration in respect of the office; only an allowance in respect of the office paid separately to BPCE.*

*** Theoretical remuneration on an annual basis that does not take into account the pro-rata temporis linked to an office taken up during the year.*

**** Nathalie Bulckaert-Grégoire has been serving as corporate officer since 5 February 2025. She has also had an employment contract with the bank since 1 April 2024. She held the position of Assistant Deputy Chief Executive until her appointment as Deputy Chief Executive Officer on 5 February 2025.*

(1) Remuneration including the specific bonus.

The remuneration appearing in the 2025 column corresponds to the sums paid to her during the full calendar year.

The table below shows the level of remuneration of the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer (corporate officers) in relation to the median remuneration of the company's employees, on a full-time equivalent basis, and of the corporate officers, as well as the change in this ratio over at least the five most recent financial years, presented together and in a manner that allows comparison.

	2021	2022	2023	2024	2025
Chairman of the Board of Directors (CBD)	€0	€0	€0	€0	€0
Chief Executive Officer (CEO)	€325,000	€384,000*(1)	€384,000	€420,000	€420,000
Deputy Chief Executive Officer (DCEO)**	€205,000	€225,000	€225,000	€225,000*	€225,000
Median salary of employees on permanent contracts	€47,000	€47,720	€50,000	€52,190	€53,309
CBD/employee ratio	0	0	0	0	0
CEO/employee ratio	6.91	8.05	7.68	8.05	7.88
DCEO/employee ratio	4.36	4.72	4.50	4.31	4.22

** Theoretical remuneration on an annual basis that does not take into account the pro-rata temporis linked to an office taken up during the year.*

*** Nathalie Bulckaert-Grégoire has been serving as corporate officer since 5 February 2025. She has also had an employment contract with the bank since 1 April 2024. She held the position of Assistant Deputy Chief Executive until her appointment as Deputy Chief Executive Officer on 5 February 2025.*

(1) Remuneration including the specific bonus.

The remuneration appearing in the 2025 column corresponds to the sums paid to her during the full calendar year.

Employment contract of the Deputy Chief Executive Officer

The Deputy Chief Executive Officer, Nathalie Bulckaert Grégoire, has an employment contract.

The substance of these contracts is reflected particularly in the reporting relationship with respect to the Chief Executive Officer, and furthermore, true technical functions exist that are separate from the corporate office of the Deputy Chief Executive Officer and the employment contract of the head of finance and resources.

Her duties are to manage the departments in charge of:

- bank finances;
- human resources, the work environment and purchases;
- commitments;
- customer excellence;
- the Corporate Secretary's Office.

As such, although the list is not exhaustive, her duties are to:

- develop the objectives of the teams within her scope;
- manage and oversee all activities within her scope;
- manage the teams within his scope on a daily basis;
- oversee internal projects to develop the organisation of the areas entrusted to her;
- report on her activities to her Chief Executive Officer and report on the results achieved.

The employment contract provides benefits of: restaurant vouchers, unemployment benefit and conventional severance/retirement pay, 13th month bonus, payment of days in the time savings account (CET), participation in profit-sharing and incentive schemes, and variable remuneration.

Remuneration received in respect of offices held

In accordance with the standards set by Groupe BPCE, remuneration paid in respect of offices held within the Group's companies may be paid directly to the members of the Boards of Directors or Supervisory Boards of those companies.

Benefits in kind

Company car: amounting to the lesser of 40% of the total annual car rental cost and 12% of the car purchase price.

Chief Executive Officer

As a corporate officer, the Chief Executive Officer is entitled to the benefits associated with this status, in particular:

- supplementary social security schemes (BPCE Mutuelle supplementary health insurance, AG2R, Quatrem and OCIRP personal protection schemes and the KLESIA pension plan) under the same terms and conditions as those provided for Palatine employees, including coverage of the risk of temporary incapacity for work;
- the benefit of the supplementary pension scheme (article 82 of the French General Tax Code) applicable to senior executives of Groupe BPCE;
- involuntary-termination severance pay or retirement benefits in accordance with the provisions applicable to executive directors within Groupe BPCE;
- measures to support mobility.

Involuntary-termination severance pay and retirement benefits for the Chief Executive Officer

The commitments made to the Chief Executive Officer relating to the involuntary-termination indemnity and the retirement benefits were approved by the Board of Directors on 10 December 2021 in accordance with the related-party agreements procedure.

Under certain conditions, the Chief Executive Officer is entitled to compensation in the event of termination of his or her employment.

Involuntary-termination severance pay

The Chief Executive Officer may, upon a decision by the Board of Directors, under certain conditions, benefit from involuntary-termination severance pay of a minimum of 12 months remuneration (fixed and variable remuneration).

Under the rules applicable at Palatine, the ceiling is 12 months, in accordance with article L. 511-71 of the French Monetary and Financial Code (and since the General Meeting has not decided to remove the ceiling), which stipulates that the variable portion of total remuneration may not exceed the fixed portion of that remuneration.

Payment is subject to the following conditions:

- Conditions for receiving involuntary-termination severance pay

The remuneration can only be paid in the event of involuntary departure from the position of Chief Executive Officer of Palatine (involuntary termination of the term of office due to dismissal by the Board of Directors or withdrawal of approval or forced resignation or non-renewal at the initiative of the Board of Directors), not related to serious misconduct, and without redeployment within Groupe BPCE. This compensation shall not be paid if departure from the Group is at the initiative of the Chief Executive Officer.

The payment of the severance pay upon termination of the term of office means that the Chief Executive Officer loses any entitlement to retirement benefits to which they may have been entitled.

In the event of a transfer within Groupe BPCE under an employment contract, notification of the termination of this employment contract more than 12 months after the enforced departure, carries a right, except in the event of gross or wilful misconduct, to payment of merely the redundancy benefit laid down in the applicable collective agreement. Conversely, if the employment contract is terminated with notification given less than 12 months after he is forcibly removed from corporate office, he is entitled – barring gross negligence or wilful misconduct – to receive involuntary-termination severance pay, minus any remuneration required by law to be paid in respect of the termination of the employment contract.

- Performance conditions

Involuntary-termination severance pay is only due if Palatine generated positive net income in the last financial year preceding the termination of the corporate office.

In addition, payment of the involuntary-termination severance pay is subject to the condition that the Chief Executive Officer has on average received at least 33.33% of the maximum variable portion over the last three financial years of the current term of office.

- Calculation of the benefit

The monthly benchmark pay used in the calculation is equal to one-twelfth of the sum of the fixed remuneration (excluding the special supplement and benefits) granted for the last calendar year of work preceding the termination of the corporate office or the employment contract and the average of the variable remuneration (whether paid immediately or deferred) for the last three calendar years of work preceding the termination of the corporate office or the employment contract.

The amount of the benefit is equal to: monthly benchmark remuneration x (12 months + 1 month per year of seniority with the Group).

The length of service within the Group is calculated in years and fractions thereof.

The amount of the involuntary-termination severance pay is capped at 24 times the monthly benchmark pay, which corresponds to a period of 12 years’ seniority with the Group.

Where at least 50% of the maximum variable component is awarded on average during the last three years of the corporate office in progress (or during the term of office served, plus the previous term of office served if the term was renewed), the involuntary-termination severance pay will be paid in full.

Where at least 33.33% of the maximum variable component is not awarded on average over this period, no involuntary-termination severance pay is granted. Between 33.33% and 50%, the amount of involuntary-termination severance indemnity is calculated on a straight-line basis, at the discretion of the Supervisory Board.

Retirement benefit

The Chief Executive Officer may, subject to certain conditions, be granted a retirement benefit by decision of the Board of Directors, amounting to a minimum of 12 months' remuneration (fixed remuneration and variable remuneration), with a maximum of 24 months, earned for 12 years' of service with the Group.

Payment is subject to the following conditions:

- Conditions for receiving a retirement benefits.

Payment of the retirement benefits is subject to the same performance conditions as those applicable to the involuntary-termination severance pay mentioned above, *i.e.*:

- the Group must have generated positive net income in the financial year preceding the termination of the corporate office; and
- beneficiaries must have been awarded a minimum percentage of variable remuneration on average during the last three years of the current term of office.

The retirement benefits may only be paid when the social security pension is drawn, provided that the beneficiary falls within the applicable scope (defined below) at the time the pension is drawn.

The payment of retirement benefits is at the discretion of the board of directors, after consultation with the Remuneration Committee.

Payment of the retirement benefits is excluded from payment of any other departure bonus. As such, if involuntary-termination severance is paid, the Chief Executive Officer will not be entitled to the retirement benefits.

- Amount of the retirement benefits

The monthly benchmark pay used in the calculation is equal to 1/12th of the sum of the fixed remuneration (excluding benefits and the special supplement) granted for the last calendar year of work preceding the termination of the corporate office or the employment contract and the average of the top three variable remuneration amounts allocated (whether paid immediately or deferred) for the last five calendar years of work preceding the termination of the corporate office or the employment contract. Amounts in respect of the relevant corporate office and employment contract are taken into account.

The amount of the remuneration is equal to: monthly benchmark remuneration x (6 + 0.6 A) where A designates the number of years of office in the scope concerned (*i.e.* terms of office held as Chief Executive Officer of Banque Populaire, Chairman of the Management Board of Caisse d'Epargne, Chief Executive Officer of CFF until 6 November 2019, Chief Executive Officer of BPCE I until 31 December 2018, Chief Executive Officer of Banque Palatine and member of the Management Board of BPCE SA).

The amount of the retirement benefits is capped at 12 times the monthly benchmark pay, which corresponds to a period of 10 years' of corporate office.

The Chief Executive Officer benefits from:

- the pension plan in the form of a group insurance contract governed by article 82 of the French General Tax Code, this contract being funded exclusively by their voluntary payments. A contribution to be paid by the Chief Executive Officer, equal to 88% of the specific supplement, *i.e.* 17.6% of their fixed remuneration plus specific supplement, is paid into this insurance contract.
- As such, the Chief Executive Officer's fixed remuneration includes a specific 20% increase.

The allocation of this supplementary pension scheme under article 82 was authorised by the Board of Directors of Palatine on 10 December 2021, following a proposal by the Remuneration Committee. In addition, the Board of Directors' meeting of 4 April 2024 authorised the conclusion of a membership amendment and this agreement was ratified at the General Meeting of 28 May 2025.

Retirement benefit of the Deputy Chief Executive Officer

The Deputy Chief Executive Officer holds a corporate office and an employment contract.

Retirement benefit

The retirement benefits are calculated in accordance with the bank's collective agreement, article 31 (retirement) or article 32 (mandatory retirement), and article 7 of the agreement on ancillary remuneration at Palatine dated 26 December 2011.

They are calculated by taking into account the total remuneration in respect of the employment contract and in respect of the corporate office.

No employment contract or suspended employment contract - unemployment insurance

Since the Deputy Chief Executive Officer holds a corporate office and an employment contract, she is covered by Unedic unemployment insurance.

Social security protection arrangements applicable to all employees

The Chief Executive Officer and Deputy Chief Executive Officer are eligible, subject to the same terms and conditions as Palatine's employees, for the social security protection put in place for all employees:

- AG2R (tranches A and B) and Quatrem (tranches C and D) supplementary personal protection schemes, entirely funded by Palatine, covering in particular the risk of temporary incapacity for work;
- The BPCE Mutuelle plan reimbursing healthcare costs.

In addition, they have the option of subscribing to the optional OCIRP personal protection scheme under the same conditions as all employees.

8 The remuneration of the regulated population

The composition of Palatine’s regulated population is reviewed annually based on the qualitative and quantitative criteria set out in European Commission (EU) Delegated Regulation no. 604/2014 of 4 March 2014, amended by the order of 22 December 2020, to which two criteria have been added to include employees covered by the law regarding the separation and regulation of banking activities (SRAB) and the Volcker rule, in accordance with Groupe BPCE standards.

A Banque Palatine employee is deemed to be a regulated person if he/she meets at least one of the criteria.

The identification of the regulated population is validated by the Risk Takers Committee.

The list of regulated persons is subsequently submitted for information to the Executive Committee.

Then it is reviewed by the Remuneration Committee and finally approved by the Board of Directors.

9 Draft resolutions relating to remuneration

The total amount of remuneration of all kinds awarded for the 2025 financial year to all members of staff included in the regulated population will be submitted to the shareholders for their opinion at the Annual General Meeting.

In addition, the General Meeting will have to vote on the overall amount of remuneration allocated to the board members.

Appendix 1

Company: Palatine

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

2025 fiscal year

1 Description of the remuneration policy in force at Palatine

Palatine's remuneration policy is based on a vision of sustainable and responsible performance. It aims to attract, retain and motivate high-level talent, while ensuring sound and transparent risk management. Based on principles of fairness, competitiveness and regulatory compliance, this policy's focus is on the following areas:

An attractive and fair fixed remuneration: Palatine ensures that it offers a fixed remuneration determined according to the job held, the skills, responsibilities and expertise of each employee, while maintaining salary levels that are competitive on the French market and comply with the classifications and minimum agreements. It also attaches particular importance to internal equity in order to ensure a consistent and transparent salary structure for all employees.

Incentive-based variable remuneration aligned with performance: variable remuneration mechanisms, individual and collective, align performance with the Bank’s annual strategic objectives. These objectives are implemented at all levels of the organisation and prioritised to focus on key issues. They are governed by clear and transparent rules, which specify the eligibility conditions, the calculation methods, as well as the ceilings applicable to each scheme.

Individual variable remuneration: some Palatine employees are eligible for individual variable remuneration. This has two components: a component linked to the performance of the entity (e.g. department or division) and a component attributed to the individual (or team) level, adjusted by a coefficient that takes into account the degree to which annual net income is achieved in relation to the target set.

The accessible levels of the variable component (target, partial outperformance and maximum) are predefined according to the job held and the associated responsibilities. The maximum level of variable remuneration may be as high as 100% of the fixed remuneration. Detailed rules govern eligibility for the scheme, the pro-rata calculation (in particular in the event of entry during the year or absences) and the terms of payment of the sums due.

Bonuses designed to retain employees by rewarding certain performance levels are also awarded in accordance with strictly defined rules. For example, the "corporate" referral bonus is awarded to employees involved in bringing in business for several specialist customer departments (1% of net commission received, up to a maximum of €2,500 per transaction). Moreover, as part of the "Circle of Excellence" programme, 20 employees from the network are awarded a bonus of €3,000 each year.

A specific framework for control functions: the remuneration system for staff in charge of risk control and compliance is based on objectives specific to their functions. This remuneration is not, under any circumstances, directly dependent on the performance of the operational employees monitored, or on the profits from the activities supervised.

In addition, the remuneration of these employees is determined independently of that of the business lines whose operations they validate or verify. It is maintained at a sufficiently high level to attract and retain qualified and experienced employees in these key positions. It takes into account the achievement of objectives specific to their missions. With equal qualifications, skills and responsibilities, the remuneration of control staff must remain consistent with that of the professionals whose activity they control. Lastly, the maximum variable portion of these employees depends on the nature and level of their responsibility. In any event, it is capped at 26.40% of their fixed remuneration.

Incentives, profit-sharing and incentive to employee savings through matching contributions: Palatine involves its employees in the company's results through profit-sharing and incentives. The cumulative amount paid under these two schemes is capped at 25% of the total payroll, in accordance with the agreements in force, which define the terms and performance indicators.

Thes agreements offer all employees the possibility of benefiting from a matching contribution from the Bank for their investments in the Group Savings Plan (PEG) or the Collective Retirement Savings Plan (PERCOL). Palatine encourages employee savings by increasing the amounts invested by employees: it matches the payments made into the PEG or PERCO up to €1,000 per year, depending on the amount saved by each employee.

A strong commitment to equal pay: Palatine reaffirms its commitment to gender equality in the workplace and strictly applies the principle of neutrality in terms of remuneration: for equal work, the wage is the same. Concrete measures are being implemented to guarantee pay equity at all levels of the organisation. As soon as they are hired, the Bank ensures that the same remuneration and classification is given to women and men for the same position (with equal skills, training and experience). Subsequently, throughout the employee's career, it ensures that annual wage increases are made in accordance with gender equality, by checking that no unjustified discrepancies are created during the remuneration review.

This commitment is showing results: Palatine's gender equality index reached 96/100 for 2025, which testifies to the continuous efforts made to promote equal opportunities and eliminate pay gaps. In addition, the conclusion of a company agreement on professional equality and diversity reinforces this commitment by establishing a structured framework for monitoring, analysing and correcting any unjustified discrepancies.

This remuneration policy, which is regularly reviewed and adapted to changes in the economic and regulatory context, contributes to the sustainable performance of Palatine and the development of its talent. This policy is proposed by the HR Department to the Executive Committee, and is reviewed annually by the Remuneration Committee. The Board of Directors ensures that it is properly implemented.

2 Decision-making process

On 31 December 2025, the Remuneration Committee had four members:

- Jérôme Terpereau, Chairman;
- Sabine Calba, Committee member;
- Bernard Dupouy, Committee member;
- Bertrand Magnin, Committee member.

The Committee met twice in 2025.

The Remuneration Committee is composed exclusively of members of the supervisory body who do not hold a management position within the company. They collectively possess the appropriate knowledge, expertise and professional experience in remuneration policies and practices, risk management and control activities, including with regard to the mechanism for aligning the remuneration structure with the risk profiles and equity of the bank.

The Remuneration Committee prepares the Board of Directors' decisions on the principles of the remuneration policy and the remuneration of executive directors and employees whose activities have a significant impact on the bank's risk profile (MRT), in accordance with the regulations in force.

The Remuneration Committee therefore expresses its opinion on proposals concerning the risk-taking population and proposes the principles of the remuneration policy for the risk-taking population to the supervisory body. It also ensures that the remuneration policy complies with the SRAB regulations and the Volcker Rule.

Each year, the Remuneration Committee reviews the report listing the infringements identified and the final decisions taken under the first paragraph of article L. 511-84 relating to the allocation of variable remuneration to risk takers.

The Remuneration Committee is responsible for making proposals to the Board of Directors concerning the level and terms of remuneration of the executive management of Palatine and the terms and conditions relating to the board members' fees to be allocated to the directors and, where applicable, to the members of board committees, as well as the amount of the overall budget submitted to the decision of Palatine's General Meeting.

It carries out an annual review of:

- the principles underlying Palatine's remuneration policy;
- the remuneration, termination benefits and benefits of any kind granted to Palatine's corporate officers;
- the remuneration policy for all categories of staff, including members of senior management, risk takers, persons performing control functions and any employee whose professional activities may have a significant impact on Palatine's risk profile.

Moreover, the Remuneration Committee:

- makes proposals to the Board of Directors concerning the remuneration, indemnities and benefits of any kind granted to the Chief Executive Officer and the Assistant Deputy Chief Executive or the Deputy Chief Executive Officer;
- submits proposals to the Board of Directors concerning the criteria to be included in the variable portion payable to the

Chief Executive Officer and the Assistant Deputy Chief Executive or the Deputy Chief Executive Officer;

- directly controls the remuneration of the Risk Management Officer referred to in article L. 511-64 of the French Monetary and Financial Code and of the head of compliance and the head of internal audit department;
- regularly reports on its work to the Board of Directors;
- issues an opinion on any report dealing with remuneration;
- reviews and issues an opinion on the civil liability insurance policies taken out by Palatine on behalf of its senior executives.

The Board of Directors adopts the principles of the remuneration policy on the recommendation of the Remuneration Committee and reviews any breaches identified and final decisions taken pursuant to the first paragraph of article L. 511-84 relating to the variable remuneration of risk takers.

3 Description of the remuneration policy

3.1 Composition of the risk taker population

In accordance with CRD 5, Palatine has identified “group 1 MRT”, *i.e.* staff whose activities may have a significant impact on the bank's risk profile (*i.e.* risk takers or MRTs), as a large entity in terms of its balance sheet. Thus, all employees meeting one of the criteria established in the delegated regulation of 25 March 2021 have been included in the scope of group 1 MRT.

The identification exercise was carried out by the Risk Takers Committee, composed of members representing the Risk Management department, the Compliance department and the Human Resources department of Palatine. The revised list was submitted to the Remuneration Committee for approval.

In 2025, following a joint review by the Risk Management, Compliance and Human Resources departments of Palatine, a total of 6 members of the Board of Directors and 47 employees were identified as MRTs during the 2025 financial year:

- the members of the Board of Directors (8), including two employee directors (a corporate customer assistant and a leverage management buy out director);
- the Chief Executive Officer, the Deputy Chief Executive Officer;
- the directors of audit and inspection, commercial, communication, accounting, compliance & risk, compliance & financial security, corporate finance, customer excellence, financial management department, remuneration & benefits department, financial risk, monitoring and prevention department, out-of-court debt collection, customer desk, customer finance desk, commitments, commitments department, environment and purchasing, finance, legal and litigation, private banking market, corporate market, ongoing and financial control, customer services, sustainable finance programme, human resources, working environment & purchasing, financial and operational credit risks, the secretary general and the deputy director of legal and litigation;
- counterparty risk analyst;
- trading floor trader;
- market operator;
- head of Foreign Exchange Department and head of Euro/Currency Services.

The identification process is carried out on the basis of the applicable regulations and:

- information relating to the duties performed, membership of the decision-making bodies, the responsibilities exercised and the identification of employees resulting from the quantitative criteria relating to remuneration levels (information provided by the Human Resources department);
- information relating to the decision-making committees in terms of risk and the decision-making members of these committees, to employees benefiting from a delegation of authority in terms of credit and/or portfolio transactions and/or the introduction of new products, as well as items related to the Volcker SRAB regulation (items sent by the Risk and Compliance department).

3.2 General principles of the remuneration policy

The general principles of the remuneration policy are adapted according to the following categories.

Members of the Board of Directors:

With the exception of the chairmen of the board and specialised committees, who receive a fixed annual allowance prorated according to their term of office, board members receive remuneration for their activities based on their actual attendance. The total amount of this remuneration is voted on by the General Meeting and the allocation of this amount is decided upon by the Board of Directors based on the recommendations of the Remuneration Committee.

The annual remuneration due is paid in December of each year.

Their remuneration consists exclusively of board members' fees, the amounts of which are set by the Board. They do not receive any variable remuneration in respect of their office.

Chief Executive Officer, Deputy Chief Executive Officer, Assistant Deputy Chief Executive Officer:

The fixed annual remuneration for 2025 was set at €420,000 for the Chief Executive Officer (€350,000 for the office and €70,000 for a specific increase under an article 82 pension plan) and €225,000 for the Deputy Chief Executive Officer (€202,500 under the employment contract and €22,500 in respect of the office)

In addition to this fixed remuneration, there is a company car, which is the subject of a benefit in kind.

Note that:

- the Chief Executive Officer does not have an employment contract.

For the allocation of variable remuneration, the Remuneration Committee takes into account the quality of the RAF (Risk Appetite Framework) in the company. To this end, it relies on information provided by the Risk department to assess the correct annual deployment of the RAF in accordance with Group methodology and taking into account the specific characteristics of Palatine.

A specific RAF criterion is included among the qualitative criteria for the variable portion of the members of Executive Management (including CEO, DCEO and ADCE).

With regard to annual variable remuneration:

- for the Chief Executive Officer, it is equal to 80% of the fixed remuneration (including the specific supplementary payment) when a 100% performance rate is attained;
- for the Assistant Deputy Chief Executive it is equal to 50% of the fixed remuneration when a 100% performance rate is attained.

In any event, in the event of outperformance, the annual variable remuneration allocated for the financial year to the Chief Executive Officer may not exceed 100% of the fixed remuneration (including the specific supplementary payment) and 62.5% for the Deputy Chief Executive Officer.

Members of the Executive Committee and members of the Executive Management Committee

In addition to the executive management, members of management are members of the Executive Committee or the Executive Management Committee.

Their fixed remuneration is determined according to the position held, skills, responsibilities and expertise of each member. In addition to this fixed remuneration, there is a company car, which is the subject of a benefit in kind.

The members of the Executive Committee are eligible for annual variable remuneration which is 40% of the fixed remuneration when the performance rate of 100% is achieved.

The members of the Executive Management Committee are eligible for annual variable remuneration, which is 22% of the fixed remuneration when the performance rate of 100% is achieved.

Other risk takers

Palatine employees receive a fixed remuneration set in relation to the job performed, the level of skills, responsibility and expertise of each employee and the levels of market remuneration in France, and in compliance with the minimum agreed upon.

Some employees, given their job and / or their level of responsibility, also receive individual variable remuneration under the conditions described in point 1 of this document.

Finally, it should be noted that, in accordance with article L. 511-78 of the French Monetary and Financial Code, the variable portion of the total remuneration of the persons referred to in article L. 511-71 cannot exceed the fixed portion of this remuneration.

3.3 Policy on the allocation and payment of variable remuneration to the population of risk takers

In accordance with articles L. 511-71 to L. 511-85 of the French Monetary and Financial Code, the policy on payment of variable remuneration (staggering, percentage paid in stock, penalties) is as follows:

3.3.1 For the allocation of annual variable remuneration in respect of the financial year in question

Pillar 2 minimum equity requirement (Application of the fourth paragraph of article L. 511-77)

For the allocation of variable remuneration to risk takers, a minimum equity threshold for Groupe BPCE, which must be met as at 31 December of the financial year, is set at the beginning of the financial year by the BPCE Supervisory Board, on a proposal from the BPCE Remuneration Committee. This threshold is established with reference to the minimal amount required with respect to pillar 2, defined by the control authority for the CET1 ratio.

For 2025, this reference corresponds to a CET1 ratio that must be higher than the threshold required by the ECB. As this condition has been met, the variable shares for 2025 were therefore allocated.

If the minimum threshold is not reached as at 31 December of the financial year, BPCE's Supervisory Board is informed of the situation and proposes to the group 1 companies a reduction on the variable portion awarded in respect of the financial year, and deferred fractions of variable portions not yet due to risk takers, by applying a rate which must be at least 50%. The rate of reduction proposed may not reach 100% if its application allows the minimum threshold set at the beginning of the financial year concerned to be reached, potentially in combination with other measures.

The final decision on whether to apply the reduction rate proposed by BPCE's Supervisory Board is under the responsibility of the management body as part of its supervisory function, for risk takers in the scope of consolidation. Any deviation from the proposal made by BPCE's Supervisory Board must first be approved by the management body as part of its supervisory function and be accompanied by an explanation of the choice made.

Assessment by the Remuneration Committee of the accounting of the attribution of variable remuneration to the reality of the company's performance and financial position

The Remuneration Committee ensures that variable remuneration is compatible with the reality of the Bank's commercial and financial performance.

The amounts of variable remuneration do not cause disproportionate risks to be taken and do not hinder Palatine's ability to strengthen its capital. Thus, variable remuneration represents 9.2% of the total payroll and is equivalent to 1.61% of NBI.

Description of the behavioural penalty system (application of the first paragraph of article L. 511-84)

The penalty mechanisms applicable to the variable remuneration of risk takers cover three types of misconduct:

- material breach of a compliance or risk rule, including in relation to limits, delegation and mandates, resulting in an individual written warning from a senior executive or a director responsible for compliance, permanent control or risk management function. The percentage reduction can reach -10%. A material breach is a breach that has led to an incident whose potential or actual impact exceeds the threshold for a serious incident as defined for the Group by the “operational risk” standard, *i.e.* a threshold of €300,000;
- material breach of a compliance or risk rule, including in relation to limits, delegation and mandates, resulting in an individual written warning from a senior director of the company or the Group, or from the Group's Chief Risk, Compliance and Permanent Control Officer. The percentage reduction can reach -100%. A material breach is a breach that has led to an incident with a potential or actual impact exceeding the material incident threshold applicable at Group level, *i.e.* 0.5% of the bank's equity;
- failure to attend mandatory regulatory training: -5% per training course.

There were no significant or material breaches or instances of mandatory regulatory training not being undertaken in the 2025 financial year. As a result, no variable remuneration awarded was reduced.

3.3.2 Terms of payment of variable remuneration

Proportionality principle

In accordance with article 199 of the order of 3 November 2014, the rules described below (3.3.2.1 - Deferred and 3.3.2.2 - Indexing) only apply when the amount of variable remuneration awarded for a financial year to a "group 1 MRT" risk taker is above a threshold of €50,000 (or exceeds one-third of the total remuneration).

For the assessment of the threshold, all the variable remuneration awarded in respect of the financial year to the "group 1 MRT" risk taker, including in separate companies (for example, in the event of mobility) is added up. If the threshold is breached, the following rules apply to each of the portions of variable remuneration, including those below the threshold.

If the amount of variable remuneration awarded in respect of a year is less than or equal to the threshold and less than one-third of the total remuneration, the whole of the variable remuneration is paid as soon as it is granted.

3.3.2.1 Deferred and conditional payment of a portion of the annual variable remuneration for 2025

The vesting of part of the annual variable remuneration awarded in respect of 2025 is deferred in time, *i.e.* subject to compliance with a performance condition.

The vesting of the deferred portion of the annual variable remuneration is spread out:

- for executive management, over the five financial years following that of the annual variable remuneration, with a fifth vested each year;
- for other risk takers, over the four financial years following the financial year in which the annual variable remuneration was awarded, with a fourth vested each year.

The deferred rate applicable to the annual variable remuneration awarded in respect of 2025 increases with the level of the variable remuneration awarded in respect of 2025. This rate is set at 40% for variable remuneration awarded of less than €500,000.

Vesting and payment of deferred variable portions awarded in respect of previous years

For each deferred portion, the definitive vesting is subject to the achievement of a performance condition.

The performance conditions applicable to deferred portions of the same variable component are set, on proposal of the Remuneration Committee, by the Board of Directors which allocates the variable portion at the time of its allocation. Palatine has chosen net income as the criterion for assessing the minimum level of the company's financial health, assessed over several years. Any failure to meet this criterion shall result in a significant reduction in the deferred portions of previous variable payments to risk takers within the scope.

For each deferred portion of the variable portion awarded in respect of financial years prior to 2025 and which are due to vest in 2026, the Board of Directors determines whether or not the applicable performance condition has been met. If it has not been met, the deferred portion is reduced to less than 50%. Otherwise, the deferred portion is definitively acquired and is paid on the date scheduled at the time of its allocation, *i.e.* no earlier than 1 October 2026 for the fractions of variable portions granted in respect of financial years prior to 2024 and no earlier than 1 March 2027 for the fractions of variable portions allocated for the 2024 financial year.

3.3.2.2 Payment in shares or equivalent instruments of a portion of the variable remuneration for 2025

50% of the annual variable remuneration awarded in respect of financial year 2025 is allocated in the form of indexed cash (*i.e.* more specifically: 50% of the deferred portion and 50% of the non-deferred portion of this annual variable remuneration).

Cash is indexed on the basis of an indicator representative of changes in the value of Groupe BPCE and BPCE.

The indicator used for the value of Groupe BPCE is the net income attributable to Groupe BPCE (net income Group's share), calculated as a rolling average over the last three financial years preceding the year in which the variable portion is awarded and the year in which each indexed portion of the variable portion is paid.

The coefficients are communicated each year by BPCE.

The indexed portions are paid no earlier than one year after their vesting date in order to respect a retention period of at least 12 months.

4 Aggregate quantitative information on the remuneration of the "group 1 MRT" risk takers

The quantitative information detailed below concerns the remuneration awarded to employees identified as "group 1 MRT" by Palatine.

Remuneration awarded in respect of the 2025 financial year – Table REM1

Awarded in respect of the 2025 financial year - excluding employer contributions (in euros)		Management body – monitoring function	Management body – management function	Other members of executive management	Other identified staff members	Total
Fixed remuneration	**Number of identified employees with fixed remuneration**	**4**	**2**	**6**	**37**	**49**
	TOTAL FIXED REMUNERATION	**€48,000**	**€645,000**	**€781,278**	**€3,787,194**	**€5,261,471**
	Of which cash	*€48,000*	*€645,000*	*€781,278*	*€3,787,194*	*€5,261,471*
	Of which shares and equivalent ownership rights	*€0*	*€0*	*€0*	*€0*	*€0*
	Of which related instruments	*€0*	*€0*	*€0*	*€0*	*€0*
	Of which other instruments	*€0*	*€0*	*€0*	*€0*	*€0*
	Of which other forms	**€0**	**€0**	**€0**	**€0**	**€0**
Variable remuneration	**Number of identified employees with variable remuneration**	**0**	**2**	**6**	**27**	**35**
	TOTAL VARIABLE REMUNERATION	**€0**	**€483,573**	**€235,228**	**€1,062,913**	**€1,781,714**
	Of which cash	*€0*	*€241,786*	*€177,542*	*€856,531*	*€1,275,860*
	Of which deferred	€0	€96,715	€23,074	€82,553	€202,342
	Of which shares and equivalent ownership rights	*€0*	*€0*	*€0*	*€0*	*€0*
	Of which deferred	€0	€0	€0	€0	€0
	Of which related instruments	*€0*	*€241,786*	*€57,686*	*€206,382*	*€505,855*
	Of which deferred	€0	€96,715	€23,074	€82,553	€202,342
	Of which other instruments	*€0*	*€0*	*€0*	*€0*	*€0*
	Of which deferred	€0	€0	€0	€0	€0
	Of which other forms	*€0*	*€0*	*€0*	*€0*	*€0*
	Of which deferred	€0	€0	€0	€0	€0
	TOTAL REMUNERATION	**€48,000**	**€1,128,573**	**€1,016,506**	**€4,850,107**	**€7,043,186**

Amounts paid in respect of new hires and terminations during 2025 - Table REM2

Amounts (in euros) - excluding employer contributions		Management body Monitoring function	Management body Management function	Other members of executive management	Other identified staff members	Total
Special payments	**Guaranteed variable remuneration granted in 2025**					
	Number of risk takers who received guaranteed variable remuneration granted in 2025 upon recruitment	0	0	1	0	1
	Amount of guaranteed variable remuneration granted in 2025 on the occasion of the recruitment of a risk taker	€0	€0	€10,000	€0	€10,000
	Of which guaranteed variable remuneration paid in 2025 and not taken into account in the bonus cap	€0	€0	€0	€0	€0
	Severance payments granted in previous years and paid in 2025					
	Number of employees who received termination benefits in 2025 granted in financial years prior to 2025	0	0	0	0	0
	Amount of termination benefits granted before 2025 and paid in 2025	€0	€0	€0	€0	€0
	Severance benefits awarded in 2025					
	Number of employees who received termination benefits in 2025	0	0	0	0	0
	Amount of termination benefits granted in 2025	€0	€0	€0	€0	€0
	Of which amount paid in 2025	€0	€0	€0	€0	€0
	Of which deferred amount	€0	€0	€0	€0	€0
	Of which termination benefits paid in 2025 that are not taken into account in the bonus cap	€0	€0	€0	€0	€0
	Of which the highest amount granted to a single person	€0	€0	€0	€0	€0

Deferred variable remuneration and withholdings - Table REM3

Amounts (in euros) - excluding employer contributions	Total amount of deferred variable remuneration awarded in respect of financial years prior to 2025 (before any reductions) at grant value	of which amount acquired in 2025 at grant value	of which amount not yet vested on 31/12/2025 (becoming vested in subsequent financial years) at grant value	Amount of explicit reductions made in 2025 on the deferred variable remuneration that was to vest in 2025	Amount of explicit reductions made in 2025 on the deferred variable remuneration that was to vest in subsequent years	Total amount of implicit *ex post* adjustments: difference between the payment and award values (after any reduction) of deferred remuneration awarded for financial years prior to 2025 and paid in 2025	Total amount of deferred remuneration awarded for financial years prior to 2025 and paid in 2025 (after any reductions) in payment value	Total amount of deferred remuneration awarded for financial years prior to 2025, vested but not yet paid as at 31/12/2025 (*i.e.* subject to a retention period)
Management body Monitoring function	**€0**	**€0**	**€0**	**€0**	**€0**	**€0**	**€0**	**€0**
In cash	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*
Shares or equivalent ownership rights	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*
Related instruments	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*
Other instruments	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*
Other forms	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*
Management body Management function	**€559,822**	**€130,922**	**€428,900**	**€0**	**€0**	**(€2,446)**	**€125,848**	**€39,038**
In cash	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*
Shares or equivalent ownership rights	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*
Related instruments	*€559,822*	*€130,922*	*€428,900*	*€0*	*€0*	*(€2,446)*	*€125,848*	*€39,038*
Other instruments	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*
Other forms	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*
Other members of executive management	**€142,899**	**€42,412**	**€100,487**	**€0**	**€0**	**(€47)**	**€37,473**	**€11,012**
In cash	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*
Shares or equivalent ownership rights	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*
Related instruments	*€142,899*	*€42,412*	*€100,487*	*€0*	*€0*	*(€47)*	*€37,473*	*€11,012*
Other instruments	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*
Other forms	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*
Other identified staff members	**€934,540**	**€267,928**	**€666,611**	**€0**	**€0**	**(€5,260)**	**€267,507**	**€62,970**
In cash	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*
Shares or equivalent ownership rights	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*
Related instruments	*€934,540*	*€267,928*	*€666,611*	*€0*	*€0*	*(€5,260)*	*€267,507*	*€62,970*
Other instruments	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*
Other forms	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*	*€0*
TOTAL	**€1,637,261**	**€441,263**	**€1,195,999**	**€0**	**€0**	**(€7,753)**	**€430,828**	**€113,020**

Information on remuneration awarded for the 2025 financial year - Table REM5

Awarded in respect of the 2025 financial year excluding employer contributions (In euros)	Management body - executive	Management body – monitoring function	Management body as a whole	Investment banking	Retail banking	Asset Management	Cross -functional functions	Independent control function	Other	Total
Number of staff members identified										**53**
Of which members of the management body	2	8	10							
Of which other members of executive management				0	0	0	6	0	0	
Of which other identified staff members				11	0	0	21	5	0	
Total remuneration	**€1,128,573**	**€48,000**	**€1,176,573**	**€1,646,584**	**€0**	**€0**	**€3,689,158**	**€530,871**	**€0**	
Of which variable remuneration	€483,573	€0	€483,573	€476,225	€0	€0	€770,395	€51,521	€0	
Of which fixed remuneration	€645,000	€48,000	€693,000	€1,170,359	€0	€0	€2,918,762	€479,350	€0	

Information on employees identified as risk takers whose variable remuneration is not deferred

Awarded in respect of the 2025 financial year - excluding employer contributions (in euros)	Total
Number of employees identified but not deferred due to the low level of their variable remuneration	27
Total amount of total remuneration (fixed + variable) of identified employees not deferred due to the low level of their variable remuneration	€3,711,043
Total amount of fixed remuneration of identified employees not deferred due to the low level of their variable remuneration	€2,941,038
Total amount of variable remuneration of identified employees not deferred due to the low level of their variable remuneration	€770,005

5 Individual information

Total individual remuneration (*i.e.* fixed remuneration paid in 2025, to which is added the variable portion in respect of 2025 awarded in 2026) for the following functions:

- Chief Executive Officer: €782,275;
- Deputy Chief Executive Officer: €346,298;
- Chief Compliance and Risk Officer: €167,275;
- Head of Compliance and Financial Security: €95,235.

6 Envelope

In accordance with article L. 511-73 of the French Monetary and Financial Code, the General Meeting of Palatine shareholders on 26 May 2026 will vote on an advisory basis on the total remuneration package paid in 2025 to employees identified by Palatine as risk takers in 2025. This remuneration is by nature different from that presented in paragraph 4 above, which corresponds to the remuneration awarded in respect of the 2025 financial year.

The total amount of remuneration paid in 2025 to Palatine risk takers, subject to the consultation of the General Meeting, is €**7,827,703**.

Appendix 2

Offices and duties exercised by corporate officers as at 31 December 2025

Article L. 225-37-4 1° of the French Commercial Code

Didier MOATÉ

Dob: 17/04/1963

Term of office from 03/02/2026 to 03/02/2031

Palatine: Chief Executive Officer and member of executive management
Palatine Asset Management: board member, Chairman of the Remuneration Committee and the Audit and Risk Committee

Nathalie BULCKAERT-GREGOIRE

Dob: 04/08/1968

Term of office from 04/02/2025 to 04/02/2030

Palatine: Assistant Deputy Chief Executive and member of executive management from 27 March 2024 to 4 February 2025, and Deputy Chief Executive Officer and member of executive management from 4 February 2025.
Palatine Asset Management: Chairwoman of the Board of Directors
and member of the Remuneration Committee and the Audit and Risk Committee
Conservateur Finance: permanent representative of Palatine, board member and member of the Audit Committee
GPM assurances: permanent representative of Palatine, member of the Supervisory Board
FCPE DE L'UES Palatine: member of the Supervisory Board
Association Les Elles de BPCE: member of the Bureau and Treasurer

Jérôme TERPEREAU

Dob: 16/12/1968

Term of office from 01/06/2022 up to the General Meeting called to approve the financial statements for the year ended 31/12/2025

Palatine: Chairman of the Board of Directors, the Appointments Committee and the Remuneration Committee
BPCE: member of the Management Board in charge of Group finance
Crédit Foncier de France: Chairman of the Board of Directors
NA: Chairman of the Board of Directors
Hexarq: board member
BPCE Assurances: Chairman of the Board of Directors
BPCE Services Financiers EIG: Chairman of the Board of Directors
BPCE IT: representative of BPCE, board member
ALBIANT-IT: representative of BPCE, director

Sabine CALBA

Dob: 26/02/1971

Term of office from 30/08/2023 up to the General Meeting called to approve the financial statements for the year ended 31/12/2025

Palatine: board member, member of the Risk Committee (until 06/11/2025), the Audit Committee (from 06/11/2025) and the Remuneration Committee
Banque Populaire Méditerranée (BPMED): Chief Executive Officer
Fédération Nationale des Banques Populaires: board member
Crédit Foncier de France: board member
Association Les Elles de BPCE: board member and Chairwoman
Société de capital risque provençale et corse: board member until 22/09/2025
EIG I-BP INVESTISSEMENTS: permanent representative of BPMED
BPCE *Solutions informatiques:* permanent representative of BPMED, partner
Informatique Banques Populaires I-BP EIG: Permanent representative of BPMED
TOP 20 (Non-profit): board member
Fonds de dotation Riviera Actes: director
SCI SSB1: manager

Marjorie COZAS

Dob: 11/07/1985

Permanent representative of BPCE since 30/08/2023 and until the General Meeting called to approve the financial statements for the year ending on 31/12/2027

Palatine: Permanent representative of BPCE, board member, Chairwoman of the Audit Committee
BPCE SA: Head of Performance Management of Groupe BPCE

Bernard DUPOUY

Dob: 19/09/1955

Term of office from 11/09/2024 up to the General Meeting called to approve the financial statements for the year ended 31/12/2025

Palatine: board member, member of the Audit Committee and the Remuneration Committee
Banque Populaire Aquitaine Centre Atlantique: Chairman of the Board of Directors
Fédération Nationale des Banques Populaires: board member
SCI Badimo: Manager
SAS DUPOUY SBCC: legal representative of the DUPOUY SA Group, Chairman of the Board of Directors
DUPOUY SA Group: Chairman and Chief Executive Officer

Bruno GORÉ

Dob: 25/09/1961

Term of office from 26/05/2020 up to the General Meeting called to approve the financial statements for the year ending on 31/12/2025

Palatine: board member, Chairman of the Risk Committee and member of the Appointments Committee
Caisse d'Epargne Normandie (CEN): Chairman of the Management Board
CAISSE D'EPARGNE CAPITAL: member of the Supervisory Board
CE Développement 3: member of the Supervisory Board
NAXIcap Partners: member of the Supervisory Board
Seventure Partners: Vice-Chairman of the Supervisory Board
Fédération Nationale des Caisses d'Epargne: permanent representative of CEN, board member and member of the bureau
Fonds Caisse d'Epargne Normandie pour l'Initiative Solidaire (FCENIS): permanent representative of the CEN, Chairman of the Board of Directors
BPCE Achats & Services: permanent representative of Caisse d'Epargne Normandie on the Board of Directors
TURBO: member of the Board of Directors

Bertrand MAGNIN

Dob: 25/07/1977

Term of office from 31/07/2024 up to the General Meeting called to approve the financial statements for the year ending on 31/12/2027

Palatine: board member, member of the Remuneration Committee, member of the Risk Committee
Palatine Asset Management: board member
Caisse d'Epargne Loire Drôme Ardèche: Chairman of the Management Board
solidaire à fond(s), Endowment fund of Caisse d'Epargne Loire Drôme Ardèche: board member
FNCE: board member
SNC ECUREUIL: board member
BPCE-IT: board member and member of the Audit committee
ALBIAN-IT: board member
BPCE-SI: board member and member of the Audit and Financial Statements Committee
SDH: Chairman of the Board of Directors:
TURBO SA: board member

Zohra MESSOUS

Dob: 18/01/1979

Term of office from 06/12/2024 to the employee elections in 2028

Palatine: banking services manager and board member representing employees, college of technicians, member of the Audit Committee
Individual entrepreneur status as non-professional furnished lessor

Guillemette VALANTIN

Dob: 25/07/1966

Term of office from 06/12/2024 to the employee elections in 2028

Palatine: LMBO Project Director and board member representing employees, college of executives, member of the Risk Committee

2025 FINANCIAL STATEMENTS

2

1 Individual annual financial statements at 31 December 2025

1.1 Income statement

in millions of euros	Notes	2025 financial year	2024 financial year
Interest and similar income	3.1	855.1	1,023.2
Interest and similar expenses	3.1	(568.0)	(763.4)
Income on finance and operating leases	3.2	0.0	0.0
Expenses on finance and operating leases	3.2	0.0	0.0
Income from variable-income securities	3.3	5.8	5.7
Commission income	3.4	93.4	91.9
Commission expenses	3.4	(7.6)	(7.3)
Net gains or losses on trading book transactions	3.5	11.1	1.4
Net gains or losses on available-for-sale securities and similar items	3.6	9.7	2.4
Other banking income	3.7	0.4	0.5
Other banking expenses	3.7	(5.4)	(3.0)
NET BANKING INCOME		**394.5**	**351.5**
General operating expenses	3.8	(212.5)	(202.6)
Depreciation, amortisation and impairment of tangible and intangible fixed assets		4.7	(0.1)
GROSS OPERATING INCOME		**186.6**	**148.8**
Cost of risk	3.9	(49.1)	(68.3)
NET OPERATING INCOME		**137.5**	**80.5**
Profits and losses on non-current assets	3.10	(2.1)	5.4
INCOME BEFORE TAX		**135.3**	**85.9**
Non-recurring items	3.11	6.1	0.0
Income tax	3.12	(39.5)	(27.5)
Charges to/reversals from the fund for general banking risks and regulated provisions		0.0	0.0
NET INCOME		**101.9**	**58.4**

1.2 Balance sheet and off-balance sheet

Assets

in millions of euros	Notes	31/12/2025	31/12/2024
Cash, central banks		3.7	4.9
Treasury bills and similar securities	4.3	1,732.8	975.7
Loans and advances due from credit institutions	4.1	4,094.5	4,709.2
Customer transactions	4.2	11,945.1	12,035.9
Bonds and other fixed-income securities	4.3	395.7	234.4
Equities and other variable-income securities	4.3	0.0	1.5
Investments in subsidiaries and long-term equity investments	4.4	13.1	9.0
Shares in related companies	4.4	5.8	10.8
Finance and operating leases	4.5	0.0	0.0
Intangible assets	4.6	99.3	99.3
Tangible fixed assets	4.6	20.0	19.5
Other assets	4.8	168.3	163.4
Accrual accounts	4.9	165.8	156.8
TOTAL ASSETS		**18,644.1**	**18,420.3**

Off-balance sheet items

in millions of euros	Notes	31/12/2025	31/12/2024
Commitments given			
Financing commitments	5.1	2,194.2	2,216.4
Guarantee commitments	5.1	1,337.6	1,340.6
Securities commitments		6.5	0.0

Liabilities

in millions of euros	Notes	31/12/2025	31/12/2024
Central banks		0.0	0.0
Amounts due to credit institutions	4.1	1,634.0	1,530.8
Customer transactions	4.2	13,165.5	12,892.4
Debt securities	4.7	1,739.4	1,745.4
Other liabilities	4.8	208.5	244.6
Accrual accounts	4.9	218.5	226.1
Provisions	4.10	134.0	132.2
Subordinated debt	4.11	350.3	500.8
Fund for general banking risks (FGBR)	4.12	1.3	1.3
Equity securities excluding funds for general banking risks	**4.13**	**1,192.6**	**1,146.8**
Issued capital		688.8	688.8
Share premiums		56.7	56.7
Retained earnings		62.0	59.1
Revaluation reserve		0.0	0.0
Regulated provisions and investment subsidies		0.0	0.0
Carried forward		283.1	283.8
Net income/(loss) for the year		101.9	58.4
TOTAL LIABILITIES		**18,644.1**	**18,420.3**

Off-balance sheet items

in millions of euros	Notes	31/12/2025	31/12/2024
Commitments received			
Financing commitments		0.0	0.0
Guarantee commitments		521.1	463.2
Securities commitments		0.0	0.0

2 Notes to the individual annual financial statements

NOTE 1 General framework

1.1 Groupe BPCE

Groupe BPCE, [1] of which Palatine is a part, includes the Banque Populaire network, the Caisse d'Epargne network, the BPCE central institution, and its subsidiaries.

Two banking networks: the Banques Populaires and the Caisses d'Epargne

Groupe BPCE is a cooperative group whose members own two retail banking networks: the 14 Banque Populaire banks and the 15 Caisse d'Epargne banks. Each of the two networks owns an equal share in BPCE, the Group's central institution.

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

The Caisse d'Epargne network consists of the Caisse d'Epargne banks and the local savings companies (LSCs).

The Banques Populaires are wholly owned by their cooperative shareholders.

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

BPCE

BPCE, a central institution as defined by the French Banking Act and a credit institution licensed to operate as a bank, was created pursuant to Act No. 2009-715 of 18 June 2009. BPCE was incorporated as a French société anonyme with a Management Board and a Supervisory Board. Its share capital is owned jointly and equally by the 14 Banque Populaire and 15 Caisse d'Epargne banks.

BPCE's corporate mission embodies the continuity of the cooperative principles underlying the Banques Populaires and the Caisses d'Epargne.

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

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

The network and BPCE's main subsidiaries are organized around two core business lines:

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

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

Palatine

Palatine is a société anonyme (French limited liability corporation) with a Board of Directors, wholly owned by the BPCE central institution. Its registered office is located at 86, rue de Courcelles, 75008 Paris (France).

Palatine's main subsidiaries and affiliates are active in two segments:

- financial services and asset management activities;
- insurance activities.

1) Palatine is included in Groupe BPCE's consolidated financial statements, its financial statements are available at the registered office of the BPCE central institution 7, promenade Germaine Sablon – 75013 Paris and on the BPCE corporate website. The central body is registered in the Paris Trade and Companies Register under number 493455042.

1.2 Guarantee mechanism

In accordance with Articles L. 511-31, L. 512-107-5 and L. 512-107-6 of the French Monetary and Financial Code, the guarantee and solidarity mechanism aims to safeguard the liquidity and capital adequacy of the Group and BPCE's affiliates, and to organise financial support between them.

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

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

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

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

The deposit made to **the Caisse d'Epargne Network Fund** by the Caisses d'Epargne of €450 million was booked by BPCE in the form of a 10-year term account which is indefinitely renewable.

The Mutual Guarantee Fund was formed by deposits made by the Banques Populaires and the Caisses d'Epargne. These deposits were booked by BPCE in the form of 10-year term accounts, which are indefinitely renewable. The amount of the deposits by network was €211 million at 31 December, 2025.

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

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

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

The liquidity and capital adequacy of the local savings companies are secured, firstly, at the level of each individual local savings company by the Caisse d'Epargne, of which the local savings company in question is a shareholder.

The Management Board of BPCE has all the requisite powers to use the resources of the various contributors immediately and in the agreed order.

1.3 Significant events

Significant events are presented in chapter 1-1 'Board of Directors' management report – Highlights of the year for Palatine'.

1.4 Events after the reporting period

Since 31 December 2025 and until 3 February 2026, the closing date approved by the Board of Directors, no event occurred likely to have a notable influence on the financial position or the income of Palatine.

NOTE 2 General accounting policies

2.1 Measurement and presentation methods of the individual financial statements and reporting date

Palatine's individual annual financial statements are prepared and presented in accordance with the rules laid down by BPCE pursuant to regulation No. 2014-07 of the *Autorité des normes comptables* (ANC), the French national accounting standards authority.

The individual annual financial statements for the year ended 31 December 2025 were approved by the Board of Directors on 3 February 2026. They will be presented for shareholder approval on 26 May 2026.

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

2.2 Changes in accounting policies

ANC (the *Autorité des normes comptables*, the French national accounting standards authority) regulation No. 2023-03 of 7 July 2023, amending ANC regulation No. 2014-07 of 26 November 2014 on the financial statements of companies in the banking sector, removed the notion of expense transfer. This removal had no impact on the bank's individual financial statements.

The other texts adopted by the French national accounting standards authority (ANC) that had mandatory application in 2025 did not have a significant impact on the bank's individual financial statements.

Unless otherwise stated, BPCE did not elect to apply in advance the texts adopted by the ANC for which application is optional.

2.3 General accounting principles

The financial statements for the financial year are presented in an identical format to those for the previous financial year. Generally accepted accounting principles have been applied in compliance with the principle of prudence based on the following principles:

- the going-concern principle;
- consistency of accounting methods from one financial year to the next;
- independence of fiscal years;

and observance of the general rules governing the preparation and presentation of annual financial statements.

The basic method for valuing accounting entries is the historical cost method, and all balance sheet items are presented, as appropriate, net of amortisation, provisions, and allowances for impairment.

Specific accounting principles are presented in the notes to which they refer.

2.4 Principles applicable to banking resolution mechanisms

The terms and conditions governing the establishment of the deposit and resolution guarantee fund (FGDR) are governed by the order of 27 October 2015.

Concerning guarantee funds for cash, surety and securities facilities, the cumulative contributions paid by Palatine totalled €19.6 million. Contributions (which are non-refundable in the event of a voluntary withdrawal of approval to operate) represent €4.1 million. The contributions paid in the form of associate or association certificates and cash guarantee deposits that are registered on the asset side of the balance sheet total €15.5 million.

The resolution fund was set up in 2015 in accordance with European directive No. 2014/59/EU known as BRRD (Bank Recovery and Resolution Directive), which established a framework for the recovery and resolution of banks and investment firms, i.e., European Regulation 806/2014 (Single Resolution Mechanism (SRM) Regulation). In 2016, it became the single resolution fund (SRF), formed by the member states participating in the single supervisory mechanism (SSM). The SRF is a financing framework available to the resolution authority (single resolution board) for the implementation of resolution measures.

In compliance with EU delegated regulation No. 2015/63 and implementing regulation No. 2015/81 supplementing the BRRD directive on ex ante contributions to the systems for financing the resolution, the Single Resolution Board determined the contributions to the single resolution fund for 2024. The target in terms of the funds to be collected for the resolution fund was achieved at 31 December 2023. The amount of contributions paid by Palatine was zero in 2024 and 2025 for both the portion recognised as an expense and the portion in the form of an irrevocable payment commitment (IPC) guaranteed by cash deposits entered as assets on the balance sheet. However, contributions may be called in the future, depending, in particular, on the evolution of the covered deposits and the possible use of the funds. The share of the IPCs corresponded to 15% of the calls for funds until 2022 and 22.5% for the 2023 contribution. These deposits are remunerated at the rate applicable to the market players concerned, i.e., €ster -20bp since 1st May 2023. The cumulative amount of collateral recognised as assets on the balance sheet totalled €7.7 million at 31 December 2025. It is recognized on the asset side of the balance sheet under 'Other assets' and was not subject to impairment at 31 December, 2025. Commitments in respect of IPC are not subject to a provision in liabilities. In effect, the conditions for using the SRF resources, and therefore for calling on irrevocable payment commitments, are strictly governed by regulations. These resources may only be called up in the event of a resolution procedure by an institution and after intervention of at least 8% of total liabilities by shareholders and holders of relevant capital instruments and other commitments usable for bail-in purposes. In addition, the SRF contribution must not exceed 5% of the total liabilities of the institution subject to a resolution procedure. Groupe BPCE does not expect a resolution measure requiring a call for contributions for the Group to occur in the Eurozone, nor does it expect a loss or withdrawal of its banking licence.

NOTE 3 Information on the income statement

3.1 Interest and similar income and expenses

Accounting principles

Interest and similar commission income is recognised on a pro rata basis.

Negative interest is presented as follows:

- a negative interest on an asset is presented as an interest expense in net revenue before tax;
- a negative interest on a liability is presented as interest income in net revenue before tax.

Commissions and fees related to granting or acquiring a loan are treated as additional interest amortized over the effective life of the loan, on a pro rata basis, according to the outstanding amount due.

The portion of income received during the year from bonds or negotiable debt securities is also recognised. The same applies to perpetual deeply subordinated notes that meet the definition of a regulatory equity Tier One instrument. Palatine considers that these revenues are effectively similar in nature to interest.

	2025 financial year			2024 financial year		
in millions of euros	Income	Expense	Net	Income	Expense	Net
Transactions with credit institutions	327.27	(277.97)	49.30	507.02	(419.55)	87.47
Customer transactions	455.75	(268.45)	187.30	473.90	(240.49)	233.41
Bonds and other fixed-income securities	51.78	(12.36)	39.42	23.23	(93.48)	(70.25)
Subordinated debt	0.00	(6.15)	(6.15)	0.00	(7.63)	(7.63)
Other	20.32	(3.11)	17.21	19.09	(2.27)	16.82
TOTAL	**855.12**	**(568.05)**	**287.07**	**1,023.24**	**(763.42)**	**259.82**

Interest income from transactions with credit institutions includes income from the Livret A, LDD, and LEP passbook savings accounts, which are deposited centrally with Caisse des dépôts et consignations.

The reversal of the provision for the regulated home purchase savings schemes amounted to €1.6 million in respect of the 2025 financial year, compared with €1 million in 2024.

3.2 Income and expenses on leasing and similar operations

Accounting principles

Income and expenses from non-current assets presented under 'Finance leases and similar transactions' and 'Operating leases' on the balance sheet are recognised under this item, in particular:

- rental amounts, and capital gains and losses on disposals of fixed assets held under finance leases, leases with a purchase option, or operating leases;
- charges and reversals for impairment, losses on irrecoverable loans, and recoveries of bad debts written off relating to the portion of doubtful rents for which impairment is mandatory, as well as those relating to contract termination payments;
- depreciation and amortisation on fixed assets.

Palatine only conducts operating lease transactions as a lessee.

3.3 Income from variable-income securities

Accounting principles

Income from variable-income securities includes dividends and other income from shares and other variable-income securities, equity investments, other long-term equity investments, and shares in related companies.

Dividends are recognised when the right to receive payment has been decided by the competent body.

in millions of euros	2025 financial year	2024 financial year
Shares in related companies	5.8	5.7
TOTAL	**5.8**	**5.7**

Including €3.9 million in dividends received from the Palatine Asset Management subsidiary, compared to €4.9 million in 2024.

3.4 Commissions

Accounting principles

Commissions that are similar in nature to interest are recognized under 'Interest and similar income and expenses' (see Note 3.1).

Other commission income is recognised according to the type of service provided as follows:

- commissions paid for an instantaneous service: recorded on completion of the service;
- commissions received for an ongoing or discontinued service paid for in several instalments are recognised over the period in which the service is provided.

	2025 financial year			2024 financial year		
in millions of euros	Income	Expense	Net	Income	Expense	Net
Cash and interbank transactions	0.6	(0.1)	0.6	0.9	(0.1)	0.8
Customer transactions	53.3	0.0	53.3	50.9	0.0	50.9
Securities transactions	0.1	(0.1)	0.0	0.0	0.0	0.0
Payment services	12.9	0.0	12.9	12.7	0.0	12.7
Foreign exchange transactions	0.2	0.0	0.2	0.2	0.0	0.2
Financial services	3.6	(6.8)	(3.2)	3.3	(6.5)	(3.2)
Consulting services	10.4	(0.7)	9.7	10.6	(0.6)	10.0
Sales of life insurance products	10.1	0.0	10.1	11.0	0.0	11.0
Sales of other insurance products	2.2	0.0	2.2	2.3	0.0	2.3
TOTAL	**93.4**	**(7.6)**	**85.8**	**91.9**	**(7.3)**	**84.6**

3.5 Net gains or losses on trading book transactions

Accounting principles

Net gains or losses on trading book transactions include:

- gains or losses on balance sheet and off-balance sheet transactions in trading securities;
- net gains or losses on outright forward currency exchange transactions, arising from currency purchases and sales and the periodic valuation of foreign currency and precious metal transactions;
- net gains or losses arising from transactions in derivative financial instruments, in particular interest rate, currency exchange, and stock market index futures, whether firm or conditional, including those used to hedge trading book transactions.

in millions of euros	2025 financial year	2024 financial year
Foreign exchange transactions	1.2	(4.6)
Derivative financial instruments	10.0	6.0
TOTAL	**11.1**	**1.4**

3.6 Net gains or losses on available-for-sale securities and similar items

Accounting principles

This item includes gains or losses on investment securities and on equity securities resulting from the difference between provision reversals and gains on disposals, and provisions and losses on disposals.

	2025 financial year			2024 financial year		
in millions of euros	Investment securities	Equity securities	Total	Investment securities	Equity securities	Total
Impairment						
Allocations	0.0	0.0	0.0	(2.7)	0.0	(2.7)
Reversals	13.9	0.0	13.9	16.7	0.0	16.7
Net gain/(loss) on disposal	**(4.2)**	**0.0**	**(4.2)**	**(11.6)**	**0.0**	**(11.6)**
TOTAL	**9.7**	**0.0**	**9.7**	**2.4**	**0.0**	**2.4**

The reversal of €13.9 million mainly consists of €11.7 million in sovereign securities and €1.7 million for Emeis (formerly Orpea) securities.

3.7 Other banking income and expense

Accounting principles

Other banking income and expenses cover primarily the share in joint operations, the rebilling of banking income and expenses, income and expenses from real estate business, and IT services.

This line item also includes expenses and income on finance lease and/or operating lease activities not carried out as a primary activity, and the fixed assets of which are presented under tangible fixed assets.

Such income and expenses include:

- rental amounts, and capital gains and losses on disposals of fixed assets held under finance leases, leases with a purchase option, or operating leases;
- charges and reversals for impairment, losses on irrecoverable loans, and recoveries of bad debts written off relating to the portion of doubtful rents for which impairment is mandatory, as well as those relating to contract termination payments;
- depreciation and amortisation on the fixed assets in question.

Since 2025, following the abolition of the expense transfer technique by the *Autorité des normes comptables* (ANC), the French national accounting standards authority, regulation No. 2023-03 amending ANC regulation No. 2014-07 of 26 November 2014 on the financial statements of companies in the banking sector, previously transferred expenses are presented directly as a deduction from the original expenses.

	2025 financial year			2024 financial year		
in millions of euros	Income	Expense	Total	Income	Expense	Total
Share of joint operations	0.0	(0.1)	(0.1)	0.0	0.0	0.0
Rebilling of banking income and expense	(0.2)	0.0	(0.2)	(0.1)	0.0	(0.1)
Other activities	0.5	(5.3)	(4.9)	0.6	(3.0)	(2.3)
Other related income and expenses	0.1	0.0	0.1	0.0	0.0	0.0
TOTAL	**0.4**	**(5.4)**	**(5.0)**	**0.5**	**(3.0)**	**(2.4)**

3.8 Operating expenses

Accounting principles

General operating expenses include employee benefits expense (wages and salaries), employee profit-sharing and incentive schemes, social security charges, and taxes relating to employee benefits expense. Other administrative costs are also recorded, including other taxes and fees paid for external services.

Since 2025, following the abolition of the expense transfer technique by the *Autorité des normes comptables* (ANC), the French national accounting standards authority, regulation No. 2023-03 amending ANC regulation No. 2014-07 of 26 November 2014 on the financial statements of companies in the banking sector, previously transferred expenses are presented directly as a deduction from the original expenses.

in millions of euros	2025 financial year	2024 financial year
Wages and salaries	(70.5)	(70.2)
Pension costs and similar obligations	(8.8)	(7.9)
Other social security charges	(30.7)	(29.3)
Employee incentive scheme	(13.6)	(10.0)
Employee profit-sharing scheme	(3.8)	(2.3)
Payroll taxes	(12.5)	(12.6)
TOTAL PAYROLL COSTS	**(139.9)**	**(132.3)**
Taxes other than on income	(2.9)	(3.3)
Other general operating expenses	(70.9)	(68.5)
Rebilled expenses	1.1	1.5
TOTAL OTHER OPERATING EXPENSES	**(72.6)**	**(70.3)**
TOTAL	**(212.5)**	**(202.6)**

For expense transfers: if it is not possible to allocate expense transfers by line, they can be presented on the 'Other general operating expenses' line.

The average headcount during the financial year, broken down by professional category, was as follows: 828 managers and 257 non-managers, representing a total of 1,086 employees.

The rebilling of 'central body' activities (listed in the French Monetary and Financial Code) paid to BPCE is now presented in net revenue before tax, and rebillings of Group assignments paid to BPCE are still presented in general operating expenses.

3.9 Cost of risk

Accounting principles

’Cost of risk’ includes only the cost related to credit risk (or counterparty risk). Credit risk is the existence of a potential loss related to the possibility of the counterparty defaulting on its obligations. The term ’counterparty’ refers to any legal entity that receives a loan or an off-balance sheet commitment, is party to a forward financial instrument, or is the issuer of a debt security.

Cost of credit risk is calculated when the loan is classified as non-performing, i.e., when it is probable that the Group will not collect all or part of the sums owed under the terms of the commitments made by the counterparty in accordance with the initial contractual provisions, notwithstanding any guarantees or collateral.

The credit risk is also measured when a credit risk is identified on performing loans, showing a significant increase in credit risk since their initial recognition (see Notes 4.1 and 4.2.1).

Cost of credit risk, therefore, comprises all impairment charges and reversals on loans and advances due from customers, credit institutions, and fixed-income investment securities (in the event of a proven risk of issuer default), provisions for off-balance sheet commitments (excluding off-balance sheet financial instruments), as well as losses on irrecoverable loans and recoveries of bad debts written off.

However, provisions and reversals, losses on irrecoverable loans or recoveries of bad debts written off relating to interest on non-performing loans for which provisioning is mandatory are classified under ’Interest and similar income’ and ’Other banking income’ on the income statement. For trading securities, investment securities, and equity securities available for sale in the medium term and derivative financial instruments, the cost of counterparty risk is recorded directly under gains and losses on these portfolios, except in the event of a proven risk of counterparty default, where this component may be isolated and changes in provisions for counterparty risk are then recorded under ’Cost of risk’.

	2025 financial year					2024 financial year				
in millions of euros	Alloca-tions	Reversals and uses of funds	Losses	Recove-ries of bad debts written off	Total	Alloca-tions	Reversals and uses of funds	Losses	Recoveries of bad debts written off	Total
Impairment of assets										
Customers	(155.1)	173.1	(59.9)	0.9	(41.0)	(151.5)	110.3	(18.3)	0.3	(59.2)
Securities portfolio and other receivables	(2.3)	0.0	0.0	0.0	(2.3)	(0.4)	0.0	0.0	0.0	(0.4)
Provisions										
Off-balance sheet commitments	(17.7)	8.5	0.0	0.0	(9.2)	(7.4)	16.3	0.0	0.0	8.9
Provisions for customer risk	(11.4)	14.8	0.0	0.0	3.4	(20.2)	2.6	0.0	0.0	(17.6)
TOTAL	**(186.5)**	**196.4**	**(59.9)**	**0.9**	**(49.1)**	**(179.5)**	**129.2**	**(18.3)**	**0.3**	**(68.3)**
Of which:										
• Reversals of obsolete impairment charges	0.0	181.6	0.0	0.0	0.0	0.0	126.6	0.0	0.0	0.0
• Reversals of impairment losses used	0.0	59.9	0.0	0.0	0.0	0.0	18.3	0.0	0.0	0.0
• Reversals of provisions no longer required	0.0	14.8	0.0	0.0	0.0	0.0	2.6	0.0	0.0	0.0
• Reversals of provisions used	0.0	(59.9)	0.0	0.0	0.0	0.0	(18.3)	0.0	0.0	0.0
TOTAL REVERSALS	**0.0**	**196.4**	**0.0**	**0.0**	**0.0**	**0.0**	**129.2**	**0.0**	**0.0**	**0.0**

3.10 Profits and losses on non-current assets

Accounting principles

Profits and losses on non-current assets include:

- gains or losses on disposals of tangible and intangible fixed assets used for the bank's operations, arising from the difference between capital gains and losses on disposals, and charges to and reversals of provisions;
- gains or losses on investments in unconsolidated subsidiaries, other long-term equity investments, shares in related companies, and held-to-maturity securities, resulting from the difference between provision reversals and gains on disposals, and charges to provisions and losses on disposals.

in millions of euros	2025 financial year				2024 financial year			
	Investments in subsidiaries and long-term equity investments	Held-to-maturity securities	Tangible and intangible fixed assets	Total	Investments in subsidiaries and long-term equity investments	Held-to-maturity securities	Tangible and intangible fixed assets	Total
Net gain/(loss) on disposal	0.0	0.0	(2.1)	(2.1)	0.0	0.0	5.4	5.4
TOTAL	**0.0**	**0.0**	**(2.1)**	**(2.1)**	**0.0**	**0.0**	**5.4**	**5.4**

The disposal of the investment in Aries Assurances resulted in a loss of €3.5 million, offset by a reversal of impairment of €3.9 million.

The sale of the Chamonix branch generated a capital gain of €1.1 million.

3.11 Non-recurring items

Accounting principles

This item only includes income and expenses before tax, which are generated or occur on a non-recurring basis and are not related to the Group's regular activities.

in millions of euros	2025 financial year	2024 financial year
Non-recurring income	6.1	0.0
Non-recurring expenses		

The non-recurring items include the recognition of an error correction in the amount of €6 million, resulting from the incorrect application of the method of accounting for premiums related to financial instruments during the migration to the new information system.

3.12 Income tax

Accounting principles

Since the 2009 financial year, the Caisse d'Epargne and Banque Populaire networks have applied the provisions of Article 91 of the amended French finance Act for 2008, which extends the tax consolidation regime to the networks of mutual banks. This option is modelled on tax consolidation for mutual insurers and takes into account consolidation criteria not based on ownership interest (the scheme is usually available if at least 95% of the share capital of a subsidiary is owned by a parent company).

Palatine signed a tax consolidation agreement with its parent company, under which it recognises in its financial statements any tax liabilities that it would have had to pay had it not been part of a mutual tax consolidation group.

The income tax expense appearing in the income statement for the period is the corporate income tax due in respect of the period and the provision for the tax liabilities of the EIGS.

The rules of the OECD pillar 2, aiming at the implementation of a minimum global corporate tax rate of 15%, transposed into French law by the finance act for 2024, are now applicable to financial years beginning from 1st January 2024. BPCE, as the ultimate parent company of Groupe BPCE as a whole, will be the entity liable for this additional tax. In light of the legal and contractual provisions in force to date, Palatine is not subject to this additional tax, which will be borne by BPCE.

Note, however, the special case of jurisdictions in which entities are established whose local tax regulations provide for payment to the tax authorities of any top-up tax due in respect of that jurisdiction. In such a case, the relevant entity could be required to pay, and therefore recognise, the additional tax in respect of that jurisdiction (tax legislation still to be adopted).

3.12.1 Breakdown of income tax on 2025 profits

Palatine is a member of the consolidated tax group set up by BPCE. It also heads the consolidated tax subgroup formed of its subsidiaries Palatine Asset Management (PAM) and Société Immobilière d'Investissement (SII).

The disposal of Ariès Assurance, which took place in December 2025, led to a retroactive exit from the tax consolidation scope as of 1st January 2025.

Income tax paid to the head company of the group, which can be broken into income before non-recurring items and non-recurring items, can be analysed as follows:

in millions of euros	2025 financial year	2024 financial year
Taxable bases at the following rates:	**25%**	**25.0%**
In respect of current income	129.3	101.3
Allocation of deficits	**0.0**	**0.0**
Taxable bases	**129.3**	**101.3**
Applicable tax	32.3	25.3
+3.3% supplementary corporate tax	1.0	0.8
- Deductions in respect of tax credits*	(0.3)	(0.4)
Reported income tax(1)	**39.5**	**25.7**
TOTAL	**39.5**	**27.5**

(1) *Including €6.07 million in tax in respect of the surcharge.*

3.12.2 Details of taxable income for the 2025 financial year – reconciliation of accounting income to taxable income

in millions of euros	2025 financial year	2024 financial year
Net accounting income (A)	**101.9**	**58.4**
Social tax (B)	**39.5**	**27.5**
Reinstatements (C)	**85.0**	**84.0**
Impairment of long-term investments	0.0	0.0
Other impairment losses and provisions	80.0	82.8
Provision for funds for general banking risks (FGBR)	0.0	0.0
Mutual funds	0.0	0.0
Capital losses on long-term and exempt schemes	3.5	0.0
Share of profits of partnerships or economic interest groups	0.0	0.0
Other items	1.5	1.2
Deductions (D)	**97.1**	**68.6**
Long-term capital gains under exemptions	0.0	0.0
Reversals of impairment and provisions	89.6	61.8
Dividends	5.2	5.2
Reversal of provision for funds for general banking risks (FGBR)	0.0	0.0
Share of losses of partnerships or economic interest groups	0.0	0.0
Amortisation of acquisition costs	0.0	0.0
Incorporation costs	0.0	0.0
Other items	2.3	1.7
Tax base at standard rate (A) + (B) + (C) - (D)	**129.3**	**101.3**

NOTE 4 Balance sheet information

Unless otherwise indicated, explanatory notes for balance sheet items are presented net of depreciation, amortisation, impairment, and provisions.

Certain information relating to credit risk required by the *Autorité des Normes Comptables* (ANC), the French national accounting standards authority, regulation No. 2014-07 is presented in the risk management report.

4.1 Interbank transactions

Accounting principles

Loans and advances due from credit institutions cover all loans and advances made in connection with banking transactions, with the exception of those represented by a security. They also include securities purchased under resale agreements, regardless of the type of underlying asset, and loans and advances relating to securities under repurchase agreements. They are broken down between demand loans and advances, and term loans and advances. Loans and advances due from credit institutions are recorded on the balance sheet at their nominal value, with the exception of buybacks of customer loans, which are recorded at acquisition cost, plus accrued interest and net of any impairment charges recognised for credit risk.

Amounts due to credit institutions are presented according to their terms (demand deposits and current accounts or term deposits and borrowings), and amounts due to customers are classified according to their nature (regulated savings accounts and other deposits for customers). Depending on the counterparty involved, these items include securities and other assets sold under repurchase agreements. Accrued interest is recorded under related payables.

Guarantees received are booked as off-balance sheet items. They are remeasured on a regular basis. The total carrying amount of all guarantees received for a single loan is limited to the principal amount outstanding on the loan.

Restructured loans

Within the meaning of the *Autorité des Normes Comptables* (ANC), the French national accounting standards authority, regulation No. 2014-07, restructured loans are non-performing loans whose initial characteristics (term, interest rate) are modified to allow the counterparties to repay the amounts due.

A discount is taken on restructured loans to reflect the difference between the present value of the contractual cash flows at inception and the present value of expected principal and interest repayments after restructuring. The discount rate used for fixed-rate loans is the initial effective interest rate, and the discount rate used for variable-rate loans is the most recent effective interest rate prior to the restructuring date. The effective rate is the contractual rate. This discount is expensed to 'Cost of risk' in income and offset against the corresponding outstanding on the balance sheet. It is written back to net interest income in the income statement over the life of the loan using an actuarial method.

A restructured loan may be reclassified as performing when the new repayment dates are observed. When a loan that has been reclassified becomes overdue, regardless of the restructuring terms agreed, the loan is downgraded to non-performing.

Non-performing loans

Non-performing loans consist of all outstanding amounts (whether or not they are due, guaranteed or other), where at least one commitment made by the obligor has involved a known credit risk, classified as such on an individual basis. Loans are considered 'at risk' when it is probable that the Group will not collect all or part of the sums due under the terms of the commitments made by the counterparty, notwithstanding any guarantees or collateral.

Doubtful assets are identified in compliance with the *Autorité des Normes Comptables* (ANC), the French national accounting standards authority, regulation No. 2014-07, particularly in the case of loans with payments more than three months past due (more than six months past due for real estate loans and more than nine months past due for loans to local authorities).

Doubtful assets are considered to be irrecoverable when full or partial collection is deemed to be highly unlikely, and a write-off is considered. Loans and advances whose terms have lapsed, terminated lease financing arrangements, and perpetual loans which have been rescinded are considered as irrecoverable. The existence of guarantees covering nearly all risks, along with the conditions for classification as non-performing loans, shall be taken into consideration in order to qualify a doubtful asset as irrecoverable and to assess the associated impairment provision. A debt that has been classified as doubtful for more than one year is assumed to be irrecoverable unless a write-off is not foreseen. Reclassification of a debt from doubtful to irrecoverable does not automatically entail the reclassification of the counterparty's other doubtful assets and commitments to irrecoverable.

For non-performing loans, accrued interest, and/or interest due but not received, is recognised in banking income and impaired accordingly. For irrecoverable loans, accrued interest due but not yet received is not recognised.

Non-performing loans are reclassified as performing once the obligor resumes regular payments in accordance with the original repayment schedule, provided that the counterparty is no longer considered to be at risk of default.

Repurchase agreements

Collateralised repurchase agreements are recognised in accordance with the *Autorité des Normes Comptables* (ANC), the French national accounting standards authority, regulation No. 2014-07, complemented by instruction No. 94-07, as amended, issued by the French banking commission.

The assets sold continue to be recorded in the vendor's balance sheet, with a corresponding entry for the amount collected, representing its debt to the purchaser, under liabilities. The buyer records the amount paid under assets, representing the amount owed to the vendor. At each balance sheet date, the assets, as well as the liabilities towards the buyer or the amount owed to the vendor, are measured in accordance with the rules specific to these transactions.

Impairment

Loans for which recovery is uncertain result in the recognition of an impairment loss on the asset to cover the risk of loss. Impairment losses are calculated on a case-by-case basis, taking into account the present value of guarantees received. They are determined at least quarterly and are calculated in reference to available guarantees and a risk analysis. At a minimum, impairment losses cover the interest not received on doubtful assets.

Impairment for probable losses includes all impairment charges, calculated as the difference between the principal amount outstanding and the projected cash flows discounted at the initial effective interest rate. Projected cash flows are determined by category of receivables, based on past losses and/or expert analysis, and are positioned over time using debt schedules based on past collection records.

Impairment charges and reversals recognised for non-recovery risk are recorded under 'Cost of risk' except for the impairment of interest on non-performing loans, which is recorded as impaired interest under 'Interest and similar income'.

The reversal of impairment losses arising solely from the passage of time is recorded under 'Interest and similar income'.

When the credit risk has been identified, on loans that are not doubtful but showing a significant increase in the credit risk since their initial recognition, it is assessed on the basis of the credit losses expected over their remaining lifetimes. This credit risk is recorded in the form of a liability provision. Since 1st January 2018, the measurement of these non-doubtful loans has been aligned with those in IFRS 9 of Stage 2 (S2) adopted for the consolidated financial statements.

Irrecoverable loans and advances are written off as losses, and the corresponding impairment allowances are reversed.

Assets

in millions of euros	31/12/2025	31/12/2024
Current accounts	1,034.5	1,552.9
Demand loans and advances	**1,034.5**	**1,552.9**
Term accounts and loans	3,053.1	3,145.9
Term loans and advances	**3,053.1**	**3,145.9**
Accrued interest	**6.9**	**10.4**
Non-performing loans	**0.0**	**0.0**
Impairment of interbank loans and advances	**0.0**	**0.0**
TOTAL	**4,094.5**	**4,709.2**

The centralisation of the Livret A and LDD savings accounts at the Caisse des dépôts et consignations amounted to €661 million at 31 December 2025, compared with €627 million at 31 December 2024, which is presented as a deduction from liabilities in Note 4.2.

Liabilities

in millions of euros	31/12/2025	31/12/2024
Current accounts	7.3	2.7
Other amounts due	0.5	1.0
Demand accounts	**7.8**	**3.6**
Term accounts and loans	1,615.4	1,516.6
Accrued interest payable on term loans	10.7	10.5
Term accounts	**1,626.2**	**1,527.1**
TOTAL	**1,634.0**	**1,530.8**

4.2 Customer transactions

4.2.1 Customer transactions

Accounting principles

Loans and advances due from customers include loans to entities other than credit institutions, with the exception of debt securities issued by customers, assets purchased under resale agreements, and receivables corresponding to securities sold under repurchase agreements. They are broken down between business loans, current accounts with overdrafts, and other facilities granted to customers. Loans granted to customers are recorded on the balance sheet at their nominal value, with the exception of repurchases of customer loans, which are recorded at acquisition cost, plus accrued interest and net of any impairment charges recognised for credit risk. Fees and marginal transaction costs are added to the principal amount outstanding on the loan in question.

Guarantees received are booked as off-balance sheet items. They are remeasured on a regular basis. The total carrying amount of all guarantees received for a single loan is limited to the principal amount outstanding on the loan.

State-guaranteed loans

The state-guaranteed loan (*Prêt Garanti par l'Etat*—SGL) is a support framework set up in the application of Article 6 of Act No. 2020-289 of 23 March 2020 (the amended French finance act for 2020), and of the decision of the minister of the economy and finance of 23 March 2020, granting a state guarantee to credit institutions and finance companies as of 16 March 2020 in order to meet the cash flow needs of companies impacted by the Covid-19 health crisis. The SGL is subject to common eligibility criteria applicable by all institutions issuing the loan, as set out by law. The framework ended on 30 June, 2022.

The SGL is a one-year loan with capital repayments deferred for this period. The beneficiary companies may decide, at the end of the first year, to amortise the SGL over a period of one to five additional years or to start the amortisation of the capital only from the second year of the period by paying only the interest and the cost of the state guarantee.

For eligible companies, the amount of the state-guaranteed loan is capped, in the general case (excluding innovative and recently created companies and excluding the season loans for our tourism/hotels/catering customers, for example), at 25% of the company's revenue. State-guaranteed loans are 70% to 90% guaranteed by the French state, depending on the borrowing company's size, with the lending banks carrying the remaining risk. The state guarantee covers a percentage of the outstanding amount of the debt (capital, interest, and accessories) until its expiry. The state guarantee may be called before the expiry of the term in the event of a credit event.

The prepayment penalty is set in the contract, at a reasonable level (2% of the principal amount outstanding during the initial loan period, then 3%-6% of the principal amount outstanding during the repayment period). The terms and conditions for extending the loan are not set in advance but are established two to three months before the extension option expires, in line with market conditions.

The SGLs may not be covered by another collateral security or guarantee besides the state guarantee, with the exception of those granted pursuant to a ministerial order by the minister of the economy and finance. The self-employed professional or business leader may request or be offered loan repayment insurance, but such insurance is not mandatory.

With regard to the state guarantee, it is considered an integral part of the terms of the contract and is taken into account in the calculation of expected credit loss impairments. The guarantee fee paid at the granting of the loan by Groupe BPCE to the French state is recognised in profit or loss over the initial term of the state-guaranteed loan according to the Effective Interest Rate (EIR) Method. The impact is recognised in net interest income.

The Resilience SGL, open until 6 April 2022, complements the SGL for companies affected by the consequences of the conflict in Ukraine. The authorised ceiling is 15% of the average revenue over the last three financial years. Except for its amount, subject to the new ceiling of 15% of revenue, this additional Resilience SGL takes the same form as the SGLs introduced at the beginning of the health crisis: same maximum duration (up to six years), same minimum deductible repayment period (12 months), same guaranteed percentage and guarantee premium. The Resilience SGL could be fully combined with any SGLs already obtained until 30 June 2022. This framework ended on 31 December, 2023.

Restructured loans

Within the meaning of the *Autorité des Normes Comptables* (ANC), the French national accounting standards authority, regulation No. 2014-07, restructured loans are non-performing loans whose initial characteristics (term, interest rate) are modified to allow the counterparties to repay the amounts due.

A discount is taken on restructured loans to reflect the difference between the present value of the contractual cash flows at inception and the present value of expected principal and interest repayments after restructuring. The discount rate used for fixed-rate loans is the initial effective interest rate, and the discount rate used for variable-rate loans is the most recent effective interest rate prior to the restructuring date. The effective rate is the contractual rate. This discount is expensed to 'Cost of risk' in income and offset against the corresponding outstanding on the balance sheet. It is written back to net interest income in the income statement over the life of the loan using an actuarial method.

A restructured loan may be reclassified as performing when the new repayment dates are observed. When a loan that has been reclassified becomes overdue, regardless of the restructuring terms agreed, the loan is downgraded to non-performing.

Non-performing loans

Non-performing loans consist of all outstanding amounts (whether or not they are due, guaranteed, or other), where at least one commitment made by the obligor has involved a known credit risk, classified as such on an individual basis. Loans are considered 'at risk' when it is probable that the Group will not collect all or part of the sums due under the terms of the commitments made by the counterparty, notwithstanding any guarantees or collateral.

Doubtful assets are identified in compliance with the *Autorité des Normes Comptables* (ANC), the French national accounting standards authority, regulation No. 2014-07, particularly in the case of loans with payments more than three months past due (more than six months past due for real estate loans and more than nine months past due for loans to local authorities).

Doubtful assets are considered to be irrecoverable when full or partial collection is deemed to be highly unlikely, and a write-off is considered. Loans and advances whose terms have lapsed, terminated lease financing arrangements, and perpetual loans which have been rescinded are considered as irrecoverable. The existence of guarantees covering nearly all risks, along with the conditions for classification as non-performing loans, shall be taken into consideration in order to qualify a doubtful asset as irrecoverable and to assess the associated impairment provision. A debt that has been classified as doubtful for more than one year is assumed to be irrecoverable unless a write-off is not foreseen. Reclassification of a debt from doubtful to irrecoverable does not automatically entail the reclassification of the counterparty's other doubtful assets and commitments to irrecoverable.

For non-performing loans, accrued interest, and/or interest due but not received, is recognised in banking income and impaired accordingly. For irrecoverable loans, accrued interest due but not yet received is not recognised.

Non-performing loans are reclassified as performing once the obligor resumes regular payments in accordance with the original repayment schedule, provided that the counterparty is no longer considered to be at risk of default.

Repurchase agreements

Collateralised repurchase agreements are recognised in accordance with the *Autorité des Normes Comptables* (ANC), the French national accounting standards authority, regulation No. 2014-07, complemented by instruction No. 94-07, as amended, issued by the French banking commission.

The assets sold continue to be recorded in the vendor's balance sheet, with a corresponding entry for the amount collected, representing its debt to the purchaser, under liabilities. The buyer records the amount paid under assets, representing the amount owed to the vendor. At each balance sheet date, the assets, as well as the liabilities towards the buyer or the amount owed to the vendor, are measured in accordance with the rules specific to these transactions.

Impairment

Loans for which recovery is uncertain result in the recognition of an impairment loss on the asset to cover the risk of loss. Impairment losses are calculated on a case-by-case basis, taking into account the present value of guarantees received and the costs of taking possession and selling the collateral. They are determined at least quarterly and are calculated in reference to available guarantees and a risk analysis. At a minimum, impairment losses cover the interest not received on doubtful assets.

Impairment for probable losses includes all impairment charges, calculated as the difference between the principal amount outstanding and the projected cash flows discounted at the initial effective interest rate. Projected cash flows are determined by category of receivables, based on past losses and/or expert analysis, and are positioned over time using debt schedules based on past collection records.

Impairment charges and reversals recognised for non-recovery risk are recorded under 'Cost of risk' except for the impairment of interest on non-performing loans, which is recorded as impaired interest under 'Interest and similar income'.

The reversal of the impairment related to the passage of time alone is recorded under 'Cost of risk'.

When the credit risk has been identified, on loans that are not doubtful but showing a significant increase in the credit risk since their initial recognition, it is assessed on the basis of the credit losses expected over their remaining lifetimes. This credit risk is recorded in the form of a liability provision. Since 1st January 2018, the measurement of these non-doubtful loans has been aligned with those in IFRS 9 of Stage 2 (S2) adopted for the consolidated financial statements. Expected credit losses are defined as being an estimate of credit losses (i.e., the present value of cash flow shortfalls) weighted by the probability of occurrence of these losses over the expected lifetime of the financial instrument in question. They are calculated individually for each exposure.

In practice, for Stage 2 outstandings, expected credit losses are measured on the basis of several parameters:

- expected cash flows over the life of the financial instrument, discounted to the valuation date – these flows are determined according to the characteristics of the contract, its effective interest rate and, for home loans, the expected level of early repayment on the contract;
- loss given default rate;
- probability of default until maturity of the contract.

Irrecoverable loans and advances are written off as losses, and the corresponding impairment allowances are reversed.

The parameters used to measure the expected credit losses are adjusted to the economic environment via the definition of three economic scenarios defined over a three-year horizon:

- the central scenario used by the Group is that validated in June 2025. It corresponds to the consensus forecasts for the main economic variables having an impact on the calculation of expected credit losses;

- a pessimistic scenario, with less favourable macroeconomic variables, corresponding to a less violent variant of the ICAAP scenario 'Trade Wars and Exacerbation of Protectionism';
- an optimistic scenario, corresponding to more favourable macroeconomic variables in the context of the central scenario.

The definition and review of these scenarios follow the same organisation and governance as that defined for the budget process, with a quarterly review on the basis of economic research proposals and validation by the Executive Management Committee. The probabilities of occurrence of the scenarios are reviewed quarterly by the Group's Watch List and Provisions Committee. The inputs thus defined allow expected credit losses for all exposures to be valued, regardless of whether they belong to a scope approved using an internal method or are processed using the standardised method for the calculation of risk-weighted assets.

Additional provisions have been recorded by the institutions to cover the specific risks of their portfolios, in addition to the provisions described above and calculated by the Group's tools. These provisions mainly concern structured financing, professional real estate (offices, retail), and SCPIS.

Loans and advances due from customers

Assets in millions of euros	31/12/2025	31/12/2024
Current accounts with overdrafts	**529.5**	**664.5**
Business loans	**142.9**	**139.1**
Export loans	35.8	35.6
Short-term credit facilities and consumer loans	3,993.4	4,354.8
Equipment loans	3,707.0	3,368.1
Home credits	2,912.7	2,825.5
Other customer loans	182.1	184.5
Subordinated loans	1.3	1.3
Other	26.3	67.8
Other facilities granted to customers	**10,858.6**	**10,837.6**
Accrued interest	**45.8**	**53.3**
Non-performing loans	**609.9**	**601.9**
Impairment of loans and advances due from customers	**(241.6)**	**(260.5)**
TOTAL	**11,945.1**	**12,035.9**

Loans and advances due from customers eligible for refinancing by the central bank of the country or countries in which the institution is established or the European Central Bank System amount to €389 million.

The state-guaranteed loans (SGL) amounted to €281 million at 31 December 2025, compared with €446 million at 31 December 2024.

Amounts due to customers

Liabilities in millions of euros	31/12/2025	31/12/2024
Regulated savings accounts	**945.3**	**912.6**
Livret A savings accounts	259.7	196.9
PEL/CEL	126.8	141.2
Other regulated savings accounts	558.8	574.5
Other accounts and loans from customers	**12,181.6**	**11,920.8**
Guarantee deposits	**0.0**	**0.0**
Other amounts due	**8.0**	**11.3**
Accrued interest	**30.6**	**47.7**
TOTAL	**13,165.5**	**12,892.4**

Breakdown of other accounts and loans from customers

	31/12/2025			31/12/2024		
in millions of euros	Demand	Term	Total	Demand	Term	Total
Current accounts	11,056.7	0.0	11,056.7	10,552.7	0.0	10,552.7
Other accounts and loans	0.0	1,124.9	1,124.9	0.0	1,368.1	1,368.1
TOTAL	**11,056.7**	**1,124.9**	**12,181.6**	**10,552.7**	**1,368.1**	**11,920.8**

4.2.2 Breakdown of outstanding loans by economic agent

	Performing loans and advances	Non-performing loans		O/w irrecoverable non-performing loans	
in millions of euros	Gross	Gross	Individual impairment	Gross	Individual impairment
Non-financial companies	9,378.22	577.70	(231.19)	245.91	(123.11)
Self-employed customers	46.56	1.84	(0.43)	0.05	(0.05)
Individual customers	1,853.08	30.41	(9.98)	9.79	(5.83)
Non-profit institutions	9.01	0.01	0.00	0.00	0.00
Government and social security institutions	31.17	0.00	0.00	0.00	0.00
Other	258.73	0.00	0.00	0.00	0.00
TOTAL AT 31 DECEMBER, 2025	**11,576.77**	**609.95**	**(241.60)**	**255.75**	**(129.00)**
Total at 31 December 2024	**11,694.46**	**601.87**	**(260.47)**	**207.81**	**(105.06)**

4.3 Treasury bills, bonds, equities, and other fixed-/variable-income securities

4.3.1 Securities portfolio

Accounting principles

The term 'securities' covers interbank market securities, treasury bills, and other negotiable debt securities, bonds, and other fixed-income securities (*i.e.* securities with a non-random yield), equities, and other variable-income securities.

For accounting purposes, securities transactions are governed by the *Autorité des Normes Comptables* (ANC), the French national accounting standards authority, regulation No. 2014-07, which sets out the general accounting and measurement rules applicable to securities and the rules governing specific transactions such as temporary sales of securities.

Securities are classified in the following categories: investments in unconsolidated subsidiaries, shares in related companies, other long-term equity investments, held-to-maturity securities, equity securities available for sale in the medium term, investment securities, and trading securities.

With respect to trading securities, investment securities, held-to-maturity securities, and equity securities available for sale in the medium term, provisions for counterparties with known default risks whose impact can be separately identified are recognised in the form of impairments. Changes in impairment are recorded under the cost of risk.

In the event of a securities lending transaction, the securities loaned cease to appear on the balance sheet, and a receivable representing the carrying amount of the securities loaned is recognised as an asset.

In the case of a securities borrowed transaction, the borrowed securities are recorded in the trading securities category with a corresponding liability to the securities debt to the lender for an amount equal to the market price of the securities borrowed on the date of borrowing. Securities borrowed are presented on the balance sheet as a deduction from the debt representing the value of the securities borrowed.

Trading securities

These are securities acquired or sold with the intention to resell or repurchase them after a short holding period. In order to be eligible for this category, the securities must be tradable on an active market at the date of their initial recognition, and their market prices must be accessible, representing actual transactions regularly occurring in the market under normal trading conditions. They may be either fixed- or variable-income instruments.

Trading securities are recorded in the accounts at cost on their acquisition date, less transaction costs and including accrued interest, where applicable. In the event of short selling, the debt is recorded under liabilities in the amount of the selling price of the securities, less transaction costs.

At closing, they are valued at the market price of the most recent day: the overall balance of differences resulting from price changes is recorded in the income statement. For UCITS and investment funds, market value corresponds to net asset values reflecting available market information at the balance sheet date.

Securities classified as trading securities may not be transferred to another accounting category (except in exceptional market situations requiring a change of strategy or in the absence of an active market for fixed-income securities), and the rules for their presentation and measurement continue to apply until they are sold, redeemed in full, or written off.

Investment securities

Securities that do not qualify for recognition in any other category are considered as investment securities.

Investment securities are recorded in the accounts at cost on their acquisition date, less transaction costs.

Where applicable, for fixed-income securities, accrued interest is recognised as a balancing entry in the income statement under 'Interest and similar income'.

Any difference between the acquisition price and the redemption value (premium or discount) for fixed-income instruments is recorded in the income statement over the remaining term of the security using the actuarial method.

Investment securities are measured at the lower of acquisition cost or market price. For UCITS and investment funds, market value corresponds to net asset values reflecting available market information at the balance sheet date.

Unrealised capital losses are subject to an impairment charge that can be estimated for each group of similar securities, with no offsetting against capital gains recorded on other categories of securities.

Gains generated by hedging instruments, if any, as defined by Article 2514-1 of the *Autorité des Normes Comptables* (ANC), the French national accounting standards authority, regulation No. 2014-07, are taken into account for the calculation of impairment. Unrealised capital gains are not recognised.

Gains and losses on disposal of investment securities, as well as impairment charges and reversals are recorded under 'Net gains or losses on available-for-sale securities and similar items'.

Held-to-maturity securities

These include fixed-income securities with fixed maturity that were acquired or have been reclassified from 'Trading securities' or 'Investment securities' and which the company intends and is able to hold to maturity. The securities should not be subject to an existing restriction, legal or otherwise, liable to have an adverse effect on the company's intention to hold the securities to maturity. Classification as held-to-maturity securities is not incompatible with their designation as items hedged against interest rate risk.

Held-to-maturity securities are recorded in the accounts at cost as of their acquisition date, less transaction costs. When previously classified as available for sale, they are recorded at cost, and the previously recognised impairment charges are reversed over the residual life of the relevant securities.

The difference between the acquisition cost and the redemption value of the securities, and the corresponding interest, is recognised in accordance with the same rules as those applicable to fixed-income investment securities.

An impairment loss may be recognised if there is a strong probability that the institution will not hold the securities to maturity due to new circumstances or if there is a risk of default by the issuer. Unrealised capital gains are not recognised.

Held-to-maturity securities cannot be sold or transferred to another category of securities, with certain exceptions.

Pursuant to the provisions of the *Autorité des Normes Comptables* (ANC), the French national accounting standards authority, regulation No. 2014-07, fixed-income trading securities or investment securities reclassified into the category of held-to-maturity securities as a result of market illiquidity may be sold when the market on which they are traded becomes active again.

Equity securities available for sale in the medium term

Equity securities available for sale in the medium term comprise securities held with the sole objective of obtaining capital gains in the medium term, without the intent of long-term investment, to develop the investee's business activities or actively participate in its operational management. In theory, these are always variable-income securities. This investment activity has to be significant and continuous, carried out in a structured framework, and must generate regular returns derived primarily from capital gains on disposals.

Equity securities available for sale in the medium term are recognised at cost on their acquisition date, less transaction costs.

At the balance sheet date, they are carried at the lower of historical cost or value in use. Unrealised capital losses must be written down without offsetting unrealised capital gains. Unrealised capital gains are not recognised.

Securities recorded under equity securities available for sale in the medium term cannot be transferred to any other accounting category.

	31/12/2025					31/12/2024				
in millions of euros	Trans-action	Available-for-sale securities	Held-to-maturity securities	Equity securities	Total	Trans-action	Available-for-sale securities	Held-to-maturity securities	Equity securities	Total
Gross amount	0.0	1,088.9	648.6	0.0	1,737.5	0.0	579.9	420.3	0.0	1,000.3
Accrued interest	0.0	9.1	5.5	0.0	14.5	0.0	4.7	1.6	0.0	6.4
Impairment	0.0	(19.2)	0.0	0.0	(19.2)	0.0	(31.0)	0.0	0.0	(31.0)
Treasury bills and similar securities	**0.0**	**1,078.8**	**654.1**	**0.0**	**1,732.8**	**0.0**	**553.7**	**422.0**	**0.0**	**975.7**
Gross amount	0.0	62.8	337.8	0.0	400.5	0.0	57.8	197.5	0.0	255.3
Accrued interest	0.0	3.1	13.7	0.0	16.8	0.0	2.1	2.2	0.0	4.3
Impairment	0.0	(0.1)	(21.6)	0.0	(21.7)	0.0	(0.6)	24.7	0.0	25.2
Bonds and other fixed-income securities	**0.0**	**65.8**	**329.8**	**0.0**	**395.7**	**0.0**	**59.4**	**175.0**	**0.0**	**234.4**
Gross amount	0.0	0.0	0.0	0.0	0.0	0.0	3.2	0.0	0.0	3.2
Accrued interest		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0
Impairment	0.0	0.0	0.0	0.0	0.0	0.0	(1.7)	0.0	0.0	(1.7)
Equities and other variable-income securities	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**1.5**	**0.0**	**0.0**	**1.5**
TOTAL	**0.0**	**1,144.6**	**983.9**	**0.0**	**2,128.5**	**0**	**614.6**	**596.9**	**0.0**	**1,211.5**

The market value of held-to-maturity securities stood at €906.3 million.

Treasury bills and other similar securities

in millions of euros	31/12/2025 Transaction	31/12/2025 Investment securities	31/12/2025 Held-to-maturity securities	31/12/2025 Total	31/12/2024 Transaction	31/12/2024 Investment securities	31/12/2024 Held-to-maturity securities	31/12/2024 Total
Listed securities	0.0	1,069.7	648.6	1,718.3	0.0	548.9	420.3	969.3
Accrued interest	0.0	9.1	5.5	14.5	0.0	4.7	1.6	6.4
TOTAL	**0.0**	**1,078.8**	**654.1**	**1,732.9**	**0.0**	**553.7**	**422.0**	**975.7**

Treasury bills, bonds and other fixed-income securities

in millions of euros	31/12/2025 Transaction	31/12/2025 Investment securities	31/12/2025 Held-to-maturity securities	31/12/2025 Total	31/12/2024 Transaction	31/12/2024 Investment securities	31/12/2024 Held-to-maturity securities	31/12/2024 Total
Listed securities	0.0	62.8	0.0	62.8	0.0	57.8	0.0	57.8
Unlisted securities	0.0	0.0	318.6	318.6	0.0	0.0	174.5	174.5
Non-performing loans	0.0	0.0	(2.5)	(2.5)	0.0	0.0	(1.7)	(1.7)
Accrued interest	0.0	3.1	13.7	16.8	0.0	1.6	2.2	3.8
TOTAL	**0.0**	**65.9**	**329.8**	**395.7**	**0.0**	**59.4**	**175.0**	**234.4**

Unrealised losses on investment securities amounted to -€22.9 million at 31 December 2025, compared with -€33 million at 31 December 2024.

The portion of bonds and other fixed-income securities issued by public bodies amounted to €1.737 million at 31 December 2025.

Equities and other variable-income securities

in millions of euros	31/12/2025 Transaction	31/12/2025 Investment securities	31/12/2025 Equity securities	31/12/2025 Total	31/12/2024 Transaction	31/12/2024 Investment securities	31/12/2024 Equity securities	31/12/2024 Total
Listed securities	0.0	0.0	0.0	0.0	1.5	0.0	0.0	1.5
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**1.5**	**0.0**	**0.0**	**1.5**

Unrealised capital losses on impaired investment securities totalled €0.1 million at 31 December 2025, compared with €0.6 million at 31 December 2024.

Unrealised capital losses on held-to-maturity securities amounted to -€31 million at 31 December 2025. At 31 December 2024, unrealised capital losses on held-to-maturity securities amounted to -€42.8 million.

4.3.2 Changes in held-to-maturity securities

in millions of euros	1st January, 2025	Purchases	Disposals	Redemptions	Category transfer	Conversion	Discounts/ premiums	Other changes	31/12/2025
Treasury bills	422.0	254.0	0.0	(25.1)	0.0	0.0	3.2	0.0	654.1
Bonds and other fixed-income securities	175.0	175.1	0.0	(29.1)	0.0	0.0	10.1	(1.3)	329.8
TOTAL	**596.9**	**429.1**	**0.0**	**(54.2)**	**0.0**	**0.0**	**13.4**	**(1.3)**	**983.9**

4.3.3 Asset reclassifications

Accounting principles

In the interest of harmonising accounting practices and ensuring consistency with IFRS, *Autorité des Normes Comptables* (ANC), the French national accounting standards authority, regulation No. 2014-07 reiterates the provisions of opinion No. 2008-19 of 8 December 2008 on the reclassification of securities out of the ’Trading securities’ and ’Investment securities’ categories.

Reclassification from the ’Trading securities’ category to the ’Held-to-maturity securities’ and ’Investment securities’ categories is now possible in the following two cases:

- under exceptional market circumstances calling for a change of strategy;
- where fixed-income securities are no longer, after their acquisition, quoted in an active market, and provided that the company has the intent and ability to hold them in the foreseeable future or until they reach maturity.

Reclassifications from the ’Investment securities’ category to the ’Held-to-maturity securities’ category are effective as from the reclassification date in either of the following conditions:

- under exceptional market circumstances calling for a change of strategy;
- where fixed-income securities are no longer tradable on an active market.

The regulation authorises institutions to sell all or part of the securities reclassified as ’Held-to-maturity securities’ provided that the following two conditions are met:

- the reclassification was motivated by an exceptional situation requiring a change in strategy;
- the market has become active again for these securities.

Furthermore, reclassification from the Investment securities portfolio to the held-to-maturity securities portfolio remains possible, without exception, through a simple change of intention if, at the transfer date, all the criteria for a held-to-maturity portfolio are met. In this case, the sale of these securities is only authorised in very limited cases.

Palatine has not reclassified any assets.

4.4 Equity interests, affiliates, and other long-term investments

Accounting principles

Investments in unconsolidated subsidiaries and shares in related companies

Securities falling into this category are securities which, if held over the long term, are deemed useful for the company's operations, mainly by allowing the company to exercise significant influence or control over the administrative bodies of the issuing companies.

Investments in unconsolidated subsidiaries and shares in related companies are recorded at their acquisition price, including costs if the amounts are significant.

They are measured individually at the balance sheet date at the lower of acquisition cost or value in use. Value in use is determined, in particular, on the basis of criteria such as the strategic nature of the investment, the intention to support the business or retain the investment, share price performance and recent transactions, net carrying amounts, restated net assets and forecasts. Impairment is recognised for any unrealised capital losses, calculated for each line of securities, and is not offset with unrealised capital gains. Unrealised capital gains are not recognised.

Securities recorded under Investments in unconsolidated subsidiaries and shares in related companies cannot be transferred to any other accounting category.

Other long-term equity investments

Other long-term equity investments are securities acquired with the intention of promoting the development of lasting business relationships, by creating special ties with the issuer, without taking an active part in its management due to the small percentage of voting rights that the investment represents.

Other long-term equity investments are recognised at acquisition cost, less transaction costs.

They are included in the balance sheet at the lower historical cost or value in use. Value in use is determined for listed and unlisted securities based on the amount the company would agree to pay to obtain the securities, given its investment objective, if it were to acquire them. An impairment charge is recognised for any unrealised capital losses. Unrealised capital gains are not recognised.

Securities classified as other long-term equity investments may not be transferred to any other accounting category.

4.4.1 Change in equity interests, affiliates, and other long-term investments

in millions of euros	31/12/2024	Increase	Decrease	Conversion	Other changes	31/12/2025
Investments in subsidiaries and long-term equity investments	12.9	0.1	0.0	0.0	0.0	13.0
Shares in related companies	10.8	0.0	(5.0)	0.0	0.0	5.8
Gross amount	**23.7**	**0.1**	**(5.0)**	**0.0**	**0.0**	**18.8**
Shares in related companies	(3.9)	0.0	3.9	0.0	0.0	(0.0)
Impairment	**(3.9)**	**0.0**	**3.9**	**0.0**	**0.0**	**(0.0)**
TOTAL	**19.8**	**0.1**	**(1.1)**	**0.0**	**0.0**	**18.8**

The disposal of Ariès Assurances led to a decrease in investments in affiliates and the reversal of impairment.

4.4.2 Statement of subsidiaries and equity interests

The amounts shown are stated in millions of euros.

Subsidiaries and ownership interests	Share capital 31/12/2025	Shareholders' equity securities other than capital (incl. fund for general banking risks, as appropriate) at 31/12/2025	% interest held (as %) at 31/12/2025	Carrying amount of shares held at 31/12/2025		Loans and advances granted by the company and not yet redeemed (incl. perpetual subordinated notes) in 2025	Guarantees and endorsements given by the company in 2025	Net revenue before tax for the last financial year ended 31/12/2025	Profit or loss for the last financial year ended 31/12/2025	Dividends received by the company during the 2025 financial year	Observations
				Gross	Net						
A. DETAILED INFORMATION CONCERNING HOLDINGS WHOSE GROSS VALUE EXCEEDS 1% OF THE PARENT COMPANY'S SHARE CAPITAL											
1. Subsidiaries (more than 50%-owned)											
SA Palatine Asset Management 86, rue de Courcelles - 75008 Paris	2	11	100.00%	6	6	0	0	21	5	3.9	0
2. Investments (between 10%- and 50%-owned)											
B. AGGREGATE INFORMATION ON OTHER SECURITIES WHOSE GROSS VALUE DOES NOT EXCEED 1% OF THE CAPITAL OF THE COMPANY SUBJECT TO PUBLICATION											
French companies				3.6	3.6	0	0			0	0
Foreign companies											
o/w investments in listed companies											

4.4.3 Companies in which the establishment is a partner with unlimited liability

Corporate name	Head office	Legal form
CE SYNDICATION RISQUE	7, promenade Germaine Sablon – 75013 Paris	Economic interest grouping
BPCE ACHATS & SERVICES	110, avenue de France - 75013 PARIS	Economic interest grouping
GDS Gestion Déléguée Sociale	86, rue de Courcelles – 75008 PARIS	Economic interest grouping
I-BP Investissements	23, place de Wicklow – 78180 MONTIGNY LE BRETONNEUX	Economic interest grouping
BPCE SOLUTION CLIENTS	7, promenade Germaine Sablon – 75013 Paris	Economic interest grouping
GIE I DATECH	8, rue René Laennec – 67300 SCHILTIGHEIM	Economic interest grouping
BPCE SI	182, avenue de France – 75013 PARIS	Economic interest grouping
GIE NEUILLY CONTENTIEUX	143, rue Anatole France - 92300 LEVALLOIS PERRET	Economic interest grouping

4.4.4 Related-party transactions

	31/12/2025			31/12/2024
in millions of euros	Credit institutions	Other companies	Total	Total
Receivables	**0.7**	**0.0**	**0.7**	**0.7**
Liabilities	**0.2**	**0.0**	**0.2**	**1.3**
Commitments given	**0.0**	**0.0**	**0.0**	**0.0**
Commitments received	**0.0**	**0.0**	**0.0**	**0.0**

No material transactions were concluded under non-market conditions with a related party.

4.5 Finance and operating leases

Accounting principles

Emergency Committee opinion No. 2006-C of the French national accounting board *(Conseil National de la Comptabilité — CNC)* states that non-current assets held for use in equipment, real estate, lease-purchase, and operating leases are to be recorded as assets on the lessor's balance sheet. For this asset class, as an exception to the PCG *(Plan Comptable Général)* rules on asset recognition, the concept of legal ownership applies, rather than that of control. Non-current assets are recorded at acquisition cost, and the asset breakdown by component does not apply on the lessor's side when maintenance/replacement costs are contractually incumbent on the lessee. In the event of breach of contract, a prospective component approach applies.

In accordance with said opinion, the lessor is entitled to depreciate the assets presented in its individual financial statements either over the contract term (financial depreciation, *i.e.*, equal to the portion of the rent earned) or over the normal period of use of the asset (straight-line depreciation/declining balance). The option selected applies to all assets allocated under the same transaction category.

Pursuant to the *Autorité des Normes Comptables* (ANC), the French national accounting standards authority, regulation No. 2014-07, fees and commissions, and marginal transaction costs spread over the term of the lease are included in the amount outstanding.

Unpaid rents are identified, accounted for and provisioned for in accordance with the *Autorité des Normes Comptables* (ANC), the French national accounting standards authority, regulation No. 2014-07.

Palatine only conducts operating lease transactions as a lessee.

4.6 Tangible and intangible fixed assets

The rules for recognising non-current assets are defined by the *Autorité des Normes Comptables* (ANC), the French national accounting standards authority, regulation No. 2014-03 on IT solutions, amended in particular by ANC regulation No. 2023-05 on 10 November 2023.

4.6.1 Intangible assets

Accounting principles

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are recorded at acquisition cost (purchase price, including costs). These assets are amortised over their estimated useful lives.

Acquired IT solutions are amortised over a maximum period of five years.

Goodwill is not amortised but is subject, as appropriate, to impairment testing.

Leasehold rights are amortised on a straight-line basis over the residual term of the lease and, if necessary, are tested for impairment relative to market value.

in millions of euros	31/12/2024	Increase	Decrease	Other changes	31/12/2025
Lease rights and business assets	100.1	0.0	0.0	0.0	100.1
IT solutions	1.3	0.0	0.0	0.0	1.3
Other	0.0	0.0	0.0	0.1	0.1
Gross amount	**101.4**	**0.0**	**0.0**	**0.1**	**101.5**
Lease rights and business assets	0.8	0.1	0.0	0.0	0.9
IT solutions	1.3	0.0	0.0	0.0	1.3
Depreciation, amortisation, and impairment	**2.1**	**0.1**	**0.0**	**0.0**	**2.2**
TOTAL NET AMOUNT	**99.3**	**(0.1)**	**0.0**	**0.1**	**99.3**

4.6.2 Tangible fixed assets

Accounting principles

Tangible fixed assets consist of tangible assets held for use in the production or supply of goods and services, for leases to third parties, or for administrative purposes and which are expected to be used during more than one financial year.

Insofar as buildings are assets consisting of a number of components that have different uses at the outset, each component is recognised separately at cost, and a depreciation schedule specific to each component is used.

The depreciable amount is the gross value less the residual value, where the latter is material, lasting, and can be measured reliably. The main components of buildings are depreciated to reflect the pattern of use of the asset's expected economic benefits, which generally matches the asset's useful life:

- construction, major works: 15 to 50 years;
- plant and equipment: 20 years;
- fixtures and fittings: 10 years;
- furniture and special equipment: from 5 to 10 years;
- computer equipment: from 3 to 5 years.

Other tangible fixed assets are recorded at acquisition cost, production cost, or restated cost. The cost of fixed assets denominated in foreign currencies is translated into euros at the exchange rate prevailing on the transaction date. These assets are depreciated according to the period over which the asset's future economic benefits are expected to be consumed by the entity, which generally corresponds to the asset's useful life.

Where applicable, assets may be subject to impairment.

Investment property consists of non-operating tangible fixed assets and is accounted for using the component method.

in millions of euros	31/12/2024	Increase	Decrease	Other changes	31/12/2025
Land	1.8	0.0	(0.7)	0.0	1.0
Other	28.5	3.1	(1.6)	0.5	30.5
Tangible fixed assets used in operations	**30.3**	**3.1**	**(2.4)**	**0.5**	**31.6**
Non-operating tangible fixed assets	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
GROSS AMOUNT	**30.3**	**3.1**	**(2.4)**	**0.5**	**31.6**
Land	1.5	0.0	(0.7)	0.0	0.8
Other	9.2	3.0	(1.6)	0.0	10.6
Tangible fixed assets used in operations	**10.8**	**3.0**	**(2.3)**	**0.0**	**11.5**
Non-operating tangible fixed assets	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Depreciation, amortisation and impairment	**10.8**	**3.0**	**(2.3)**	**0.0**	**11.5**
TOTAL NET AMOUNT	**19.5**	**0.0**	**0.0**	**0.5**	**20.0**

4.7 Debt securities

Accounting principles

Debt securities are presented according to the type of underlying: retail certificates of deposit, interbank and negotiable debt securities, bonds, and other debt securities, apart from subordinated debt, which is recorded separately under liabilities.

Accrued interest on these instruments is disclosed separately as a related payable, as a balancing entry to the income statement entry.

Issue premiums are recognized in full during the period or are recognized on a straight-line basis over the life of the debt. Issue and redemption premiums are spread over the life of the loan via a deferred expenses account.

For structured debt, applying the principle of conservatism, only the certain portion of remuneration or principal is recognised. Unrealised gains are not recorded. Unrealised losses are subject to a provision.

in millions of euros	31/12/2025	31/12/2024
Interbank market instruments and negotiable debt securities	1,583.0	1,616.9
Other debt securities	141.8	106.8
Accrued interest	14.6	21.6
TOTAL	**1,739.4**	**1,745.4**

4.8 Other assets and other liabilities

	31/12/2025		31/12/2024	
in millions of euros	Assets	Liabilities	Assets	Liabilities
Premiums on conditional instruments bought and sold	0.1	0.7	0.0	0.0
Debt on borrowed securities and other debt securities	0.1	0.8	0.2	0.9
Tax and social security receivables and liabilities	79.5	28.5	65.0	20.3
Security deposits paid and received	84.5	121.8	98.2	152.4
Other accounts receivable, other accounts payable	4.0	56.9	0.0	71.0
TOTAL	**168.3**	**208.5**	**163.4**	**244.6**

In accordance with the *Autorité des Normes Comptables* (ANC), the French national accounting standards authority, regulation No. 2020-10, the amount of debt on borrowed securities is reduced by the value of identical securities classified by the institution as trading securities and up to the amount of the debt. See Note 4.3.1.

The amount of guarantee deposits paid, which record cash collateral payments, is €37.1 million compared to €27.8 million at the end of 2024.

4.9 Accrual accounts

	31/12/2025		31/12/2024	
in millions of euros	Assets	Liabilities	Assets	Liabilities
Foreign exchange commitments	0.0	4.5	0.0	2.0
Deferred gains and losses on hedging derivative financial instruments	42.6	31.5	22.0	13.8
Prepaid expenses and unearned income	4.2	3.1	2.5	4.1
Accrued income/expenses	94.9	147.6	99.6	110.8
Items in process of collection	3.2	12.7	1.8	11.8
Other(1)	21.0	19.2	30.9	83.7
TOTAL	**165.8**	**218.5**	**156.8**	**226.1**

(1) The 'other' asset item mainly represents the amounts entered in suspense accounts, before being interfaced in the management modules, and on the liabilities side the cash flows awaiting allocation.

4.10 Provisions

Accounting principles

This item covers provisions intended to cover risks and charges directly linked or not linked to banking transactions within the meaning of Article L. 311-1 of the French Monetary and Financial Code and related transactions defined in Article L. 311-2 of the same code, clearly specified as to their purpose, and for which the amount or maturity cannot be precisely determined. Unless they are covered by a specific text or fall within the scope of banking or related transactions, the creation of such provisions is subject to the existence of an obligation to a third party at the balance sheet date and the absence of equivalent consideration expected from this third party, in accordance with the provisions of the *Autorité des Normes Comptables* (ANC), the French national accounting standards authority, regulation No. 2014-03.

It includes a provision for employee benefit obligations and a provision for counterparty risks.

Employee benefits

Employee benefits are accounted for in accordance with the *Autorité des Normes Comptables* (ANC), the French national accounting standards authority, recommendation No. 2013-R-02. They are classified into four categories:

- short-term employee benefits:

  Short-term employee benefits mainly include wages, paid annual leave, incentive schemes, profit-sharing, and bonuses payable within 12 months of the end of the financial year in which the employee renders the service. They are recognised as an expense for the period, including amounts remaining due at the balance sheet date:

- long-term employee benefits:

  Long-term employee benefits are generally linked to seniority accruing to current employees and payable twelve months or more after the end of the period in which the employee renders the related service. These consist mainly of long-service awards. A provision is set aside for the amount of these obligations at the balance sheet date.

  The obligations are valued using an actuarial method that takes account of demographic and financial assumptions such as age, length of service, the likelihood of the employee being employed by the Group at retirement and the discount rate. The valuation also allocates costs over the working life of each employee (projected unit credit method).

- termination benefits:

  Termination benefits are granted to employees on termination of their employment contract before the normal retirement date, either as a result of a decision by the Group to terminate a contract or a decision by an employee to accept voluntary redundancy. A provision is set aside for termination benefits. Termination benefits payable more than twelve months after the reporting date are discounted to present value.

- post-employment benefit plans:

  Post-employment benefits include lump-sum retirement bonuses, pensions, and other post-employment benefits.

  These benefits can be broken down into two categories: defined-contribution plans, which do not give rise to an obligation for the Group, and defined-benefit plans, which give rise to an obligation for the Group and are therefore measured and recognised by means of a provision.

  The Group records a provision in liabilities for employee benefits obligations that are not funded by contributions charged to income and paid out to pension funds or insurance companies.

  Post-employment benefits are measured in the same way as long-term employee benefits.

  The measurement of these obligations takes into consideration the value of plan assets as well as unrecognized actuarial gains and losses.

  Actuarial gains and losses on post-employment benefits, arising from changes in actuarial assumptions (early retirement, discount rate, etc.) or experience adjustments (return on hedging assets, etc.), are amortised under the corridor method, i.e. for the portion exceeding a variation of +/-10% of the defined-benefit obligation or the fair value of hedging assets.

  The annual expense recognised in respect of defined-benefit plans includes the current service cost, net financial cost (the effect of discounting the obligation) less hedging assets, and the past service cost and amortisation of any unrecognised items that are actuarial gains or losses.

Provisions for regulated home savings schemes

Regulated home savings accounts *(Comptes d'Épargne Logement — CEL)* and regulated home savings plans *(Plans d'Épargne Logement — PEL)* are retail products marketed in France governed by the 1965 law on regulated home savings plans and accounts, and subsequent implementing decrees.

Regulated home savings schemes generate two types of commitments for institutions marketing these products:

- a commitment to provide a loan to the customer in the future at a rate set on the inception of the contract (for PEL products) or at a rate contingent upon the savings phase (for CEL products);
- a commitment to pay interest on the savings in the future at a rate set on the inception of the contract for an indefinite period (for PEL products) or at a rate set on a half-yearly basis according to an indexing formula regulated by law (for CEL products).

Commitments with potentially adverse consequences for the Group are measured for each generation of regulated home savings plans and for all regulated home savings accounts.

A provision is recognised for the associated risks by discounting future potential income from at-risk outstanding:

- at-risk savings correspond to the uncertain future level of savings for plans in existence at the date the provision is calculated. This is estimated on a statistical basis for each future period taking account of historical investor behaviour patterns, and corresponds to the difference between the probable savings deposits and the minimum expected savings deposits;
- at-risk loans correspond to the loans outstanding granted but not yet due at the calculation date plus statistically probable loans outstanding based on customers' historical patterns of behaviour, as well as vested and projected rights from regulated home savings accounts and plans.

The commitments are estimated using the Monte Carlo method to reflect the uncertainty of future interest rate trends and their impact on customer behaviour models and at-risk outstandings. On this basis, a provision is recorded for a given generation of contracts in the event of a situation liable to be detrimental to the Group, with no netting between generations.

The provision is recognised under liabilities on the balance sheet, and changes are recognised in net banking income.

4.10.1 Table of changes in provisions

in millions of euros	31/12/2024	Allocations	Reversals	Used	Conversion	31/12/2025
Provisions for counterparty risks	**93.5**	**29.0**	**(23.1)**	**0.0**	**0.0**	**99.5**
Provisions for employee commitments	**14.1**	**2.4**	**0.0**	**0.0**	**0.0**	**16.4**
Provisions for PEL/CEL	**3.3**	**0.0**	**(1.6)**	**0.0**	**0.0**	**1.7**
Other provisions for contingencies(1)	**21.3**	**2.1**	**(6.5)**	**(0.5)**	**0.0**	**16.4**
TOTAL	**132.2**	**33.5**	**(31.2)**	**(0.5)**	**0.0**	**134.0**

(1) *Of which provisions for operational risks and provisions for litigation.*

4.10.2 Provisions and impairments for counterparty risk

in millions of euros	31/12/2024	Allocations(3)	Reversals(3)	Used	Conversion and other movements(4)	31/12/2025
Impairment of loans and advances due from customers	258.6	154.3	(133.0)	(34.8)	(3.8)	241.3
Impairment of other loans and advances	25.0	0.5	(3.9)	0.0	0.0	21.6
Impairment of assets	**283.6**	**154.8**	**(136.9)**	**(34.8)**	**(3.8)**	**262.9**
Provisions for off-balance sheet commitments(1)	30.7	17.4	(13.5)	0.0	0.0	34.7
Provisions for customer counterparty risks(2)	62.9	11.6	(9.6)	0.0	0.0	65.0
Provisions for counterparty risks recognised as liabilities	**93.6**	**29.0**	**(23.1)**	**0.0**	**0.0**	**99.6**
TOTAL	**377.2**	**183.9**	**(159.9)**	**(34.8)**	**(3.8)**	**362.5**

(1) Provisions for financing commitments and guarantees with proven risk.

(2) A provision for counterparty risk is set aside for non-doubtful exposures, whether on- or off-balance sheet, where the available information points to a risk of default and loss at maturity (see Notes 4.1 and 4.2.1).

(3) The institution applies the methods for recording movements related to impairments and provisions in accordance with the provisions of the Autorité des Normes Comptables (ANC), the French national accounting standards authority regulation No. 2014-07.

(4) Includes interest provisions presented under net revenue before tax.

4.10.3 Provisions for employee benefits

Post-employment benefits related to defined-contribution plans

Defined-contribution plans refer to mandatory social security pension schemes as well as those managed by the AGIRC and ARRCO pension funds and the supplementary pension schemes to which the Caisses d'Epargne and Banques Populaires belong.

Post-employment benefits related to defined-benefit plans and long-term employee benefits

Palatine's obligations in this regard relate to the following schemes:

- pensions and other post-employment benefits such as end-of-career awards and other benefits granted to retirees;
- other benefits, such as long-service awards and other long-term employee benefits.

These commitments are calculated in accordance with the provisions of the *Autorité des Normes Comptables* (ANC), the French national accounting standards authority recommendation No. 2013-R-02 as amended on 5 November 2021.

Analysis of assets and liabilities recognised in the balance sheet

	2025 financial year					2024 financial year				
	Post-employment benefits under defined-benefit plans		Other long-term employee benefits			Post-employment benefits under defined-benefit plans		Other long-term employee benefits		
in millions of euros	Supplementary pensions and other plans	End-of-career awards	Long--service awards	Other benefits	Total	Supplementary pensions and other plans	End-of-career awards	Long -service awards	Other benefits	Total
Actuarial liabilities	0.5	1.2	3.1	10.0	14.8	0.5	2.0	3.0	8.1	13.5
Unrecognised actuarial gains/(losses)	0.0	1.7	0.0	0.0	1.7	0.0	0.6	0.0	0.0	0.6
NET AMOUNT REPORTED ON BALANCE SHEET	**0.5**	**2.9**	**3.1**	**10.0**	**16.4**	**0.5**	**2.6**	**3.0**	**8.1**	**14.1**
Employee benefits, liabilities	0.5	2.9	3.1	10.0	16.4	0.5	2.6	3.0	8.1	14.1

Analysis of the expense for the period

in millions of euros	Post-employment benefits under defined-benefit plans	Other long-term employee benefits			2025 financial year	2024 financial year
	Supplementary pensions and other plans	End-of-career awards	Long-service awards	Other benefits	Total	Total
Service cost	0.0	0.9	0.3	0.0	1.2	1.2
Past service cost	0.0	0.0	0.0	0.0	0.0	0.0
Interest cost	0.0	0.1	0.1	0.0	0.2	0.2
Interest income	0.0	0.0	(0.2)	0.0	(0.2)	(0.3)
Benefits paid	(0.1)	(1.0)	(0.1)	0.0	(1.2)	(0.7)
Other	0.0	0.3	0.1	0.0	0.4	0.3
TOTAL EXPENSE FOR THE PERIOD	**0.0**	**0.3**	**0.1**	**0.0**	**0.4**	**0.7**

Main actuarial assumptions

Excluding CGPCE and CAR-BP	2025 financial year				2024 financial year			
	Post-employment benefits under defined-benefit plans		Other long-term employee benefits		Post-employment benefits under defined-benefit plans		Other long-term employee benefits	
	Supplementary pensions and other plans	End-of-career awards	Long-service awards	Other benefits	Supplementary pensions and other plans	End-of-career awards	Long-service awards	Other benefits
Discount rate	3.14%	3.54%	3.27%		3.03%	3.39%	3.22%	
Inflation rate	2.20%	2.20%	2.20%		2.30%	2.30%	2.30%	
Wage growth rate	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	

IFRS 19 provides that the discount rate used is determined on the basis of a market yield curve, depending on the duration of the liability.

The retirement age is determined individually as the one at which the employee reaches the full pensionable rate under the social security pension scheme. If the start date of professional activity is not known, then the assumption of the starting age used is 23 for managers and 20 for non-managers.

Groupe BPCE is assuming voluntary retirement.

The remuneration growth assumption is added to the forward-looking inflation assumption.

The average prospective inflation rate over the period covered by the commitments is set at 2.30%.

4.10.4 PEL/CEL provisions

Deposit account balances

in millions of euros	31/12/2025	31/12/2024
Deposits collected for regulated home savings plans (PEL)		
• plans less than 4 years old	2.4	2.1
• plans more than 4 years but less than 10 years old	7.4	9.9
• plans more than 10 years old	102.9	114.5
Deposits collected for regulated home savings plans (PEL)	112.7	126.6
Deposits collected for regulated home savings accounts (CEL)	14.1	14.5
TOTAL	**126.8**	**141.1**

Loans granted

in millions of euros	31/12/2025	31/12/2024
Loans granted		
• in respect of regulated home savings plans	0.0	0.0
• in respect of regulated home savings accounts	0.0	0.0
TOTAL	**0.0**	**0.0**

Provisions for commitments related to regulated home purchase savings schemes and accounts

in millions of euros	31/12/2024	Net allocations/ reversals	31/12/2025
Provisions for regulated home savings plans (PEL)			
• plans less than 4 years old	0.0	0.0	0.0
• plans more than 4 years but less than 10 years old	0.0	0.0	0.0
• plans more than 10 years old	3.0	(1.3)	1.7
Provisions for regulated home savings plans (PEL)	**3.0**	**(1.3)**	**1.7**
Provisions for regulated home savings accounts (CEL)	**0.3**	**(0.2)**	**0.0**
Provisions for regulated home savings plan (PEL) loans	0.0	0.0	0.0
Provisions for regulated home savings account (CEL) loans	0.0	0.0	0.0
Provisions for regulated home savings loans	**0.0**	**0.0**	**0.0**
TOTAL	**3.3**	**(1.6)**	**1.7**

4.11 Subordinated debt

Accounting principles

Subordinated debt comprises proceeds from issues of both term and perpetual subordinated debt securities, and mutual guarantee deposits. In the event of the obligor's liquidation, the repayment of subordinated debt is only possible after all other creditors have been satisfied.

Accrued interest payable on subordinated debt is disclosed separately as a related payable, as a balancing entry to the income statement entry.

in millions of euros	31/12/2025	31/12/2024
Term subordinated debt	250.0	400.0
Perpetual subordinated debt	100.0	100.0
Accrued interest	0.3	0.8
TOTAL	**350.3**	**500.8**

These borrowings have the following characteristics:

Currency	Issue date	Assets under management as of 31/12/2024 in millions of euros	Issue price in millions of euros	Rate	Interest step-up in basis points(1)	Date of call or interest step-up	Mandatory payment cases	Maturity date if not determined
EUR	21/12/2017	50.0	50.0	Euribor 3M + 0.97%			yes	22/12/2027
EUR	28/03/2018	100.0	100.0	4.29%		28/03/2023(1)	no	
EUR	28/09/2022	25.0	25.0	Euribor 3M + 2.825%			yes	28/09/2032
EUR	29/03/2023	75.0	75.0	Euribor 3M + 2.97%			yes	29/03/2033
EUR	1/12/2023	40.0	40.0	Euribor 3M + 2.37%			yes	18/12/2033
EUR	17/12/2024	60.0	60.0	Euribor 3M + 1.90%			yes	20/12/2034
TOTAL		**350.0**	**350.0**					

(1) Above 3-month Euribor.

4.12 Fund for general banking risks

General principles

These funds are intended to cover the risks inherent in the company's banking activities.

in millions of euros	31/12/2024	Increase	Decrease	Other changes	31/12/2025
Fund for general banking risks	1.3	0.0	0.0	0.0	1.3
TOTAL	**1.3**	**0.0**	**0.0**	**0.0**	**1.3**

4.13 Shareholders’ equity securities

in millions of euros	Share capital	Share premiums	Reserves/ other	Carried forward	Income	Total equity securities (excl. FGBR)
Total at 31 December 2023	**688.8**	**56.7**	**52.8**	**216.2**	**124.2**	**1,138.7**
Movements during the year				(2.7)	(65.8)	(68.6)
Total at 31 December 2024	**688.8**	**56.7**	**59.1**	**283.8**	**58.4**	**1,146.8**
2024 income allocation			2.9	55.5	(58.4)	0.0
Dividend payments				(56.1)		(56.1)
Net income for the period					101.9	101.9
TOTAL AT 31 DECEMBER, 2025	**688.8**	**56.7**	**62.0**	**283.1**	**101.9**	**1,192.6**

Palatine’s share capital amounts to €688.8 million and comprises 34,440,134 shares with a par value of €20 each, fully subscribed to by BPCE.

4.14 Fixed-term assets and liabilities by residual maturity

Sources and uses of funds with preset due dates are presented by residual maturity and include accrued interest.

	31/12/2025						
in millions of euros	Less than 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Not determined	Total
Treasury bills and similar securities	(4.7)	0.0	152.1	725.4	860.0	0.0	1,732.8
Loans and advances due from credit institutions	1,284.0	324.9	580.8	1,307.4	597.3	0.0	4,094.5
Customer transactions	1,398.5	695.3	1,330.5	4,460.9	3,691.5	368.3	11,945.1
Bonds and other fixed-income securities	14.3	2.5	31.5	181.1	166.2	0.0	395.7
Finance and operating leases	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL ASSETS	**2,692.2**	**1,022.7**	**2,094.8**	**6,674.9**	**5,315.1**	**368.3**	**18,168.1**
Amounts due to credit institutions	125.6	177.9	400.8	899.2	30.5	0.0	1,634.0
Customer transactions	12,405.5	209.9	301.2	247.8	1.1	0.0	13,165.5
Debt securities	67.3	496.5	882.8	189.5	103.2	0.0	1,739.4
Subordinated debt	0.3	0.0	0.0	50.0	200.0	100.0	350.3
TOTAL LIABILITIES	**12,598.7**	**884.3**	**1,584.9**	**1,386.5**	**334.8**	**100.0**	**16,889.2**

Following the application of the *Autorité des Normes Comptables* (ANC), the French national accounting standards authority, regulation No. 2020-10, debt securities are presented after deduction of borrowed securities, and the receivable on the savings fund is presented as a deduction from regulated savings. Please refer to Notes 4.2, 4.3.1, and 4.8.

NOTE 5 Information on off-balance sheet and similar transactions

5.1 Commitments received and given

General principles

Financing commitments

Financing commitments given to credit institutions and similar entities include, in particular, funding agreements, agreements to pay or commitments to pay, documentary credit confirmations, and other commitments given to credit institutions and similar institutions.

Financing commitments granted to customers include credit facilities granted, back-up credit lines for commercial paper, commitments on securities issuance, and other commitments to customers other than credit institutions and similar entities.

Financing commitments received mostly include funding agreements and other commitments received from credit institutions and similar entities.

Guarantee commitments

Guarantee commitments to credit institutions mostly include sureties and financial guarantees issued to credit institutions and similar entities.

Guarantee commitments to customers mostly include sureties and financial guarantees issued to customers other than credit institutions and similar entities.

Guarantee commitments received mostly include sureties and financial guarantees received from credit institutions and similar entities.

5.1.1 Loan commitments

in millions of euros	31/12/2025	31/12/2024
Financing commitments given		
To credit institutions	**0.0**	**0.0**
Documentary credit	94.9	107.2
Other credit facilities granted	2,059.1	2,092.8
Other commitments	40.2	16.4
To customers	**2,194.2**	**2,216.4**
TOTAL FINANCING COMMITMENTS GIVEN	**2,194.2**	**2,216.4**
Financing commitments received		
TOTAL FINANCING COMMITMENTS RECEIVED	**0.0**	**0.0**

5.1.2 Guarantee commitments

in millions of euros	31/12/2025	31/12/2024
Guarantee commitments given		
Confirmation of documentary credit lines	71.6	76.3
Other guarantees	0.3	0.3
To credit institutions	**71.9**	**76.6**
Real estate guarantees	122.6	139.3
Government and tax guarantees	661	69.9
Other guarantees given	1,077.1	1,054.8
To customers	**1,265.7**	**1,264.0**
TOTAL GUARANTEE COMMITMENTS GIVEN	**1,337.6**	**1,340.6**
Guarantee commitments received from credit institutions	521.1	463.2
TOTAL GUARANTEE COMMITMENTS RECEIVED	**521.1**	**463.2**

5.1.3 Other commitments not included in off-balance sheet items

	31/12/2025		31/12/2024	
in millions of euros	Commitments given	Commitments received	Commitments given	Commitments received
Other securities pledged as collateral to credit institutions	676.4	0.0	0.0	0.0
Other securities pledged as collateral received from customers	0.0	6,995.2		7,075.5
TOTAL	**676.4**	**6,995.2**	**0.0**	**7,075.5**

No other major commitments were given by Palatine as collateral for its own commitments or for those of third parties.

5.2 Forward financial instruments

Accounting principles

Trading and hedging transactions in interest rate, currency or equity derivative financial instruments are recognised in accordance with the provisions of the *Autorité des Normes Comptables* (ANC), the French national accounting standards authority, regulation No. 2014-07.

Commitments on these instruments are recorded as off-balance sheet items at the nominal value of the contracts. At the reporting date, the amount recognised in respect of these commitments represents the volume of unwound forward transactions at the reporting date.

The accounting policies applied vary depending on the type of instrument and the original purpose of the transaction.

Forward transactions

Interest rate swaps and similar contracts (forward rate agreements, collars, etc.) are classified as follows according to their initial purpose:

- micro-hedging (assigned hedges);
- macro-hedging (global asset and liability management);
- speculative positions/isolated open positions;
- for use with a trading book.

Amounts received or paid in respect of the first two categories are recognised in income on a pro rata basis.

Income and expenses related to instruments used for hedging an asset or a group of similar assets are recognised in income symmetrically with the income and expenses on the hedged item. Gains and losses on hedging instruments are recognised on the same line as the income and expenses on the hedged item, under 'Interest and similar income' and 'Interest and similar expenses'. The 'Net gains or losses on trading book transactions' line is used when the hedged items are in the trading book.

In the event of overhedging, a provision may be made for the hedging instrument, in the amount of the overhedged portion, if the instrument shows an unrealised loss. In such cases, the charge to provisions will affect 'Net gains or losses on trading book transactions'.

Income and expenses related to derivative financial instruments used for hedging purposes or for managing overall interest rate risk are recognised in the income statement on a pro rata basis under 'Interest and similar income' and 'Interest and similar expenses'. Unrealised gains and losses are not recognised.

Income and expense related to certain contracts, qualifying as isolated open positions, are recorded in the income statement, either when the contracts are settled or on a pro rata basis, depending on the type of instrument.

Unrealised capital gains or losses are determined based on the type of market involved (organised, other markets considered as organised, or over-the-counter).

On over-the-counter markets (including transactions processed by a clearing house), a provision is recorded for any unrealised losses relative to the instrument's mark-to-market under 'Provisions' in liabilities. Unrealised capital gains are not recognised.

Instruments traded on organised markets or other markets considered as organised are continuously quoted and liquid enough to justify being marked to market. The cost of liquidity and counterparty risk will be taken into account in the valuation of isolated open positions.

Specialised management contracts are valued, taking into account a discount for counterparty risk, liquidity costs, and the present value of future management fees if these valuation adjustments are material. Derivatives transacted with a counterparty that is a member of Groupe BPCE's solidarity mechanism (see Note 1.2) are not subject to these valuation adjustments except, where applicable, for the cost of liquidity. Changes in value from one accounting period to another are recognised immediately in the income statement under 'Net gains or losses on trading book transactions'.

Balances on terminations or transfers are recognised as follows:

- balances on transactions classified under specialised asset management contracts or isolated open positions are immediately recognised in the income statement;
- for micro-hedging and macro-hedging transactions, balances are either amortised over the residual useful life of the item previously hedged or recognised immediately in the income statement.

Options

The notional amount of the underlying asset of an option or forward contract is recognised by distinguishing between hedging contracts and contracts traded for the purposes of capital market transactions.

For transactions involving interest rate, foreign exchange or equity options, the premiums paid or received are recognised in a temporary account. At the end of the period, any options traded on an organised or similar market are measured and recognised in the income statement. For over-the-counter (OTC) options, provisions are recognised for capital losses, but unrealised capital gains are not recognised. When an option is sold, repurchased, or exercised, or when an option expires, the corresponding premium is recognised immediately in the income statement.

Income and expenses for hedging instruments are recognised symmetrically with those from the hedged item. Written options are not eligible for classification as macro-hedging instruments.

Over-the-counter markets may be treated as organised markets when market makers ensure continuous quotations within a range that reflects market practices when the underlying financial instrument is itself quoted on an organised market.

5.2.1 Financial instruments and forward foreign exchange transactions

in millions of euros	31/12/2025 Hedging trans-actions	Other trans-actions	Total	Fair value	31/12/2024 Hedging trans-actions	Other trans-actions	Total	Fair value
Forward transactions								
Transactions on organised markets	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Forward rate agreements (FRA)	0.0	6,846.8	6,846.8	(3.0)	0.0	5,719.2	5,719.2	9.2
Interest rate swaps	8,861.9	2,974.0	11,835.9	(28.8)	9,707.2	2,652.7	12,359.9	(10.6)
Currency swaps	23.8	0.0	23.8	0.3	39.7	0.0	39.7	(0.2)
Over-the-counter transactions	**8,885.7**	**9,820.8**	**18,706.6**	**(31.6)**	**9,746.9**	**8,371.9**	**18,118.8**	**(1.6)**
TOTAL FORWARD TRANSACTIONS	**8,885.7**	**9,820.8**	**18,706.6**	**(31.6)**	**9,746.9**	**8,371.9**	**18,118.8**	**(1.6)**
Options								
Transactions on organised markets	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Interest rate options	11,980.7	0.0	11,980.7	(25.0)	15,794.1	0.0	15,794.1	(26.2)
Foreign currency options	3,386.9	3,045.4	6,432.3	0.6	2.8	2,625.3	2,628.1	(0.0)
Over-the-counter transactions	**15,367.6**	**3,045.4**	**18,413.0**	**(24.4)**	**15,796.9**	**2,625.3**	**18,422.2**	**(26.2)**
TOTAL OPTIONS	**15,367.6**	**3,045.4**	**18,413.0**	**(24.4)**	**15,796.9**	**2,625.3**	**18,422.2**	**(26.2)**
TOTAL FINANCIAL AND FOREIGN CURRENCY FORWARD INSTRUMENTS	**24,253.4**	**12,866.2**	**37,119.6**	**(56.0)**	**25,543.8**	**10,997.2**	**36,541.0**	**(27.9)**

The notional amounts of contracts listed in this table are solely intended to provide an indication of the volume of Palatine's activities involving financial instruments at the reporting date and do not reflect the market risk associated with these instruments.

Commitments on interest rate instruments traded over the counter mainly consisted of interest rate swaps and FRA for futures and forwards, and interest rate guarantees for options.

Commitments on foreign exchange instruments traded over the counter mainly consisted of currency swaps.

5.2.2 Breakdown of over-the-counter interest rate financial instruments and currency swaps by portfolio type

in millions of euros	31/12/2025 Micro-hedging	Macro-hedging	Isolated open positions	Specialised management	Total	31/12/2024 Micro-hedging	Macro-hedging	Isolated open positions	Specialised management	Total
Currency contracts	8,602.4	259.5	2,974.0	0.0	11,835.9	9,401.7	305.5	2,652.7	0.0	12,359.9
Currency swaps	23.8	0.0	0.0	0.0	23.8	39.7		0.0	0.0	39.7
Forward transactions	**8,626.2**	**259.5**	**2,974.0**	**0.0**	**11,859.7**	**9,441.4**	**305.5**	**2,652.7**	**0.0**	**12,399.6**
Other options	11,980.7	0.0	0.0	0.0	11,980.7	0.0	0.0	0.0	0.0	0.0
Interest rate options	11,980.7	0.0	0.0	0.0	11,980.7	15,794.1	0.0	0.0	0.0	15,794.1
Options	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**15,794.1**	**0.0**	**0.0**	**0.0**	**15,794.1**
TOTAL	**20,606.9**	**259.5**	**2,974.0**	**0.0**	**23,840.4**	**25,235.5**	**305.5**	**2,652.7**	**0.0**	**28,193.7**

There were no transfers of transactions to another portfolio during the year.

in millions of euros	31/12/2025 Micro-hedging	Macro-hedging	Isolated open positions	Specialised management	Total	31/12/2024 Micro-hedging	Macro-hedging	Isolated open positions	Specialised management	Total
Fair value	(63.2)	(1.7)	11.9	0.0	(53.0)	(50.9)	0.6	13,2	0.0	(37.1)

5.2.3 Residual term of commitments on forward financial instruments

in millions of euros	31/12/2025 Less than 1 year	From 1 year to 5 years	More than 5 years	Total
Transactions on organised markets	0.0	0.0	0.0	0.0
Over-the-counter transactions	1,993.5	5,461.8	4,380.6	11,835.9
Forward transactions	**1,993.5**	**5,461.8**	**4,380.6**	**11,835.9**
Transactions on organised markets	0.0	0.0	0.0	0.0
Over-the-counter transactions	7,147.3	10,620.2	645.5	18,413.0
Options	**7,147.3**	**10,620.2**	**645.5**	**18,413.0**
TOTAL	**9,140.8**	**16,082.0**	**5,026.1**	**30,248.9**

5.3 Foreign currency transactions

Accounting principles

The income relating to foreign currency transactions is determined in accordance with the *Autorité des Normes Comptables* (ANC), the French national accounting standards authority, regulation No. 2014-07.

Receivables, liabilities, and off-balance sheet commitments denominated in foreign currencies are measured at the exchange rate prevailing at the balance sheet date. Realised and unrealised foreign exchange gains and losses are recognised in the income statement. Income and expenses paid or received in foreign currencies are recognised at the exchange rate prevailing at the transaction date.

Fixed assets and investments in unconsolidated subsidiaries denominated in foreign currencies but financed in euros are recognised at acquisition cost.

Non-settled spot foreign exchange transactions are measured at the closing rates prevailing at the balance sheet date.

Discounts or premiums on foreign exchange forward contracts used for hedging purposes are recognised in the income statement on a pro rata basis. Other foreign exchange contracts and derivative financial instruments denominated in foreign currencies are marked to market. Outright foreign exchange forward contracts, and those hedged by forward instruments, are restated over the remaining term. Foreign exchange swaps are recognised as pairs of spot purchase/forward sale transactions.

in millions of euros	31/12/2025	31/12/2024
Spot foreign exchange transactions		
Currencies receivable not received	27.4	35.9
Currencies deliverable not delivered	27.5	36.2
TOTAL	**54.8**	**72.1**

5.4 Breakdown of assets and liabilities by currency

	31/12/2025		31/12/2024	
in millions of euros	Assets	Liabilities	Assets	Liabilities
Euro	18,025	18,025	17,718	17,719
Dollar	562	562	642	641
Pound sterling	31	31	29	29
Swiss franc	9	9	10	10
Yen	4	4	4	4
Other	14	14	17	17
TOTAL	**18,644**	**18,644**	**18,420**	**18,420**

NOTE 6 Other information

6.1 Consolidation

With reference to article 4111-1 of the *Autorité des Normes Comptables* (ANC), the French national accounting standards authority, regulation No. 2014-07, in accordance with article 111-1 of ANC regulation No. 2020-01, Palatine prepares consolidated financial statements in accordance with international accounting standards.

Its individual financial statements are included in the consolidated financial statements of Groupe BPCE.

6.2 Remuneration, advances, loans, and commitments

Remuneration paid in 2025 to the management bodies (including the executive management) amounted to €1.07 million.

During 2025, no advances and loans were granted to any member of the administrative, management, or supervisory bodies.

6.3 Statutory Auditors' fees

	Deloitte				FORVIS MAZARS				TOTAL			
	Amount		%		Amount		%		Amount		%	
Amounts in millions of euros	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Role of certification of financial statements	176	215	97%	89%	190	0	68%	98%	366	421	80%	94%
Issuer	176	215			190	0			366	421		
Services other than the certification of the financial statements	0	0	0%	0%	81	0	29%	0%	81	0	21%	0%
Issuer	0	0										
Services other than the certification of the financial statements	5	2	3%	11%	7	0	3%	2%	12	89	3%	6%
Issuer	5	2			7	0			12	89		
TOTAL	**181**	**217**	**100%**	**100%**	**278**	**0**	**100%**	**100%**	**459**	**510**	**100%**	**100%**

The amounts relate to the services shown in the income statement for the financial year, including in particular non-recoverable VAT.

The total amount of fees paid to Deloitte included in the separate income statement for the year was €181 thousand, of which €176 thousand related to the certification of the financial statements for the 2025 financial year and €5 thousand related to other services.

The total amount of fees paid to Forvis Mazars included in the separate income statement for the year was €278 thousand, of which €271 thousand related to the assignment to certify the financial statements for the 2025 financial year and €7 thousand related to other services.

6.4 Operations in non-cooperative countries

Article L. 511-45-I of the French Monetary and Financial Code and the decision of 6 October 2009 issued by the French minister of the economy require credit institutions to disclose in the notes to their annual financial statements information about their presence and activities in countries and territories that have not entered into an administrative assistance agreement with France for the exchange of banking information to combat tax fraud and tax evasion.

These obligations are part of the broader worldwide goal of combating non-cooperative tax havens, which were defined at OECD meetings and summits, and are also designed to prevent money laundering and terrorist financing.

Since its foundation, Groupe BPCE, has adopted a prudent approach. It ensures that entities belonging to its networks are regularly informed about updates to the OECD list of territories that are considered as non-cooperative when it comes to exchanging information for tax purposes, and about the potential consequences of maintaining operations in non-cooperative territories. In addition, lists of non-cooperative territories have been integrated, in part, into software packages used to prevent money laundering with the objective of ensuring appropriate due diligence for transactions with non-cooperative countries and territories (implementation of ministerial decree No. 2009-874 of 16 July 2009). A central inventory of the Group's locations and activities in non-cooperative territories has been drawn up for the information of executive bodies.

This statement is based on the list of countries given in the Ministerial Order of 18 February, 2025, taken in accordance with Article 238-0-A of the French General Tax Code.

At 31 December 2025, Palatine had no offices or activities in non-cooperative tax havens.

3 IFRS consolidated financial statements of the Groupe Palatine at 31 December 2025

3.1 Consolidated income statement

in millions of euros	Notes	2025 financial year	2024 financial year
Interest and similar income	4.1	633.4	680.5
Interest and similar expenses	4.1	(343.5)	(417.7)
Commission income	4.2	113.1	111.8
Commission expenses	4.2	(10.5)	(10.8)
Net gains or losses on financial instruments at fair value through profit or loss	4.3	20.3	17.4
Net gains or losses on financial instruments at fair value through equity	4.4	(3.9)	0.5
Net gains or losses arising from the derecognition of financial instruments at amortised cost	4.5	1.1	0.0
Income from other activities	4.6	0.2	0.2
Expenses from other activities	4.6	(6.6)	(4.6)
NET BANKING INCOME		**403.5**	**377.3**
General operating expenses	4.7	(215.0)	(203.2)
Depreciation, amortisation, and impairment for intangible and tangible fixed assets		(9.4)	(10.8)
GROSS OPERATING INCOME		**179.1**	**163.3**
Cost of credit risk	7.1.1	(45.5)	(62.3)
NET OPERATING INCOME		**133.6**	**101.0**
Share in net income of associates and joint ventures	11.4.2	0.3	0.2
Gains or losses on other assets	4.8	2.5	3.6
Changes in the value of goodwill	3.5.2	0.0	0.0
INCOME BEFORE TAX		**136.3**	**104.8**
Income tax	10.1	(39.7)	(24.6)
NET INCOME		**96.6**	**80.2**
Non-controlling interests		0.0	0.0
NET INCOME, GROUP'S SHARE		**96.6**	**80.2**

3.2 Comprehensive income

in millions of euros	2025 financial year	2024 financial year
NET INCOME	**96.6**	**80.2**
ITEMS RECYCLABLE TO NET INCOME	**14.2**	**1.4**
Revaluation of financial assets at fair value through other comprehensive income recyclable to profit or loss	19.2	1.9
Related taxes	(5.0)	(0.5)
ITEMS NOT RECYCLABLE TO NET INCOME	**1.8**	**0.6**
Revaluation (or actuarial gains and losses) in respect of defined-benefit plans	1.3	1.6
Revaluation of equity financial assets recognised at fair value through other comprehensive income	1.2	(0.9)
Related taxes	(0.7)	(0.1)
TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN OTHER COMPREHENSIVE INCOME	**16.0**	**2.1**
COMPREHENSIVE INCOME	**112.7**	**82.2**
Group's share	112.7	82.2
Non-controlling interests	-	-
For information: amount of non-recyclable items transferred to reserve	-	-

3.3 Consolidated balance sheet

Assets

	Notes	31/12/2025	31/12/2024
Cash, central banks	5.1	3.7	4.9
Financial assets at fair value through profit or loss	5.2.1	286.3	355.3
Hedging derivatives	5.3	44.8	9.9
Financial assets at fair value through shareholders' equity	5.4	1,150.7	623.7
Securities at amortised cost	5.5.1	962.0	597.1
Credit institutions’ loans and receivables and similar at amortised cost	5.5.2	4,818.6	5,388.1
Customers’ loans and receivables at amortised cost	5.5.3	11,896.3	11,982.4
Revaluation differences on interest rate risk-hedged portfolios, liabilities		(1.7)	0.8
Current tax assets		3.8	0.0
Deferred tax assets	10.2	32.2	36.4
Accrual accounts and other assets	5.7	70.3	128.1
Non-current assets held for sale	5.8	0.0	0.0
Shares in equity-consolidated companies	11.4.1	4.1	3.9
Investment property	5.9	0.0	0.0
Tangible fixed assets	5.10	50.8	52.6
Intangible assets	5.10	4.2	4.1
Goodwill	3.5.1	0.0	0.0
TOTAL ASSETS		**19,326.1**	**19,187.3**

Liabilities

in millions of euros	Notes	31/12/2025	31/12/2024
Financial liabilities at fair value through profit or loss	5.2.2	232.7	315.9
Hedging derivatives	5.3	38.1	3.9
Debt securities	5.11	1,739.4	1,745.4
Amounts due to credit institutions and similar	5.12.1	1,727.5	1,683.2
Amounts due to customers	5.12.2	13,860.3	13,526.6
Current tax liabilities		6.8	1.5
Deferred tax liabilities	10.2	0.0	0.0
Accrual accounts and other liabilities	5.13	163.2	258.3
Liabilities associated with non-current assets held for sale	5.8	0.0	0.0
Provisions	5.14	76.5	71.0
Subordinated debt	5.15	250.2	400.8
Shareholders’ equity		1,231.3	1,180.8
Equity attributable to equity holders of the parent		1,231.3	1,180.8
Capital and associated reserves		745.5	745.5
Consolidated reserves		398.2	379.9
Gains and losses recognised directly in other comprehensive income		(9.0)	(24.8)
Net income for the period		96.6	80.2
Non-controlling interests		**0.0**	**0.0**
TOTAL LIABILITIES AND EQUITY		**19,326.1**	**19,187.3**

3.4 Statement of changes in equity

	Capital and associated reserves				Gains and losses recognised directly in equity		
					Recyclable		
in millions of euros	Share capital	Additional paid-in capital	Perpetual deeply subordinated notes	Consolidated reserves	Foreign exchange rate adjustments	Debt financial assets recognised at fair value through other comprehensive income	Hedging derivatives
SHAREHOLDERS' EQUITY AT 1ST JANUARY 2024	**688.8**	**56.7**	**100.0**	**337.8**	**(0.1)**	**(23.4)**	
Dividend payments				(57.8)			
Capital increase (Note 5.16.1)							
Issue and redemption of deeply subordinated notes							
Interest paid on perpetual deeply subordinated notes							
Impact of acquisitions and disposals on non-controlling interests (Note 5.17.2)							
INCREASE (DECREASE) THROUGH TRANSACTIONS WITH OWNERS				**(57.8)**			
Gains and losses recognised directly in shareholders' equity (note 5.18)						1.4	
Capital gains and losses reclassified to retained earnings							
Net income for the period							
COMPREHENSIVE INCOME						**1.4**	
Other changes							
SHAREHOLDERS' EQUITY AT 31 DECEMBER 2024	**688.8**	**56.7**	**100.0**	**279.9**	**(0.1)**	**(22.0)**	
Allocation of net income for the year				80.2			
Changes in accounting policies							
SHAREHOLDERS' EQUITY AT 1 JANUARY 2025	**688.8**	**56.7**	**100.0**	**360.1**	**(0.1)**	**(22.0)**	
Dividend payments				(62.1)			
Capital increase							
Issuance of perpetual deeply subordinated notes							
Issuance and redemption of perpetual deeply subordinated notes and preference shares							
Interest paid on perpetual deeply subordinated notes							
Impact of acquisitions and disposals on non-controlling interests							
INCREASE (DECREASE) THROUGH TRANSACTIONS WITH OWNERS				**(62.1)**			
Gains and losses recognised directly in equity for insurance activities				3.5		14.2	
Capital gains and losses reclassified to retained earnings				(3.3)			
Net income							
NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY				**0.2**	**3.5**	**14.2**	
Other changes							
SHAREHOLDERS' EQUITY AT 31 DECEMBER 2025	**688.8**	**56.7**	**100.0**	**298.2**	**(0.1)**	**(7.8)**	

	Gains and losses recognised directly in equity – Non-recyclable						
	Equity financial assets recognised at fair value through other comprehensive income	**Revaluation of own credit risk on financial liabilities designated at fair value through profit or loss**	**Revaluation (actuarial) differences on employee benefits**	**Net income, Group's share**	**Total equity attributable to equity holders of the parent**	**Non-controlling interests**	**Total consolidated shareholders' equity**
	(2.1)		**(1.3)**		**1,156.4**		**1,156.4**
					(57.8)		(57.8)
					(57.8)		**(57.8)**
	(0.5)	0.1	1.2		2.1		2.1
				80.2	80.2		80.2
	(0.5)	**0.1**	**1.2**	**80.2**	**82.2**		**82.2**
	(2.7)	**0.1**	**(0.1)**	**80.2**	**1,180.8**		**1,180.8**
				(80.2)			
	(2.7)	**0.1**	**(0.1)**		**1,180.8**		**1,180.8**
					(62.1)		(62.1)
					(62.1)		**(62.1)**
	(2.5)		0.8		16.0		16.0
	3.3						
				96.6	96.6		96.6
	0.8		**0.8**	**96.6**	**112.7**		**112.7**
	(1.9)	**0.1**	**0.7**	**96.6**	**1,231.4**		**1,231.3**

3.5 Consolidated cash flow statement

in millions of euros	31/12/2025	31/12/2024
Income before tax	**136.3**	**104.8**
Depreciation, amortisation and impairment for intangible and tangible fixed assets	9.4	10.8
Net charge to impairments of goodwill and other fixed assets	0.0	0.0
Net allocations to provisions	(16.8)	40.1
Share of profit of associates	(0.2)	(0.1)
Net losses/gains on investing activities	(31.6)	(11.2)
Net income (loss) from financing activities	17.9	0.0
Other movements (or flows without cash disbursement)	(9.4)	34.2
Total non-monetary items included in net income before tax	**(30.7)**	**73.7**
Change in inter-credit institutions items	174.4	(1,004.1)
Change in customer items	426.3	1,885.3
Change in financial assets and liabilities	(543.0)	(842.7)
Change in non-financial assets and liabilities	(40.0)	(121.2)
Income taxes paid	(39.7)	(37.2)
Net increase/(decrease) in assets and liabilities generated by operating activities	**(22.0)**	**(119.8)**
Total net cash flow generated by operating activities (A) – ongoing operations	**83.6**	**58.6**
Decrease (increase) in financial assets and equity interests	(353.6)	(140.8)
Decrease (increase) in investment property	0.0	0.0
Change in intangible and tangible fixed assets, investing activities	(6.2)	(4.6)
Total net cash flow generated by investing activities (B) – ongoing operations	**(359.8)**	**(145.5)**
Net increase (decrease) arising from transactions with shareholders(1)	(62.1)	(57.9)
Other cash flows from financing activities	(168.4)	59.9
Total net cash flow generated by financing activities (C) – ongoing operations	**(230.5)**	**2.0**
Impact of changes in exchange rates on cash and cash equivalents (D) – ongoing operations	**0.0**	**0.0**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	**(506.7)**	**(84.9)**

in millions of euros	31/12/2025	31/12/2024
Net cash and bank balances at central banks	**4.9**	**5.2**
Cash and accounts with central banks (assets)	4.9	5.2
Accounts with central banks (liabilities)	0.0	0.0
Net balance of demand transactions with credit institutions	**1,636.6**	**1,721.2**
Current accounts with overdrafts(2)	1,553.3	1,728.4
Demand accounts and loans	102.2	8.0
Demand accounts in credit	(18.9)	(15.2)
Demand repurchases agreements	0.0	0.0
Opening cash and cash equivalents	**1,641.5**	**1,726.3**
Net cash and bank balances at central banks	**3.7**	**4.9**
Cash and accounts with central banks (assets)	3.7	4.9
Accounts with central banks (liabilities)	0.0	0.0
Net balance of demand transactions with credit institutions	**1,131.1**	**1,636.6**
Current accounts with overdrafts(2)	1,035.5	1,553.3
Demand accounts and loans	110.2	102.2
Demand accounts in credit	(14.6)	(18.9)
Demand repurchases agreements	0.0	0.0
Closing cash and cash equivalents	**1,134.8**	**1,641.5**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(506.7)**	**(84.9)**

(1) The net increase (decrease) arising from transactions with shareholders corresponds to dividend payments
(2) Current accounts with overdrafts do not include Livret A, LDD, and LEP savings accounts centralised with Caisse des Dépôts et Consignations.

4 Notes to the Groupe Palatine consolidated financial statements

NOTE 1 General framework

1.1 Groupe BPCE and Palatine

The Groupecomprises the Banque Populaire network, the Caisse d'Epargne network, the BPCE central institution, and their subsidiaries.

Two banking networks: the Banques Populaires and the Caisses d'Epargne

The Groupeis a cooperative group whose shareholders own the two retail banking networks: the fourteen Banques Populaires and the fifteen Caisses d'Epargne. Each of the two networks owns an equal share in BPCE, the Group's central institution.

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

The Caisse d'Epargne network consists of the Caisses d'Epargne and the local savings companies (LSCs).

The Banques Populaires are wholly owned by their cooperative shareholders.

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

BPCE

BPCE, a central body as defined by the French banking law and a credit institution licensed to operate as a bank, was created pursuant to Act No. 2009-715 of 18 June 2009. BPCE was incorporated as a French société anonyme with a Management Board and a Supervisory Board. Its share capital is owned jointly and equally by the 14 Banque Populaire and 15 Caisse d'Epargne banks.

BPCE's corporate mission embodies the continuity of the cooperative principles underlying the Banques Populaires and the Caisses d'Epargne.

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

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

The network and BPCE's main subsidiaries are organised around two main business lines:

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

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

Palatine

Palatine is a wholly owned subsidiary of the BPCE central body. Its registered office is located at().

Its main subsidiaries and affiliates are active in two segments:

- financial services and asset management activities;
- insurance activities.

1.2 Guarantee mechanism

In accordance with Articles L. 511-31, L. 512-107-5 and L. 512-107-6 of the French Monetary and Financial Code, the guarantee and solidarity mechanism aims to safeguard the liquidity and capital adequacy of the Group and BPCE's affiliates, and to organise financial support between them.

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

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

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

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

The deposit made to **the Caisse d'Epargne Network Fund** by the Caisses d'Epargne of €450 million was booked by BPCE in the form of a 10-year term account, which is indefinitely renewable.

The **Mutual Guarantee Fund** was formed by deposits made by the Banques Populaires and the Caisses d'Epargne. These deposits were booked by BPCE in the form of 10-year term accounts, which are indefinitely renewable. The amount of the deposits by network was €211 million at 31 December, 2025.

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

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

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

The liquidity and capital adequacy of the local savings companies are secured, firstly, at the level of each individual local savings company by the Caisse d'Epargne of which the local savings company in question is a shareholder.

The Management Board of BPCE has all the requisite powers to use the resources of the various contributors immediately and in the agreed order.

1.3 Significant events

Significant events are presented in chapter 1.1 'Board of Directors' management report – Highlights of the year for Palatine'.

1.4 Events after the reporting period

Since 31 December 2025 and until 3 February 2026, the closing date approved by the Board of Directors, no event occurred likely to have a notable influence on the financial position or the income of Palatine.

NOTE 2 Applicable accounting standards and comparability

2.1 Regulatory framework

The consolidated financial statements of Groupe BPCE, including the Groupe Palatine, were prepared under International Financial Reporting Standards (IFRS) inventory as adopted by the European Union and applicable at the reporting date, excluding certain provisions of IAS 39 relating to hedge accounting.

2.2 Inventory

The standards and interpretations used and detailed in the annual financial statements at 31 December, 2024, were complemented by standards, amendments, and interpretations whose application is mandatory for reporting periods starting from 1st January, 2025.

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

The standards, amendments and interpretations adopted by the European Union and applicable for the first time to this financial year did not have a material impact on the Group's financial statements.

New standards published and not yet applicable

IFRS 18

IFRS 18 ’Presentation and disclosures in financial statements’ will replace IAS 1 ’Presentation of financial statements’. It was published by the IASB on 9 April 2024. Subject to its adoption by the European Commission, IFRS 18 will be applicable as of 1st January 2027, with comparative data at 1st January 2026. Early application is authorised. Groupe BPCE, including the Groupe Palatine, does not foresee any early application of IFRS 18. The impact assessment is ongoing.

Amendment to IFRS 9

On 30 May 2024, the IASB published the amendments to IFRS 9 ’Classification and Measurement of Financial Instruments’ applicable from 1st January 2026. These amendments were adopted by Regulation (EU) 2025/1047 of the European Commission of 27 May, 2025, amending Regulation (EU) 2023/1803 as regards International Financial Reporting Standards IFRS 9 and IFRS 7. These amendments provide details on the basic nature of loans, the classification of non-recourse loans and securitizations. The amendment to IFRS 9 clarifies the treatment of instruments with contractual terms that may modify the timing or amount of cash flows, such as impact loans whose remuneration is indexed to compliance with ESG criteria. This amendment adds an analysis step if it is not possible to demonstrate the existence of a direct link between the contingent event and the risks and costs associated with the basic loan. Such an instrument may qualify as SPPI if, in all contractually possible scenarios, the contractual cash flows of the instrument are not significantly different to those of an instrument with similar contractual clauses but not having this contingent clause. This amendment will not have a material impact on the Group's financial statements. However, more detailed information will be provided in the annex.

2.3 Use of estimates and judgements

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

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

Actual future results may differ from these estimates.

With respect to the financial statements for the period ended 31 December, 2025, in particular, accounting estimates requiring assumptions were mainly used for the following measurements:

- the fair value of financial instruments determined on the basis of valuation models (Note 9);
- the amount of expected credit losses on financial instruments as well as on loan and guarantee commitments (Note 7.1);
- the results of hedge effectiveness tests, notably related to macro-hedging (Note 5.3);
- provisions recorded as liabilities on the balance sheet and, more specifically, the provision for regulated home purchase savings schemes (Note 5.14.1);
- calculations related to the cost of pensions and future employee benefits (Note 8.2);
- uncertainties relating to the tax treatment of income tax (Note 10.1);
- deferred taxes (Note 10.2);
- goodwill impairment tests (Note 3.5);
- the lease term to be used for the recognition of rights-of-use assets and lease liabilities (Note 11.2.2).

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

Estimates and judgements are also used in the Group's activities to estimate climate and environmental risks. Governance and commitments regarding these risks are presented in chapter 1.2 'Board of Directors' management report – Sustainability report'. Information on the impact and consideration of climate risks on credit risk management (Note 7) is presented in chapter 4.12 'Risk management – Climate risks'. The accounting treatment of the main green financial instruments is presented in Notes 2.5, 5.5, 5.11, 5.12.2.

Climate and environmental risks

Climate and environmental risks are likely to affect the main risks of Groupe BPCE, including the Groupe Palatine (credit and counterparty risk, market risk, operational risks, structural balance sheet risks, risks related to insurance activities, strategic risk, legal and compliance risks, reputational risk).

Climate and environmental risks include physical risks and transition risks, as defined in chapter 4.12 'Risk management – Climate risks'.

The consequences of climate and environmental risk factors for Groupe BPCE, including the Groupe Palatine, are subject to an annual materiality analysis. This analysis and the Group's risk management framework are described in chapter 4.2 'Risk management – Governance and risk management framework'.

In particular, Groupe BPCE takes physical risk into account in the internal assessment of its capital requirements (ICAAP process) by applying adverse scenarios to drought (impacting various economic sectors such as agriculture and construction) and flooding (on the real estate portfolio). The transition risk is also assessed by quantifying the impact of an orderly transition scenario limiting global warming. Lastly, models have been developed to quantify the impact of extreme flood physical risk and transition risk in line with the ICAAP 2025 EPC regulation on individual customer real estate portfolios in quantifying economic capital, supplemented by an add-on for portfolios that do not have a specific economic valuation model at this stage.

In addition, some Groupe BPCE institutions recognize impairments for the effects of physical and transition risks on credit risk. These impairments were defined by the institutions according to the specific characteristics of their credit exposure portfolio, from a geographical and sectoral point of view, when the risk was assessed locally as material. Discussions are also underway at Groupe BPCE level to harmonize the consideration of climate and environmental risks in the provisioning policy.

The inclusion of climate and environmental risks in Groupe BPCE's financial statements will benefit from the gradual improvement of the ESG risk supervision framework.

2.4 Presentation of the consolidated financial statements and reporting date

As no specific format is required under IFRS inventory, the presentation used by the Group for summarised statements follows the *Autorité des normes comptables* (ANC), French national accounting standards authority, recommendation No. 2022-01 on 8 April 2022.

The consolidated financial statements are based on the accounts at 31 December 2025. The Group's consolidated financial statements for the financial year ended 31 December 2025 were approved by the Board of Directors on 3 February 2026 and will be submitted for approval to the General Meeting on 26 May 2026.

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

2.5 General accounting principles and valuation methods

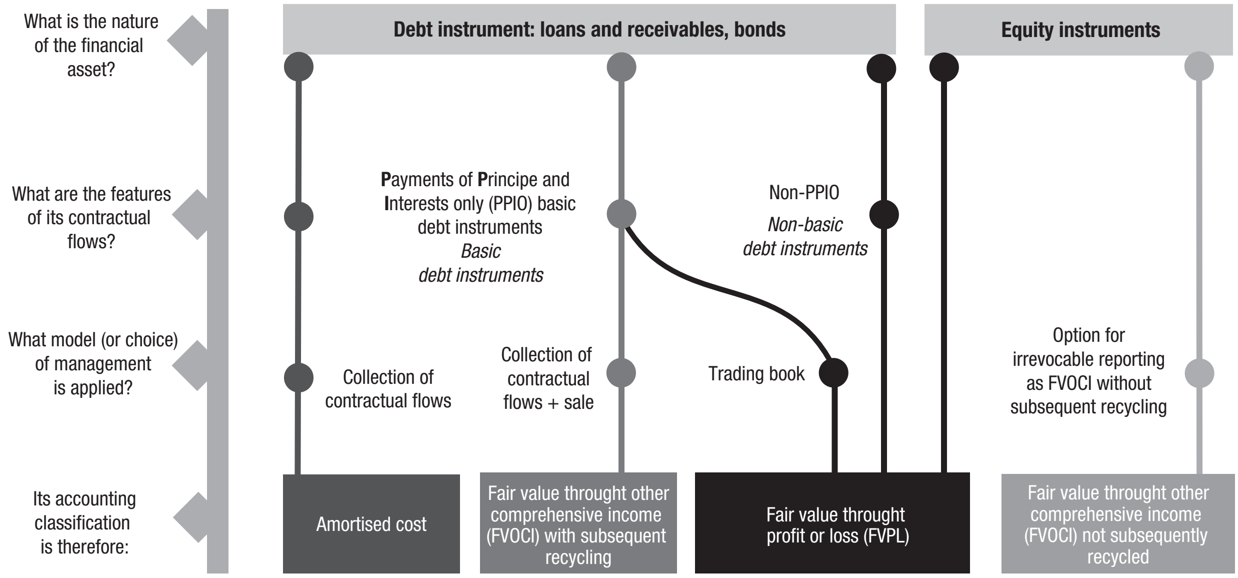
The general accounting principles set out below apply to the main items of the financial statements. Specific accounting principles are presented in the notes to which they refer.

2.5.1 Classification and measurement of financial assets and liabilities

IFRS 9 is applicable to the Groupe Palatine.

Financial assets

On initial recognition, financial assets are classified at amortised cost, at fair value through other comprehensive income, or at fair value through profit or loss, according to the type of instrument (debt or equity), the characteristics of their contractual cash flows, and how the entity manages its financial instruments (its business model).



Business model

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

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

By way of example, it is worth highlighting:

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

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

The standard provides for three business models:

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

For Groupe BPCE, the 'hold to collect' model applies to financing activities (excluding the loan syndication activity) carried out by Retail Banking, Corporate & Investment Banking, and Financial Solutions & Expertise:

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

  Groupe BPCE applies the 'hold to collect and sell' model primarily to the portion of portfolio management activities for securities in the liquidity reserve that is not managed solely under a 'hold to collect' model;

- a model intended for other financial assets, especially those held for trading, for which the collection of contractual cash flows is incidental. This business model applies to the loan syndication activity (for the portion of outstandings to be sold that was identified at the outset) and to the capital market activities carried out primarily by Global Customers Bank.

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

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

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

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

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

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

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

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

- early redemption and extension conditions.

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

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

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

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

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

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

Accounting categories

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

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

- the asset is held under a hold to collect business model; and
- the contractual terms of the financial asset define it as generating SPPI within the meaning of the standard.

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

- the asset is held under a hold to collect and sell business model; and
- the contractual terms of the financial asset define it as generating SPPI within the meaning of the standard.

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

Financing through the issuance of green financial products or investments in such products is accounted for at amortised cost unless they are held as part of a short-term disposal activity.

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

Financial liabilities

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

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

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

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

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

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

2.5.2 Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the balance sheet on which they appear at the exchange rate on the reporting date. All resulting currency exchange differences are recognised in income. However, there are two exceptions to this rule:

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

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

NOTE 3 Consolidation

3.1 Consolidating entity

Palatine is the Palatine Group's consolidating entity.

3.2 Scope of consolidation – consolidation and valuation methods

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

The scope of the entities consolidated by Palatine is shown in Note 12 – Detail of the scope of consolidation.

3.2.1 Entities controlled by the Group

The subsidiaries controlled by Groupe BPCE are fully consolidated.

Definition of control

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

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

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

Special case: structured entities

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

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

(a) well-defined activities;

(b) a specific and well-defined aim, for example: implementing a lease eligible for specific tax treatment, carrying out research and development, providing an entity with a source of capital or funding, or providing investors with investment options by transferring associated risk and advantages to the structured entity's assets;

(c) insufficient equity to permit the structured entity to finance its activities without resorting to subordinated financial support;

(d) financing through the issuance, to investors, of multiple instruments interrelated by contract and which create concentrations of credit risk or other risks ("tranches").

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

Full consolidation method

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

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

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

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

The effects of these transactions are recognised in equity at their after-tax amount and therefore do not impact the Group's share of consolidated income.

Exclusion from the scope of consolidation

Non-material-controlled entities are excluded from the scope in accordance with the principle set out in Note 12.2.

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

Likewise, interests acquired with a view to their subsequent short-term disposal are recorded as available for sale and recognised in accordance with the provisions of IFRS 5 'Non-current assets held for sale and discontinued operations'.

3.2.2 Investments in associates and joint ventures

Definitions

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

A joint venture is a joint arrangement whereby the parties that have joint control of the entity have rights to the net assets of the arrangement.

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

Equity method

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

An investment in an associate or a joint venture is initially recognised at cost and adjusted thereafter for the Group's share in the income and other comprehensive income of the associate or joint venture.

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

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

When a group entity carries out a transaction with a group joint venture or associate, the profit and loss resulting from this transaction is recognised in interests held by third parties in the associate or joint venture.

Net investment in an associate or a joint venture is subject to an impairment test if there is any objective indication of impairment arising from one or more events occurring after the net investment's initial recognition and that these events have an impact on the estimated future cash flow from the net investment, which may be reliably estimated. In such a case, the total carrying amount of the investment (including goodwill) is tested for impairment according to the provisions of IAS 36 'Impairment of assets'.

Exception to the equity method

When the investment is held by a venture capital organisation, an investment fund, an investment company with variable share capital, or a similar entity such as an insurance asset investment fund, the investor may choose not to recognise the investment using the equity method. In this case, revised IAS 28 "Investments in associates and joint ventures" authorises the investor to recognise the investment at its fair value (with changes in fair value recognised in income) in accordance with IFRS 9.

These investments are therefore recognised as 'Financial assets at fair value through profit or loss'.

3.2.3 Investments in joint operations

Definition

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

Accounting treatment of joint operations

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

3.3 Consolidation rules

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

3.3.1 Translation of the accounts of foreign entities

The consolidated financial statements are expressed in euros.

The consolidated subsidiaries of the Palatine Group are all domiciled in France, and the financial statements are prepared in euros.

3.3.2 Elimination of intra-group transactions

The impact of intercompany transactions on the consolidated balance sheet and consolidated income statement is eliminated. Dividends, as well as gains and losses on intercompany asset disposals, are also eliminated. Where appropriate, capital losses from asset disposals resulting in impairment are maintained.

3.3.3 Business combinations

In accordance with revised IFRS 3 'Business combinations' and IAS 27 'Financial and separate financial statements':

- combinations between mutual insurers are included within the scope of IFRS 3;
- costs directly linked to business combinations are recognised in net income for the period;
- payable contingent considerations are included in the cost of the business combination at their fair value at the date of acquisition of a controlling interest in an entity, even if they are only potential. Depending on the settlement method, transferred considerations are recognised against:
  - equity and later price revisions will not be booked, or
  - debts and later adjustments are recognised against income (financial debts) or according to the appropriate standards (other debts outside the scope of IFRS 9);
- on an entity's acquisition date, non-controlling interests may be valued:
  - either at fair value (method resulting in the allocation of a share of the goodwill to non-controlling interests),
  - or at the share in the fair value of the identifiable assets and liabilities of the entity acquired (method similar to that applicable to transactions prior to 31 December 2009).

The choice between these two methods must be made for each business combination.

Whatever method is chosen when the acquisition is made, increases in the percentage of interest in an entity already controlled are systematically recognised in equity:

- when an entity is acquired, any share previously held by the Group must be revalued at fair value through profit or loss. Consequently, in the event of a step acquisition, the goodwill is determined with reference to the fair value at the time of the business combination;
- when the Group loses control of a consolidated company, any share previously held by the Group must be revalued at fair value through profit or loss.

3.3.4 Purchase commitments granted to minority shareholders of fully consolidated subsidiaries

None.

3.3.5 Reporting date of consolidated entities

The entities included in the scope of consolidation close their accounts on 31 December.

3.4 Changes in the scope of consolidation during the 2025 financial year

The main change in the scope of consolidation during the 2025 financial year was the disposal of the subsidiary Ariès Assurances.

	31/12/2025				
	Country of incorporation or residence	Consolidation method	Changes in scope compared with 31 December 2024	Percentage control	Percentage of interest
Palatine	**France**	**Full consolidation**		**Consolidating entity**	
Palatine Asset Management	France	Full consolidation	-	100.0%	100.0%
Ariès Assurances	France		Disposal		
Conservateur Finance	France	Equity method	-	20.0%	20.0%

3.5 Goodwill

3.5.1 Value of goodwill

in millions of euros	30/12/2025	31/12/2024
Opening net value	**0.0**	**0.0**
Impairment		
Closing net value	**0.0**	**0.0**

3.5.2 Changes in the value of goodwill

No change in value was noted.

NOTE 4 Notes to the income statement

Key points
Net banking income (NBI) includes:

- interest income and expenses;
- fees and commissions;
- gains or losses on financial instruments at fair value through profit or loss;
- net gains or losses on financial instruments at fair value through other comprehensive income;
- gains or losses arising from derecognition of financial assets measured at amortised costs
- net income from insurance activities;
- income and expenses from other activities.

4.1 Interest and similar income and expenses

Accounting principles

Interest income and expenses are recognised in the income statement for all financial instruments measured at amortised cost using the Effective Interest Rate Method, which includes interbank and customer items, the portfolio of securities at amortised cost, debt securities, subordinated debt, and lease liabilities. This item also includes interest receivable on fixed income securities classified as financial assets at fair value through other comprehensive income and hedging derivatives, it being specified that accrued interest on cash flow hedging derivatives is taken to income in the same manner and period as the accrued interest on the hedged item.

Interest income also consists of interest on non-SPPI debt instruments not held under a trading model, as well as interest on the related economic hedges (classified by default as instruments at fair value through profit or loss).

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability.

The effective interest rate calculation takes account of all transaction fees paid or received as well as premiums and discounts. Transaction fees paid or received that are an integral part of the effective interest rate of the contract, such as loan set-up fees and commissions paid to financial partners, are treated as additional interest.

Negative interest is presented as follows:

- a negative interest on an asset is presented as an interest expense in net revenue before tax;
- a negative interest on a liability is presented as interest income in net revenue before tax.

in millions of euros	2025 financial year			2024 financial year		
	Interest income	Interest expense	Net	Interest income	Interest expense	Net
Loans to/borrowings from credit institutions(1)	123.5	(64.4)	59.1	173.0	(97.5)	75.5
Loans to/borrowings from customers(2)	423.5	(162.3)	261.2	470.1	(201.1)	269.0
Bonds and other debt securities held/issued	28.4	(48.9)	(20.5)	9.2	(84.5)	(75.3)
Subordinated debt	///	(17.9)	(17.9)	///	(20.9)	(20.9)
Lease liabilities	///	(0.9)	(0.9)	///	(0.9)	(0.9)
Financial assets and liabilities at amortised cost (excluding finance lease contracts)	**575.4**	**(294.4)**	**281.0**	**652.4**	**(404.9)**	**247.4**
Finance leases	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Debt securities	14.1	///	14.1	5.0	///	5.0
Other	0.0	///	0.0	0.0	///	0.0
Financial assets at fair value through shareholders' equity	**14.1**	**///**	**14.1**	**5.0**	**///**	**5.0**
TOTAL FINANCIAL ASSETS AND LIABILITIES AT AMORTISED COST AND AT FAIR VALUE THROUGH SHAREHOLDERS' EQUITY(1)	**589.5**	**(294.4)**	**295.2**	**657.3**	**(404.9)**	**252.4**
Non-standard financial assets not held for trading	**0.0**	**///**	**0.0**	**0.0**	**///**	**0.0**
Hedging derivatives	**43.9**	**(49.2)**	**(5.3)**	**23.2**	**(12.8)**	**10.4**
Derivatives for economic hedging	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
TOTAL INTEREST INCOME AND EXPENSE	**633.4**	**(343.5)**	**289.9**	**680.5**	**(417.7)**	**262.8**

(1) *The interest income on loans and advances to credit institutions comprises €15.4 million (€18.2 million in 2024) collected on the Livret A, LDD, and LEP savings accounts centralised with Caisse des Dépôts et Consignations.*

(2) *Interest expense or income on regulated savings accounts includes €1.5 million in respect of the net reversal of the provision for regulated home purchase savings schemes (€1 million allocation in respect of the 2024 financial year).*

4.2 Fee and commission income and expenses

Accounting principles

Under IFRS 15 'Revenue from contracts with customers', recognition of revenue from ordinary activities reflects the transfer of control of goods and services promised to customers in an amount corresponding to the consideration that the entity expects to receive in exchange for these goods and services. The recognition of this revenue calls for a five-step approach:

- identification of contracts with customers;
- identification of specific performance obligations (or items) to be recognised separately from one another;
- determination of the overall transaction price;
- allocation of the transaction price to the various specific performance obligations;
- recognition of revenue when performance obligations are met.

This approach applies to contracts entered into by an entity with its customers, with the exception of leases (covered by IFRS 16), insurance contracts (covered by IFRS 17), and financial instruments (covered by IFRS 9). If specific stipulations relating to revenue or contract costs are given under a different standard, these will first be applied.

This method primarily applies to the following Group activities:

- commission income, notably that relating to banking services when this income is not included in the effective interest rate, or that relating to asset management or financial engineering services;
- income from other activities (see Note 4.6), in particular for services included in leases;
- banking services rendered with the participation of Group partners.

As a result, fees and commissions are recorded based on the type of service rendered and on the method of accounting for the financial instruments to which the service relates.

This line includes mainly fees and commissions receivable or payable on recurring services (payment processing, custody fees, etc.) and occasional services (fund transfers, late payment penalties, etc.), fees and commissions receivable or payable on execution of significant transactions, and fees and commissions receivable or payable on trust assets held or managed on behalf of the Group's customers.

However, fees and commissions that form an integral part of the effective yield on a contract are recorded under 'Net interest income'.

Commissions on services

Commissions on services are analysed to separately identify their different items (or performance obligations) and to assign the appropriate share of revenues to each item. Each item is then recorded in the income statement by type of service provided and according to the method used to recognise the associated financial instrument:

- fees and commissions payable or receivable on recurring services are deferred over the period in which the service is provided (payment processing, custody fees, etc.) ;
- fees and commissions payable or receivable on occasional services are recognised in full in income when the service is provided (fund transfers, payment penalties, etc.) ;
- commissions payable or receivable on execution of a significant transaction are recognised in full in income on completion of the transaction.

When there is some uncertainty about the amount of a commission (incentive fees in asset management, variable financial engineering fees, and commissions, etc.), only the amount that the Group is already certain to receive, given the information available at the closing date, is recognised.

Fees and commissions that form an integral part of the effective yield on an instrument, such as fees on financing commitments given or loan set-up fees, are recognised and amortised as an adjustment to the effective interest rate over the estimated term of the applicable loan. These fees and commissions are recognised as 'Interest income' rather than 'Commission income'.

Fiduciary and similar fees and commissions are those that result in assets being held or invested on behalf of individual customers, pension schemes, or other institutions. Trust-management services mainly cover asset management business and custody services on behalf of third parties.

	2025 financial year			2024 financial year		
in millions of euros	Income	Expense	Net	Income	Expense	Net
Cash and interbank transactions	0.6	(0.1)	0.6	0.9	(0.1)	0.8
Customer transactions	53.3	0.0	53.3	50.8	0.0	50.8
Financial services	8.5	(3.3)	5.2	8.1	(3.9)	4.2
Sales of life insurance products	12.0	///	12.0	12.9	///	12.9
Payment services	12.9	(6.8)	6.1	12.7	(6.5)	6.1
Securities transactions	1.9	(0.1)	1.8	1.9	(0.0)	1.9
Fiduciary and trust activities	227	(0.3)	22.4	22.9	(0.3)	22.6
Transactions on financial instruments and off-balance sheet	0.0	0.0	0.0	0.0	0.0	0.0
Other fee and commission income/(expense)	1.3	0.0	1.3	1.6	0.0	1.6
TOTAL FEE, COMMISSION INCOME, AND EXPENSES	**113.1**	**(10.5)**	**102.6**	**111.8**	**(10.8)**	**101.0**

4.3 Net gains (losses) on financial instruments at fair value through profit or loss

Accounting principles

'Gains or losses on financial instruments at fair value through profit or loss' includes gains and losses (including the related interest) from financial assets and liabilities classified as held for trading or designated at fair value through profit or loss.

'Gains and losses on hedging transactions' include the remeasurement of derivatives used as fair value hedges, as well as the remeasurement of the hedged item in the same manner, offset by remeasurement at fair value of the macro-hedged portfolio and the ineffective portion of cash flow hedges.

in millions of euros	2025 financial year	2024 financial year
Gains and losses on financial instruments mandatorily recognized at fair value through profit or loss[1]	18.6	22.6
Gains and losses on hedging transactions	0.5	(0.6)
• Ineffective portion of cash flow hedges (CFH)	0.0	
• Ineffective portion of fair value hedges (FVH)	0.5	(0.6)
Change in fair value hedges	*32.2*	*(9.0)*
Change in the hedged item	*(31.7)*	*8.4*
Gains and losses on foreign exchange transactions	1.2	(4.7)
TOTAL NET GAINS AND LOSSES ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**20.3**	**17.4**

(1) Including economic currency hedging.

The net gains and losses on financial instruments at fair value through profit or loss increased by €2.9 million.

This item essentially recorded income of 4.425 million on XVA, broken down as follows: CVA 3.319 million, DVA 1.063 million, FVA-FBA - 1.578 million, FVA-FCA of 1.621 million.

4.4 Net gains (losses) on financial instruments at fair value through other comprehensive income

Accounting principles

Financial assets at fair value through other comprehensive income include:

- SPPI debt instruments managed under a hold to collect and sell business model at fair value through other comprehensive income recyclable to profit or loss. If they are sold, changes in fair value are taken to income;
- equity instruments at fair value through other comprehensive income not recyclable to profit or loss. In the event of disposal, changes in fair value are not transferred to profit or loss but are taken directly to consolidated reserves. Only dividends affect income when they correspond to a return on investment.

Changes in the value of SPPI debt instruments managed under a hold to collect and sell business model recognised at fair value through other comprehensive income, recyclable to profit or loss include:

- income and expenses recognised in net interest income;
- net gains or losses on derecognised debt financial assets at fair value through other comprehensive income;
- impairment/reversals recognised in 'Cost of credit risk';
- gains and losses recognised directly in other comprehensive income.

in millions of euros	2025 financial year	2024 financial year
Net gains or losses on debt instruments	(4.5)	0.0
Net gains or losses on equity instruments (dividends)	0.5	0.5
TOTAL GAINS AND LOSSES ON FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	**(3.9)**	**0.5**

4.5 Net gains or losses arising from the derecognition of financial instruments at amortised cost

Accounting principles

This item includes net gains or losses on financial assets at amortised cost arising from the derecognition of financial instruments at amortised cost (loans and receivables, debt securities) and financial liabilities at amortised cost.

in millions of euros	2025 financial year			2024 financial year		
	Gains	Losses	Net	Gains	Losses	Net
Customers' loans or receivables	1.1	0.0	1.1	0.0	0.0	0.0
Gains and losses on financial assets at amortised cost	**1.1**	**0.0**	**1.1**	**0.0**	**0.0**	**0.0**
Debt securities	0.1	(0.1)	(0.0)	0.1	(0.1)	0.0
Subordinated debt	0.0	0.0	0.0	0.0	0.0	0.0
Gains and losses on financial liabilities at amortised cost	**0.1**	**(0.1)**	**(0.0)**	**0.1**	**(0.1)**	**0.0**
TOTAL NET GAINS OR LOSSES ARISING FROM THE DERECOGNITION OF FINANCIAL ASSETS AT AMORTISED COST	**1.1**	**(0.1)**	**1.1**	**0.1**	**(0.1)**	**0.0**

Gains recognised over the financial year on the disposal of financial assets at amortised cost amounted to €1.065 million at 31 December 2025.

4.6 Income and expenses from other activities

Accounting principles

Income and expenses from other activities mainly include:

- income and expenses on investment property (rental income and expense, gains and losses on disposals, depreciation, amortisation, and impairment);
- income and expenses on operating leases;
- income and expenses on real estate development activities (revenues, purchases used).

in millions of euros	2025 financial year			2024 financial year		
	Income	Expense	Net	Income	Expense	Net
Income and expenses from investment property	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Share of joint ventures	0.0	(0.1)	(0.1)	0.0	(0.0)	(0.0)
Transfers of expenses and income	0.0	(1.2)	(1.2)	0.0	(1.6)	(1.6)
Other operating income and expenses	0.2	(4.8)	(4.6)	0.2	(3.9)	(3.7)
Net additions to/reversals from provisions to other operating income and expenses	///	(0.6)	(0.6)		0.9	0.9
Other banking income and expense	**0.2**	**(6.6)**	**(6.4)**	**0.2**	**(4.6)**	**(4.4)**
TOTAL INCOME AND EXPENSES FROM OTHER ACTIVITIES	**0.2**	**(6.6)**	**(6.4)**	**0.2**	**(4.6)**	**(4.4)**

4.7 Operating expenses

Accounting principles

General operating expenses include mainly employee benefits expense (wages and salaries net of rebilled amounts), social security charges, and employee benefit expenses such as pension costs. Operating expenses also include the full amount of administrative costs and external service costs.

The terms and conditions governing the establishment of the Deposit Guarantee Fund (FGDR) were amended by the order of 27 October 2015.

For the deposit guarantee fund, the cumulative amount of contributions paid by the Groupe Palatine to the fund in respect of deposit, guarantee, and securities mechanisms represents €19.6 million. Contributions (which are non-refundable in the event of a voluntary withdrawal of approval to operate) represent €4.1 million. Contributions paid in the form of partner or association certificates and cash security deposits recognised as assets on the balance sheet totalled €15.5 million as of 31 December 2025.

Contributions to banking resolution mechanisms

European Directive 2014/59/EU, known as the BRRD (the Bank Recovery and Resolution Directive), which sets out a framework for the recovery and resolution of banks and investment firms, and European Regulation 806/2014 (the Single Resolution Mechanism (SRM) Regulation) set up a resolution fund from 2015. In 2016, this fund became a single resolution fund (SRF) between the member states participating in the single supervisory mechanism (SSM). The SRF is a resolution funding framework at the disposal of the resolution authority (Single Resolution Board). The latter may draw on this fund in the context of the implementation of the resolution procedures.

In compliance with EU Delegated Regulation No. 2015/63 and implementing regulation No. 2015/81, supplementing the BRRD directive on *ex ante* contributions to the frameworks for financing the resolution, the Single Resolution Board determined the contributions to the single resolution fund for 2025. The target in terms of the funds to be collected for the resolution fund was achieved at 31 December 2023. The amount of the contributions paid by the Groupe Palatine was zero in 2024 and 2025 for both the portion recognised as an expense and the portion in the form of an irrevocable payment commitment (IPC) guaranteed by cash deposits entered as assets on the balance sheet. However, contributions may be called in the future, depending, in particular, on the evolution of the covered deposits and the possible use of the funds. The share of the IPCs corresponded to 15% of the calls for funds until 2022 and 22.5% for the 2023 contribution. These deposits are remunerated at the rate applicable to the market players concerned, i.e., €STER -20 basis points since 1 May 2023. The cumulative amount of collateral recognised as assets on the balance sheet totalled €7.7 million at 31 December 2025. It is recognized at amortized cost on the asset side of the balance sheet under 'Accrued income and other assets' and was not subject to impairment at 31 December, 2025. Commitments in respect of IPC are not subject to a provision in liabilities. In effect, the conditions for using the SRF resources, and therefore for calling on irrevocable payment commitments, are strictly governed by regulations. These resources may only be called up in the event of a resolution procedure by an institution and after intervention of at least 8% of total liabilities by shareholders and holders of relevant capital instruments and other commitments usable for bail-in purposes. In addition, the SRF contribution must not exceed 5% of the total liabilities of the institution subject to a resolution procedure. Groupe BPCE does not expect a resolution measure requiring a call for contributions for the Group to occur in the Eurozone, nor does it expect a loss or withdrawal of its banking license.

in millions of euros	2025 financial year	2024 financial year
Personnel expenses	**(144.5)**	**(137.2)**
Taxes, levies and regulatory contributions(1)	(4.1)	(5.0)
External services and other general operating expenses	(66.5)	(61.0)
Other administrative costs	**(70.6)**	**(66.0)**
TOTAL OPERATING EXPENSES	**(215.0)**	**(203.2)**

(1) *Taxes and regulatory contributions include in particular the contribution to the SRF (single resolution fund) for an amount in 2024 and 2025 and the tax to support local authorities for an annual amount of €0.55 million (compared with €0.55 million in 2024).*

The breakdown of payroll costs is provided in Note 8.1.

Rebillings of 'central body' activities (listed in the French Monetary and Financial Code) are now presented in net revenue before tax, and rebillings of Group assignments are still presented as management fees.

4.8 Gains or losses on other assets

Accounting principles

Gains or losses on other assets include gains and losses on disposals of intangible and tangible fixed assets, as well as gains and losses on disposals of consolidated investments in unconsolidated subsidiaries.

	2025 financial year	2024 financial year
Gains or losses on disposals of tangible fixed assets and operating intangible assets	1.3	3.6
Gains or losses on disposals of consolidated holdings	1.2	0.0
TOTAL GAINS OR LOSSES ON OTHER ASSETS	**2.5**	**3.6**

As part of the ongoing transformation of the network, the sale of branches generated an income from disposals of €1.3 million. The disposal of the Ariès subsidiary generated a gain of €1.2 million.

NOTE 5 Notes to the balance sheet

5.1 Cash and amounts due from central banks

Accounting principles

This item mainly includes cash and assets held with central banks at amortised cost.

in millions of euros	31/12/2025	31/12/2024
Cash	3.7	4.9
Central banks	0.0	0.0
TOTAL CASH AND AMOUNTS DUE FROM CENTRAL BANKS	**3.7**	**4.9**

5.2 Financial assets and liabilities at fair value through profit or loss

Accounting principles

Financial assets and liabilities at fair value through profit or loss comprise instruments held for trading, including derivatives; certain assets and liabilities that the Group chose to recognise at fair value at their date of acquisition or issue using the fair value option available under IFRS 9; and non-SPPI assets.

The criteria for classification as financial assets are described in Note 2.5.1.

Date of recognition

Securities are recorded in the balance sheet on the settlement-delivery date.

Temporary sales of securities are also recorded on the settlement-delivery date.

When such transactions are recorded under ’Assets and liabilities at fair value through profit or loss’, the commitment is recorded as an interest rate derivative.

The first-in, first-out (FIFO) method is applied to any partial disposals of securities, except in special cases.

5.2.1 Financial assets at fair value through profit or loss

Accounting principles

Financial assets at fair value through profit or loss are:

- financial assets held for trading, i.e., securities acquired or issued principally for the purpose of selling them in the near term;
- financial assets that the Group has chosen to recognise at fair value through profit or loss at inception using the fair value option available under IFRS 9. The qualifying criteria used when applying this option are described above;
- non-SPPI debt instruments;
- equity instruments measured by default at fair value through profit or loss (which are not held for trading purposes).

These assets are measured at fair value at the date of initial recognition and at each closing date. Changes in fair value over the period, interest, dividends, and gains or losses on disposals on these instruments are recognised in ’Gains or losses on financial instruments at fair value through profit or loss’, with the exception of non-SPPI debt financial assets whose interest is recorded in ’Interest income’.

Financial assets in the trading book mainly include proprietary securities transactions, repurchase agreements, and derivatives contracted by the Group to manage its risk exposure.

Assets designated at fair value through profit or loss

IFRS 9 allows entities to designate financial assets at fair value through profit or loss on initial recognition. However, an entity’s decision to do so may not be reversed.

Compliance with the criteria stipulated by the standard must be verified prior to any recognition of an instrument using the fair value option.

This option may only be applied to eliminate or significantly reduce an accounting mismatch. Applying the option eliminates accounting mismatches stemming from the application of different valuation rules to instruments managed under a single strategy.

in millions of euros	31/12/2025 Financial assets mandatorily recognised at fair value through profit or loss: Financial assets related to a trading activity	Other financial assets(1)	Financial assets designated at fair value on option(2)	Total	31/12/2024 Financial assets mandatorily recognised at fair value through profit or loss: Financial assets related to a trading activity	Other financial assets(1)	Financial assets designated at fair value on option(2)	Total
Bonds and other debt securities	0.0	15.1	0.0	15.1	0.0	15.9	0.0	15.9
Debt securities	**0.0**	**15.1**	**0.0**	**15.1**	**0.0**	**15.9**	**0.0**	**15.9**
Loans	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Equity instruments	**0.0**	**0.0**	**///**	**0.0**	**0.0**	**0.0**	**///**	**0.0**
Trading derivatives(3)	**271.1**	**///**	**///**	**271.1**	**339.4**	**///**	**///**	**339.4**
Security deposits paid	**0.0**	**///**	**///**	**0.0**	**0.0**	**///**	**///**	**0.0**
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**271.1**	**15.1**	**0.0**	**286.2**	**339.4**	**15.9**	**0.0**	**355.3**

(1) *Includes non-basic assets that are not part of a trading activity.*
(2) *Only in the case of an "accounting mismatch".*
(3) *This information is presented taking into account the effects of offsets in accordance with IAS 32 (see Note 5.19.1).*

The 'Trading derivatives' item includes derivatives whose fair value is positive. These are mainly economic hedging derivatives that do not meet the restrictive hedging criteria required by IAS 39.

The amount of this item is also reduced by the amount of the value adjustments of the credit valuation adjustment (CVA) derivative portfolio (transaction and hedging), i.e., €1.851 million at 31 December 2025.

5.2.2 Financial liabilities at fair value through profit or loss

Accounting principles

These are financial liabilities held for trading or classified in this category on a voluntary basis at initial recognition using the fair value option available under IFRS 9. The trading book includes liabilities arising from short-selling transactions, repurchase agreements, and derivatives. The qualifying criteria used when applying this option are described above.

These liabilities are measured at fair value at the date of initial recognition and at each closing date.

The changes in fair value over the period, interest, and gains or losses related to these instruments are booked as 'Gains or losses on financial instruments at fair value through profit or loss', with the exception of changes in fair value attributable to own credit risk associated with financial liabilities designated at fair value through profit or loss, which have been booked, since 1st January 2016, in 'Revaluation of own credit risk on financial liabilities designated at fair value through profit or loss' within 'Gains and losses recognised directly in other comprehensive income'. If the liability is derecognised prior to maturity (for example, early redemption), the realised fair value gain or loss, attributable to own credit risk, is transferred directly to retained earnings in shareholders' equity.

Financial liabilities designated at fair value through profit or loss

IFRS 9 allows entities to designate financial liabilities at fair value through profit or loss on initial recognition. However, an entity's decision to do so may not be reversed.

Compliance with the criteria stipulated by the standard must be verified prior to any recognition of an instrument using the fair value option.

In practice, this option may be applied only under the specific circumstances described below:

Elimination or significant reduction of an accounting treatment gap

Applying the option eliminates accounting mismatches stemming from the application of different valuation rules to instruments managed under a single strategy.

Harmonisation of accounting treatment for management and performance measurement

The option applies for liabilities managed and measured at fair value, provided that such management is based on a formally documented risk management policy or investment strategy, and that internal monitoring also relies on a fair value measurement.

Hybrid financial instruments containing one or more embedded derivatives

An embedded derivative is a component of a financial or non-financial hybrid (combined) instrument that qualifies as a derivative. It must be separated from the host contract and accounted for as a derivative if the hybrid instrument is not measured at fair value through profit or loss, and if the economic characteristics and risks associated with the derivative are not closely related to those of the host contract.

The fair value option may be applied to a financial liability when the embedded derivative substantially modifies the cash flows of the host contract and when the separate recognition of the embedded derivative is not specifically prohibited by IFRS 9 (e.g., an early redemption option embedded in a debt instrument). The option allows the entire instrument to be measured at fair value and therefore avoids the need to extract, recognise or separately measure the embedded derivative.

This accounting treatment applies in particular to some structured debt issues containing material embedded derivatives.

	31/12/2025			31/12/2024		
in millions of euros	Financial liabilities issued for trading	Financial liabilities designated at fair value through profit or loss	Total	Financial liabilities issued for trading	Financial liabilities designated at fair value through profit or loss	Total
Trading derivatives	232.7	///	232.7	315.9	///	315.9
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**232.7**		**232.7**	**315.9**		**315.9**

The 'Trading derivatives' item includes derivatives whose fair value is negative. These are mainly economic hedging derivatives that do not meet the restrictive hedging criteria required by IAS 39.

The amount of this item is also reduced by the amount of the value adjustments of the debit valuation adjustment (DVA) derivative portfolio (transaction and hedging), *i.e.*, €0.412 million at 31 December 2025.

Conditions for designating financial liabilities at fair value on option

Liabilities designated at fair value through profit or loss consist mainly of issues originated and structured within the global financial services division on behalf of customers whose risks and hedging are managed together. These issues contain embedded derivatives whose changes in value are offset, with the exception of those assigned to own credit risk, by those of the derivatives that hedge them economically.

5.2.3 Trading derivatives

Accounting principles

A derivative is a financial instrument or other contract with all three of the following characteristics:

- its value changes in response to the change in a specific interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, this variable may not be specific to one of the parties to the contract;
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
- it is settled at a future date.

All derivatives are recognised on the balance sheet at the trade date and are measured at fair value at inception. They are remeasured at their fair value at each reporting date irrespective of whether they were acquired for trading or hedging purposes.

Trading derivatives are recognised on the balance sheet under 'Financial assets at fair value through profit or loss' and 'Financial liabilities at fair value through profit or loss'. Realised and unrealised gains and losses are taken to income on the 'Gains or losses on financial instruments at fair value through profit or loss' line.

The notional amounts of financial instruments are merely an indication of the volume of activity and do not reflect the market risks associated with such instruments. Positive or negative fair values represent the replacement value of these instruments. These values may vary significantly depending on changes in market parameters.

in millions of euros	31/12/2025 Notional amount	31/12/2025 Positive fair value	31/12/2025 Negative fair value	31/12/2024 Notional amount	31/12/2024 Positive fair value	31/12/2024 Negative fair value
Interest rate derivatives	10,058.4	149.5	138.6	11,646.4	192.5	186.1
Equity derivatives	0.0	0.0	0.0	0.0	0.0	0.0
Currency derivatives	1,609.2	58.7	55.4	1,532.2	46.0	55.2
Other instruments	0.0	0.0	0.0	0.0	0.0	0.0
Forward transactions	**11,667.6**	**208.2**	**194.0**	**13,178.6**	**238.5**	**241.2**
Interest rate derivatives	15,342.1	50.4	25.4	15,794.1	89.0	62.7
Equity derivatives	0.0	0.0	0.0	0.0	0.0	0.0
Currency derivatives	3,044.4	12.5	13.3	2,635.4	11.9	11.9
Other instruments	0.0	0.0	0.0	0.0	0.0	0.0
Options	**18,386.5**	**62.9**	**38.7**	**18,429.6**	**100.9**	**74.7**
Credit derivative	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
TOTAL TRADING DERIVATIVES	**30,054.1**	**271.1**	**232.7**	**31,608.1**	**339.4**	**315.9**
Of which on organised markets	0.0	0.0	0.0	0.0	0.0	0.0
Of which over-the-counter transactions	30,054.1	271.1	232.7	31,608.1	339.4	315.9

5.3 Hedging derivatives

Accounting principles

A derivative is a financial instrument or other contract with all three of the following characteristics:

- its value changes in response to the change in a specific interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, this variable may not be specific to one of the parties to the contract;
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
- it is settled at a future date.

All derivatives are recognised on the balance sheet at the trade date and are measured at fair value at inception. They are remeasured at their fair value at each reporting date irrespective of whether they were acquired for trading or hedging purposes.

Changes in the fair value of derivatives are recognised in income for the period, except for derivatives qualifying as cash flow hedges for accounting purposes or as hedges of a net investment in a foreign operation.

Derivatives may only be designated as hedges if they meet the criteria set out in IAS 39 at inception and throughout the term of the hedge. These criteria include formal documentation that the hedging relationship between the derivatives and the hedged items is both prospectively and retrospectively effective.

Fair value hedges mainly consist of interest rate swaps that protect fixed-rate financial instruments against changes in fair value attributable to changes in market interest rates. They transform fixed-rate assets or liabilities into floating-rate instruments. Fair value hedges include, in particular, hedges of loans, securities, deposits, and fixed-rate subordinated debt.

Fair value hedging is also used to manage the overall interest rate risk position.

Cash flow hedges fix or control the variability of cash flows arising from floating-rate instruments. Cash flow hedging is also used to manage the overall interest rate risk position.

The notional amounts of financial instruments are merely an indication of the volume of activity and do not reflect the market risks associated with such instruments.

The hedging relationship qualifies for hedge accounting if, at the inception of the hedge, there is formal documentation of the hedging relationship identifying the hedging strategy, the type of risk hedged, the designation and characteristics of the hedged item, and the hedging instrument. In addition, the effectiveness of the hedge must be demonstrated at inception and subsequently verified.

Derivatives contracted as part of a hedging relationship are designated according to the purpose of the hedge.

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

Fair value hedges

Fair value hedges are intended to reduce exposure to changes in the fair value of an asset or liability carried on the balance sheet, or of a firm commitment, in particular, the interest rate risk on fixed-rate assets and liabilities.

The gain or loss on the revaluation of hedging instruments attributable to the risk being hedged is recognised in income in the same manner as the gain or loss on the hedged item. The ineffective portion of the hedge, if any, is recorded in the income statement under 'Gains or losses on financial instruments at fair value through profit or loss'.

Accrued interest on the hedging instrument is taken to income in the same manner as the accrued interest on the hedged item.

Where identified assets or liabilities are hedged, the revaluation of the hedged component is recognised on the same line of the balance sheet as the hedged item.

The ineffective portion relating to the dual-curve valuation of collateralised derivatives is taken into account when calculating the effectiveness of a hedge.

If a hedging relationship ceases (investment decision, failure to fulfil effectiveness criteria, or because the hedged item is sold before maturity), the hedging instrument is transferred to the trading book. The revaluation difference recorded in the balance sheet in respect of the hedged item is amortised over the residual life of the initial hedge. If the hedged item is sold before maturity or redeemed early, the cumulative amount of the revaluation gain or loss is recognised in net income for the period.

Cash flow hedges

The purpose of cash flow hedges is to hedge the exposure to the variability of cash flow that is attributable to a particular risk associated with a recognised asset or liability or with a future transaction (hedge of interest rate risk on floating-rate assets or liabilities, hedge of conditions relating to future transactions such as future fixed interest rates, future prices, exchange rates, etc.).

The portion of the gain or loss on the hedging instrument that is deemed to be an effective hedge is recognised on a separate line of 'Gains and losses recognised directly in equity'. The ineffective portion of the gain or loss on the hedging instrument is recorded in the income statement under 'Gains or losses on financial instruments at fair value through profit or loss'.

Accrued interest on the hedging instrument is taken to income under interest income in the same manner as the accrued interest on the hedged item.

The hedged items are accounted for using the treatment applicable to their specific asset category.

If a hedging relationship ceases (because the hedge no longer meets the effectiveness criteria, the derivative is sold, or the hedged item ceases to exist), the cumulative amounts recognised in other comprehensive income are transferred to the income statement as and when the hedged item impacts profit or loss, or immediately if the hedged item ceases to exist.

Specific cases of portfolio hedging (macro-hedging)

Documentation as cash flow hedges

Some of the Group's institutions document their macro-hedging of interest rate risk in cash flow hedges (hedging of loan or borrowing portfolios).

In this case, the portfolios of assets or liabilities that may be hedged are, for each maturity band:

- floating-rate assets and liabilities; the entity incurs a risk of variability in future cash flows from floating-rate assets or liabilities insofar as future interest rate levels are not known in advance;
- future transactions deemed to be highly probable (forecasts): assuming total outstandings remain constant, the entity is exposed to the risk of variability in future cash flows on future fixed-rate loans insofar as the interest rate at which the loan will be granted is not yet known. Similarly, the Group may be exposed to the risk of variability in future cash flows on the funding that it will need to raise in the market.

IAS 39 does not permit the designation of a net position by maturity band. The hedged item is therefore deemed to be equivalent to a share of one or more portfolios of identified floating-rate instruments (portion of deposit outstandings or floating-rate loans); the effectiveness of the hedges is measured by creating a hypothetical instrument for each maturity band and comparing its changes in fair value from inception to those for the documented hedging derivatives.

The characteristics of this instrument model those of the hedged item. Effectiveness is then assessed by comparing the changes in value of the hypothetical instrument with the actual hedging instrument. This method requires the preparation of a maturity schedule.

The effectiveness of the hedge must be shown prospectively and retrospectively.

The hedge is effective prospectively if, for each target maturity band, the nominal amount of items to be hedged is higher than the notional amount of the hedging instruments.

The retrospective test calculates the retrospective effectiveness of a hedge initiated at various balance sheet dates.

At each balance sheet date, changes in the fair value of hedging instruments, excluding accrued interest, are compared with those of hypothetical instruments. The ratio of their respective changes should be between 80% and 125%.

If the hedged item is sold or the future transaction is no longer highly probable, the cumulative unrealised gain or loss recognised in other comprehensive income is transferred immediately to profit or loss.

When the hedging relationship ceases, if the hedged item is still shown on the balance sheet, or if it is still highly probable, unrealised cumulative gains and losses in comprehensive income are amortised on a straight-line basis. If the derivative has not been cancelled, it is reclassified as a trading derivative, and subsequent changes in its fair value are recognised in income.

Documentation as fair value hedges

Some of the Group's entities document their macro-hedge of interest rate risk as fair value hedges, applying the provisions of IAS 39 as adopted by the European Union (known as a carve-out).

The version of IAS 39 adopted for use by the European Union does not include certain hedge accounting provisions that appear incompatible with the strategies implemented by European banks to reduce their overall exposure to interest rate risk. In particular, this carve-out allows the Group to make use of hedge accounting for interbank interest rate risk on customer transactions at fixed rates (loans, savings accounts and demand deposits). The macro-hedging instruments used by the Group are mainly plain vanilla interest rate swaps designated at inception as fair value hedges of fixed-rate deposits or loans.

Macro-hedging derivatives are accounted for according to the same principles as those described above for fair value micro-hedging.

In the case of a macro-hedging relation, the remeasurement of the component covered is broadly included in the item "Remeasurement gains and losses on interest rate risk-hedged portfolios" on the assets side of the balance sheet when a portfolio of financial assets is hedged and on the liabilities side of the balance sheet when a portfolio of financial liabilities is hedged.

The hedges are deemed effective if the derivatives offset the interest rate risk on the underlying fixed-rate portfolio. The ineffective portion relating to the dual-curve valuation of collateralised derivatives is taken into account.

Effectiveness is tested in two ways:

- asset-based testing: for plain vanilla swaps designated as hedging instruments at inception, the Group verifies that no over-hedging exists both prospectively at the date the hedging relationship is designated and retrospectively at each balance sheet date;
- quantitative testing: for other swaps, the change in the fair value of the actual swap must offset the changes in the fair value of a hypothetical instrument that exactly reflects the underlying hedged item. These tests are conducted prospectively at the date the instrument is designated as a hedge and retrospectively at each balance sheet date.

If a hedging relationship ceases, the revaluation adjustment is amortised on a straight-line basis over the remaining term of the initial hedge, if the hedged item has not been derecognised. It is taken directly to income if the hedged item is no longer recorded in the balance sheet. Derivatives used for macro-hedging may be disqualified for hedge accounting purposes when the nominal amount of the hedged items falls below the notional amount of the hedging instruments, due in particular to the early repayment of loans and deposit withdrawals observed and modelled.

Hedges of net investments in foreign operations

A net investment in a foreign operation is the amount of the investment held by the consolidating entity in the net assets of the operation.

The purpose of a hedge of a net investment in a foreign operation is to minimise the foreign exchange effect for a consolidating entity of an investment in an entity whose functional currency is different from the presentation currency of the consolidating entity's financial statements. Net investment hedges are accounted for in the same manner as cash flow hedges.

Unrealised gains and losses initially recognised in other comprehensive income are taken to income when the net investment is sold in full or in part (or when partially sold with loss of control).

Fair value hedges mainly consist of interest rate swaps that protect fixed-rate financial instruments against changes in fair value attributable to changes in market interest rates. They transform fixed-rate assets or liabilities into floating-rate instruments.

Fair value macro-hedging is used for the overall management of interest rate risk, notably to cover:

- fixed-rate loan portfolios;
- demand deposits;
- PEL home savings deposits;
- the inflation component of the Livret A or *Livret d'Epargne Populaire (LEP)* savings accounts.

In the order of 28 July 2023, the government decided to set the rate of the *Livret A* savings account at 3% until 31 January 2025 by way of an exception to the regulatory calculation formula. The absence of an inflation component during this period was taken into account by the Group as a source of ineffectiveness (or, where applicable, disqualification) of the hedges of the inflation component of the Livret A savings account, with no significant impact on income.

Fair value micro-hedges are notably used to hedge:

- fixed-rate liabilities;
- fixed-rate liquidity reserve securities and inflation-indexed securities.

Cash flow hedges fix or control the variability of cash flows arising from floating-rate instruments. Cash flow hedging is also used to manage the overall interest rate risk position.

Cash flow hedges are mainly used to:

- hedge floating-rate liabilities;
- the hedge of the risk of changes in the value of future variable debt flows;
- the macro-hedge of variable-rate assets.

The main causes of ineffective hedging are related to:

- inefficiency due to dual-curve valuations: the value of collateralised derivatives (with margin calls yielding €STR) is based on the €STR discount curve, while the fair value of the hedged component of the item hedged is calculated using a EURIBOR discount curve;
- the time value of options;
- the over-hedging as part of macro-hedging base tests (notional hedging derivative amounts greater than the nominal amount of the hedged items, notably in the event that the hedged items have been repaid earlier than expected);
- the valuation adjustments linked to credit risk and own credit risk on derivatives (credit valuation adjustment and debit valuation adjustment);
- differences in interest rate fixing dates between the hedged item and the hedge.

The notional amounts of financial instruments are merely an indication of the volume of activity and do not reflect the market risks associated with such instruments.

	31/12/2025			31/12/2024		
in millions of euros	Notional amount	Positive fair value	Negative fair value	Notional amount	Positive fair value	Negative fair value
Interest rate derivatives	1,777.5	44.8	38.1	713.4	9.9	3.9
Forward transactions	**1,777.5**	**44.8**	**38.1**	**713.4**	**9.9**	**3.9**
Fair value hedges	**1,777.5**	**44.8**	**38.1**	**713.4**	**9.9**	**3.9**
TOTAL HEDGING DERIVATIVES	**1,777.5**	**44.8**	**38.1**	**713.4**	**9.9**	**3.9**

All hedging derivatives are included in ’Hedging derivatives’ in balance sheet assets and liabilities.

Currency swaps are documented both as interest rate fair value hedges and as currency cash flow hedges. Total fair value is nevertheless recorded under currency derivatives. These derivatives were mainly recorded under currency fair value hedges and are recorded under currency cash flow hedges in order to better reflect the weight of the currency component (associated with the cash flow hedge) in total fair value.

Timetable of the notional amount of the hedging derivatives at 31 December 2025

	Under 1 year	From 1 year to 5 years	From 6 years to 10 years	Over 5 years
Interest rate hedging	**160.0**	**620.0**	**807.5**	**190.0**
Cash flow hedges	0.0	0.0	0.0	0.0
Fair value hedges	160.0	620.0	807.5	190.0
Foreign exchange risk hedging	**0.0**	**0.0**	**0.0**	**0.0**
Cash flow hedges	0.0	0.0	0.0	0.0
Fair value hedges	0.0	0.0	0.0	0.0
Hedging of other risks	**0.0**	**0.0**	**0.0**	**0.0**
Cash flow hedges	0.0	0.0	0.0	0.0
Fair value hedges	0.0	0.0	0.0	0.0
Hedging of net investments in foreign operations	**0.0**	**0.0**	**0.0**	**0.0**
TOTAL	**160.0**	**620.0**	**807.5**	**190.0**

Currency swaps are documented both as interest rate fair value hedges and as currency cash flow hedges. Total fair value is nevertheless recorded under currency derivatives. These derivatives were mainly recorded under currency fair value hedges and are recorded under currency cash flow hedges in order to better reflect the weight of the currency component (associated with the cash flow hedge) in total fair value.

Hedged item

Fair value hedges

in millions of euros	31/12/2025								
	Interest rate risk hedging			Foreign exchange risk hedging			Hedging of other risks (gold, commodities, etc.)		
	Carrying amount	Revaluation of the hedged component(1)	Hedged component remaining to be recognized(2)	Carrying amount	Revaluation of the hedged component(1)	Hedged component remaining to be recognized(2)	Carrying amount	Revaluation of the hedged component(1)	Hedged component remaining to be recognized(2)
Assets									
Financial assets at fair value through shareholders' equity	**922.8**	**(10.5)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Credit institutions' loans or receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Customers' loans or receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	922.8	(10.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shares and other equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets at amortised cost	**833.7**	**(25.5)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Credit institutions' loans or receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Customers' loans or receivables	257.5	(1.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	576.2	(23.9)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL ASSETS HEDGED AT FAIR VALUE	**1,756.5**	**(36.0)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Liabilities									
Financial liabilities at amortised cost	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Amounts due to credit institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amounts due to customers	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subordinated debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL LIABILITIES HEDGED AT FAIR VALUE	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

(1) Accrued interest excluded. The fair value of the hedged portions of macro-hedged financial instruments at fair value is recognised in the balance sheet under "Revaluation differences on interest rate risk-hedged portfolios".

(2) Declassification, end of hedging relationship.

31/12/2024								
Interest rate risk hedging			**Foreign exchange risk hedging**			**Hedging of other risks (gold, commodities, etc.)**		
Carrying amount	**Revaluation of the hedged component(1)**	**Hedged component remaining to be recognized(2)**	**Carrying amount**	**Revaluation of the hedged component(1)**	**Hedged component remaining to be recognized(2)**	**Carrying amount**	**Revaluation of the hedged component(1)**	**Hedged component remaining to be recognized(2)**
233.3	**(3.2)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
233.3	(3.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
456.7	**(1.1)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
303.4	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
153.3	(2.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
690.0	**(4.3)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
0.0	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

The ineffective portion of hedging for the period is presented in Note 4.3 'Gains or losses on financial assets and financial liabilities at fair value through profit or loss' or in Note 4.4 'Net gains (losses) on financial instruments at fair value through other comprehensive income' for non-recyclable own equity instruments at fair value through other comprehensive income.

Cash flow hedging - hedges of net investments in foreign currencies

Palatine is not involved in cash flow hedging or hedging of net investments in foreign currencies.

5.4 Financial assets at fair value through other comprehensive income

Accounting principles

Financial assets at fair value through other comprehensive income are initially recognised at fair value, plus any transaction costs.

Debt instruments measured at fair value through other comprehensive income recyclable to profit or loss

For each reporting period, these instruments are carried at their fair value, and changes in fair value (excluding accrued interest) are recorded under 'Gains and losses recognised directly in other comprehensive income recyclable to profit or loss' (as the foreign currency assets are monetary assets, changes in the fair value of the foreign currency component affect income). The principles used to determine fair value are described in Note 9.

These instruments are subject to IFRS 9 impairment requirements. Information about credit risk is provided in Note 7.1. If they are sold, these changes in fair value are taken to income.

Income accrued or acquired on debt instruments is recorded under 'Interest income and similar income' according to the Effective Interest Rate (EIR) Method. This method is described in Note 5.5 Assets at amortised cost.

Equity instruments measured at fair value through other comprehensive income not recyclable to profit or loss

For each reporting period, these instruments are carried at their fair value, and changes in fair value are recorded under 'Gains and losses recognised directly in other comprehensive income not recyclable to profit or loss' (as the foreign currency assets are not monetary assets, changes in the fair value of the foreign currency component do not affect income). The principles used to determine fair value are described in Note 9.

The designation at fair value through other comprehensive income not recyclable to profit or loss is an irrevocable option that is applied on an instrument-by-instrument basis only to equity instruments not held for trading purposes. Realised and unrealised losses continue to be recorded in other comprehensive income with no impact on income. These financial assets are not impaired.

In the event of disposal, changes in fair value are not transferred to profit or loss but are taken directly to consolidated reserves.

Only dividends affect income when they correspond to a return on investment. They are recorded in 'Net gains (losses) on financial instruments at fair value through other comprehensive income' (Note 4.4).

in millions of euros	31/12/2025	31/12/2024
Customers' loans or receivables	0.0	0.0
Debt securities	1,137.8	608.9
Shares and other equity securities	13.0	14.8
FINANCIAL ASSETS AT FAIR VALUE THROUGH SHAREHOLDERS' EQUITY	**1,150.7**	**623.7**
Of which impairment for expected credit losses (1)	(1.9)	(0.0)
Of which gains and losses recognised directly in other comprehensive income (before tax) (2)	(10.2)	(30.6)
• Debt instruments	(10.5)	(29.7)
• Equity instruments	0.4	(0.9)

(1) Details presented in Note 7.1.2.2.
(2) Including the share of non-controlling interests.

At 31 December 2025, the gains and losses recognised directly in other comprehensive income included, in particular, treasury bills, bonds and other investments in unconsolidated subsidiaries.

Equity instruments designated at fair value through other comprehensive income

Accounting principles

Equity instruments designated at fair value through other comprehensive income can include:

- investments in unconsolidated subsidiaries;
- shares and other equity securities.

On initial recognition, equity instruments designated at fair value through other comprehensive income are carried at fair value plus any transaction costs.

On subsequent closing dates, changes in the fair value of the instrument are recognised in other comprehensive income (OCI).

These changes in fair value that accrue to other comprehensive income will not be reclassified to profit or loss in subsequent years (other comprehensive income not recyclable to profit or loss).

Dividends are only taken into income when they meet the required conditions.

in millions of euros	31/12/2025				31/12/2024			
		Dividends recognised over the period	Derecognition over the period			Dividends recognised over the period	Derecognition over the period	
	Fair value	Equity instruments held at the end of the period	Fair value at the disposal date	Total profit or loss at the disposal date	Fair value	Equity instruments held at the end of the period	Fair value at the disposal date	Total profit or loss at the disposal date
Investments in unconsolidated subsidiaries	3.5	0.5	0.0	0.0	4.0	0.5	0.0	0.0
Shares and other equity securities	9.4	0.0	0.0	0.0	10.9	0.0	0.0	0.0
TOTAL	**13.0**	**0.5**	**0.0**	**0.0**	**14.8**	**0.5**	**0.0**	**0.0**

Investments in unconsolidated subsidiaries include strategic investments, 'tool' entities (IT for example), and certain long-term private equity securities. As these investments in unconsolidated subsidiaries are not held for sale, their classification as equity instruments designated at fair value through other comprehensive income is appropriate.

5.5 Assets at amortised cost

Accounting principles

Assets at amortised cost are SPPI financial assets managed under a hold-to-collect business model. Most loans originated by the Group are classified in this category. Information about credit risk is provided in Note 7.1.

Financial assets at amortised cost include loans and receivables to credit institutions and customers, as well as securities at amortised cost, such as treasury bills and bonds.

Loans and receivables are initially recorded at fair value plus any costs and less any income directly related to the arrangement of the loan or to the issue.

When loans are extended under conditions that are less favourable than market conditions, a discount corresponding to the difference between the nominal value of the loan and the sum of future cash flows discounted at the market interest rate is deducted from the nominal value of the loan. The market interest rate is the rate applied by the vast majority of local financial institutions at a given time for instruments and counterparties with similar characteristics.

On subsequent closing dates, these financial assets are measured at amortised cost using the Effective Interest Rate Method.

The effective interest rate is the rate that exactly discounts estimated future cash flows to the carrying amount of the loan at inception. This rate includes any discounts recorded in respect of loans granted at below-market rates, as well as any external transaction income or costs directly related to the implementation of the loans, which are treated as an adjustment to the effective yield on the loan. No internal cost is included in the calculation of amortised cost.

State-guaranteed loans

The state-guaranteed loan (*Prêt Garanti par l'Etat* - SGL) is a support framework set up in application of Article 6 of Act No. 2020-289 of 23 March 2020 (the amended French finance act for 2020), and of the decision of the minister of the economy and finance of 23 March 2020, granting a state guarantee to credit institutions and finance companies as of 16 March 2020 in order to meet the cash flow needs of companies impacted by the Covid-19 health crisis. The SGL is subject to common eligibility criteria applicable by all institutions issuing the loan, as set out by law. The framework ended on 30 June, 2022.

The SGL is a one-year loan with capital repayments deferred for this period. The beneficiary companies may decide, at the end of the first year, to amortise the SGL over a period of one to five additional years or to start the amortisation of the capital only from the second year of the period by paying only the interest and the cost of the state guarantee.

For eligible companies, the amount of the SGL is generally capped at 25% of the company's revenues (excluding innovative and recently created companies and excluding the Seasonal SGL for customers in the Tourism/Hotels/Catering sector, for example). State-guaranteed loans are 70% to 90% guaranteed by the French state, depending on the borrowing company's size, with the lending banks carrying the remaining risk. The state guarantee covers a percentage of the outstanding amount of the debt (capital, interest and accessories) until its expiry. The state guarantee may be called before the expiry of the term in the event of a credit event.

The prepayment penalty is set in the contract, at a reasonable level (2% of the principal amount outstanding during the initial loan period, then 3%-6% of the principal amount outstanding during the repayment period). The terms and conditions for extending the loan are not set in advance but are established two to three months before the extension option expires, in line with market conditions.

The SGLs may not be covered by another collateral security or guarantee besides the state guarantee, with the exception of those granted pursuant to a ministerial order by the Minister of Economy and Finance. The self-employed professional or business leader may request or be offered loan repayment insurance, but such insurance is not mandatory.

In view of these features, the SGLs meet the criteria of a basic lending arrangement (see Note 2.5.1). They are recognised in the 'amortised cost' category since they are held in a collection management model whose objective is to hold the loans in order to collect the cash flows (see Note 2.5.1). On subsequent closing dates, they will be measured at amortised cost using the Effective Interest Rate Method.

With regard to the state guarantee, it is considered an integral part of the terms of the contract and is taken into account in the calculation of expected credit loss impairments. The guarantee fee paid at the granting of the loan by Palatine to the French state is recognised in profit or loss over the initial term of the SGL according to the effective interest rate (EIR) method. The impact is recognised in net interest income.

A state-guaranteed loan granted to a borrower considered to be non-performing on inception (Stage 3) is classified as a POCI (Purchased or Originated Credit-Impaired) asset.

However, the grant of a state-guaranteed loan to a given counterparty is not in itself evidence of deterioration in risk, requiring a downgrade to Stage 2 or 3 of the other outstandings of this counterparty.

The Resilience SGL, opened on 6 April 2022, is an additional SGL for companies impacted by the consequences of the conflict in Ukraine (in particular for companies that are at – or close to – the 25% ceiling of the SGL). The authorised ceiling is 15% of the average revenue over the last three financial years, or the last two financial years if they have only two financial years, or the last financial year if they only have one financial year, or calculated as annualised revenue using a straight-line projection based on revenue achieved to date if they have no closed financial year. Except for its amount, subject to the new ceiling of 15% of revenue, the additional SGL takes the same form as the SGLs introduced at the beginning of the health crisis: same maximum duration (up to six years), same minimum repayment-free period (12 months), same guaranteed portion, and guarantee premium. The Resilience SGL could be fully combined with any SGLs already obtained until 30 June 2022. This framework ended on 31 December, 2023.

Loan renegotiations and restructuring

When contracts are modified, IFRS 9 requires the identification of financial assets that are renegotiated, restructured, or otherwise modified (whether or not as a result of financial hardship), but not subsequently derecognised. Any profit or loss arising from the modification of a contract is recognised in income. The gross carrying amount of the financial asset must be recalculated so it is equal to the present value of the renegotiated or amended contractual cash flows at the initial effective interest rate. The materiality of the modifications is, however, analysed on a case-by-case basis.

'Restructured' amounts correspond to loans where an arrangement has been reached that represents a concession to debtors in financial hardship or in danger of being so. 'Restructured' amounts therefore require a combination of two elements: a concession and financial difficulties.

To qualify as a 'restructuring', an arrangement must result in a more favourable situation for the debtor (e.g., suspended payments of interest or principle, extension of maturities, etc.) and take the form of additional clauses to an existing contract or the full or partial refinancing of an existing loan.

Financial difficulty is measured by a number of criteria, such as payments more than 30 days past due or an at-risk classification. The arrangement of a restructuring does not necessarily mean the counterparty in question is classed as in default by Basel standards. Whether they are classed as in default depends on the viability test carried out during the counterparty's restructuring.

In the event of restructuring following a proven credit loss event, the loan is considered an impaired loan (in Stage 3) and is subject to a discount equal to the difference between the present value of the initially expected contractual cash flows and the discounting of the future expected capital and interest flows following the restructuring. The discount rate used is the initial effective interest rate. This discount is expensed to 'Cost of credit risk' in the income statement and offset against the corresponding item on the balance sheet. It is written back to net interest income in the income statement over the life of the loan using an actuarial method. If the discount is immaterial, the effective interest rate on the restructured loan is adjusted, and no discount is recognised.

The restructured loan is reclassified as performing (not impaired, Stage 1 or Stage 2) when no uncertainty remains as to the borrower's capacity to honour the commitment.

For substantially restructured loans (for example, the conversion of all or part of a loan into an equity instrument), the new instruments are booked at fair value. The difference between the carrying amount of the derecognised loan (or portion of the loan) and the fair value of the assets received in exchange is taken to income under 'Cost of credit risk'. Any previously established impairment loss on the loan is adjusted. It is fully reversed in the event of full conversion of the loan into new assets.

The widespread moratoria granted to business customers in response to temporary cash flow difficulties arising from the Covid-19 crisis modified these loans' repayment schedules without substantially modifying their features. These loans were therefore amended without being derecognised. In addition, the granting of the moratorium is not in itself an indication of financial distress for the companies in question.

Fees and commissions

Costs directly attributable to the arrangement of loans are external costs, which consist primarily of commissions paid to third parties, such as business provider fees.

Income directly attributable to the issuance of new loans principally comprises set-up fees charged to customers, rebilled costs, and financing commitment fees (if it is more probable than improbable that the loan will be drawn down). Financing commitment fees received that will not result in any drawdowns are apportioned on a straight-line basis over the life of the commitment.

Expenses and income arising on loans with a term of less than one year at inception are deferred on a pro rata basis with no recalculation of the effective interest rate. For floating or adjustable-rate loans, the effective interest rate is adjusted at each rate resetting date.

Date of recognition

Securities are recorded in the balance sheet on the settlement-delivery date.

Temporary sales of securities are also recorded on the settlement-delivery date.

The first-in, first-out (FIFO) method is applied to any partial disposals of securities, except in special cases.

For repurchase transactions, a financing commitment given is recorded between the transaction date and the settlement-delivery date.

5.5.1 Securities at amortised cost

in millions of euros	31/12/2025	31/12/2024
Treasury bills and similar securities	641.5	421.6
Bonds and other debt securities	341.0	199.2
Impairment for expected credit losses	(20.5)	(23.7)
TOTAL SECURITIES AT AMORTISED COST	**962.0**	**597.1**

The fair value of securities at amortised cost is presented in Note 9.

The classification of outstanding loans and impairment for credit losses by stage is detailed in Note 7.1.

5.5.2 Loans and advances to banks and similar at amortised cost

in millions of euros	31/12/2025	31/12/2024
Current accounts with overdrafts	1,035.5	1,553.3
Repurchase agreements	0.0	0.0
Accounts and loans[(1)]	3,723.5	3,786.1
Other loans or receivables due from credit institutions	0.0	0.0
Security deposits paid	59.6	48.7
Impairment for expected credit losses	0.0	(0.0)
TOTAL	**4,818.6**	**5,388.1**

(1) The Livret A, LDD, and LEP savings accounts centralised with Caisse des Dépôts et Consignations and recorded under 'Accounts and loans' amounted to €663.6 million at 31 December 2025, versus €629.8 million at 31 December 2024.

The fair value of loans and advances to banks and similar is presented in Note 9.

The classification of outstanding loans and impairment for credit losses by stage is detailed in Note 7.1.

5.5.3 Loans and advances to customers at amortised cost

in millions of euros	31/12/2025	31/12/2024
Current accounts with overdrafts	**354.8**	**416.8**
Other facilities granted to customers	**11,813.2**	**11,860.6**
• Loans to financial sector customers	0.0	0.0
• Credit facilities[(1)]	4,329.5	4,663.6
• Equipment loans	3,796.8	3,480.0
• Home loans	3,246.0	3,247.5
• Export loans	40.8	41.6
• Repurchase agreements	0.0	0.0
• Finance leases	0.0	0.0
• Subordinated loans	1.3	1.3
• Other loans	398.7	426.5
Other customers' loans or receivables	**18.8**	**17.4**
Security deposits paid	**43.2**	**43.3**
GROSS LOANS AND ADVANCES TO CUSTOMERS	**12,230.0**	**12,338.1**
Impairment for expected credit losses	(333.6)	(355.7)
TOTAL	**11,896.3**	**11,982.4**

(1) The state-guaranteed loans (SGL) are included in short-term loans and amounted to €12.7 million at 31 December 2025, compared with €28.5 million at 31 December 2024.

The fair value of loans and advances to customers is presented in Note 9.

The classification of outstanding loans and impairment for credit losses by stage is detailed in Note 7.1.

5.6 Reclassification of financial assets

Accounting principles

Reclassifications of financial assets under IFRS 9 are limited. It is not possible to reclassify a security at amortised cost in the case of simple market illiquidity. A reclassification is only possible where the management model has changed due to a strategic decision of the management. As a result, this scenario is very infrequent (for example: sale of a business segment resulting in winding up the assets concerned, restructuring of activity, etc.).

In this case, the reclassification is forward-looking and does not involve any redefinition affecting prior periods.

Palatine did not reclassify any financial assets in 2025.

5.7 Accrued income and other assets

in millions of euros	31/12/2025	31/12/2024
Collection accounts	3.2	1.8
Prepaid expenses	4.8	3.1
Accrued income	25.2	28.1
Other accrued accounts	21.0	76.4
ACCRUAL ACCOUNTS – ASSETS	**54.2**	**109.4**
Settlement accounts in debit on securities transactions	0.0	0.0
Security deposits paid	0.0	0.0
Other accounts receivable	16.1	18.7
OTHER ASSETS	**16.1**	**18.7**
TOTAL ACCRUED INCOME AND OTHER ASSETS	**70.3**	**128.1**

The 'Collection accounts' line mainly includes checks sent for collection (via the clearing house), as well as the expected Dailly receivables awaiting settlement.

'Other accrual accounts' mainly include pending transactions in the management modules. The decrease is mainly due to the netting of foreign currency adjustment accounts.

5.8 Non-current assets held for sale and associated liabilities

Accounting principles

Where a decision is made to sell non-current assets, and it is highly probable that the sale will occur within 12 months, these assets are shown separately on the balance sheet on the 'Non-current assets held for sale' line. Any liabilities associated with these assets are also shown separately on the balance sheet on the 'Liabilities associated with non-current assets held for sale' line.

Once classified in this category, non-current assets are no longer depreciated/amortised and are measured at the lowest of their carrying amount or fair value less sales costs. Financial instruments continue to be measured in accordance with IFRS 9.

A non-current asset (or group of assets) is held for sale when its carrying amount is recovered by its sale. The asset (or group of assets) must be immediately available for sale and it must be highly likely that the sale will be completed within the next 12 months.

These assets do not apply to Palatine.

5.9 Investment property

Accounting principles

In accordance with IAS 40, investment property is property held to earn rent and for capital appreciation.

The accounting treatment for investment property is identical to that used for tangible fixed assets for all Group entities except for certain Insurance entities, which recognise the property they hold as Insurance investments at fair value, with any adjustment to fair value recorded in income. Fair value is based on a multicriteria approach where rents are capitalised at market rates and compared with the transaction market.

The fair value of the Group's investment property is based on regular expert valuations, except in special cases significantly affecting the value of the relevant asset.

Investment property leased under an operating lease may have a residual value that will reduce the depreciable amount of the asset.

Gains or losses on the disposal of investment property are recognised in income on the 'Net income or expenses on other activities' line, with the exception of insurance businesses, which are recognised in 'Income from insurance businesses'.

	31/12/2025			31/12/2024		
in millions of euros	Gross amount	Accumulated depreciation, amortisation, and impairment	Net amount	Gross amount	Accumulated depreciation, amortisation and impairment	Net amount
Property recognised at fair value	///	///	0.0	///	///	0.0
Property recognised at historic cost	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL INVESTMENT PROPERTY	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

The fair value of investment property is classified in Level 3 of the fair value hierarchy in accordance with IFRS 13.

5.10 Intangible and tangible fixed assets

Accounting principles

This item includes tangible fixed assets owned and used in the business, movable assets acquired under operating leases, property acquired under finance leases, and temporarily unleased assets held under finance leases. Interests in non-trading real estate companies (SCIs) are accounted for as tangible fixed assets.

In accordance with IAS 16 and IAS 38, intangible and tangible fixed assets are recognised as assets only if they meet the following conditions:

- it is probable that the company will enjoy future economic benefits associated with the asset;
- the cost of the asset can be measured reliably.

Intangible and tangible fixed assets used in operations are initially recognised at cost plus any directly attributable acquisition costs. Software developed internally that fulfils the criteria for recognition as a non-current asset is recognised at its production cost, which includes external charges and the employee benefits expense of employees directly assigned to the project.

The component-based approach is applied to all buildings.

Internally created software is recognised as an asset in the balance sheet under 'Intangible assets' for its direct development cost when the criteria for recognition of an asset as set out in IAS 38 are met.

After initial recognition, intangible and tangible fixed assets are measured at cost less any accumulated depreciation, amortisation, and impairment. The depreciable amount of the asset takes account of its residual value where this is material and can be measured reliably.

Intangible and tangible fixed assets are depreciated or amortised in order to reflect the pattern in which the asset's future economic benefits are expected to be consumed by the entity, which generally corresponds to the asset's useful life. Where an asset consists of a number of components that have different uses or economic benefit patterns, each component is recognised separately and depreciated over a period that reflects the useful life of that component.

The depreciation and amortisation periods used by the Group are as follows:

- construction, major works: 15 to 50 years;
- plant and equipment: 20 years;
- fixtures and fittings: 10 years;
- furniture and special equipment: 5 to 10 years;
- computer equipment: 3 to 5 years;
- software: maximum 5 years.

Other items of intangible and tangible fixed assets are depreciated over their estimated useful life, which generally ranges from 5 to 10 years.

Intangible and tangible fixed assets are tested for impairment whenever there is any evidence that they may be impaired at the reporting date. If this is the case, the revised recoverable amount of the asset is compared to its net carrying amount. If the revised recoverable amount of the asset is lower than its carrying amount, an impairment loss is recognised in income.

This loss is reversed in the event of a change in the estimated recoverable amount or if there is no longer any evidence of impairment.

Equipment leased under operating leases (Group as lessor) is recognised as an asset on the balance sheet under tangible fixed assets.

in millions of euros	31/12/2025 Gross amount	31/12/2025 Accumulated depreciation, amortisation, and impairment	31/12/2025 Net amount	31/12/2024 Gross amount	31/12/2024 Accumulated depreciation, amortisation and impairment	31/12/2024 Net amount
TANGIBLE FIXED ASSETS	**31.6**	**(11.5)**	**20.0**	**30.3**	**(10.8)**	**19.5**
Real estate assets	1.0	(0.8)	0.2	1.8	(1.5)	0.3
Movable assets	30.5	(10.7)	19.8	28.5	(9.3)	19.2
Tangible fixed assets leased under operating leases	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Movable assets	0.0	0.0	0.0	0.0	0.0	0.0
Rights of use under lease agreements	**54.2**	**(23.4)**	**30.8**	**51.5**	**(18.3)**	**33.1**
On real estate assets	54.2	(23.4)	30.8	51.5	(18.3)	33.1
On movable assets	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL TANGIBLE FIXED ASSETS	**85.8**	**(35.0)**	**50.8**	**81.8**	**(29.2)**	**52.6**
INTANGIBLE ASSETS	**6.0**	**(1.8)**	**4.2**	**6.2**	**(2.1)**	**4.1**
Leasehold rights	4.1	0.0	4.1	4.4	(0.3)	4.1
Software	1.8	(1.8)	0.0	1.8	(1.8)	0.0
Other intangible fixed assets	0.1	0.0	0.1	0.0	0.0	0.0
TOTAL INTANGIBLE ASSETS	**6.0**	**(1.8)**	**4.2**	**6.2**	**(2.1)**	**4.1**

5.11 Debt securities

Accounting principles

Issues of debt securities not classified as financial liabilities at fair value through profit or loss or through other comprehensive income are initially recognised at fair value less any transaction costs. They are subsequently measured at amortised cost at each reporting date using the Effective Interest Rate Method.

These instruments are recognised on the balance sheet under 'Amounts due to credit institutions', 'Amounts due to customers' or 'Debt securities'.

Debt securities are classified based on the nature of the underlying, with the exception of subordinated notes presented under 'Subordinated debt'.

Securities are recorded in the balance sheet on the settlement-delivery date.

The first-in, first-out (FIFO) method is applied to any partial disposals of securities, except in special cases.

A new category of liabilities eligible for the numerator of the Total Loss Absorbing Capacity (TLAC) calculation has been introduced by French law and is commonly referred to as 'Senior non-preferred debt'. These liabilities rank between equity and 'Other senior preferred debt'.

in millions of euros	31/12/2025	31/12/2024
Bonds	0.0	0.0
Interbank market instruments and negotiable debt securities	1,724.8	1,723.7
Other debt securities that are neither preferred nor subordinated	0.0	0.0
Non-preferred debt	0.0	0.0
TOTAL	**1,724.8**	**1,723.7**
Accrued interest	14.6	21.6
TOTAL DEBT SECURITIES	**1,739.4**	**1,745.4**

The fair value of debt securities is presented in Note 9.

5.12 Amounts due to banks and similar, and customers

Accounting principles

Debts, which are not classified as financial liabilities measured at fair value through profit or loss or as equity, are recorded in the balance sheet under 'Amounts due to credit institutions' or 'Amounts due to customers'.

These debts issued are initially recognised at their fair value less transaction costs and are measured at the reporting date according to the amortised cost method using the Effective Interest Rate Method.

These instruments are recognised on the balance sheet under 'Amounts due to banks', 'Amounts due to customers' or 'Debt securities' (see Note 5.11).

Temporary sales of securities are recorded on the settlement-delivery date.

For repurchase transactions, a financing commitment received is recorded between the transaction date and the settlement-delivery date when such transactions are recorded as 'Liabilities'.

The long-term refinancing operations (TLTRO 3) with the ECB were repaid in full at the end of March 2024.

5.12.1 Amounts due to banks and similar

in millions of euros	31/12/2025	31/12/2024
Demand deposits	14.6	18.9
Repurchase agreements	0.0	0.0
Accrued interest	0.0	0.0
AMOUNTS DUE TO BANKS AND SIMILAR – REPAYABLE ON DEMAND	**14.6**	**18.9**
Term deposits and loans	1,608.7	1,501.3
Repurchase agreements	0.0	0.0
Accrued interest	10.8	10.5
AMOUNTS DUE TO BANKS AND SIMILAR – REPAYABLE AT AGREED MATURITY DATES	**1,619.4**	**1,511.8**
Guarantee deposits received	93.5	152.4
TOTAL AMOUNTS DUE TO BANKS AND SIMILAR	**1,727.5**	**1,683.2**

The fair value of amounts due to banks and similar is presented in Note 9.

The increase in transactions with the network in 2025 is linked to the optimisation of the circulation of regulatory liquidity within the Group by the central institution.

5.12.2 Amounts due to customers

in millions of euros	31/12/2025	31/12/2024
Current accounts	**11,082.1**	**10,587.1**
Livret A savings accounts	923.0	826.3
Regulated home savings plans and accounts	126.8	141.2
Other regulated savings accounts	559.1	574.9
Accrued interest	0.0	0.0
Regulated savings accounts	**1,608.8**	**1,542.4**
Demand accounts and loans	8.0	11.3
Term accounts and loans	1,124.9	1,368.1
Accrued interest	5.0	12.0
Other customer accounts	**1,137.9**	**1,391.4**
Repurchase agreements	**0.0**	**0.0**
Other amounts due to customers	**0.0**	**0.0**
Guarantee deposits received	**31.4**	**5.7**
TOTAL AMOUNTS DUE TO CUSTOMERS	**13,860.3**	**13,526.6**

The fair value of amounts due to customers is presented in Note 9.

5.13 Accrued expenses and other liabilities

in millions of euros	31/12/2025	31/12/2024
Collection accounts	12.8	46.8
Prepaid income	3.1	4.1
Accounts payable	63.9	61,0
Other accrued expenses	19.2	83.7
ACCRUAL ACCOUNTS – LIABILITIES	**98.9**	**195.6**
Settlement accounts in credit on securities transactions	0.0	0.0
Other accounts payable	28.0	26.0
Lease liabilities	36.3	36.7
OTHER LIABILITIES	**64.2**	**62.7**
TOTAL ACCRUED EXPENSES AND OTHER LIABILITIES	**163.2**	**258.3**

’Other accrued expenses’ mainly include pending transactions in the management modules. The decrease is mainly due to the netting of corporate loan payable-through accounts, for which the recognition dates are deferred by one day.

5.14 Provisions

Accounting principles

Provisions other than those relating to employee benefits and similar, regulated home savings schemes, off-balance sheet commitments, and insurance contracts mainly consist of provisions for restructuring, claims and litigation, fines and penalties, and tax risks (excluding income tax).

The provisions are liabilities of uncertain timing or amount. A provision must be recognised when there is a present obligation (legal or implicit) resulting from past events, the settlement of which is likely to require an outflow of resources, and the amount of which can be reliably estimated.

The amount recognised in provisions is the best estimate of the expense required to extinguish the present commitment at the reporting date.

Provisions are discounted when the impact of discounting is material.

Changes in provisions are recognised in the income statement on the lines corresponding to the nature of the future expenditure.

Provisions for regulated home savings products

Regulated home savings accounts *(Comptes d'Épargne Logement - CEL)* and regulated home savings plans *(Plans d'Épargne Logement - PEL)* are retail products marketed in France governed by the 1965 law on regulated home savings plans and accounts, and subsequent implementing decrees.

Regulated home savings schemes generate two types of commitments for establishments selling them:

- a commitment to provide a loan to the customer in the future at a rate set on inception of the contract (for PEL products) or at a rate contingent upon the savings phase (for CEL products);
- a commitment to pay interest on the savings in the future at a rate set on inception of the contract for an indefinite period (for PEL products) or at a rate set on a half-yearly basis according to an indexing formula regulated by law (for CEL products).

Commitments with potentially unfavourable consequences are measured for each generation of regulated home savings plans and for all regulated home savings accounts.

A provision is recognised for the associated risks by discounting future potential earnings from at-risk outstandings:

- at-risk savings deposits correspond to the uncertain future level of savings for plans in existence at the date the provision is calculated. This is estimated on a statistical basis for each future period, taking account of historical investor behaviour patterns, and corresponds to the difference between the probable savings deposits and the minimum expected savings deposits;
- at-risk loan outstandings correspond to the loan outstandings granted but not yet due at the calculation date, plus statistically probable loan outstandings based on historical customer behaviour patterns, as well as earned and future rights relating to regulated home savings accounts and plans.

The commitments are estimated using the Monte Carlo method in order to reflect the uncertainty of future interest rate trends and their impact on customer behaviour models and at-risk outstandings. On this basis, a provision is recorded for a given generation of contracts in the event of a situation liable to be detrimental for the Group, with no netting between generations.

The provision is recognised under liabilities on the balance sheet, and changes are recorded in net interest income and expenses.

5.14.1 Summary of provisions

in millions of euros	1st January, 2025	Increase	Used	Reversals unused	Other changes(1)	31/12/2025
Provisions for employee benefits and similar(2)	14.3	2.6	0.0	0.0	(1.1)	15.7
Provisions for restructuring costs	0.0	0.0	0.0	0.0	0.0	0.0
Legal and tax risks(3)	8.6	2.1	(1.0)	(0.8)	0.0	8.9
Loan and guarantee commitments(4)	40.7	19.0	0.0	(13.5)	0.0	46.2
Provisions for regulated home savings schemes	3.3	0.0	0.0	(1.6)	0.0	1.7
Other operating provisions	4.3	0.0	(0.1)	(0.2)	0.0	4.0
TOTAL PROVISIONS	**71.0**	**23.8**	**(1.1)**	**(16.1)**	**(1.1)**	**76.5**

(1) *Other movements include revaluation reserves on post-employment defined-benefit plans (€1.64 million before tax) as well as the impact of changes in scope and translation.*

(2) *Of which €15.44 million for post-employment defined-benefit plans and other long-term employee benefits.*

(3) *At 31 December 2025, provisions for legal and tax risks (excluding income tax) include provisions for operational risks.*

(4) *The provisions for loan and guarantee commitments are detailed in Note 7.1.2.*

5.14.2 Provisions for regulated home purchase savings products

5.14.2.1 Deposits collected for regulated home purchase savings schemes

in millions of euros	31/12/2025	31/12/2024
Deposits collected for regulated home savings plans (PEL)		
Plans less than 4 years old	2.4	2.1
Plans more than 4 years but less than 10 years old	7.4	9.9
Plans more than 10 years old	102.9	114.5
Deposits collected for regulated home savings plans	**112.7**	**126.6**
Deposits collected for regulated home savings accounts (CEL)	**14.1**	**14.5**
TOTAL DEPOSITS COLLECTED FOR REGULATED HOME PURCHASE SAVINGS SCHEMES	**126.8**	**141.1**

5.14.2.2 Loan outstandings granted on regulated home purchase savings schemes

in millions of euros	31/12/2025	31/12/2024
Loan outstandings granted on regulated home savings plans (PEL)	0.0	0.0
Loan outstandings granted on regulated home savings accounts (CEL)	0.1	0.1
TOTAL LOANS OUTSTANDINGS GRANTED ON REGULATED HOME PURCHASE SAVINGS SCHEMES	**0.1**	**0.1**

5.14.2.3 Provisions set aside for regulated home purchase savings schemes

in millions of euros	31/12/2024	Net allocations/ reversals	31/12/2025
Provisions for regulated home savings plans (PEL)			
Plans less than 4 years old	0.0	0.0	0.0
Plans more than 4 years but less than 10 years old	0.0	0.0	0.0
Plans more than 10 years old	3.0	(1.3)	1.7
Provisions for regulated home savings plans	**3.0**	**(1.3)**	**1.7**
Provisions for regulated home savings accounts (CEL)	**0.3**	**(0.2)**	**0.0**
Provisions for regulated home savings plan (PEL) loans	0.0	(0.0)	0.0
Provisions for regulated home savings account (CEL) loans	(0.0)	0.0	0.0
Provisions for regulated home savings loans	**(0.0)**	**0.0**	**0.0**
TOTAL PROVISIONS FOR REGULATED HOME PURCHASE SAVINGS SCHEMES	**3.3**	**(1.6)**	**1.7**

5.15 Subordinated debt

Accounting principles

Subordinated debt differs from other debt and bonds in that it will be repaid only after all the senior and unsecured creditors, but before the repayment of participating loans and securities and deeply subordinated notes.

Subordinated debt, which the issuer is obliged to repay is classified as debt and initially recognised at fair value less any transaction costs. It is subsequently measured at amortised cost at each reporting date using the Effective Interest Rate Method.

in millions of euros	31/12/2025	31/12/2024
Subordinated debt designated at fair value (option)	0.0	0.0
SUBORDINATED DEBT AT FAIR VALUE THROUGH PROFIT OR LOSS	**0.0**	**0.0**
Term subordinated debt	250.0	400.0
Perpetual subordinated debt	0.0	0.0
Perpetual deeply subordinated debt	0.0	0.0
Preferred shares	0.0	0.0
Mutual guarantee deposits	0.0	0.0
SUBORDINATED DEBT AND SIMILAR	**250.0**	**400.0**
Accrued interest	0.2	0.8
Revaluation of the hedged component	0.0	0.0
SUBORDINATED DEBT AT AMORTISED COST	**250.2**	**400.8**
TOTAL SUBORDINATED DEBT	**250.2**	**400.8**

The fair value of subordinated debt is presented in Note 9.

Fixed-term subordinated debt exclusively includes term subordinated debt with a corresponding entry to BPCE.

■ Changes in subordinated and similar debt over the year

in millions of euros	1st January, 2025	Emission	Repayment(1)	Other changes	31/12/2025
SUBORDINATED DEBT AT FAIR VALUE THROUGH PROFIT OR LOSS	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Term subordinated debt	400.0	0.0	(150.0)	0.0	250.0
Perpetual subordinated debt	0.0	0.0	0.0	0.0	0.0
SUBORDINATED DEBT AT AMORTISED COST	**400.0**	**0.0**	**(150.0)**	**0.0**	**250.0**
SUBORDINATED DEBT AND SIMILAR	**400.0**	**0.0**	**(150.0)**	**0.0**	**250.0**

(1) *Repayments of subordinated loans and notes relate to a tranche issued in December 2015 and due in December 2025.*

Deeply subordinated notes qualifying as equity instruments are presented in Note 5.16.2.

5.16 Ordinary shares and equity instruments issued

Accounting principles

Financial instruments issued by the Group qualify as debt or equity instruments depending on whether or not the issuer has a contractual obligation to deliver cash or another financial asset to the holder of the instrument, or to exchange the instrument under conditions that are potentially unfavourable to the Group. This obligation must arise from specific contractual terms and conditions, not merely economic constraints.

In addition, when an instrument qualifies as equity:

- its remuneration impacts equity. However, in accordance with the amendment to IAS 12 of December 2017, which applies from 1st January 2019, the tax consequences of dividend payments can be recognised in consolidated reserves, gains and losses recognised directly in equity, or in profit or loss, depending on the source of the amounts paid. Accordingly, when the payment corresponds to the notion of a dividend within the meaning of IFRS 9, the tax consequence is taken to income. This rule applies to interest on perpetual deeply subordinated notes, which is treated as a dividend for accounting purposes;
- it cannot be an underlying instrument eligible for hedge accounting;
- if the issue is in a foreign currency, the instrument is fixed at its historical value resulting from its conversion to euros at its initial date of transfer to equity.

Finally, when these instruments are issued by a subsidiary, they are included in 'Non-controlling interests'. When their remuneration is of a cumulative nature, it is charged to 'Income, Group's share' and increases the income of 'Non-controlling interests'. However, when their remuneration is not of a cumulative nature, it is drawn from the Group's share of consolidated reserves.

5.16.1 Cooperative shares

Accounting principles

IFRIC 2 'Members' shares in cooperative entities and similar instruments' clarifies the provisions of IAS 32. In particular, it stipulates that the contractual right of the holder of cooperative shares in cooperative entities to request redemption does not, in itself, automatically give rise to an obligation for the issuer. Rather, the entity must consider all of the terms and conditions of the financial instrument in determining its classification as a debt or equity.

Based on this interpretation, cooperative shares are classified as equity if the entity has an unconditional right to refuse redemption of the cooperative shares or if local laws, regulations, or the entity's articles of association unconditionally prohibit or curtail the redemption of cooperative shares.

Based on the existing provisions of the Group's articles of association relating to minimum capital requirements, cooperative shares issued by the Group are classified as equity.

As the local savings companies (LSCs) are considered to be fully consolidated structured entities, their consolidation impacts consolidated reserves.

	31/12/2025			31/12/2024		
in millions of euros	Number	Par value	Share capital	Number	Par value	Share capital
Cooperative shares						
Opening value	34,440,134	20	688.8	34,440,134	20	688.8
Capital increase						
Capital reduction						
Other changes						
CLOSING NET VALUE	**34,440,134**	**20**	**688.8**	**34,440,134**	**20**	**688.8**

5.16.2 Perpetual deeply subordinated notes classified as shareholders' equity

							Par value in millions of euros	
Issuing entity	Issue date	Currency	Amount (in source currency)	Date of redemption option	Interest increase date (1)	Rate	31/12/2025	31/12/2024
BPCE	28/03/2018	EUR	100 million	28/03/2049	28/03/2023	5.918%	100	100
TOTAL							**100**	**100**

(1) *Date of interest increase or of transition from fixed rate to variable rate.*

5.17 Non-controlling interests

Fully consolidated investments are wholly owned by the consolidating entity. As a result, no share is attributable to non-controlling interests.

5.18 Changes in gains and losses recognised directly in shareholders' equity

Accounting principles

In the event of disposal of equity financial assets recognised in other comprehensive income, changes in fair value are not transferred to profit or loss. These items are described as being not recyclable to profit or loss.

in millions of euros	Gross	Tax	Net	Gross	Tax	Net
Foreign exchange rate adjustments	0.0	///	0.0	0.0	///	0.0
Revaluation of financial assets at fair value through other comprehensive income recyclable to profit or loss	19.2	(5.0)	14.2	1.9	(0.5)	1.4
Revaluation of financial assets at fair value through other comprehensive income recyclable to profit or loss	0.0	0.0	0.0	0.0	0.0	0.0
Revaluation of hedging derivatives that can be recycled to net income	0.0	0.0	0.0	0.0	0.0	0.0
Items of the share of gains and losses of associates recognized directly in other comprehensive income	0.0	0.0	0.0	0.0	0.0	0.0
Other items recognised through equity of items that can be reclassified to net income	0.0	0.0	0.0	0.0	0.0	0.0
ITEMS RECYCLABLE TO PROFIT OR LOSS	**19.2**	**(5.0)**	**14.2**	**1.9**	**(0.5)**	**1.4**
Revaluation of fixed assets				0.0	0.0	0.0
Revaluation (or actuarial gains and losses) in respect of defined-benefit plans	1.1	(0.3)	0.8	1.6	(0.4)	1.2
Revaluation of own credit risk on financial liabilities designated at fair value through profit or loss	0.0	0.0	0.0	0.0	0.0	0.0
Revaluation of equity financial assets recognised at fair value through other comprehensive income	1.2	(0.4)	0.8	(0.9)	0.3	(0.5)
Items of the share of gains and losses of associates recognized directly in other comprehensive income	0.0	0.0	0.0	0.0	0.0	0.0
Other items recognised through equity of items that cannot be reclassified to net income	0.0	0.0	0.0	0.0	0.0	0.0
ITEMS NOT RECYCLABLE TO PROFIT OR LOSS	**2.3**	**(0.7)**	**1.6**	**0.7**	**(0.1)**	**0.6**
GAINS AND LOSSES RECOGNISED DIRECTLY IN SHAREHOLDERS' EQUITY (NET OF TAX)	**21.5**	**(5.7)**	**15.8**	**2.7**	**(0.6)**	**2.1**
Group's share	21.5	(5.7)	15.8	2.7	(0.6)	2.1
Non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0

5.19 Offsetting of financial assets and liabilities

Pursuant to the IAS 32 rules on offsetting, the Palatine Group does not offset financial assets and liabilities on the balance sheet.

Accounting principles

Financial assets and liabilities under netting agreements may only be offset if they meet the restrictive netting criteria set by IAS 32.

Offsetting may not be performed for derivatives or OTC repurchase agreements subject to master agreements that do not meet the net settlement criteria or where the realization of a simultaneous settlement of the asset and liability cannot be demonstrated, or for which the offsetting right can only be exercised in the event of default, insolvency, or bankruptcy by one of the parties to the agreement. However, the impact of such agreements in terms of reducing the exposure is presented in the second table.

For these instruments, the 'Related financial assets and financial instruments received as collateral' and 'Related financial liabilities and financial instruments pledged as collateral' columns include, in particular:

- for derivatives, the fair values of reverse transactions with the same counterparty, as well as margin calls in the form of securities.

Margin calls received or paid in cash are shown in 'Margin calls received (cash collateral)' and 'Margin calls paid (cash collateral)'.

5.19.1 Financial assets

Impacts of netting arrangements not taken into account for accounting purposes on financial assets

	31/12/2025				31/12/2024			
in millions of euros	Net amount of financial assets recognised in the balance sheet	Related financial liabilities and financial instruments received as collateral(1)	Margin calls received (cash collateral)	Net exposure	Net amount of financial assets recognised in the balance sheet	Related financial liabilities and financial instruments received as collateral(1)	Margin calls received (cash collateral)	Net exposure
Derivatives	315.9	83.4	93.5	139.1	349.3	78.8	152.4	118.0
Repurchase agreements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**315.9**	**83.4**	**93.5**	**139.1**	**349.3**	**78.8**	**152.4**	**118.0**

(1) Including collateral received in the form of securities.

The net exposure does not reflect the accounting position, because it takes into account the reduced exposure arising from agreements that do not meet the restrictive netting criteria set by IAS 32.

5.19.2 Financial liabilities

Impact of netting arrangements not taken into account for accounting purposes on financial liabilities

	31/12/2025				31/12/2024			
in millions of euros	Net amount of financial liabilities recognised in the balance sheet	Related financial assets and financial instruments pledged as collateral(1)	Margin calls paid (cash collateral)	Net exposure	Net amount of financial liabilities recognised in the balance sheet	Related financial assets and financial instruments pledged as collateral(1)	Margin calls paid (cash collateral)	Net exposure
Derivatives	270.8	80.1	29.6	161.1	319.8	85.2	25.5	209.1
Repurchase agreements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**270.8**	**80.1**	**29.6**	**161.1**	**319.8**	**85.2**	**25.5**	**209.1**

(1) Including collateral received in the form of securities.

The net exposure does not reflect the accounting position, because it takes into account the reduced exposure arising from agreements that do not meet the restrictive netting criteria set by IAS 32.

5.20 Financial assets pledged as collateral, transferred financial assets and assets received as collateral that the entity may dispose of

Accounting principles

A financial asset (or group of similar financial assets) is derecognised when the contractual rights to the asset's future cash flows have expired or when such rights are transferred to a third party, together with virtually all of the risks and rewards associated with ownership of the asset. In such cases, rights and obligations created or retained as a result of the transfer are recorded in a separate line under financial assets and liabilities.

When a financial asset is derecognised, a gain or loss on disposal is recorded in the income statement reflecting the difference between the carrying amount of the asset and the consideration received.

In the event that the Group has neither transferred nor retained virtually all of the risks and rewards, but has retained control of the asset, the asset continues to be recognised on the balance sheet to the extent of the Group's continuing involvement.

In the event that the Group has neither transferred nor retained virtually all of the risks and rewards and has not retained control of the asset, the asset is derecognised and all of the rights and obligations created or retained as a result of the transfer are recorded in a separate line under financial assets and liabilities.

If all the conditions for derecognising a financial asset are not met, the Group keeps the asset in the balance sheet and records a liability representing the obligations arising when the asset is transferred.

The Group derecognises a financial liability (or a part of a financial liability) only when it is extinguished, i.e., when the obligation specified in the contract is discharged, terminated or expires.

Repurchase agreements

Securities sold under repurchase agreements are not derecognised in the vendor's accounts. A liability representing the commitment to return the funds received is identified and recognised under 'Securities sold under repurchase agreements'. This debt is a financial liability recorded at amortised cost or at fair value through profit or loss when this liability is considered part of a trading business model.

The assets received are not recognised in the purchaser's books, but a receivable is recorded with respect to the vendor representing the funds loaned. The amount disbursed in respect of the asset is recognised under 'Securities purchased under repurchase agreements'. On subsequent balance sheet dates, the securities continue to be accounted for by the vendor in accordance with the rules applicable to the category in which they were initially classified. The receivable is valued according to methods specific to its category: at amortised cost when classified in 'Loans and receivables', or at fair value through profit or loss when it is considered part of a trading business model.

Outright securities lending

Securities loaned under outright securities lending transactions are not derecognised in the vendor's accounts. They continue to be recognised in their original accounting category and are valued accordingly. For the borrower, the securities borrowed are not recognised.

Transactions leading to substantial changes in financial assets

When an asset is subject to substantial changes (in particular following renegotiation or remodelling due to financial hardship), there is derecognition, since the rights to the initial cash flows have essentially expired. The Group considers that this is the case for:

- changes leading to a change of counterparty, especially if the new counterparty has a very different credit quality than the previous counterparty;
- changes intended to move from a very structured to basic indexing, as the two assets are not exposed to the same risks.

Transactions leading to substantial changes in financial liabilities

A substantial change to the terms of a lending instrument must be recorded as the extinguishment of the existing debt and its replacement with a new debt. The amendment to IFRS 9 of 12 October 2017 clarified the treatment under IFRS 9 of modifications of liabilities recognised at amortised cost if the modification does not result in derecognition: the profit or loss resulting from the difference between the original cash flows and the modified cash flows discounted at the original effective interest rate must be recognised in profit or loss. To assess the substantial nature of the change, IFRS 9 includes a threshold of 10% based on discounted cash flows, integrating potential costs and fees: when the difference is greater than or equal to 10%, all of the costs or fees incurred are recognised as profit or loss on debt extinguishment.

The Group may consider other changes to be substantial, such as a change of issuer (even within the same group) or a change in currency.

5.20.1 Financial assets pledged as collateral

in millions of euros	31/12/2025	31/12/2024
Financial assets at fair value through profit or loss – Held for trading	0.0	0.0
Financial assets at fair value through profit or loss - non-standard	0.0	0.0
Financial assets at fair value through profit or loss - non-trading	0.0	0.0
Financial assets at fair value through shareholders' equity	0.0	0.0
Credit institutions' loans and receivables	35.9	0.0
Customers' loans and receivables	251.8	465.9
Debt securities	0.0	0.0
Financial assets at amortised cost	287.7	465.9
TOTAL	**287.7**	**465.9**

Includes notably:

- the carrying amount of the underlying assets sold to reconsolidated vehicles as part of covered bond issues. Moreover, in accordance with French law, the intrinsic guarantees attached to issues of covered bonds are not recognised under guarantee commitments given;
- the carrying amount of financial instruments (securities and receivables) provided as collateral but not transferred and which are generally pledged as collateral (Articles L. 211-38).

Note:

- financial assets pledged as collateral for liabilities relating to repurchase agreements, as well as financial instruments (securities and receivables) that the Groupe Palatine transfers in full ownership as security (Articles L. 211-38 or L. 313-23 et seq. of the French Monetary and Financial Code) as part of guaranteed refinancing, are presented in table 5.20.2 Financial assets transferred but not fully derecognised.

5.20.2 Transferred financial assets

5.20.2.1 Transferred financial assets not fully derecognised

Securities lending – Repurchase agreements – Other transactions

in millions of euros	31/12/2025						31/12/2024					
	Loans of "dry" securities		Repurchase agreements		Other transactions(1)		Loans of "dry" securities		Repurchase agreements		Other transactions(1)	
	Carrying amount of assets	Carrying amount of related liabilities	Carrying amount of assets	Carrying amount of related liabilities	Carrying amount of assets	Carrying amount of related liabilities	Carrying amount of assets	Carrying amount of related liabilities	Carrying amount of assets	Carrying amount of related liabilities	Carrying amount of assets	Carrying amount of related liabilities
Financial assets at fair value through profit or loss – Held for trading	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets at fair value through profit or loss - non-standard	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets at fair value through profit or loss - non-trading	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets at fair value through shareholders' equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Credit institutions' loans and receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Customers' loans and receivables	0.0	0.0	0.0	0.0	388.7	0.0	0.0	0.0	0.0	0.0	465.6	0.0
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets at amortised cost	0.0	0.0	0.0	0.0	388.7	0.0	0.0	0.0	0.0	0.0	465.6	0.0
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**388.7**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**465.6**	**0.0**

(1) The other transactions concern receivables as collateral for the 3G Pool framework.

Transferred financial assets that are not derecognised are essentially composed of the following instruments: repurchase agreements; securities lending collateralised by the delivery of cash; outright securities loans. The other transactions column mainly consists of assets that the Groupe Palatine transfers to the counterparty as security (Dailly sale or Articles L. 211-38 or L. 313-23 et seq. of the French Monetary and Financial Code) as part of guaranteed refinancing.

Securities repurchasing and lending

Groupe Palatine does not carry out repurchase or loan securities transactions.

Assignment of debt under Dailly or Articles L. 211-38 (or L. 313-23) with transfer of ownership

The Groupe Palatine assigns receivables as collateral (Articles L. 211-38 or L. 313-23 et seq. of the French Monetary and Financial Code) as part of guaranteed refinancing, particularly with the central bank. These instruments continue to be disclosed in the consolidated balance sheet in accordance with their original classification. This type of assignment, by way of guarantee, involves the legal transfer of the contractual rights. The Group nevertheless remains exposed to virtually all the risks and benefits, and as such, the receivables are maintained on the balance sheet.

5.20.2.2 Fully derecognised transferred financial assets with which the Group retains an ongoing involvement

The Groupe Palatine did not recognise assets received as collateral in connection with financial guarantee agreements plus a right of re-use.

NOTE 6 Commitments

Accounting principles

Commitments are materialised by the existence of a contractual obligation and are binding.

It must not be possible for commitments included in this item to be deemed financial instruments falling within the scope of IFRS 9 for classification and measurement purposes. However, loan commitments and guarantees given are covered by IFRS 9 impairment rules, as set out in Note 7.

The effects of the rights and obligations covered by such commitments must be subject to the occurrence of conditions or subsequent transactions. Commitments are broken down into:

- financing commitments (confirmed credit facilities or refinancing agreements);
- guarantee commitments (off-balance sheet commitments or assets received as collateral).

The amounts shown correspond to the nominal value of commitments given.

6.1 Loan commitments

in millions of euros	31/12/2025	31/12/2024
Financing commitments given to:		
Credit institutions	0.0	0.0
From customers	2,194.2	2,216.4
• Confirmed credit lines	2,133.9	2,177.0
• Other commitments	60.3	39.5
TOTAL LOAN COMMITMENTS GIVEN	**2,194.2**	**2,216.4**
Financing commitments received from:		
From credit institutions	0.0	0.0
From customers	0.0	0.0
TOTAL LOAN COMMITMENTS RECEIVED	**0.0**	**0.0**

6.2 Guarantee commitments

in millions of euros	31/12/2025	31/12/2024
Guarantee commitments given to:		
Credit institutions	71.9	76.6
To customers	1,265.7	1,264.0
TOTAL GUARANTEE COMMITMENTS GIVEN	**1,337.6**	**1,340.6**
Guarantee commitments received from:		
From credit institutions	521.1	463.2
From customers	1,355.3	1,454.8
TOTAL GUARANTEE COMMITMENTS RECEIVED	**1,876.4**	**1,918.0**

Guarantee commitments are signed commitments as well as assets received as collateral, such as collateral other than those related to the financial assets received as collateral and available to the entity.

NOTE 7 Exposure to risks

Exposures to risks are discussed below by type of risk: credit, market, overall interest rate, foreign exchange, and liquidity risk.

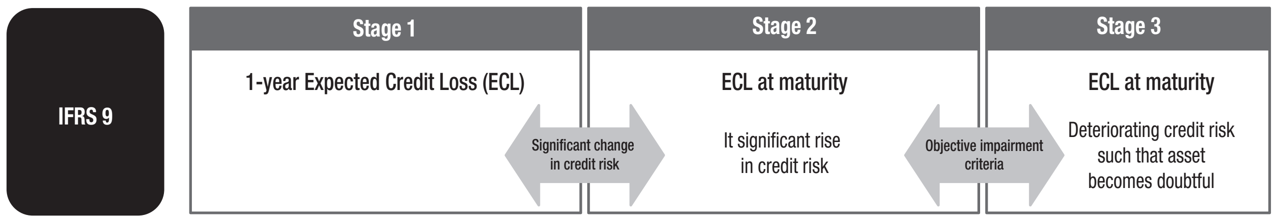
Information on capital management and regulatory ratios is presented in the 'Risk management' section.

Information on the impact and consideration of climate risks on credit risk management is presented in chapter 4.12 'Climate risks'.

7.1 Credit risk

Key points

Credit risk is the risk that one party to a financial transaction fails to fulfil its obligations, causing the other party to incur a financial loss.



Certain disclosures relating to risk management required by IFRS 7 are also provided in the chapter on risk management in the annual report. They include:

- the breakdown of gross exposures by category and approach (separation of credit and counterparty risk);
- the breakdown of gross exposure by geographical area;
- the concentration of credit risk by borrower;
- the credit quality of renegotiated exposures;
- performing and non-performing exposures and related provisions;
- the quality of performing and non-performing exposures by number of days past due;
- the quality of exposures by geographic area;
- the credit quality of loans and advances by industry;
- the breakdown of the guarantees received by type on the financial instruments.

This information forms an integral part of the financial statements certified by the Statutory Auditors.

7.1.1 Cost of credit risk

Accounting principles

Cost of risk applies to debt instruments classified as financial assets at amortised cost or at fair value through other comprehensive income, recyclable to profit or loss, as well as to financing commitments and financial guarantees given that are not recognised at fair value through profit or loss. It also applies to receivables relating to leasing contracts, business loans, and contract assets.

This item, therefore, covers net impairment and provision charges for credit risk.

Irrecoverable loans not covered by provisions for impairment are loans that have acquired the character of permanent loss before being provisioned in Stage 3.

Cost of credit risk for the period

in millions of euros	2025 financial year	2024 financial year
Net charge to provisions and provisions for impairment	(44.3)	(61.5)
Recoveries of bad debts written off	0.9	0.3
Unrecoverable loans and receivables not covered by impairment losses	(2.1)	(1.1)
TOTAL COST OF CREDIT RISK	**(45.5)**	**(62.3)**

Cost of credit risk for the period by type of asset and stage

in millions of euros	2025 financial year	2024 financial year
Central banks	0.0	0.0
Financial assets at fair value through profit or loss	0.0	0.0
Financial assets at fair value through shareholders' equity	(1.8)	0.0
Financial assets at amortised cost	(37.6)	(67.6)
of which loans and receivables	(38.3)	(68.0)
of which debt securities	0.7	0.4
Other assets	0.2	(1.0)
Financing and guarantee commitments	(5.6)	6.3
Impact of guarantees not taken into account in impairment	0.0	0.0
TOTAL COST OF CREDIT RISK	**(45.5)**	**(62.3)**
of which Stage 1	(4.2)	19.7
of which Stage 2	4.9	(28.8)
of which Stage 3	(46.2)	(53.1)

7.1.2 Change in gross carrying amounts and expected credit losses on financial assets and commitments

Accounting principles

Expected credit losses are represented by impairments of assets classified at amortised cost and at fair value through other comprehensive income recyclable to profit or loss, and by provisions for financing and guarantee commitments.

The financial instruments concerned (see Note 7.1.1) are impaired or covered by a provision for expected credit losses (ECL) at the date of initial recognition.

When the financial instruments do not individually show objective evidence of loss, impairment, or provisions for expected credit losses are measured based on past losses and reasonable and justifiable discounted future cash flow forecasts.

Financial instruments are divided into three categories (Stages) depending on the increase in credit risk observed since initial recognition. Each loan category corresponds to a specific credit risk measurement method:

Stage 1 (S1):

- performing loans for which there has been no significant increase in credit risk since the initial recognition of the financial instrument or certain assets for which the standard makes it possible to presume that they have a low credit risk at the reporting date;
- the impairment or the provision for credit risk corresponds to 12-month expected credit losses;
- interest income is recognised in income using the Effective Interest Rate Method applied to the gross carrying amount of the instrument before impairment.

Stage 2 (S2):

- performing loans for which credit risk has increased materially since the initial recognition of the financial instrument are transferred to this category;
- the impairment or the provision for credit risk is determined on the basis of the financial instrument's lifetime expected credit losses;
- interest income is recognised in income, as for Stage 1 assets, using the Effective Interest Rate Method applied to the gross carrying amount of the instrument before impairment.

Stage 3 (S3):

- these are loans for which there is objective evidence of impairment loss due to an event that represents a known credit risk occurring after the initial recognition of the instrument in question. This category covers receivables for which a default event has been identified, as defined in Article 178 of European Regulation No. 575/2013 of 26 June 2013, on prudential requirements for credit institutions. Default situations have been identified for outstandings with significant amounts past due (introduction of relative and an absolute threshold for past due payments), and the criteria for a return to non-defaulted status have been clarified with the introduction of a probation period and of explicit criteria for a classification as default of restructured loans;
- the impairment or the provision for credit risk is calculated based on the financial instrument's lifetime expected credit losses (expected credit losses at maturity) on the basis of the recoverable amount of the receivable, *i.e.,* the present value of estimated recoverable future cash flows;
- interest income is recognised through profit or loss using the Effective Interest Rate Method applied to the net carrying amount of the instrument after impairment.

Purchased or originated credit-impaired (POCI) financial instruments are assets that show objective indicators of impairment at initial recognition. These are assets for which the entity does not expect to recover all of the contractual cash flows. Due to their low materiality and the way they are tracked, they are presented with Stage 3 or Stage 2 assets in the event of an improvement in their credit risks. The impairment or the provision for credit risk associated with these instruments is determined on the basis of the financial instrument's lifetime expected credit losses (expected credit losses at maturity).

For operating or finance lease receivables (which fall within the scope of IFRS 16), the Group has elected not to make use of the option of applying the simplified approach as set out in IFRS 9 paragraph 5.5.15.

The methodological changes carried out over the period and presented below constitute a change in estimates, which translates into an impact on net income.

Method for measuring the increase in credit risk and expected credit losses

The principles for measuring the increase in credit risk and expected credit losses applicable to most of the Group's exposures are described below. Only a few portfolios held by Group entities – representing a limited volume of exposures – cannot be treated according to the methods described below and are subject to appropriate valuation techniques.

Significant increase in credit risk

A significant increase in credit risk is measured on an individual basis for each instrument by taking into account all reasonable and supportable information and by comparing the default risk on the financial instrument at the reporting date with the default risk on the financial instrument at the date of initial recognition.

What's more, in addition to this assessment carried out in the Group’s central institution, institutions can, in order to take into account the specific risks of their portfolios, estimate the significant increase in credit risk on the basis of a given portfolio by tightening ratings assigned to the latter on a geographic or sectoral basis. This severity may lead to a downgrading from Stage 1 to Stage 2, while downgrading to Stage 3 remains based on an individual analysis.

In accordance with IFRS 9, a counterparty with a significant deterioration in credit risk (Stage 2) that has just been originated will be classified as Stage 1.

Assessment of increases in credit risk involves comparing the ratings on the initial recognition date with those applicable at the reporting date. The same principles as those used to classify an exposure in Stage 2 are applied in case of a decline in the material deterioration in credit risk.

In most cases, a measurement showing an increase in risk leads to the asset’s transfer to Stage 2 before it is individually impaired (Stage 3).

However, prior to the above analysis, the following general analysis criteria are applied:

- The standard provides that the credit risk of a financial instrument has not increased significantly since its initial recognition if this risk is considered to be low at the reporting date. This provision is applied to debt securities rated investment grade and managed as part of the liquidity reserve as defined by Basel III regulations of Groupe BPCE, including the Groupe Palatine, as well as debt securities classified as financial investments for insurance activities. Investment grade ratings are those equal to or above BBB- or its equivalent by Standard & Poor’s, Moody’s, or Fitch. In this case, these assets remain classified as Stage 1;
- A counterparty-by-counterparty approach for a Stage 2 classification is applied, in particular with regard to the High Credit Risk qualitative criterion derived from the Group’s internal rating engines. This criterion includes the counterparties placed on the watchlist, with a sensitive rating (particularly in cases where the notion of watchlist is not used), in a situation of restructuring or in the presence of financial difficulties if the criteria for downgrading to Stage 3 are not met;
- The standard also includes a rebuttable presumption that the credit risk has significantly increased since the initial recognition if the contractual payments are more than 30 days past due;
- Lastly, an unfavourable change in country risk is a criterion for classifying all of the outstandings concerned as Stage 2.

Assessment of a material increase in credit risk is made at the level of each instrument, based on indicators and thresholds that vary according to the type of exposure and counterparty.

For the individual customers, professionals, SMEs, public sector, and social housing portfolios: the significant increase in credit risk is assessed on the basis of the following levels of rating downgrading since inception:

<table>
<tr><th>Origin rating</th><th>Individual customers</th><th>Professionals</th><th>SMEs, Public Sector and Social Housing</th></tr>
<tr><td>3 to 11 (AA to BB+)</td><td>3 notches</td><td rowspan="3">3 notches</td><td rowspan="2">3 notches</td></tr>
<tr><td>12 (BB)</td><td rowspan="2">2 notches</td></tr>
<tr><td>13 (BB-)</td><td>2 notches</td></tr>
<tr><td>14 to 15 (B+ to B)</td><td rowspan="2">1 notch</td><td>2 notches</td><td rowspan="2">1 notch</td></tr>
<tr><td>16 (B-)</td><td>1 notch</td></tr>
<tr><td>17 to 19 (CCC to C)</td><td colspan="3">Sensitive notches classified as S2</td></tr>
</table>

The additional qualitative criteria make it possible to classify as Stage 2 all contracts with arrears of more than 30 days (unless the presumption of arrears of 30 days is refuted), as a sensitive note, in situations of restructuring or in the presence of financial difficulties, if the criteria for downgrading to Stage 3 are not met.

For the Large Corporates, Banks, and Sovereigns portfolios: the quantitative criterion is based on the rating changes since initial recognition. The same qualitative criteria apply to individuals, professionals, and small and medium-sized enterprises, and to contracts registered on the watch list, as well as additional criteria based on changes in the level of country risk.

The downgrade thresholds on **the portfolios of Large Corporates and Banks** are set out below. For these portfolios, downgrading is now assessed between PD class at inception and at closing. A PD class corresponds to a grouping of ratings:

Original PD class	Significant degradation
Large Corporates	
1 to 2 (AAA to A-)	4 notches
3 to 4 (BBB+ to BBB-)	3 notches
5 (BB+ to BB-)	2 notches
6 to 8 (B+ to C)	1 notch
Banks	
1 (AAA)	4 notches
2 to 4 (AA+ to BBB-)	3 notches
5 (BB+ to BB-)	2 notches
6 to 8 (B+ to C)	1 notch
Project financing	
1 to 2 (AAA to BBB)	3 notches
3 (BBB- to BB+)	2 notches
4 to 7 (BB to C)	1 notch
Real estate and hotel financing	
1 to 2 (AAA to BBB)	3 notches
3 (BBB- to BB+)	2 notches
4 to 7 (BB to C)	1 notch

For Sovereigns: the downgrade thresholds on the eight-point rating scale are as follows:

Origin rating	Significant degradation
1	6 notches
2	5 notches
3	4 notches
4	3 notches
5	2 notches
6	1 notch
7	S2 directly (unless newly originated contract)
8	S2 directly (unless newly originated contract)

For Specialised Financing: the criteria applied vary according to the characteristics of the exposures and the related rating framework. The exposures noted under the engine dedicated to large exposures are treated in the same way as Large Corporates; other exposures are treated in the same way as SMEs.

For all these portfolios, the ratings used to measure risk deterioration correspond to ratings from internal systems where available, as well as external ratings, particularly in the absence of internal ratings.

In accordance with IFRS 9, the recognition of guarantees and collateral does not influence the assessment of a material increase in credit risk, which depends on changes in credit risk relating to the debtor without taking into account such guarantees.

In order to assess the material increase in credit risk, the Group provides for a process based on two levels of analysis:

- a first level based on rules and criteria defined by the Group that are binding on the Group's institutions (known as the 'central model');
- a second level linked to an expert assessment of the risk carried by each institution oi its portfolios, which may lead to an adjustment of the criteria defined by the Group for downgrading to Stage 2 (portfolio or sub-portfolio switch to ECL at maturity). These criteria are adapted for each closing to the current macroeconomic context.

Measurement of expected credit losses

Expected credit losses are defined as being an estimate of credit losses (i.e., the present value of cash flow shortfalls) weighted by the probability of occurrence of these losses over the expected lifetime of the financial instrument in question. They are calculated individually for each exposure.

In practice, for Stage 1 and Stage 2 financial instruments, expected credit losses are calculated as the product of a number of inputs:

- expected cash flows over the life of the financial instrument, discounted to the valuation date - these flows are determined according to the characteristics of the contract, and its effective interest rate and particularly for home loans, the expected level of early repayment on the contract;
- loss given default (LGD);
- the probability of default (PD) over the coming year for Stage 1 financial instruments and to maturity for Stage 2 financial instruments.

The Group's methodology draws on existing concepts and frameworks to define these inputs, and in particular on internal models developed to calculate regulatory equity requirements (Basel framework) and projection models used in the stress test framework. Certain adjustments are made to comply with the specifics of IFRS 9:

- IFRS 9 inputs aim to provide an accurate estimate of expected credit losses for accounting provision purposes, whereas prudential inputs are more cautious for regulatory framework purposes. Several of the safety buffers applied to prudential inputs are therefore restated;
- IFRS 9 inputs must allow expected credit losses to be estimated until the contract's maturity, whereas prudential inputs are defined to estimate 12-month expected losses. 12-month inputs are thus projected over long periods;
- IFRS 9 parameters must be forward-looking and take into account the expected economic environment over the projection period, whereas prudential parameters correspond to mid-cycle estimates (for PD) or bottom-of-the-cycle estimates (for LGD and the cash flows expected over the lifetime of the financial instrument). Prudential PD and LGD inputs are therefore also adjusted to reflect forecasts of future economic conditions.

Expected credit loss calculations take into account assets pledged as collateral and other credit enhancements that form an integral part of the instrument's contractual conditions and that the entity does not recognise separately. The estimate of expected cash flow shortfalls on secured financial instruments reflects the amount and the timing for enforcing the collateral if such collateral is considered to be part of the contractual terms of the secured instrument.

The IFRS 9 model validation framework is fully aligned with the Group's existing model validation framework. Models are reviewed by an independent unit responsible for internal validation and the unit's conclusions are then examined by the Group Models Committee. Subsequent recommendations are monitored up by the validation unit.

Recognition of forward-looking information

Forward-looking macroeconomic data are taken into account in a methodological framework applicable at two levels:

- at the Group level, in the determination of a shared framework for taking the forward looking into account in the projection of PD and LGD inputs over the amortisation horizon of operations within the central model;
- at the level of each entity, with regard to its own portfolios.

The amount of expected credit losses is calculated using an average ECL by scenario, weighted by probability of occurrence, taking into consideration past events, current circumstances, and reasonable and justifiable forecasts of the economic environment.

Groupe BPCE, including the Groupe Palatine, uses forward-looking data to estimate any significant increase in credit risk and to measure expected credit losses. To do this, Groupe BPCE, including the Groupe Palatine, uses the projections of macroeconomic variables used to define its budget process, considered as the most probable, framed by optimistic and pessimistic scenarios in order to define alternative trajectories.

To determine a significant increase in credit risk, as well as applying rules based on the comparison of risk parameters between the initial recognition date and the reporting date, the calculation is supplemented by forward-looking information such as sector or geographical macroeconomic scenarios.

To measure expected credit losses, the Group has chosen three macroeconomic scenarios, which are detailed in the following paragraph.

Methodology for calculating expected losses in the central model

The parameters used to measure expected credit losses are adjusted to economic conditions by defining three economic scenarios (central/pessimist/optimist) over a three-year period.

The definition and review of these scenarios follow the same organisation and governance as that defined for the budget process, with a quarterly review, which may lead to a revision of macroeconomic projections in the event of a significant deviation in the situation observed on the basis of proposals from economic research and validation by the Executive Management Committee.

The probabilities of the central scenario occurrence and its limits are reviewed quarterly by the Group's Watch List and Provisions Committee. The inputs thus defined allow expected credit losses for all exposures to be valued, regardless of whether they belong to a scope approved using an internal method or are processed using the standardised method for the calculation of risk-weighted assets.

The variables defined in each of these scenarios allow for the distortion of the PD and LGD parameters and the calculation of an expected credit loss for each economic scenario. Projections of inputs for periods longer than three years are based on the mean reversion principle. The economic scenarios are associated with probabilities of occurrence, making it possible to calculate the average probable loss, which is used as the amount of the IFRS 9 expected credit loss.

For 31 December, 2025, closing:

After the COVID episodes in 2020 and the war in Ukraine in 2022, which had a lasting impact on the global macroeconomic situation, the implementation of the 2026 budget scenarios takes place this time in an uncertain global and European geopolitical context, but also in a French domestic political context that is far from being clarified, following the dissolution of the National Assembly (NA) in June 2024. The re-election of Donald Trump as President of the United States has revived a number of fears in terms of international relations. Since his inauguration on 20 January, 2025, Donald Trump and his administration have multiplied statements and initiatives, reviving tensions in international relations and, more particularly, in Euro-Atlantic relations:

- questioning the sovereignty of certain countries, such as Canada or Greenland, questioning sovereignty over the Panama Canal, etc.
- announcements of the implementation of customs barriers with China and also with its historical allies and trading partners (Europe, Canada, and Mexico);
- questioning or even stopping both political and military support for Ukraine, raising fears of a complete disengagement of the USA from the conflict, or even simply from the European continent;
- rapprochement between the United States and Russia, raising fears of a major change in US strategy towards Europe.

With regard to the situation in France, the resignation of successive governments since June 2024 has raised fears of continued political instability in France in the coming months or even years, with possible major consequences for the expected structural reforms and a possible downgrade of France's sovereign rating.

Finally, in the Middle East and the rest of the world, tensions remain high, the situation remains uncertain in some areas, and US-Iranian relations remain tense, raising fears of an escalation in the region and its potential impact on global oil supplies.

The Group's budget scenario is based on the following structuring assumptions:

- worsening of the trade war with measures put in place by all countries to counter the increase in customs duties in the United States: US growth slowing significantly, from 2.8% to 1% in 2025 and remaining moderate at 1.3% in 2026. Inflation is expected to rise to 3.6% on average in 2025 and 3.4% in 2026;
- growth is also expected to slow in the Eurozone, with an estimated impact of -0.3 points of GDP. Growth should thus be 0.7% in 2025. It should be noted, however, that the German spending plan should provide support at the very end of the year, but especially in 2026. European growth is expected to recover to 1.1% in 2026. The impact on inflation will be limited: the first retaliatory measures implemented by the EU will be mitigated by the appreciation of the euro and the fall in energy prices. Inflation is expected to average 2.3% in 2025 and 1.9% in 2026;
- France would be less affected by customs duties than the Eurozone as a whole, with an impact of -0.2 points on growth in 2025, at 0.5%, then 0.9% in 2026. French inflation will remain very moderate at 1.5% in 2025 and 1.7% in 2026;
- the return to the inflation target in the Eurozone from 2027 (with, however, inflation in Germany above 2% at 2.2% in 2028 and 2029), combined with growth in the Eurozone slightly above potential, will result in a resumption of rate hikes by the ECB from 2027 (2 x 25 bps in 2027 and 1 x 25 bps in 2028);
- the ECB will lower its rates to 2% by June 2025 and leave them unchanged from 2028 over the rest of the projection horizon;
- the Federal Reserve will start lowering fed funds rates in September 2025 to 3% in June 2026;
- the 10-year OAT rate should reach an equilibrium level of around 3% at the end of 2025 and then stabilise at around 3.65% over the rest of the projection horizon;
- the 10-year UST rate is expected to reach 4.15% at the end of 2025 and then stabilise around 4.50%;
- the EUR/USD exchange rate is expected to reach a level of 1.18 at the end of 2025 and 2026 and then stabilise at around 1.20.

The scenario was validated by the Groupe ALM Committee on 24 June, 2025.

Given the evolution and macroeconomic and geopolitical uncertainties since 31 December 2024, Groupe BPCE, including the Groupe Palatine, has had to revise the pessimistic limits used as well as the associated weightings.

This review led to a narrowing of the corridor between the two pessimistic and optimistic limits and a rebalancing of the weightings between the three scenarios. Indeed, the Group believes that with the development of discussions between states and the absence of the implementation of all the customs duties presented by the US administration last April, the magnitude of the pessimistic scenario has become less significant.

The pessimistic scenario is a less severe version of the ICAAP 'Trade Wars and Protectionism' scenario. In this case, the impacts on growth, unemployment, and inflation are reduced by about 33%. This makes it possible to have a gap of nearly 1% in French GDP growth between the baseline scenario and this pessimistic scenario from 2026. For 2025, the differences are less significant. Thus, for French GDP, the pessimistic scenario for 2025 shows a decrease of -0.2% compared to a forecast of 0.6%.

The rationale of the scenario remains more or less unchanged. The pessimistic scenario is based on lower-than-expected US customs tariffs overall, which limits the risks of a major stall in world trade. As a result of a mechanical effect and in the absence of material tension between China and Taiwan this year, the impact on the US economy is weaker, with zero growth in 2025 in this new pessimistic scenario.

Europe continues to suffer due to the implementation of trade barriers and trade retaliation put in place by the EU vis-à-vis third countries, with growth falling to 0% in 2025 and -0.1% in 2026.

The loss of GDP vis-à-vis the baseline scenario for France is approaching 0.7% in 2025, pushing growth into negative territory at nearly -0.2%. Growth then remains sluggish, close to 0%, over the years 2026 and 2027 (-0.1% and 0.2% respectively). As a result of the retaliation mentioned above, French inflation is rising and returning to 2% in 2025 and 2026. As the scale of the trade war is smaller than in the adverse ICAAP, risky assets correct to a lesser extent. The Eurostoxx 50 loses 13% in 2025 and continues to fall until it reaches nearly 4,600 points in 2027, i.e., a level 20% below the baseline. European inflation, which remains above 2% over the entire projection horizon, is forcing the ECB to raise its deposit rate to 2.75%. This is reflected in a flattening of the curves, with long-term rates benefiting, in particular, from their status as safe havens. The German 10-year rate falls back to 2.50% in this scenario.

The optimistic scenario is still based on a statistical deviation from the central scenario, which leads to a gradual return of inflation to low levels and a more vigorous recovery in activity.

During 2025, the following methodological changes were implemented:

- specific calibrations for Specialised Real Estate Financing have been put into production to better take into account their specific behaviour. They were previously grouped together within the 'Specific Populations', which now only includes SPLS (Public Sector and Social Housing) and Associations and Insurance companies. The PDs and LGDs concerned have also been recalibrated to take these changes into account;
- an extension of the Small Business models to Foreign Companies was put into production;
- an evolution to meet a number of specifications and recommendations on the scope of SMEs has been put into production.

In addition, the Group supplements and adapts this approach, taking into account the specificities of certain scopes. Each scenario is weighted according to its proximity to the market consensus (consensus forecast) on the main economic variables of each significant scope or market of the Group.

The projections are based on the main macroeconomic variables, such as GDP, the unemployment rate, and ten-year interest rates on French sovereign debt and real estate.

The macroeconomic variables for the France zone are as follows:

At 31 December 2025:

	Pessimistic 2025-Q4			
	GDP	Unempl.	RRE	Rate 10A
2024	(0.20%)	7.90%	0.50%	3.12%
2025	(0.06%)	8.00%	0.00%	3.28%
2026	0.24%	8.10%	0.00%	3.28%

	Central 2025-Q4			
	GDP	Unempl.	RRE	Rate 10A
2024	0.60%	7.60%	1.50%	3.40%
2025	1.00%	7.70%	1.20%	3.65%
2026	1.30%	7.80%	1.50%	3.65%

	Optimistic 2025-Q4			
	GDP	Unempl.	RRE	Rate 10A
2024	1.13%	7.30%	2.50%	3.68%
2025	1.70%	7.40%	2.50%	4.03%
2026	2.00%	7.50%	3.00%	4.03%

At 31 December 2024:

	Pessimistic 2024-Q4			
	GDP	Unempl.	RRE	Rate 10A
2024	(0.42%)	8.07%	(8.15%)	4.04%
2025	(3.00%)	9.12%	(8.00%)	5.25%
2026	0.50%	9.05%	(6.00%)	4.60%

	Central 2024-Q4			
	GDP	Unempl.	RRE	Rate 10A
2024	1.10%	7.50%	(6.00%)	2.85%
2025	1.40%	7.64%	(1.50%)	2.90%
2026	1.57%	7.40%	0.00%	2.70%

	Optimistic 2024-Q4			
	GDP	Unempl.	RRE	Rate 10A
2024	1.86%	7.22%	(4.93%)	2.63%
2025	3.90%	6.54%	1.75%	2.10%
2026	2.64%	6.23%	3.00%	2.20%

Weighting of scenarios at 31 December, 2025

The expected credit losses are calculated by assigning to each of the scenarios a weighting determined according to the proximity of the consensus of the forecasters with each of the baseline, pessimistic, and optimistic scenarios on the GDP growth variable.

Thus, the weightings used for the France zone are as follows:

- central scenario: 35% at 31 December, 2025, compared to 80% at 31 December, 2024;
- pessimistic scenario: 30% at 31 December, 2025, compared with 15% at 31 December, 2024;
- optimistic scenario: 35% at 31 December, 2025, compared to 5% at 31 December, 2024.

It should be noted that the change in weightings at December 31, 2025, compared to 31 December, 2024, is mainly driven by a change in the scenario used for this closing.

Environmental risks are not taken into account in the central models at this stage. However, they can be taken into account at the institution level (see below).

Expected credit losses built up in addition to the central model

Additional provisions have been recorded by the Group's institutions to cover the specific risks of their portfolios, in addition to the provisions described above and calculated by the Group's tools. These provisions were set aside mainly in 2020 and 2021 to cover the consequences of the Covid-19 crisis. In recent years, they were supplemented by additional documented provisions for sectors likely to be most affected by a worsening macroeconomic context (rising inflation, soaring energy prices, shortages, trade policy, etc.). The outstandings concerned may be downgraded to Stage 2, where appropriate.

During 2025, these additional provisions are limited and mainly concern the structured financing, professional real estate (offices, retail), and real estate investment company (SCPI) sectors.

In this context, the Group continued to strengthen the identification and monitoring of the most affected sectors. The sectoral monitoring approach is reflected in (i) a classification according to their level of risk of economic sectors and sub-sectors established centrally by the Risk Management Department of Groupe BPCE, which includes the Groupe Palatine and is updated regularly and communicated to all Group institutions, (ii) a tightening of LGD rates on a geographical or sectoral basis.

To a lesser extent and only for a limited number of institutions, expected credit losses due to climate risks were constituted by certain institutions. They are constituted in accordance with the general principles defined by the Group and mainly concern transition climate risk. These provisions are made in anticipation of direct losses, by sector or by geographic area, caused by extreme or chronic weather events, resulting in an increased risk of default following a cessation or reduction in activity. They are not created individually because they cover an overall risk in certain sectors of the economy and on a local, regional, or national scope, depending on the institution. Transition risks are also taken into account in these expected credit losses. They correspond to the economic and financial consequences of a societal transition to a low-carbon economy, aimed at limiting greenhouse gas emissions (regulations, market, technology, reputation), to which the business sector cannot align itself.

Climate risk is taken into account by applying stress on the counterparty's rating level or an overall provisioning rate, depending on the customer segment, according to its vulnerability to climate risks.

ECL sensitivity analysis

Sensitivity analyses are carried out on the impairment outstandings on all instruments classified as Stage 1 and Stage 2 in the Group's central institution. These analyses are based on a weighting of 100% of each of the scenarios used without impacting the status of these outstandings or any adjustments applied to the model.

The sensitivity of Palatine's expected credit losses to the 100% probability of occurrence of the pessimistic scenario would lead to a 7.50% increase in expected credit losses. Conversely, the probability of occurrence of the 100% optimistic scenario would lead to a 5.74% reduction in ECLs. Finally, a weighting of the central scenario at 100% would lead to a 0.69% reduction in ECLs.

Method for measuring assets classified as Stage 3

Financial assets for which there is objective evidence of impairment loss due to an event representing a counterparty risk and occurring after initial recognition are classified as Stage 3. The criteria for identifying assets are in line with the definition of default under Article 178 of European Regulation No. 575/2013 of 26 June 2013, on prudential requirements for credit institutions, consistent with EBA guidelines (EBA/GL/2016/07) on the application of the definition of default, and Delegated Regulation (EU) 2018/1845 of the European Central Bank on the threshold for assessing the materiality of credit obligations past due.

Loans and receivables are considered as impaired and are classified as Stage 3 if the following two conditions are met:

- there is objective evidence of impairment on an individual or portfolio basis: there are 'triggering events' or 'loss events' identifying counterparty risk occurring after the initial recognition of the loans in question. Objective evidence of impairment includes:
  - the occurrence of a payment past due for at least three consecutive months, the amount of which exceeds the absolute thresholds (of €100 for a retail exposure, otherwise €500) and the relative threshold of 1% of the counterparty's exposures, or
  - the restructuring of loans if certain criteria are met, or regardless of whether any payment has been missed, the observation of financial hardship experienced by the counterparty, leading to the expectation that some or all of the amounts owed may not be recovered. Note that the restructured outstandings are classified in Stage 3 when the loss is greater than 1% of the difference between the net present value before restructuring and the net present value after restructuring;
- these events are liable to lead to the recognition of incurred credit losses, i.e., expected credit losses for which the probability of occurrence has become certain.

The Stage 3 classification is maintained for a probationary period of three months after the disappearance of all the above-mentioned default indicators. The probationary period in Stage 3 is extended to one year for restructured contracts that have been subject to a Stage 3 transfer.

When moving out of Stage 3, Groupe BPCE, including the Groupe Palatine, does not apply an additional probationary period of Stage 2 classification prior to any transfer to Stage 1 (if the asset concerned meets the conditions for such classification).

Debt securities such as bonds or securitised transactions (ABS, CMBS, RMBS, cash CDOs) are considered impaired and are classified as Stage 3 when there is a known counterparty risk.

The Group uses the same impairment indicators for Stage 3 debt securities as those used for individually assessing the impairment risk on loans and receivables, irrespective of the portfolio to which the debt securities are ultimately designated. For perpetual deeply subordinated notes (TSSDI) that meet the definition of debt instruments within the meaning of IAS 32, particular attention is also paid if, under certain conditions, the issuer may be unable to pay the coupon or extend the issue beyond the scheduled redemption date.

Impairment for expected credit losses on Stage 3 financial assets is determined as the difference between the amortised cost and the recoverable amount of the receivable, i.e., the present value of estimated recoverable future cash flows, whether these cash flows come from the counterparty's activity or from the potential activation of guarantees (if these guarantees are considered as being part of the contractual terms and conditions of the guaranteed instrument). For short-term assets (maturity of less than one year), there is no discounting of future cash flows. Impairment is determined globally, without distinguishing between interest and principal. Expected credit losses arising from Stage 3 off-balance sheet commitments are taken into account through provisions recognised on the liability side of the balance sheet. They are calculated on the basis of the maturity schedules determined based on historic recoveries for each category of receivable.

For the purposes of measuring expected credit losses, pledged assets and other credit enhancements that form an integral part of the contractual conditions of the instrument and that the entity does not recognise separately are taken into account in the estimate of expected cash flow shortfalls.

The write-offs are based on individual analyses, taking into account the specific nature of each situation. In addition to the factors clearly attesting that all or part of the receivable will not be recovered (e.g. cessation of recovery actions, receipt of the certificate of non-recoverability), other groups of indicators are also likely to be taken into account (entry into liquidation procedure, disappearance or insufficiency of residual assets and/or absence of collateral, absence of manifest desire of executives to respect their commitments and absence of shareholder support, chances of recovery based exclusively on legal recovery actions brought against third parties combined with a very low probability of success of these actions).

These factors must be considered as part of an overall analysis and do not constitute an automatic indicator of a write-off. When, in view of the situation of the case, it is reasonably certain that all or part of the receivable will not be recovered, the amount to be recognised as losses is determined on the basis of the most objective possible external and internal elements.

Subsequent recoveries of receivables already recorded as losses are also recognised in the cost of credit risk items.

Recognition of impairment of assets classified at amortised cost and at fair value through other comprehensive income, and of provisions for financing and guarantee commitments

For debt instruments recognised on the balance sheet in the financial assets at the amortised cost category, impairment is recorded against the line on which the asset was initially shown for its net amount (regardless of whether the asset is S1, S2, S3 or POCI). Impairment charges and reversals are recognised in the income statement under 'Cost of credit risk'.

For debt instruments recognised as financial assets at fair value through other comprehensive income on the balance sheet, impairment is carried on the liability side of the balance sheet at the level of other comprehensive income recyclable to profit or loss, with a corresponding entry on the income statement under 'Cost of credit risk' (regardless of whether the asset is classified S1, S2, S3 or POCI).

For loan and financial guarantee commitments given, provisions are recorded on the liability side of the balance sheet under 'Provisions' (irrespective of whether the commitment given is classified S1, S2, S3, or POCI). Additions to/reversals from provisions are recognised in the income statement under 'Cost of credit risk'.

7.1.2.1 Changes in S1/S2 credit losses

in millions of euros	31/12/2025	31/12/2024
Model	95.3	105.7
Complements to the model	11.5	9.6
Other	0.0	0.0
TOTAL EXPECTED CREDIT LOSSES S1/S2	**106.8**	**115.3**

7.1.2.2 Changes in the gross carrying amount and credit losses on financial assets through other comprehensive income

	Stage 1		Stage 2		Stage 3		TOTAL	
in millions of euros	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 31/12/2024	**608.9**	**(0.0)**	**0.0**	**0.0**	**0.0**	**0.0**	**608.9**	**(0.0)**
Origination and acquisitions	757.5	0.0	0.0	0.0	0.0	///	757.5	0.0
Changes in contractual flows that do not result in derecognition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Derecognition (redemptions, disposals and debt forgiveness)	(224.3)	0.0	0.0	0.0	0.0	0.0	(224.3)	0.0
Impairment (write-off)	///	///	///	///	0.0	0.0	0.0	0.0
Transfers of financial assets	(32.1)	0.0	32.1	0.0	0.0	0.0	0.0	0.0
• Transfers to S1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
• Transfers to S2	(32.1)	0.0	32.1	0.0	0.0	0.0	0.0	0.0
• Transfers to S3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Model changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other changes(1)	(2.7)	0.1	0.2	(1.9)	0.0	0.0	(2.4)	(1.8)
BALANCE AT 31/12/2025	**1,107.3**	**0.1**	**32.3**	**(1.9)**	**0.0**	**0.0**	**1,139.6**	**(1.9)**

(1) *Of which amortisation of receivables, changes in credit risk parameters, currency rate fluctuations, and changes in scope.*

7.1.2.3 Changes in the gross carrying amount and credit losses on debt securities at amortised cost

	Stage 1		Stage 2		Stage 3		TOTAL	
in millions of euros	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 31/12/2024	**576.2**	**(0.2)**	**13.6**	**(0.5)**	**30.9**	**(23.0)**	**620.7**	**(23.7)**
Origination and acquisitions	423.0	0.0	0.0	0.0	0.0	///	423.0	0.0
Changes in contractual flows that do not result in derecognition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Derecognition (redemptions, disposals and debt forgiveness)	(47.0)	0.0	0.0	0.0	(1.2)	0.7	(48.1)	0.8
Impairment (write-off)	///	///	///	///	(3.1)	3.1	(3.1)	3.1
Transfers of financial assets	(5.1)	0.0	5.1	0.0	0.0	0.0	0.0	0.0
• Transfers to S1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
• Transfers to S2	(5.1)	0.0	5.1	0.0	0.0	0.0	0.0	0.0
• Transfers to S3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Model changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other changes(1)	(9.5)	(0.7)	(0.5)	0.0	0.0	0.0	(10.0)	(0.7)
BALANCE AT 31/12/2025	**937.7**	**(0.8)**	**18.2**	**(0.5)**	**26.6**	**(19.1)**	**982.4**	**(20.5)**

(1) *Of which amortisation of receivables, changes in credit risk parameters, currency rate fluctuations, and changes in scope.*

7.1.2.4 Changes in the gross carrying amount and credit losses on loans and advances to credit institutions at amortised cost

The loans and receivables to credit institutions registered in Stage 1 include, in particular, funds centralised with *Caisse des Dépôts et Consignations*, *i.e.,* €663.6 million at 31 December 2025, compared with €629.8 million at 31 December 2024.

	Stage 1		Stage 2		Stage 3		TOTAL	
in millions of euros	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 31/12/2024	**5,388.1**	**0.0**	**0.0**	**(0.0)**	**0.0**	**0.0**	**5,388.1**	**(0.0)**
Origination and acquisitions	1,992.8	0.0	0.0	0.0	0.0	///	1,992.8	0.0
Changes in contractual flows that do not result in derecognition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Derecognition (redemptions, disposals, and debt forgiveness)	(2,049.3)	0.0	0.0	0.0	0.0	0.0	(2,049.3)	0.0
Impairment (write-off)	///	///	///	///	0.0	0.0	0.0	0.0
Transfers of financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
• Transfers to S1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
• Transfers to S2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
• Transfers to S3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Model changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other changes[1]	(513.0)	0.0	0.0	0.0	0.0	0.0	(513.0)	0.0
BALANCE AT 31/12/2025	**4,818.6**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**4,818.6**	**0.0**

(1) Of which amortisation of receivables, changes in credit risk parameters, currency rate fluctuations, and changes in scope.

7.1.2.5 Changes in the gross carrying amount and credit losses on loans and advances to customers at amortised cost

Financial instruments are divided into three categories (Stages) depending on the increase in credit risk observed since initial recognition. This deterioration is measured on the basis of the rating at the closing date.

	Stage 1		Stage 2		Stage 3		TOTAL	
in millions of euros	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 31/12/2024	**9,903.2**	**(28.5)**	**1,833.0**	**(68.4)**	**601.9**	**(258.8)**	**12,338.1**	**(355.7)**
Origination and acquisitions	1,694.5	(7.1)	135.9	(7.1)	0.7	///	1,831.1	(14.2)
Changes in contractual flows that do not result in derecognition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Derecognition (redemptions, disposals and debt forgiveness)	(1,093.3)	6.5	(218.0)	12.7	(72.8)	17.7	(1,384.2)	37.0
Impairment (write-off)	///	///	///	///	(56.8)	55.4	(56.8)	55.4
Transfers of financial assets	(234.5)	2.9	135.4	(2.2)	99.1	(33.4)	0.0	(32.7)
• Transfers to S1	447.5	(1.1)	(444.5)	11.8	(3.0)	0.5	0.0	11.2
• Transfers to S2	(637.0)	3.6	690.3	(22.9)	(53.3)	5.9	0.0	(13.5)
• Transfers to S3	(45.0)	0.5	(110.4)	8.9	155.4	(39.8)	0.0	(30.4)
Model changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other changes(1)	(400.0)	(5.7)	(136.1)	4.8	37.9	(22.5)	(498.2)	(23.4)
BALANCE AT 31/12/2025	**9,869.9**	**(32.0)**	**1,750.1**	**(60.1)**	**610.0**	**(241.5)**	**12,230.0**	**(333.6)**

(1) Of which amortisation of receivables, changes in credit risk parameters, currency rate fluctuations, and changes in scope.

7.1.2.6 Changes in the gross carrying amount and credit losses on loan commitments given

	Stage 1		Stage 2		Stage 3		TOTAL	
in millions of euros	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 31/12/2024	**1,951.1**	**(3.0)**	**249.0**	**(3.7)**	**16.4**	**0.0**	**2,216.4**	**(6.7)**
Origination and acquisitions	948.0	(2.0)	50.6	(2.0)	0.0	///	998.6	(4.0)
Changes in contractual flows that do not result in derecognition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Derecognition (redemptions, disposals, and debt forgiveness)	(728.8)	1.0	(100.1)	1.4	(18.5)	0.0	(847.3)	2.4
Impairment (write-off)	///	///	///	///	0.0	0.0	0.0	0.0
Transfers of financial assets	(66.4)	0.2	55.8	(0.9)	10.6	0.0	0.0	(0.6)
• Transfers to S1	31.4	(0.1)	(31.4)	0.4	0.0	0.0	0.0	0.4
• Transfers to S2	(89.3)	0.3	90.1	(1.4)	(0.8)	0.0	0.0	(1.0)
• Transfers to S3	(8.5)	0.0	(2.9)	0.0	11.5	0.0	0.0	0.0
Model changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other changes[(1)]	(167.2)	1.5	(25.4)	0.8	19.2	0.0	(173.4)	2.3
BALANCE AT 31/12/2025	**1,936.6**	**(2.2)**	**229.8**	**(4.4)**	**27.8**	**0.0**	**2,194.2**	**(6.7)**

(1) Of which amortisation of receivables, changes in credit risk parameters, currency rate fluctuations, and changes in scope.

7.1.2.7 Change in the gross carrying amount and credit losses on guarantee commitments given

	Stage 1		Stage 2		Stage 3		TOTAL	
in millions of euros	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 31/12/2024	**1,138.6**	**(0.8)**	**135.2**	**(2.3)**	**66.8**	**(30.8)**	**1,340.6**	**(34.0)**
Origination and acquisitions	309.9	(0.2)	32.2	(0.3)	0.0	///	342.2	(0.5)
Changes in contractual flows that do not result in derecognition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Derecognition (redemptions, disposals, and debt forgiveness)	(403.9)	0.2	(34.0)	0.9	(5.3)	10.1	(443.2)	11.3
Impairment (write-off)	///	///	///	///	0.0	0.0	0.0	0.0
Transfers of financial assets	(73.6)	0.1	73.9	(0.6)	(0.3)	(2.9)	0.0	(3.4)
• Transfers to S1	21.3	0.0	(21.0)	0.4	(0.3)	0.0	0.0	0.4
• Transfers to S2	(92.6)	0.2	98.5	(1.1)	(5.9)	1.2	0.0	0.3
• Transfers to S3	(2.3)	0.0	(3.6)	0.0	5.8	(4.2)	0.0	(4.1)
Model changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other changes[(1)]	64.9	(0.9)	35.1	(0.8)	(1.9)	(11.2)	98.1	(12.9)
BALANCE AT 31/12/2025	**1,035.9**	**(1.6)**	**242.4**	**(3.1)**	**59.3**	**(34.8)**	**1,337.6**	**(39.5)**

(1) Of which amortisation of receivables, changes in credit risk parameters, currency rate fluctuations, and changes in scope.

7.1.3 Credit risk measurement and management

Credit risk arises whenever a counterparty is unable to meet its payment obligations and may result from a reduction in credit quality or default by the counterparty.

Commitments exposed to credit risk consist of existing or potential receivables and particularly loans, debt securities, equities, performance swaps, performance bonds, or confirmed or undrawn facilities.

Credit risk management procedures and assessment methods, risk concentration, the quality of performing financial assets, and the analysis and breakdown of outstandings are described in the chapter on risk management in the annual report.

7.1.4 Guarantees received on instruments impaired under IFRS 9

The table below shows the exposure of all of the Groupe Palatine's financial assets to credit risk and counterparty risk. This exposure to credit risk (determined without taking into account the impact of any unrecognised netting or collateral agreements) and to counterparty risk is based on the net carrying amount of the financial assets.

in millions of euros	Maximum risk exposure(2)	Impairment	Maximum exposure net of impairment(3)	Guarantees
Class of impaired financial instruments (S3)				
Debt securities at amortised cost	26.6	(19.1)	7.4	0.0
Loans and receivables to credit institutions at amortised cost	0.0	0.0	0.0	0.0
Loans and receivables to customers at amortised cost	610.0	(241.5)	368.5	304.7
Debt securities - fair value through recyclable equity	0.0	0.0	0.0	0.0
Loans and receivables to credit institutions - FVOCI R	0.0	0.0	0.0	0.0
Loans and receivables to customers - FVOCI R	0.0	0.0	0.0	0.0
Financing commitments	27.8	0.0	27.8	27.8
Guarantee commitments	59.3	(34.8)	24.5	24.5
TOTAL IMPAIRED FINANCIAL INSTRUMENTS (S3)(1)	**723.6**	**(295.4)**	**428.2**	**357.0**

(1) Assets impaired after origination/acquisition (Stage 3) or upon origination/acquisition (POCI).
(2) Gross carrying amount.
(3) Balance sheet carrying amount.

7.1.5 Guarantees received on instruments not subject to IFRS 9 impairment rules

in millions of euros	Maximum risk exposure(1)	Guarantees
Financial assets at fair value through profit or loss		
Debt securities	15.1	0.0
Loans	0.0	0.0
Trading derivatives	271.1	0.0
TOTAL	**286.3**	**0.0**

(1) Balance sheet carrying amount.

7.1.6 Credit risk mitigation mechanisms: assets obtained by taking possession of collateral

The Groupe Palatine did not obtain any assets by taking possession of collateral.

7.1.7 Financial assets amended since the start of the year, whose impairment was calculated on the basis of expected credit losses at maturity at the start of the period

Accounting principles

Amended contracts are renegotiated, restructured, or adjusted financial assets, whether or not in view of financial difficulties, which do not give rise to derecognition because the amendments made are not significant.

A profit or loss is recognised under 'Cost of credit risk' in the income statement in the event of an amendment.

The gross carrying amount of the financial asset shall be recalculated so that it is equal to the discounted value of the renegotiated or amended contractual cash flows at the original effective interest rate.

Certain financial assets whose impairment was calculated on the basis of lifetime expected credit losses have been modified since the beginning of the year. However, these financial assets are insignificant with regard to the entity's balance sheet and income statement.

7.1.8 Financial assets amended since their initial recognition, whose impairment was calculated on the basis of expected credit losses at maturity, and whose impairment was remeasured on the basis of expected credit losses at one year since the start of the period

Certain financial assets, whose impairment was calculated on the basis of expected credit losses at maturity, were amended, since their initial recognition and their impairment were remeasured on the basis of expected credit losses at one year since the start of the period due to an improvement of their credit risk. However, these financial assets are insignificant with regard to the entity's balance sheet.

7.1.9 Restructured loans

■ Adjustment in view of financial difficulties

	31/12/2025			31/12/2024		
in millions of euros	Loans and receivables	Off-balance sheet commitments	Total	Loans and receivables	Off-balance sheet commitments	Total
Impaired restructured loans	66.3	0.0	66.3	63.4	0.0	63.4
Performing restructured loans	58.7	0.0	58.7	68.4	0.0	68.4
TOTAL RESTRUCTURED LOANS	**124.9**	**0.0**	**124.9**	**131.7**	**0.0**	**131.7**
Impairment	**(19.5)**	**0.0**	**(19.5)**	**(21.1)**	**0.0**	**(21.1)**
Guarantees received	**51.0**	**0.0**	**51.0**	**64.4**	**0.0**	**64.4**

■ Analysis of gross loans

	31/12/2025			31/12/2024		
in millions of euros	Loans and receivables	Off-balance sheet commitments	Total	Loans and receivables	Off-balance sheet commitments	Total
Adjustments: amendments to the terms and conditions	104.2	0.0	104.3	118.7	0.0	118.7
Adjustments: refinancing	20.7	0.0	20.7	13.0	0.0	13.0
TOTAL RESTRUCTURED LOANS	**124.9**	**0.0**	**124.9**	**131.7**	**0.0**	**131.7**

Counterparty geographic area

in millions of euros	31/12/2025 Loans and receivables	31/12/2025 Off-balance sheet commitments	31/12/2025 Total	31/12/2024 Loans and receivables	31/12/2024 Off-balance sheet commitments	31/12/2024 Total
France	124.9	0.0	124.9	131.8	0.0	131.8
Other countries	0.0	0.0	0.0	(0.1)	0.0	(0.1)
TOTAL RESTRUCTURED LOANS	**124.9**	**0.0**	**124.9**	**131.7**	**0.0**	**131.7**

7.1.10 Assets reclassified as losses during the reporting period and still subject to implementation measures

The Groupe Palatine is not concerned.

7.1.11 Breakdown by risk category of financial instruments subject to calculation of expected credit losses pursuant to IFRS 9

The Groupe Palatine is not concerned.

7.1.12 Financial assets acquired or created and impaired for credit risk on initial recognition (POCI)

in millions of euros	Total undiscounted amount of expected credit losses at initial recognition of POCI contracts originated or acquired during the period
Financial instrument class	
Debt securities at amortised cost	0.0
Loans and receivables to credit institutions at amortised cost	0.0
Loans and receivables to customers at amortised cost	9.0
Debt securities - fair value through recyclable equity	0.0
Loans and receivables to credit institutions - fair value through recyclable equity	0.0
Loans and receivables to customers - fair value through recyclable equity	0.0
TOTAL	**9.0**

7.2 Market risk

Market risk refers to the possibility of financial loss due to market trends, such as:

- interest rates: interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market rates of interest;
- exchange rates;
- prices: market price risk is the risk of a potential loss resulting from changes in market prices, whether they are caused by factors specific to the instrument or its issuer, or by factors affecting all market traded instruments. Variable-income securities, equity derivatives, and commodity derivatives are exposed to this type of risk; and
- more generally, any market parameter involved in the valuation of portfolios.

Systems for the measurement and monitoring of market risks are presented in the chapter on risk management in the annual report.

The information on the management of market risks required by IFRS 7, presented in the chapter on risk management in the annual report, is made up of the following:

- the market risk measurement and monitoring framework;
- arrangements for monitoring market risks;
- banking law regarding the separation and regulation of banking activities and the Volcker rule;
- second-level controls for market risks;
- the work done in 2025.

7.3 Overall interest rate risk and foreign exchange risk

Interest rate risk is the risk that unfavourable changes in interest rates will adversely impact the Group’s annual results and net worth. Foreign exchange risk is the risk of losses resulting from changes in exchange rates.

The management of overall interest rate risk and foreign exchange risk is presented in chapter 4 Risk management.

7.4 Liquidity risk

Liquidity risk is the risk that the bank will not be able to meet its commitments or maturities at any given time.

The funding procedures and liquidity risk management arrangements are disclosed in the chapter on risk management in the annual report.

The disclosures relating to the management of liquidity risk required by IFRS 7 are set out in chapter 4 Risk management.

The table below shows the amounts by contractual maturity date.

Financial instruments marked to market on the income statement and held in the trading book, variable-income available-for-sale financial assets, non-performing loans, hedging derivatives and revaluation reserve on interest rate risk-hedged portfolios are placed in the ’Not determined’ column. These financial instruments are:

- either held for sale or redeemed prior to their contractual maturity;
- or held for sale or redeemed at an indeterminable date (particularly where they have no contractual maturity);
- or measured on the balance sheet for an amount impacted by revaluation effects.

Accrued interest not yet due is shown in the 'Less than 1 month' column.

The amounts shown are contractual amounts excluding projected interest.

in millions of euros	Less than 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Not determined	Total at 31/12/2025
Cash, central banks	3.7	0.0	0.0	0.0	0.0	0.0	3.7
Financial assets at fair value through profit or loss	0.0	0.0	0.0	0.0	0.0	286.3	286.3
Financial assets at fair value through shareholders' equity	9.7	0.0	127.1	510.3	490.7	13.0	1,150.7
Hedging derivatives	0.0	0.0	0.0	0.0	0.0	44.8	44.8
Securities at amortised cost	19.2	2.5	56.7	389.7	493.9	0.0	962.0
Credit institutions' loans and receivables	2,008.1	324.9	580.8	1,307.4	597.3	0.0	4,818.6
Customers' loans and receivables	1,463.5	695.3	1,330.5	4,439.2	3,691.5	276.4	11,896.3
Revaluation differences on interest rate risk-hedged portfolios, assets	0.0	0.0	0.0	0.0	0.0	(1.7)	(1.7)
FINANCIAL ASSETS BY MATURITY	**3,504.2**	**1,022.7**	**2,095.1**	**6,646.5**	**5,273.4**	**618.8**	**19,160.8**
Amounts due to central banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities at fair value through profit or loss	0.0	0.0	0.0	0.0	0.0	232.7	232.7
Hedging derivatives	0.0	0.0	0.0	0.0	0.0	38.1	38.1
Debt securities	67.3	496.5	882.8	189.5	103.2	0.0	1,739.4
Amounts due to credit institutions	119.1	177.9	400.8	902.7	30.5	96.5	1,727.5
Amounts due to customers	13,100.3	209.9	301.2	247.8	1.1	0.0	13,860.3
Subordinated debt	0.2	0.0	0.0	50.0	200.0	0.0	250.2
Revaluation differences on interest rate risk-hedged portfolios, liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FINANCIAL LIABILITIES BY MATURITY	**13,286.9**	**884.3**	**1,584.9**	**1,390.1**	**334.8**	**367.3**	**17,848.2**
Financing commitments given to credit institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financing commitments given to customers	271.5	25.4	123.2	1,760.7	13.4	0.0	2,194.2
LOAN COMMITMENTS BY MATURITY	**271.5**	**25.4**	**123.2**	**1,760.7**	**13.4**	**0.0**	**2,194.2**
Guarantee commitments given to credit institutions	0.0	0.3	71.6	0.0	0.0	0.0	71.9
Guarantee commitments given to customers	4.6	16.9	48.9	323.1	872.3	0.0	1,265.7
GUARANTEE COMMITMENTS GIVEN BY MATURITY	**4.6**	**17.2**	**120.5**	**323.1**	**872.3**	**0.0**	**1,337.6**

NOTE 8 Employee benefits

Accounting principles

There are four categories of employee benefits:

- **short-term employee benefits,** such as wages, salaries, paid annual leave, bonuses, and profit sharing and incentive schemes, which are expected to be paid within 12 months of the end of the period in which the employee renders the service, are recognised in expenses;
- **post-employment benefits** paid to retired staff break down into two categories: defined-contribution plans and defined-benefit plans.

  Defined-contribution plans, such as French national plans, are those for which Groupe BPCE's obligation is limited to payment of a contribution; there is no obligation for the employer regarding a certain level of benefit. Contributions paid into these plans are recognised as an expense for the period.

  Defined-benefit plans are those for which Groupe BPCE has undertaken to provide a given amount or level of benefit.

  Defined-benefit plans are subject to provisions calculated based on an actuarial assessment of the amount of the obligation, taking into account demographic and financial assumptions. When these plans are funded by external funds meeting the definition of plan assets, the amount of the provision is reduced by the fair value of these assets.

  The cost of defined-benefit plans recorded in expenses for the period includes: the service cost (representing the rights acquired by beneficiaries over the period), the past service cost (revaluation reserve on actuarial liabilities following an amendment or reduction in the plan), the net financial cost (effect of unwinding the discount on the net obligation for interest income generated by plan assets) and the effect of pension drawdowns.

  Revaluation reserve on actuarial liabilities caused by changes in demographic and financial assumptions and past-experience effects are recorded in gains and losses recognised directly in other comprehensive income not recyclable to net income:
- **Other long-term benefits** include benefits paid to active employees and payable more than 12 months after the end of the period. They notably include long-service awards.

  These benefits are calculated using the same actuarial method as that applied for defined-benefit pension plans. The accounting method differs in terms of revaluation reserve on actuarial liabilities, which are recorded under expenses;
- **Termination benefits** are granted to employees on termination of their employment contract prior to their retirement date, whether as a result of redundancy or a decision by an employee to terminate a contract in exchange for a severance payment. They are covered by a provision. Termination benefits that are not expected to be paid within the 12 months following the balance sheet date are discounted to present value.

8.1 Payroll costs

Personnel expenses include all personnel-related expenses and the associated social security charges and payroll-based taxes.

Information on own workers by category is presented in chapter 2 'Sustainability report'.

in millions of euros	2025 financial year	2024 financial year
Wages and salaries	(72.7)	(73.6)
Defined-contribution and defined-benefit plan expenses	(10.4)	(9.2)
Other social security charges and payroll-based taxes	(43.5)	(41.7)
Profit sharing and incentive schemes	(17.9)	(12.7)
TOTAL PAYROLL COSTS	**(144.5)**	**(137.2)**

8.2 Employee benefits

The Groupe Palatine grants its staff a variety of employee benefits.

- pensions and other post-employment benefits, such as end-of-career awards and other benefits granted to retirees;
- other benefits, such as long-service awards and other long-term employee benefits.

8.2.1 Analysis of employee-related assets and liabilities recorded in the balance sheet

	Post-employment benefits under defined-benefit plans		Other long-term employee benefits			
in millions of euros	Supplementary pensions and other plans	End-of-career awards	Long-service awards	Other benefits	31/12/2025	31/12/2024
Actuarial liabilities	0.3	14.8	3.2	10.4	28.7	26.7
Fair value of plan assets		(13.0)			(13.0)	(12.4)
Fair value of reimbursement rights						
Asset cap effect						
NET AMOUNT REPORTED ON BALANCE SHEET	**0.3**	**1.8**	**3.2**	**10.4**	**15.7**	**14.3**
Employee benefits, liabilities	0.3	1.8	3.2	10.4	15.7	14.3
Active employee benefits[1]						

(1) *Presented on the asset side of the balance sheet under 'Accrual accounts and other assets'.*

Actuarial liabilities represent the Group's obligation in respect of beneficiaries. They are calculated by independent actuaries using the projected unit credit method based on demographic and financial assumptions that are reviewed on a regular basis and at least once a year.

When these plans are funded by assets meeting the definition of plan assets, the amount of the provision corresponds to actuarial liabilities less the fair value of these assets.

Hedging assets that do not meet the definition of plan assets are recognised as assets.

8.2.2 Change in amounts recognised on the balance sheet

Changes in actuarial liabilities

	Post-employment benefits under defined-benefit plans		Other long-term employee benefits			
in millions of euros	Supplementary pensions and other plans	End-of-career awards	Long-service awards	Other benefits	2025 financial year	2024 financial year
ACTUARIAL LIABILITIES AT START OF YEAR	**0.3**	**15.0**	**3.1**	**8.3**	**26.7**	**26.3**
Service cost		1.0	0.3		1.2	1.1
Past service cost						
Interest cost		0.5	0.1		0.6	0.6
Benefits paid		(1.1)	(0.1)		(1.2)	(0.7)
Other items recorded in income		0.3	(0.2)	2.1	2.3	0.5
Revaluation reserve - Demographic assumptions		0.1			0.1	(0.1)
Revaluation reserve - Financial assumptions		(0.4)			(0.4)	(0.5)
Revaluation reserve - Experience effects		(0.6)			(0.6)	(0.7)
Other changes						0.2
ACTUARIAL LIABILITIES AT THE END OF THE PERIOD	**0.3**	**14.8**	**3.2**	**10.4**	**28.7**	**26.7**

Change in hedging assets

in millions of euros	Post-employment benefits under defined-benefit plans: Supplementary pensions and other plans	Post-employment benefits under defined-benefit plans: End-of-career awards	Other long-term employee benefits: Long-service awards	Other long-term employee benefits: Other benefits	2025 financial year	2024 financial year
FAIR VALUE OF PLAN ASSETS AT START OF YEAR		**12.4**			**12.4**	**11.6**
Interest income		0.4			0.4	0.4
Plan participant contributions						
Benefits paid						
Other						
Changes recorded in income		**0.4**			**0.4**	**0.4**
Revaluation adjustments - return on plan assets		0.2			0.2	0.4
Changes recognised directly in other comprehensive incomes not recyclable to profit or loss		**0.2**			**0.2**	**0.4**
Foreign exchange rate adjustments						
Other						
FAIR VALUE OF ASSETS AT END OF PERIOD		**13.0**			**13.0**	**12.4**

Amounts paid in cash to beneficiaries reduce the amount of provisions recorded to this end by an equivalent amount. A total of €1.07 million was charged against pension plan assets.

Interest income on plan assets is calculated by applying the same discount rate as that used to discount commitments. The difference between the actual return at the balance sheet date and this interest income is a revaluation reserve recorded in equity not recyclable to profit or loss for post-employment benefits.

8.2.3 Expenses for defined-benefit plans and other long-term employee benefits

Expenses for defined-benefit pension plans and other long-term employee benefits

The various components of the expense recognised for defined-benefit plans and other long-term employee benefits are included under "Personnel expenses".

in millions of euros	Post-employment benefits under defined-benefit plans	Other long-term employee benefits	2025 financial year	2024 financial year
Service cost	(1.0)	(0.3)	(1.3)	(1.1)
Net interest cost	(0.1)	(0.1)	(0.2)	(0.2)
Other (o/w asset ceiling by result)	(0.3)	(1.9)	(2.2)	(0.5)
Expense for the period	**(1.4)**	**(2.3)**	**(3.7)**	**(1.8)**
Benefits paid	1.1	0.1	1.2	0.7
Plan participant contributions				
Change in provisions due to contributions	**1.1**	**0.1**	**1.2**	**0.7**
TOTAL	**(0.3)**	**(2.2)**	**(2.5)**	**(1.1)**

Gains and losses recognised directly in equity of defined-benefit plans

in millions of euros	Supplementary pensions and other plans	End-of-career awards	2025 financial year	2024 financial year
ACCUMULATED REVALUATION DIFFERENCE AT THE START OF THE PERIOD	**0.7**	**1.0**	**1.7**	**1.7**
Revaluation reserve generated in the reporting period		(1.1)	(1.1)	(1.7)
ACCUMULATED REVALUATION RESERVE AT THE END OF THE PERIOD	**0.7**	**(1.7)**	**(1.0)**	**1.7**

8.2.4 Other information

Main actuarial assumptions

	31/12/2025	31/12/2024
Discount rate	3.31%	3.23%
Inflation rate	2.20%	2.30%
Life tables used	TGH05/TGF05	TGH05/TGF05

Sensitivity of actuarial liabilities to changes in the principal assumptions

At 31 December 2025, a +/-0.5% change in the discount rate and the inflation rate would have the following impact on actuarial liabilities:

	31/12/2025		
in millions of euros	End-of-career awards	Long-service awards	Supplementary pensions and other plans
Discount rate	3.42%	3.27%	2.98%
Central scenario	1.1	3.2	0.3
0.5% increase	1.1	2.7	0.3
0.5% decrease	1.2	3.3	0.3

NOTE 9 Fair value of financial assets and liabilities

Key points

This section sets out the principles for measuring the fair value of financial instruments as defined in IFRS 13 'Fair Value Measurement' and the methods used by entities of Groupe BPCE, including the Groupe Palatine, to measure the value of their financial instruments.

Financial assets and liabilities are recorded on the balance sheet, either at fair value or at amortised cost. An indication of the fair value of items measured at amortised cost is provided in the notes.

For instruments traded on an active market with a quoted price, the fair value is equal to the quoted price, corresponding to Level 1 in the fair value hierarchy.

The fair value of other financial instruments not traded on an active market, including in particular loans, borrowings and derivatives traded over the counter, is calculated using valuation techniques that rely on widely used models and observable data, corresponding to Level 2 in the fair value hierarchy. Otherwise, in the case where internal data or proprietary models are used (Level 3 fair value), independent controls are put in place to validate the valuation.

Determination of fair value

General principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group measures the fair value of an asset or liability using assumptions that market participants would use to set the price of the asset or liability. For derivatives, these assumptions include an assessment of the counterparty risk (CVA - credit valuation adjustment), the non-performance risk (DVA - debit valuation adjustment), and the liquidity cost (FVA - funding valuation adjustment). These valuation adjustments are measured using market parameters.

In addition, the values of derivatives that are traded with a counterparty belonging to Groupe BPCE's share support mechanism (see Note 1.2) are not subject to the CVA or DVA calculations in the Group's financial statements.

Fair value upon initial recognition

For the majority of transactions concluded by the Group, the price of negotiation of trades (*i.e.,* the value of the consideration paid or received) provides the best estimate of the fair value of the transactions at the initial recognition date. If this is not the case, the Group adjusts the trade price. The recognition of this adjustment is described in the paragraph 'Recognition of the margin generated at inception (Day one profit)'.

Fair value hierarchy

Level 1 fair value and active market concept

For financial instruments, prices quoted in an active market ('Level 1 fair value') represent the most reliable evidence of fair value. They should be used without adjustment to measure fair value.

An active market is a market in which transactions for the assets or liabilities take place with sufficient frequency and volume.

A decline in the level of market activity may be evidenced by indicators including:

- a significant decline in the primary market for the financial asset or liability (or for similar assets or liabilities);
- a significant decline in transaction volumes;
- price quotations are not updated very frequently;
- there is significant dispersion in prices available over time between the various market participants;
- there is a loss of correlation with indices that previously displayed a high level of correlation with the fair value of the asset or liability;
- there is a significant increase in prices or implied liquidity risk premiums, yields or performance indicators (such as delinquency rates and loss severities) when compared with the Group's estimate of expected cash flows, taking into account all available market data about credit and other non-performance risks for the asset or liability;
- there is a very wide bid-ask spread.

Instruments measured using (unadjusted) prices quoted in an active market (Level 1)

These are mainly equities, government or corporate bonds, certain derivatives traded in organised markets (e.g., plain vanilla options on the CAC 40 or Eurostoxx indices).

In addition, the fair value of mutual funds is considered as being Level 1 if net asset value is calculated on a daily basis and if this represents a value at which an order can be placed.

Level 2 fair value

Where there is no quotation in an active market, fair value may be measured using appropriate methodology, in line with the generally accepted measurement methods in the financial markets, based on inputs observable in the markets ('Level 2 fair value').

If the asset or liability has a specific (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs include the following:

- quoted prices for similar assets or liabilities in active markets or markets that are not active;

- inputs other than quoted prices that are observable for the asset or liability, for example:
  - interest rates and yield curves observable at commonly quoted intervals,
  - implied volatilities,
  - credit spreads;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs').

Instruments measured using recognised models and underpinned by directly or indirectly observable inputs (Level 2)

Level 2 derivatives

The following items will be classified in this category:

- standard interest rate or CMS swaps;
- forward rate agreements (FRA);
- standard swaptions;
- standard caps and floors;
- forward purchases and sales of liquid currencies;
- currency swaps and options on liquid currencies;
- liquid credit derivatives on a single name issuer or on the Itraax or Iboxx indices, etc.

Level 2 non-derivatives

Certain hybrid and/or long-maturity financial instruments are measured using a recognised model on the basis of market inputs derived from observable data such as yield curves, implied volatility layers of options, market consensus data, or active over-the-counter markets.

For all such instruments, inputs were demonstrated to be observable. From a methodology perspective, observability is based on four inseparable criteria:

- inputs come from external sources (via a recognised contributor);
- the input is supplied periodically;
- the input is representative of recent transactions;
- the input's characteristics are identical to those of the transaction.

The margin generated when these instruments begin trading is immediately taken to profit or loss.

Those instruments classified in Level 2 include:

- securities not listed on an active market whose fair value is determined on the basis of observable market data (for example: use of market data from comparable listed companies or earnings multiple method);
- shares in UCITS, the net asset value of which is not calculated and published on a daily basis, but are subject to regular reporting or offer observable data from recent transactions.

Level 3 fair value

- Lastly, if there are not sufficient observable inputs available in the markets, fair value may be measured using a method based on internal models ('Level 3 fair value') using unobservable inputs. The model adopted must be calibrated by reconciling its results with recent transaction prices.

Over-the-counter instruments measured using infrequent models or using unobservable inputs to a great extent (Level 3)

When the measurements obtained are not supported by observable inputs or models recognised as market standards, the measurements obtained will be considered as unobservable.

Instruments measured using specific models or using unobservable parameters include:

- unlisted equities, generally investments in unconsolidated investments;
- certain UCITS when the net asset value is an indicative value (in the event of illiquidity, in the event of liquidation, etc.) and where there are no prices to support this value;
- FCPRs (venture capital funds): net asset value is frequently indicative, as it is rarely possible to exit;
- multi-underlying equity structured products, options on funds, hybrid interest-rate products, securitisation swaps, structured credit derivatives, option-based interest-rate products;
- securitisation tranches for which no prices are quoted in an active market. These instruments are frequently measured based on contributors' prices (structurers, for example).

Transfers between levels of the fair value hierarchy

Information on transfers between fair value levels is provided in Note 9.1.3. The amounts given in this note were calculated at the date of the last valuation prior to the change in the level of the fair value hierarchy.

Recognition of margin generated at inception (day one profit)

At 31 December 2025, the Groupe Palatine had no day one profit 'to be spread out'.

Special cases

Fair value of financial instruments recognised at amortised cost (securities)

For financial instruments not measured at fair value on the balance sheet, fair value calculations are disclosed for information purposes and should be interpreted as estimates.

In most cases, the values indicated are not liable to be realised and generally may not be realised in practice.

These fair values are thus only provided for information purposes in the notes to the financial statements. They are not indicators used for the purpose of overseeing commercial banking activities, for which the management model is mainly based on collection of contractual cash flows.

Consequently, the following simplified assumptions were used:

The carrying amount of assets and liabilities is deemed to be their fair value in certain cases.

These notably include:

- short-term financial assets and liabilities (whose initial term is one year or less) provided that sensitivity to interest-rate risk and credit risk is not material during the period;
- demand liabilities;
- floating-rate loans and borrowings;
- transactions in a regulated market (particularly regulated savings products), whose prices are set by the public authorities.

Fair value of the customer loan portfolio

The fair value of loans is measured using internal valuation models that discount future payments of recoverable capital and interest over the remaining loan term. Except in specific circumstances, only the interest rate component is remeasured, as the credit margin is established at the outset and not subsequently remeasured. Prepayment options are factored into the model via an adjustment to loan repayment schedules.

Fair value of interbank loans

The fair value of loans is measured using internal valuation models that discount future payments of recoverable capital and interest over the remaining loan term.

The interest rate component is remeasured, as is the credit risk component (where it is an observable piece of data used by the customer relationship managers or market participants). Failing that, the credit risk component is established at the outset and not subsequently remeasured, as with loans to customers. Prepayment options are factored into the model via an adjustment to loan repayment schedules.

Fair value of debts

The fair value of fixed-rate debt owed to credit institutions and customers with a term of over one year is deemed to be equal to the present value of future cash flows discounted at the interest rate observed at the reporting date. The own credit spread is generally not taken into account.

9.1 Fair value of financial assets and liabilities

9.1.1 Fair value hierarchy of financial assets and liabilities

The following statement provides a breakdown of financial instruments by type of price and valuation model:

in millions of euros	31/12/2025 Listing on an active market (Level 1)	31/12/2025 Measurement techniques using observable data (Level 2)	31/12/2025 Measurement techniques using unobservable data (Level 3)	31/12/2025 TOTAL	31/12/2024 Listing on an active market (Level 1)	31/12/2024 Measurement techniques using observable data (Level 2)	31/12/2024 Measurement techniques using unobservable data (Level 3)	31/12/2024 TOTAL
Financial assets								
Derivatives	**0.0**	**112.7**	**0.4**	**113.1**	**0.0**	**97.3**	**0.1**	**97.3**
Interest rate derivatives	0.0	42.4	0.0	42.4	0.0	41.4	0.0	41.4
Currency derivatives	0.0	70.3	0.4	70.7	0.0	55.9	0.1	55.9
Financial assets at fair value through profit or loss – Held for trading[1]	**0.0**	**112.7**	**0.4**	**113.1**	**0.0**	**97.3**	**0.1**	**97.3**
Derivatives	**0.0**	**156.8**	**1.2**	**158.0**	**0.0**	**240.3**	**1.8**	**242.1**
Interest rate derivatives	0.0	156.2	1.2	157.4	0.0	238.3	1.8	240.1
Currency derivatives	0.0	0.6	0.0	0.6	0.0	2.0	0.0	2.0
Financial assets at fair value through profit or loss - Economic hedging	**0.0**	**156.8**	**1.2**	**158.0**	**0.0**	**240.3**	**1.8**	**242.1**
Debt instruments	**0.0**	**15.1**	**0.0**	**15.1**	**0.0**	**15.6**	**0.3**	**15.9**
Debt securities	0.0	15.1	0.0	15.1	0.0	15.6	0.3	15.9
Financial assets at fair value through profit or loss - non-standard	**0.0**	**15.1**	**0.0**	**15.1**	**0.0**	**15.6**	**0.3**	**15.9**
Debt instruments	**1,101.8**	**35.9**	**0.0**	**1,137.8**	**608.9**	**0.0**	**0.0**	**608.9**
Debt securities	1,101.8	35.9	0.0	1,137.8	608.9	0.0	0.0	608.9
Equity instruments	**0.0**	**9.4**	**3.5**	**13.0**	**1.5**	**9.4**	**4.0**	**14.8**
Shares and other equity securities	0.0	9.4	3.5	13.0	1.5	9.4	4.0	14.8
Financial assets at fair value through shareholders' equity	**1,101.8**	**45.4**	**3.5**	**1,150.7**	**610.4**	**9.4**	**4.0**	**623.7**
Interest rate derivatives	0.0	44.8	0.0	44.8	0.0	9.9	0.0	9.9
Hedging derivatives	**0.0**	**44.8**	**0.0**	**44.8**	**0.0**	**9.9**	**0.0**	**9.9**
TOTAL FINANCIAL ASSETS AT FAIR VALUE	**1,101.8**	**374.8**	**5.2**	**1,481.8**	**610.4**	**372.4**	**6.1**	**988.9**

in millions of euros	Listing on an active market (Level 1)	Measure-ment tech-niques using observable data (Level 2)	Measure-ment tech-niques using unobservable data (Level 3)	TOTAL	Listing on an active market (Level 1)	Measurement techniques using observable data (Level 2)	Measurement techniques using unobservable data (Level 3)	TOTAL
Financial liabilities								
Derivatives	**0.0**	**110.8**	**1.2**	**112.0**	**0.0**	**119.8**	**0.1**	**119.9**
Interest rate derivatives	0.0	43.3	0.8	44.1	0.0	54.4	0.1	54.5
Currency derivatives	0.0	67.5	0.4	67.9	0.0	65.4	0.0	65.4
Financial liabilities at fair value through profit or loss – Held for trading[(1)]	**0.0**	**110.8**	**1.2**	**112.0**	**0.0**	**119.8**	**0.1**	**119.9**
Derivatives	**0.0**	**119.5**	**1.2**	**120.7**	**0.0**	**193.7**	**2.4**	**196.0**
Interest rate derivatives	0.0	118.7	1.2	120.0	0.0	192.0	2.4	194.3
Currency derivatives	0.0	0.7	0.0	0.7	0.0	1.7	0.0	1.7
Financial liabilities at fair value through profit or loss - Economic hedging	**0.0**	**119.5**	**1.2**	**120.7**	**0.0**	**193.7**	**2.4**	**196.0**
Interest rate derivatives	0.0	38.1	0.0	38.1	0.0	3.9	0.0	3.9
Hedging derivatives	**0.0**	**38.1**	**0.0**	**38.1**	**0.0**	**3.9**	**0.0**	**3.9**
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE	**0.0**	**268.4**	**2.4**	**270.8**	**0.0**	**317.4**	**2.4**	**319.8**

(1) *Excluding economic hedging.*

Transfers from Level 2 to Level 3 mainly concern trading derivatives.

9.1.2 Breakdown of financial assets and liabilities classified in Level 3 of the fair value hierarchy

■ At 31 December 2025

in millions of euros	1st January, 2025	Gains and losses recognised during the period – In the income statement[(2)] – On transa-ctions in progress at the reporting date	Gains and losses recognised during the period – In the income statement[(2)] – On transa-ctions removed from the balance sheet at the reporting date	Gains and losses recognised during the period – In other compre-hensive income	Transactions carried out during the period – Purchases / Issues	Transactions carried out during the period – Sales / Redem-ptions	Transfers during the period – To another reporting category	Transfers during the period – From and to another level	Other changes	31/12/2025
Financial assets										
Derivatives	**0.1**	**0.3**	**0.0**	**0.0**	**0.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.4**
Currency derivatives	0.1	0.3	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.4
Financial assets at fair value through profit or loss – Held for trading[(1)]	**0.1**	**0.3**	**0.0**	**0.0**	**0.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.4**
Derivatives	**1.8**	**(1.8)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**1.2**	**0.0**	**1.2**
Interest rate derivatives	1.8	(1.8)	0.0	0.0	0.0	0.0	0.0	1.2	0.0	1.2
Financial assets at fair value through profit or loss - Economic hedging	**1.8**	**(1.8)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**1.2**	**0.0**	**1.2**
Debt instruments	**0.3**	**(0.2)**	**0.0**	**0.0**	**0.0**	**(0.1)**	**0.0**	**0.0**	**0.0**	**0.0**
Debt securities	0.3	(0.2)	0.0	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0
Financial assets at fair value through profit or loss - non-standard	**0.3**	**(0.2)**	**0.0**	**0.0**	**0.0**	**(0.1)**	**0.0**	**0.0**	**0.0**	**0.0**
Equity instruments	**4.0**	**4.4**	**0.0**	**5.0**	**0.0**	**(9.9)**	**0.0**	**0.0**	**0.0**	**3.5**
Shares and other equity securities	4.0	4.4	0.0	5.0	0.0	(9.9)	0.0	0.0	0.0	3.5
Financial assets at fair value through shareholders' equity	**4.0**	**4.4**	**0.0**	**5.0**	**0.0**	**(9.9)**	**0.0**	**0.0**	**0.0**	**3.5**

		Gains and losses recognised during the period			Transactions carried out during the period		Transfers during the period			
		In the income statement(2)								
in millions of euros	1st January, 2025	On transa-ctions in progress at the reporting date	On transa-ctions removed from the balance sheet at the reporting date	In other compre-hensive income	Purchases / Issues	Sales / Redem-ptions	To another reporting category	From and to another level	Other changes	31/12/2025
Financial liabilities										
Derivatives	**0.1**	**0.7**	**0.0**	**0.0**	**0.4**	**0.0**	**0.0**	**0.0**	**0.0**	**1.2**
Interest rate derivatives	0.1	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8
Currency derivatives	0.0	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.4
Financial liabilities at fair value through profit or loss – Held for trading(1)	**0.1**	**0.7**	**0.0**	**0.0**	**0.4**	**0.0**	**0.0**	**0.0**	**0.0**	**1.2**
Derivatives	**2.4**	**(1.3)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.1**	**0.0**	**1.2**
Interest rate derivatives	2.4	(1.3)	0.0	0.0	0.0	0.0	0.0	0.1	0.0	1.2
Financial liabilities at fair value through profit or loss - Economic hedging	**2.4**	**(1.3)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.1**	**0.0**	**1.2**

(1) Excluding technical hedging.
(2) The main impacts recognized in the income statement are mentioned in Note 4.3.

At 31 December 2024

		Gains and losses recognised during the period			Transactions carried out during the period		Transfers during the period			
		In the income statement[2]								
in millions of euros	01/01/2024	On transactions in progress at the reporting date	On transactions removed from the balance sheet at the reporting date	In other comprehensive income	Purchases / Issues	Sales / Redemptions	To another reporting category	From and to another level	Other changes	31/12/2024
Financial assets										
Derivatives	**0.9**	**(0.8)**	**0.0**	**0.0**	**(0.2)**	**(0.7)**	**0.0**	**0.8**	**0.0**	**0.1**
Interest rate derivatives	0.0	0.0	0.0	0.0	(0.2)	(0.6)	0.0	0.8	0.0	0.0
Currency derivatives	0.9	(0.8)	0.0	0.0	0.0	(0.1)	0.0	0.0	0.0	0.1
Other									**0.0**	
Financial assets at fair value through profit or loss – Held for trading[1]	**0.9**	**(0.8)**	**0.0**	**0.0**	**(0.2)**	**(0.7)**	**0.0**	**0.8**	**0.0**	**0.1**
Derivatives	**0.8**	**1.7**	**0.0**	**0.0**	**0.2**	**0.0**	**0.0**	**(0.8)**	**0.0**	**1.8**
Interest rate derivatives	0.8	1.7	0.0	0.0	0.2	0.0	0.0	(0.8)	0.0	1.8
Financial assets at fair value through profit or loss - Economic hedging	**0.8**	**1.7**	**0.0**	**0.0**	**0.2**	**0.0**	**0.0**	**(0.8)**	**0.0**	**1.8**
Debt instruments	**1.8**	**0.5**	**0.0**	**0.0**	**0.0**	**(2.0)**	**0.0**	**0.0**	**0.0**	**0.3**
Debt securities	1.8	0.5	0.0	0.0	0.0	(2.0)	0.0	0.0	0.0	0.3
Financial assets at fair value through profit or loss - non-standard	**1.8**	**0.5**	**0.0**	**0.0**	**0.0**	**(2.0)**	**0.0**	**0.0**	**0.0**	**0.3**
Equity instruments	**1.3**	**2.6**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**4.0**
Shares and other equity securities	1.3	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0
Financial assets at fair value through shareholders' equity	**1.3**	**2.6**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**4.0**

in millions of euros	01/01/2024	Gains and losses recognised during the period – In the income statement[(2)] – On transactions in progress at the reporting date	Gains and losses recognised during the period – In the income statement[(2)] – On transactions removed from the balance sheet at the reporting date	Gains and losses recognised during the period – In other comprehensive income	Transactions carried out during the period – Purchases / Issues	Transactions carried out during the period – Sales / Redemptions	Transfers during the period – To another reporting category	Transfers during the period – From and to another level	Other changes	31/12/2024
Financial liabilities										
Derivatives	**1.5**	**(0.9)**	**0.0**	**0.0**	**0.7**	**(0.4)**	**0.0**	**(0.8)**	**0.0**	**0.1**
Interest rate derivatives	0.6	(0.1)	0.0	0.0	0.0	(0.4)	0.0	0.0	0.0	0.1
Currency derivatives	0.8	(0.7)	0.0	0.0	0.7	0.0	0.0	(0.8)	0.0	0.0
Financial liabilities at fair value through profit or loss – Held for trading[(1)]	**1.5**	**(0.9)**	**0.0**	**0.0**	**0.7**	**(0.4)**	**0.0**	**(0.8)**	**0.0**	**0.1**
Derivatives	**1.9**	**1.1**	**0.0**	**0.0**	**0.2**	**(0.8)**	**0.0**	**0.0**	**0.0**	**2.4**
Interest rate derivatives	1.9	1.1	0.0	0.0	0.2	(0.8)	0.0	0.0	0.0	2.4
Financial liabilities at fair value through profit or loss - Economic hedging	**1.9**	**1.1**	**0.0**	**0.0**	**0.2**	**(0.8)**	**0.0**	**0.0**	**0.0**	**2.4**

(1) *Excluding technical hedging.*

(2) *The main impacts recognized in the income statement are mentioned in Note 4.3.*

9.1.3 Sensitivity of Level 3 fair value to changes in the principal assumptions

Financial instruments measured at Level 3 fair value mainly concern investments in unconsolidated subsidiaries and related certificates.

9.2 Fair value of financial assets and liabilities at amortised cost

For financial instruments not measured at fair value on the balance sheet, fair value calculations are provided for information purposes and must only be interpreted as estimates.

In most cases, the values indicated are not liable to be realised and generally may not be realised in practice.

These fair values are thus only provided for information purposes in the notes to the financial statements. They are not indicators used for management purposes in retail banking, whose business model is based on the collection of expected cash flows.

The simplified assumptions used to measure the fair value of instruments at amortised costs are presented in Note 9.1.

	31/12/2025					31/12/2024				
in millions of euros	Carrying amount	Fair value	Level 1	Level 2	Level 3	Carrying amount	Fair value	Level 1	Level 2	Level 3
FINANCIAL ASSETS AT AMORTISED COST	**17,675.2**	**17,548.0**	**732.2**	**16,593.9**	**221.8**	**17,968.4**	**17,580.4**	**481.2**	**16,831.3**	**267.9**
Credit institutions' loans and receivables	4,818.6	4,754.8	0.0	4,754.8	0.0	5,388.1	5,302.9	0.0	5,302.9	0.0
Customers' loans and receivables	11,896.3	11,830.1	0.0	11,649.2	180.9	11,982.4	11,697.7	0.0	11,503.1	194.6
Debt securities	962.0	963.1	732.2	189.9	40.9	597.1	579.9	481.2	25.4	73.3
Revaluation differences on interest rate risk-hedged portfolios, assets	(1.7)	///	///	///	///	0.8	///	///	///	///
FINANCIAL LIABILITIES AT AMORTISED COST	**17,577.4**	**17,574.5**	**0.0**	**17,533.7**	**40.8**	**17,355.9**	**17,342.6**	**0.0**	**17,321.3**	**21.3**
Amounts due to credit institutions	1,727.5	1,731.9	0.0	1,706.8	25.1	1,683.2	1,753.0	0.0	1,753.0	0.0
Amounts due to customers	13,860.3	13,860.3	0.0	13,860.3	0.0	13,526.6	13,526.6	0.0	13,526.6	0.0
Debt securities	1,739.4	1,711.3	0.0	1,695.6	15.7	1,745.4	1,703.1	0.0	1,681.8	21.3
Subordinated debt	250.2	271.0	0.0	271.0	0.0	400.8	359.9	0.0	359.9	0.0
Revaluation differences on interest rate risk-hedged portfolios, liabilities	0.0	///	///	///	///	0.0	///	///	///	///

NOTE 10 Tax

10.1 Income tax

Accounting principles

Income taxes include all domestic and foreign taxes payable on the basis of taxable profits. Income tax also includes taxes, such as withholding taxes, which are payable by a subsidiary, an associate, or a joint arrangement on distributions of dividends to the entity that draws up financial statements. The CVAE (Business Added Value Tax) is not considered an income tax.

Income taxes include:

- current taxes, which are the amount of income taxes payable on taxable profit or recoverable on a tax loss over a given period. These are calculated on the basis of the tax results recorded for each period by a consolidated tax entity in application of the tax rules and rates in force established by the tax authorities and on the basis of which the tax is to be paid (recovered);
- and deferred taxes (see Note 10.2).

Where it is probable that one of the Group's tax positions will not be accepted by the tax authorities, this situation is reflected in the financial statements when calculating current tax (due or recoverable) and deferred tax (asset or liability).

IAS 12 'Income taxes' gave no particular details on how to account for uncertainties in income taxes and was clarified by IFRIC 23 'Uncertainty over income tax treatments', which was adopted by the European Commission on 23 October 2018 with effect from 1st January 2019.

This interpretation clarifies how to apply the deferred income tax recognition and measurement requirements when there is uncertainty over income tax treatments. If there is doubt as to the acceptability of the income tax treatment by the tax authority under tax law, then this tax treatment is an uncertain tax treatment. Assuming it is likely that the tax authority will not accept the income tax treatment used, IFRIC 23 states that the amount of the uncertainty to be reflected in the financial statements shall be estimated using the method that will better predict the resolution of the uncertainty. To determine this amount, two methods may be used: the most probable amount method, or the expected value method (i.e. the weighted average of the various possible scenarios). Furthermore, IFRIC 23 requires the measurement of tax uncertainties to be reassessed if facts and circumstances change or new information arises.

The Group reflects uncertainties regarding its tax treatment for income tax in its financial statements when it deems it probable that the tax authority will not accept its treatment. To ascertain whether a tax position is uncertain and to assess its effect on the amount of tax, the Group assumes that the tax authority will examine all amounts reported and have full knowledge of all related information. It bases its judgement on administrative policy, case law and on the existence of any corrections made by the administration relating to similar tax uncertainties. The Group revises the estimate of the amount it expects to pay or recover from the tax authority due to tax uncertainties in the event of changes in the associated facts and circumstances, as these changes may result from (including, but not limited to) changes in tax law, the expiry of a statutory limitation period, or the outcome of audits and measures conducted by the tax authorities.

When it is likely that the competent tax authorities will question the treatment adopted, these uncertainties are reflected in tax income and expenses by a provision for tax risks presented under tax liabilities.

The Groupe Palatine has been audited for prior years. Where the Group disagrees with the rectification, it will state its reasons for doing so, and, in accordance with the above, a provision will be recorded in the amount of the estimated risk.

Tax uncertainties are reported as assets or liabilities and according to whether they relate to a current or deferred tax under the balance sheet headings 'Deferred tax assets', 'Current tax assets', 'Deferred tax liabilities' and 'Current tax liabilities'.

The French Finance Act of 2025 introduced an exceptional contribution on the profits of large companies (corporate tax surcharge), the base of which corresponds to the average of the income tax due for the 2025 and 2024 financial years. The Contribution calculated on the basis of 2024 income tax was recognized in its entirety during the first half of 2025. The Exceptional Contribution, the basis of which is made up of the income tax for 2024 and disconnected from the income for tax purposes in 2025, was assimilated to a one-off event within the meaning of IAS 34. As the French Finance Act for 2026 had not been adopted as of December 31, 2025, only the contributions introduced by the Finance Law for 2025 were recognized as part of this Order.

in millions of euros	2025 financial year	2024 financial year
Current taxes	(41.2)	(28.8)
Deferred taxes	1.5	4.2
INCOME TAX	**(39.7)**	**(24.6)**

The rules of the OECD pillar 2 aiming at the implementation of a minimum global corporate tax rate of 15%, transposed into French law by the finance act for 2024, are now applicable to financial years beginning from 1st January 2024. In this context, the Groupe Palatine applies the exemption from recognition of deferred taxes provided for in the May 2023 amendment to IAS 12, subject to the provision of additional information. BPCE, as the ultimate parent company of Groupe BPCE as a whole, will be the entity liable for this additional tax. In light of the legal and contractual provisions in force to date, Palatine is subject to but not liable for this additional tax, which will be borne by BPCE.

Note, however, the special case of jurisdictions in which entities are established whose local tax regulations provide for payment to the tax authorities of any top-up tax due in respect of that jurisdiction. In such a case, the relevant entity could be required to pay, and therefore recognise, the additional tax in respect of that jurisdiction (tax legislation still to be adopted).

Reconciliation between the income tax expense in the financial statements and the theoretical income tax expense

	2025 financial year		2024 financial year	
	in millions of euros	Tax rate	in millions of euros	Tax rate
Net income (Group's share)	96.6		80.2	
Changes in the value of goodwill	0.0		0.0	
Non-controlling interests	0.0		0.0	
Share in net income of equity-consolidated companies	(0.3)		(0.2)	
Income taxes	39.7		24.6	
Income before tax and changes in the value of goodwill (A)	**136.0**		**104.6**	
Standard income tax rate in France (B)		**25.83%**		**25.83%**
Theoretical tax expense (income) at the tax rate applicable in France (AxB)	**(34.8)**		**(27.0)**	
Impact of the change in unrecognised deferred tax assets and liabilities	0.0		0.0	
Impact of permanent differences	1.3		2.1	
Reduced rate of tax and tax-exempt activities	0.0		0.0	
Difference in tax rates on income taxed outside France	0.0		0.0	
Tax on prior periods and other tax items (1)	(6.1)		0.4	
Impact of tax rate changes	0.0		0.0	
INCOME TAX EXPENSE (INCOME) RECOGNISED	**(39.7)**		**(24.6)**	
EFFECTIVE TAX RATE (INCOME TAX EXPENSE DIVIDED BY TAXABLE INCOME)		**29.19%**		**23.52%**

(1) *Including €6.23 million in respect of the 2025 corporate tax surcharge.*

The 2026 French Finance Act, adopted on 2 February 2026, renews for that year the exceptional contribution on the profits of large companies, the rate of which is based on the level of the company's revenue. The base for this contribution is defined as the average income tax due for the 2025 and 2026 financial years.

As the 2026 French Finance Act was adopted after the end of the financial year, the share of this contribution based on the amount of 2025 income tax will be recorded only in the financial statements for the 2026 financial year.

10.2 Deferred taxes

Accounting principles

Deferred tax assets and liabilities are recognised when temporary differences arise between the carrying amount of assets and liabilities on the balance sheet and their tax base, irrespective of when the tax is expected to be recovered or settled.

The tax rate and tax rules used to calculate deferred taxes are those resulting from current tax legislation, and which will be applicable when the tax becomes payable or recoverable.

Deferred tax liabilities and assets are offset at the level of each tax entity. The tax entity may either be a single entity or a tax consolidation group. Deferred tax assets are recognised only to the extent that it is probable that the entity will be able to recover them in the foreseeable future.

Deferred tax assets and liabilities are recognized as tax income or expense in the income statement, except for those related to:

- revaluation reserve on post-employment benefits;
- unrealised gains and losses on financial assets at fair value through equity;
- changes in the fair value of derivatives used as cash flow hedges;
- for which the corresponding deferred tax assets and liabilities are recognised as unrealised gains and losses directly in other comprehensive income.

Deferred tax assets and liabilities are not discounted to their present value.

On 23 May 2023, the International Accounting Standards Board (IASB), in charge of preparing IFRS, published the final version of the amendment to IAS 12 on tax accounting. It specifically deals with the expected accounting impacts of the application of the entry into force of the OECD’s so-called ’pillar 2’ tax rules aimed at implementing a set minimum global corporate tax rate at 15%. The proposed amendments to the standard seek an exemption from the recognition of deferred taxes associated with this additional tax with in return, information to be provided in the notes to the financial statements.

Groupe BPCE, including the Groupe Palatine, has set up a project structure to monitor the various associated regulations and ensure compliance with pillar 2 rules and the additional information requirements introduced by these amendments to IAS 12. At this stage of the project, it appears that the number of jurisdictions that would be affected by the application of a top-up tax should be limited and the financial stakes not significant. Given the insignificant nature of its potential exposure, the Group will not publish data on exposure to this additional tax in the context of this closing.

Deferred tax assets and liabilities on temporary differences arise from the recognition of the items listed in the statement below (positive figures indicate deferred tax assets, while negative figures in brackets represent deferred tax liabilities):

in millions of euros	31/12/2025	31/12/2024
Deferred taxes resulting from accounting-tax timing differences	**29.4**	**30.8**
Provisions for employee-related liabilities	1.0	0.9
Provisions for regulated home savings schemes	0.4	0.8
Provisions on a portfolio basis	13.3	13.6
Other non-deductible provisions	6.1	7.2
Deferred tax on tax loss carry forward	0.0	0.0
Unrecognised deferred tax assets and liabilities	0.0	0.0
Other sources of temporary differences	8.6	8.3
Deferred taxes on unrealised reserves	**(2.1)**	**(0.5)**
Financial assets at fair value through OCI NR [(1)]	(0.1)	(0.1)
Financial assets at fair value through OCI R [(1)]	(1.8)	(0.5)
Cash flow hedges	0.0	0.0
Actuarial gains and losses on employee benefits	(0.3)	0.0
Own credit risk	0.0	0.0
Unrecognised deferred tax assets and liabilities	0.0	0.0
Deferred income taxes	**4.9**	**6.2**
NET DEFERRED TAXES	**32.2**	**36.4**
Recognised		
• as an asset	32.2	36.4
• as a liability	0.0	(0.0)

(1) Deferred taxes associated with these instruments are presented net of deferred taxes corresponding to the cancellation of provisions for impairment under French GAAP.

Deferred tax assets are only recognised at the reporting date if it is probable that the tax entity concerned will recover the tax savings over a specified period. The Groupe Palatine applies the following principles:

- the tax business plans are based on the strategic plan (four years) with a longer-term projection;
- as a precaution, the maximum timeframe used to capitalise a net deferred tax asset is 10 years.

These savings will be realised by deducting tax differences, and losses carried forward against profits estimated future taxable liabilities within this horizon.

At 31 December 2025, deductible temporary differences, tax losses, and unused tax credits for which no deferred tax asset has been recognised on the balance sheet amounted to 0.

NOTE 11 Other information

11.1 Segment reporting

In line with the standards adopted by Groupe BPCE, the Groupe Palatine presents information for the following three segments:

- Retail banking;
- Asset management;
- Other activities.

The ’Retail banking’ segment encompasses all the activities of the ’Palatine’ entity.

The ’Asset management’ segment encompasses all the activities of the ’Palatine Asset Management’ subsidiary.

These two segments are complemented by the ’Other activities’ segment, encompassing Ariès Assurances and the share in the income of associates *(Conservateur Finance).*

The geographic analysis of segment results is based on the location where business activities are accounted for, with the Groupe Palatine’s net banking income deriving in full from France.

	Retail banking		Asset Management		Other activities		Total Group	
in millions of euros	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Net banking income	387.5	361.7	15.2	14.8	0.9	0.8	403.5	377.3
Operating expense	(214.9)	(204.4)	(9.0)	(9.1)	(0.5)	(0.4)	(224.4)	(214.0)
Gross operating income	**172.5**	**157.3**	**6.2**	**5.7**	**0.4**	**0.4**	**179.1**	**163.3**
Cost/income ratio	55.5%	56.5%	59.1%	61.6%	56.4%	54.9%	55.6%	56.7%
Cost of risk	(45.5)	(62.3)	0.0	0.0	0.0	0.0	(45.5)	(62.3)
Share in income of equity-consolidated companies	0.0	0.0	0.0	0.0	0.3	0.2	0.3	0.2
Net gains or losses on other assets	2.5	3.6	0.0	0.0	0.0	0.0	2.5	3.6
Changes in the value of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income before tax	**129.5**	**98.5**	**6.2**	**5.7**	**0.6**	**0.5**	**136.3**	**104.8**
Income tax	(38.0)	(23.1)	(1.6)	(1.4)	(0.1)	(0.1)	(39.7)	(24.6)
Non-controlling interests (minority interests)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET INCOME (GROUP'S SHARE)	**91.5**	**75.5**	**4.6**	**4.2**	**0.5**	**0.5**	**96.6**	**80.2**
TOTAL ASSETS	**19,312.3**	**19,172.9**	**19.1**	**18.9**	**20.8**	**20.6**	**19,352.1**	**19,212.4**

11.2 Information on leases

11.2.1 Leasing transactions as lessor

Accounting principles

Leases are analysed to determine whether, in substance and economic reality, they are operating leases or finance leases.

Finance leases

A finance lease is a lease that transfers to the lessee most of the risks and rewards incidental to ownership of an asset.

IFRS 16 standard for Leases gives, in particular, five examples of situations that, individually or collectively, permit to distinguish finance lease to operating lease:

- the lease transfers ownership of the asset, to the lessee at the end of the lease term;
- the lease provides the lessee with the option to purchase the asset at a price that is expected to be sufficiently below the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised;
- the lease term covers most of the economic life of the asset even if there is no transfer of ownership;
- at the start of the lease, the current value of the lease payments amounts to at least most of the fair value of the underlying asset;
- the leased assets are of such a specialised nature that only the lessee can use them without major modifications.

In addition, IFRS 16 also describes three indicators of situations that, individually or collectively, may lead to a finance lease classification:

- if the lessee can terminate the lease, the losses suffered by the lessor relating to the termination are borne by the lessee;
- gains or losses from the change in the fair value of the residual value accrue to the lessee;
- the lessee has the ability to extend the lease at a rent that is significantly lower than the market rent.

At the start of the contract, assets under finance leases are recorded in the lessor's balance sheet in the form of a receivable amount equal to the net investment in the lease contract. The net investment corresponds to the amount of lease payments receivable from the lessee, discounted at the interest rate implicit in the lease, plus any unguaranteed residual value of the asset accruing to the lessor. More specifically, the lease payments used to calculate the net investment include fixed payments less any lease incentives payable and variable payments that depend on an index or rate.

IFRS 16 requires unguaranteed residual values to be reviewed on a regular basis. A reduction in the estimated unguaranteed residual value modifies the income allocation over the lease term. In this case, a new depreciation plan is drawn up and a charge recorded in order to correct the figure for financial income already recorded.

Any impairment recorded for counterparty risk on receivables in respect of finance leases is calculated in accordance with IFRS 9 using the same method as for financial assets at amortized cost (Note 5.5). This impairment is recorded on the income statement under 'Cost of credit risk'.

Finance lease income is considered to be of interest and is recognised in the income statement under 'Interest and similar income'. This income is recognised using the interest rate implicit in the lease, which reflects a constant periodic rate of return on the lessor's net investment. The rate of return implicit in the lease is the discount rate that makes the following two items equal:

- the net investment; and
- the initial value of the asset (the fair value at the inception of the lease, plus any initial direct costs comprising expenses incurred specifically by the lessor to set up the lease).

Operating leases

A lease which is not considered to be a finance lease is classified as an operating lease.

Assets provided under operating leases are shown in the balance sheet under intangible and tangible fixed assets in the case of equipment leases, and investment property in the case of property leases. Lease income from operating leases is recognised in the income statement on a straight-line basis over the lease term, under "'Income and expenses from other activities'. The Groupe Palatine does not enter into leasing transactions as lessor.

11.2.2 Leasing transactions as lessee

Accounting principles

IFRS 16 applies to contracts that, irrespective of their legal form, meet the definition of a lease as laid down by the standard. The standard requires the identification of an asset, and that the lessee controls the right to use this asset for a period of time. Control is established if the lessee holds the following two rights throughout the period of use:

- the right to obtain almost all of the economic benefits arising from the use of the asset;
- the right to decide how the asset is used.

The existence of an identified asset requires that the lessor has no substantive rights to substitute alternative assets, with this requirement being assessed according to facts and circumstances in place at the start of the contract. If the lessor can freely substitute the leased asset, the contract becomes a non-lease contract whose purpose is to provide capacity rather than an asset.

The asset can be comprised of a portion of a larger asset, such as a floor within a building. However, a portion of an asset that is not physically distinct within a grouping without a predetermined location is not an identified asset.

With certain exceptions, lessees are required under IFRS 16 to record leases in the balance sheet as a right-of-use asset under 'Tangible fixed assets' or 'Investment property', and as lease liabilities under "Other liabilities".

On the date of initial recognition, no deferred tax is reported if the value of the asset is equal to the value of the liability. Deferred tax is recorded for subsequent net temporary differences arising from changes in amounts recognised as right-of-use assets and lease liabilities.

At the commencement date, the lessee measures the lease liability at the present value of the lease payments that are not paid at that date.

These payments include fixed lease payments and in-substance fixed lease payments, variable lease payments based on an index or a rate calculated using the latest index or rate in force, any residual value guarantees and, where appropriate, any amount to be paid to the lessor under options that are reasonably certain to be exercised.

Lease payments used to determine the lease liability exclude variable payments that are not based on an index or a rate, taxes such as VAT, whether recoverable or not, and the housing tax.

Right-of-use is recognised as an asset on the commencement date of the lease for an amount equal to the lease liability on that date, adjusted for any payments made to the lessor at or before that date and not taken into account for the measurement of the lease liability, less any lease incentives received. If applicable, this amount is adjusted by the initial direct costs to the lessee and an estimate of the cost of removals and redecoration to the extent required by the terms and conditions of the lease, where the exit of the resource is probable and can be determined on a sufficiently reliable basis.

The right of use will be amortised on a straight-line basis and the lease liability actuarially by using, as the discount rate, the lessee's incremental borrowing rate mid-lease.

The amount of lease liabilities is subsequently readjusted to take into account variations in the indices or rates to which the leases are indexed. As this adjustment reflects the right of use, it has no impact on the income statement.

For entities which form part of the financial solidarity mechanism, which pools their refinancing from Group cash resources, this rate is calculated on a Group level and, if applicable, adjusted in the currency applicable to the lessee.

The lease term is the non-cancellable period for which a lessee has the right to use an underlying asset, together with the periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and the periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

For French '3/6/9' commercial leases, the term used is usually nine years. The reasonable certainty of whether the options relating to the lease term will be exercised is assessed by considering the Group entities' real estate management strategy.

At the end of the lease, the contract can no longer be enforced, lessee and lessor having each the right to terminate the lease without permission from the other party and with exposure to a negligible fine only.

The term of leases that are not extended or cancelled at the end of the term (leases with automatic renewal) is determined by expert appraisal and, in the absence of specific information, assigned a reasonable term of three years.

For leases recognised in the balance sheet, the expense relating to the lease liability is reported as an interest expense under net banking income, while the depreciation expense on the right-of-use asset is recognised as a depreciation expense under gross operating income.

Leases not recognised in the balance sheet, and variable payments that are excluded from lease liabilities are recorded as an expense for the period under general operating expenses.

Impact of leases on the income statement – lessee

in millions of euros	31/12/2025	31/12/2024
EXPENSES FROM LEASE TRANSACTIONS	**(7.4)**	**(9.5)**
Interest due on rental liabilities	(0.9)	(0.9)
Amortisation charge for rights of use	(6.3)	(7.3)
Variable rent payments not included in the valuation of the rental liabilities	0.0	0.0
Expenses on short-term leases(1)	(0.2)	(1.3)
Rental expenses related to low-value assets(1)	0.0	0.0
SUB-LEASING INCOME – OPERATING LEASES	**0.0**	**0.0**
RESULT OF SALE AND LEASEBACK TRANSACTIONS	**0.0**	**0.0**

(1) Related to leases not recognised in the balance sheet.

Timetable for rental liabilities

in millions of euros	31/12/2025	31/12/2024
Amounts of non-discounted future payments	**36.2**	**36.7**
• Less than 1 year	4.3	4.5
• 1-5 years	22.3	19.5
• + 5 years	9.6	12.7

Minimum future payments relating to leases which are binding for the Group but for which the underlying assets are not yet available are not recorded on the balance sheet in accordance with IFRS 16 before the date of their delivery.

11.3 Related party transactions

The parties related to the Groupe Palatine are the consolidated companies, including equity-accounted companies, BPCE, IT centres, and the Group's main senior executives.

11.3.1 Transactions with consolidated companies

All intercompany transactions carried out during the period and balances outstanding at the end of the period with fully consolidated companies are eliminated in full on consolidation without exception (see 3.3.2).

In these circumstances, transactions with related parties include reciprocal transactions with:

- Palatine's parent company, which is the BPCE central institution;
- entities over which the Groupe Palatine exercises significant influence and are recognised using the equity method (associates).

	31/12/2025		31/12/2024	
in millions of euros	BPCE	Associates	BPCE	Associates
Loans	3,817.6	0.0	4,483.4	0.0
Other financial assets	0.0	0.0	0.0	0.0
Other assets	0.0	0.0	0.0	0.0
TOTAL ASSETS WITH RELATED ENTITIES	**3,817.6**	**0.0**	**4,483.4**	**0.0**
Liabilities	1,735.3	1.7	1,784.7	1.0
Other financial liabilities	0.0	0.0	0.0	0.0
Other liabilities	0.0	0.0	0.0	0.0
TOTAL LIABILITIES TO RELATED ENTITIES	**1,735.3**	**1.7**	**1,784.7**	**1.0**
Interest and similar income and expenses	34.4	0.0	42.8	0.0
Commissions	0.0	0.0	0.0	0.0
Net income from financial transactions	0.0	0.0	0.0	0.0
Net income from other activities	0.0	0.0	0.0	0.0
TOTAL NET REVENUE BEFORE TAX GENERATED WITH RELATED ENTITIES	**34.4**	**0.0**	**42.8**	**0.0**
Commitments given	0.0	0.0	0.0	0.0
Commitments received	0.0	0.0	0.0	0.0
Commitments on derivative financial instruments	0.0	0.0	0.0	0.0
TOTAL COMMITMENTS WITH RELATED ENTITIES	**0.0**	**0.0**	**0.0**	**0.0**

A list of fully consolidated subsidiaries is presented in Note 12 – 'Scope of consolidation'.

11.3.2 Transactions with senior executives

The main senior executives are the members of Palatine's Executive Management Committee and Board of Directors.

Short-term employee benefits

The short-term benefits paid to senior executives amounted to €1.35 million in 2025 (compared to €1.4 million in 2024).

These include remuneration, directors' attendance fees and benefits paid to members of the Management Board and Supervisory Board.

Post-employment benefits, long-term employee benefits and termination benefits

For corporate officers who do not have an employment contract, no provision has been recognised.

Other transactions with corporate directors/officers:

in millions of euros	31/12/2025	31/12/2024
Overall amount of the loans granted	0.0	0.0
Overall amount of the pledges granted	0.0	0.0

11.4 Partnerships and associates

Accounting principles

See Note 3

11.4.1 Investments accounted for using equity method

11.4.1.1 Partnerships and other associates

The main Group investments accounted for by the equity method relate to the following joint ventures and associates:

in millions of euros	31/12/2025	31/12/2024
Conservateur Finance	4.1	3.9
Financial companies	**4.1**	**3.9**
TOTAL INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD	**4.1**	**3.9**

11.4.1.2 Financial data for the main partnerships and associates

The summarised financial data for significant joint ventures and/or companies under significant influence are as follows and are prepared on the basis of the latest available data published by the entities concerned:

	Associates	
	Conservateur Finance	
in millions of euros	31/12/2025	31/12/2024
DIVIDENDS RECEIVED	**0.0**	**0.0**
MAIN AGGREGATES		
TOTAL ASSETS	**29.0**	**26.0**
TOTAL LIABILITIES	**8.7**	**6.5**
Income statement		
Operating income or net revenue before tax	19.0	18.2
Income tax	0.8	0.5
Net income	2.0	1.2
RECONCILIATION WITH THE CARRYING VALUE OF THE EQUITY-CONSOLIDATED COMPANIES		
Equity of equity-consolidated companies	20.5	19.4
Percentage ownership	20.00%	20.00%
VALUE OF INVESTMENTS IN ASSOCIATES	**4.1**	**3.9**

11.4.1.3 Nature and extent of major restrictions

The Groupe Palatine did not face any major restrictions on interests held in associates and joint ventures.

11.4.2 Share in net income of equity-consolidated companies

in millions of euros	2025 financial year	2024 financial year
Conservateur Finance	0.3	0.2
Financial companies	**0.3**	**0.2**
SHARE IN NET INCOME OF EQUITY-CONSOLIDATED COMPANIES	**0.3**	**0.2**

11.5 Interests in non-consolidated structured entities

11.5.1 Nature of interests in non-consolidated structured entities

An unconsolidated structured entity is a structured entity that is not controlled and is therefore not accounted for using the full consolidation method. As a result, interests held in a joint venture or associate classified as a structured entity fall within the scope of this note.

The same is true of controlled structured entities that are not consolidated due to holding threshold reasons.

This includes all structured entities in which the Groupe Palatine holds an interest and acts in one or more of the following roles:

- originator/structurer/arranger;
- placement agent;
- manager; or
- in any other capacity that has a major impact on the structuring or management of the transaction (e.g., provision of financing, guarantees, or structuring derivatives, tax investor, major investor, etc.).

An interest in a structured entity refers to contractual and non-contractual involvement that exposes the Groupe Palatine to a risk of variability of returns from the performance of the other entity. Interests in another entity may be evidenced by, among others, the holding of equity instruments or debt securities, as well as by other types of relationships, such as financing, short-term credit facilities, credit enhancement, the provision of guarantees or structured derivatives.

In Note 11.3, the Groupe Palatine reports all transactions recorded on its balance sheet in respect of risks associated with interests held in structured entities included in the above scope.

The structured entities with which the Group has a relationship can be divided into four categories: entities involved in asset management, securitisation vehicles, entities created for structured financing purposes, and entities created for other types of transactions.

Asset Management

The management of financial assets (also known as portfolio management or Asset Management) consists of managing the capital or funds entrusted by investors by investing in equities, bonds, cash SICAVs, hedge funds, etc.

The Asset Management line of business, which uses structured entities, is represented by collective investment management or fund management. More specifically, it encompasses collective investment vehicles within the meaning of the French Monetary and Financial Code (other than securitisation structures) as well as equivalent bodies governed by foreign law. These notably include entities such as UCITS, real estate funds, and private equity funds.

Securitisation

Securitisation transactions are generally established as structured entities in which assets or derivatives representing credit risk are isolated.

These entities serve to diversify the underlying credit risks and to split them into various levels of subordination (tranches) with a view, generally, to sell them to investors seeking a certain level of return, according to the degree of risk accepted.

These vehicles' assets and the liabilities that they issue are rated by the rating agencies, which monitor that the level of risk associated with each tranche of risk sold is commensurate with the attributed rating.

The kind of securitisation transactions used, and which require the intervention of structured entities, are as follows:

- transactions where the Group (or a subsidiary) sells on its own behalf to a dedicated vehicle, in cash or synthetic form, the credit risk associated with one of its asset portfolios;
- securitisation transactions performed on behalf of third parties. These transactions consist of housing assets belonging to another company in a dedicated structure (generally a special purpose entity - SPE). The SPE issues shares that can, in certain cases, be subscribed for directly by investors, or subscribed for by a multi-seller conduit, which refinances the acquisition of these shares through the issue of short-term notes (commercial paper).

Structured financing (of assets)

Structured financing covers the range of activities and products set up to provide financing to economic players while reducing risks through the use of complex structures. These include the financing of movable assets (pertaining to aeronautic, marine, or terrestrial transport, telecommunications, etc.), real estate assets, and the acquisition of targeted companies (LBO financing).

The Group may need to create a structured entity that houses a specific financing transaction on behalf of a customer. This is a contractual and structural organisation. The particularities of these types of financing are related to risk management, with the use of notions such as limited recourse or waivers of recourse, standard and/or structural subordination, and the use of dedicated legal vehicles used in particular to carry a single-contract finance lease representing the financing granted.

Other activities

This comprises all remaining activities.

11.5.2 Nature of risks associated with interests held in non-consolidated structured entities

Assets and liabilities recognised in the Group's various balance sheet accounts relating to interests in non-consolidated structured entities contribute to determining the risks associated with these entities.

The values recorded under the balance sheet assets, along with financing and guarantee commitments given, less guarantee commitments received and provisions recorded in liabilities, are used to assess the maximum exposure to risk of losses. It should be noted that the maximum exposure to the risk of loss does not take into account financial liabilities at fair value through profit or loss. This exposure is limited, in the specific case of optional derivatives, to the sale of options.

The 'Notional amounts' line corresponds to the notional amount of options sold to structured entities.

The data are presented below, aggregated based on their activity classification.

At 31 December 2025

Excluding insurance business investments in millions of euros	Securitisation	Asset Management	Structured financing	Other activities
Financial assets at fair value through profit or loss	**0.0**	**1.1**	**0.0**	**0.0**
Financial assets at fair value through profit or loss - non-standard	0.0	1.1	0.0	0.0
TOTAL ASSETS	**0.0**	**1.1**	**0.0**	**0.0**
Maximum loss exposure	**0.0**	**1.1**	**0.0**	**0.0**
Size of structured entities	**0.0**	**683.2**	**0.0**	**0.0**

At 31 December 2024

Excluding insurance business investments in millions of euros	Securitisation	Asset Management	Structured financing	Other activities
Financial assets at fair value through profit or loss	**0.0**	**1.1**	**0.0**	**0.0**
Financial assets at fair value through profit or loss - non-standard	0.0	1.1	0.0	0.0
TOTAL ASSETS	**0.0**	**1.1**	**0.0**	**0.0**
Maximum loss exposure	**0.0**	**1.1**	**0.0**	**0.0**
Size of structured entities	**0.0**	**832.8**	**0.0**	**0.0**

11.5.3 Income and carrying amount of assets transferred to sponsored non-consolidated structured entities

A structured entity is sponsored by a Group entity when the following two indicators are both satisfied:

- it is involved in the creation and structuring of the structured entity;
- it contributes to the success of the entity by transferring assets to it or by managing relevant activities.

When the Group entity's role is limited to one of advisor, arranger, custodian, or placement agent, the structured entity is not considered to be sponsored.

The Groupe Palatine is not a sponsor of structured entities.

11.6 Statutory Auditors’ fees

	Statutory Auditors responsible for auditing the Groupe Palatine’s financial statements											
	PwC			Forvis Mazars			Deloitte					
	Amount		%	Amount		%	Amount		%		TOTAL	
	2025	2024	2024	2025	2024	2025	2025	2024	2025	2024	2025	2024
Role of certification of financial statements	**0**	**263**	**75%**	**190**	**0**	**68%**	**234**	**215**	**96%**	**99%**	**424**	**478**
Issuer	0	0	0%	190	0	68%	234	0	0%	0%	0	0
Fully consolidated subsidiaries	0	0	0%					215	96%	99%	424	478
Certification of sustainability information	**0**	**0**	**0%**	**81**	**0**	**29%**	**0**	**0**	**0%**	**0%**	**81**	**0**
Issuer	0	0	0%	0	0	0%	0	0	0%	0%	0	0
Fully consolidated subsidiaries	0	0	0%	81	0	29%	0	0	0%	0%	81	0
Services other than the certification of the financial statements(1)	**0**	**90**	**25%**	**7**	**0**	**3%**	**9**	**2**	**3%**	**1%**	**16**	**92**
Issuer	0	0	0%	7	0	3%	9	0	0%	0%	0	0
Fully consolidated subsidiaries	0	90	25%					2	3%	1%	16	92
TOTAL	**0**	**353**	**100%**	**278**	**0**	**100%**	**243**	**217**	**100%**	**100%**	**521**	**570**
Of which fees paid to the commissioned Statutory Auditor for certification of financial statements of consolidating entities	0	263		271			234	215	98%		505	478
Of which fees paid to the commissioned Statutory Auditor for services other than certification of financial statements of consolidating entities	0	90		7			9	2	3%		16	92
% Change			**(100%)**			**100%**				**12%**		**(9%)**

(1) The amounts relate to the services shown in the income statement for the financial year, including, in particular, non-recoverable VAT.

The total fees paid to Deloitte included in the consolidated income statement for the financial year were €243 thousand, of which €234 thousand related to the certification of the 2025 financial statements and €7 thousand to services other than the certification of the financial statements – authorised by the regulations – (SACC1), and €2 thousand to services other than the certification of the financial statements – pre-authorised – (SACC2).

The total fees paid to Mazars included in the consolidated income statement for the financial year were €278 thousand, of which €271 thousand related to the certification of the 2025 financial statements and €7 thousand to services other than the certification of the financial statements – authorised by the regulations – (SACC1).

NOTE 12 Detail of the scope of consolidation

12.1 Scope of consolidation at 31 December 2025

Only those entities providing a material contribution are consolidated. For entities that meet the definition of financial sector entities of EU Regulation No. 575/2013 of the European Parliament and Council of 26 June 2013 (the "CRR"), the accounting consolidation thresholds are aligned, from 31 December 2017, to those selected for the prudential scope of consolidation. Article 19 of the CRR sets a threshold of €10 million in total balance sheet and off-balance sheet assets. For non-financial sector entities, materiality is assessed at the level of the consolidated entities. Based on the principle of ascending materiality, any entity included at a sub-consolidation level is included at all higher consolidation levels, even if it is not material at those levels.

For each of the entities in the scope of consolidation, the percentage of interest is indicated. The percentage of interest describes the share of equity held by the Group, either directly or indirectly, in companies within the scope. The percentage of interest can be used to determine the Group's share in the net assets of the company held.

	31/12/2025				
	Country of incorporation or residence	**Consolidation method**	**Changes in scope compared with 31 December 2024**	**Percentage control**	**Percentage of interest**
Palatine	**France**	**Full consolidation**			**Consolidating entity**
Palatine Asset Management	France	Full consolidation	-	100.0%	100.0%
Ariès Assurances	France		Disposal		
Conservateur Finance	France	Equity method	-	20.0%	20.0%

12.2 Non-consolidated companies at 31 December 2025

The *Autorité des normes comptables* (ANC), French national accounting standards authority, Regulation No. 2016-09 of 2 December 2016, requires companies that prepare their consolidated financial statements in accordance with international standards, as adopted by the European Union, to publish additional information relating to companies not included in their scope of consolidation and to significant investments in unconsolidated subsidiaries.

Non-consolidated companies include:

- significant interests that do not fall within the scope of consolidation; and
- companies excluded from the scope of consolidation owing to their non-material nature.

The main significant interests that do not fall within the scope of consolidation, and details of the share of equity held either directly or indirectly by the Group, are as follows:

Company	**Location**	**Stake**	**Reason for non -consolidation**
GIE GDS Gestion Déléguée Sociale	France	99.50%	Not significant
STE Immobilière d'investissement	France	99.98%	Not significant

STATUTORY AUDITORS' REPORTS

3

1 Statutory Auditors’ report on the annual financial statements

Financial year ended 31 December 2025

To the General Meeting of Banque Palatine

Opinion

Pursuant to the mission entrusted to us by your General Meeting, we conducted an audit of the financial statements of Banque Palatine for the financial year ended on 31 December 2025, as appended to this report.

In our opinion, the annual financial statements give a true and fair view of the assets and liabilities and of the financial position of the company, and of the results of its operations for the year ended, in accordance with French accounting principles.

The above opinion is consistent with the content of our report to the Audit Committee.

Basis of opinion

Audit inventory

We carried out our audit in accordance with the professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under these standards are explained in the section on ‘Responsibilities of the Statutory Auditors in relation to the audit of the annual financial statements’ of this report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code *(Code de commerce)* and the French Code of Ethics *(Code de déontologie)* for Statutory Auditors for the period from 1st January, 2025 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) no. 537/2014.

Observations

Without qualifying the opinion expressed above, we draw your attention to the change in accounting method described in Note 2.2 ’Change in accounting methods’ to the annual financial statements, which sets out the impact of the first-time application of ANC (*Autorité des normes comptables*, the French national accounting standards authority) Regulation 2023-03 amending various ANC regulations in coordination with ANC Regulation 2022-06 on the modernisation of financial statements.

Justification of our assessments – Key audit matters

In application of the provisions of articles L. 821-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key audit matters relating to the risks of material misstatements which, in our professional judgment, were the most significant for the audit of the annual financial statements for the year, as well as the responses we have provided to these risks.

These assessments are made in the context of the audit of the annual financial statements taken as a whole and the formation of our opinion expressed above. We have no comment to make on the items of the annual financial statements taken in isolation.

Credit risk – individual and collective impairment

Description of risk and main judgments

Banque Palatine is exposed to credit risk and to counterparty risk. The bank constitutes impairments and provisions to cover these risks of losses resulting from the inability of its customers to meet their financial commitments. In particular, these impairments are recognised as doubtful outstandings and commitments.

Outstanding loans and commitments bearing a proven counterparty risk are subject to impairments determined mainly on an individual basis. These impairments are assessed by the bank's management according to the estimated future recoverable flows, taking into account the guarantees available on each of the loans concerned.

When credit risk has been identified on loans that are not doubtful but showing a significant increase in the credit risk since their initial recognition, the Bank assesses this risk on the basis of the credit losses expected over the residual life of the exposures; credit risk is recognised in the form of a provision in liabilities, according to methods aligned with those of IFRS 9 – Stage 2 adopted for the consolidated financial statements of Groupe BPCE. Expected credit losses correspond to an estimate of the present value of cash shortfalls, weighted by the probability of occurrence of the losses, and are determined individually for each exposure using the parameters and models defined by Groupe BPCE. These notably integrate expected cash flows, probabilities of default and loss given default rates, as well as forward-looking macroeconomic assumptions developed and validated at Groupe BPCE level. These provisions for expected losses are supplemented, where necessary, by allocations on a sectoral basis with regard to specific Local factors identified by the Bank.

We considered that the identification and assessment of credit risk were a key audit matter due to the fact that the resulting provisions and impairment losses represent a material estimate for the preparation of the financial statements and require management's judgment to assign the outstanding loans to the various statuses, to determine the parameters and methods for calculating provisions for expected credit losses, and to assess the level of individual impairment of non-performing and irrecoverable non-performing loans.

The stock of individual impairments on outstanding loans amounts to €241.6m, and the stock of provisions for counterparty risk recorded as liabilities amounts to €99.5 m.

The cost of risk for the 2025 financial year amounts to €49.1m (compared to €68.3m for the 2024 financial year).

For further details on accounting principles and exposures, see notes 3.9 and 4.2 to the annual financial statements.

Our response

Provisioning for non-impaired loans showing a significant degradation in credit risk:

The provisioning of non-impaired loans showing a significant degradation in credit risk since the loan was granted is determined on the basis of the models and tools deployed by BPCE. As a result, the audit procedures on these aspects are carried out at our request by the central body's college of auditors, whose conclusions we review for the purposes of our audit.

Our work mainly consisted of:

- verifying the existence of an internal control framework allowing an appropriate frequency update of the ratings of the different counterparties;
- in a critical review of the work, carried out at our request by the auditors of the central body, who, in conjunction with their experts and specialists:
  - ensured the existence of a governance framework that reviews, at appropriate intervals, the adequacy of the provisioning models and the parameters used to calculate provisions,
  - assessed the appropriateness of the parameters used to calculate the provisions as at 31 December 2025,
  - performed counter-calculations on the main types of credit outstandings,
    - carried out controls on Groupe BPCE's overall IT framework, including a review of general IT controls, interfaces, and automated controls,
    - carried out controls on the tool provided by Groupe BPCE to assess the impact in terms of expected credit losses of the application of sectoral degradations.

In addition, we verified that the sector-specific provisions recognised in the Bank's financial statements are properly documented and justified. In this respect, we (i) assessed the criteria for the Bank's identification of business sectors considered in view of its environment to be more sensitive to the impacts of the current economic environment, (ii) carried out a critical review of the provisions thus estimated.

Impairment of non-performing and irrecoverable non-performing loan outstandings

In the context of our audit procedures, we examined the control framework related to the census of exposures, the monitoring of credit and counterparty risks, the assessment of non-recovery risks, and the determination of related impairments and provisions on an individual basis.

Our work consisted of assessing the quality of the framework for monitoring sensitive, doubtful, and litigious counterparties, the credit review process, and the framework for valuing collateral. Furthermore, based on a sample of files, we carried out contradictory analyses of the amounts of impairments.

Finally, we assessed the appropriateness of the information disclosed in the notes to the financial statements.

Specific verifications

We also performed, in accordance with the professional standards applicable in France, the specific checks required by law and regulations.

Disclosures in the management report and other documents sent to shareholders concerning the financial position and the annual financial statements

We have no matters to report as to the fair presentation and the consistency of the financial statements of the information given in the Management Board’s management report and in the other documents provided to the shareholders with respect to the Company’s financial position and the financial statements, with the exception of the following item:

- Concerning the fair presentation and the consistency with the financial statements of the information about payment terms referred to in article D.441-6 of the French Commercial Code, we have the following matter to report: as indicated in the management report, this information does not include banking and related transactions, as the Company has decided that such transactions do not fall within the scope of the required information

Board of Directors' report on corporate governance

We attest that the Supervisory Board’s report on corporate governance sets out the information required by articles L.225-37-4 and L.22-10-10 of the French Commercial Code.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests has been properly disclosed in the management report.

Other verifications or information required by law and regulations

Presentation format of the annual financial statements included in the annual financial report

In accordance with the professional standards pertaining to the Statutory Auditors’ work on annual and consolidated financial statements presented in the single European electronic reporting format, we have also verified the compliance with this format, as defined by EU delegated regulation no. 2019/815 of 17 December 2018, in the presentation of the annual financial statements included in the annual financial report mentioned in paragraph I of article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chief Executive Officer.

Based on our work, we conclude that the presentation of the annual financial statements included in the annual financial report complies, in all material respects, with the single European electronic reporting format.

We are not responsible for verifying that the annual financial statements actually included by your company in the annual financial report filed with the AMF correspond to those on which we have performed our work.

Appointment of Statutory Auditors

We were appointed as Statutory Auditors of the company Banque Palatine by your General Meetings of 29 September 2022 in the case of Deloitte & Associés, and of 28 May 2025 in the case of Forvis Mazars S.A.

At 31 December 2025, Deloitte & Associés had conducted its duties for 4 years without interruption, and Forvis Mazars S.A. was in its 1st year.

Responsibilities of the management and those charged with corporate governance in relation to the annual financial statements

Management is responsible for preparing annual financial statements that present a true and fair view in accordance with French accounting principles and for establishing such internal controls as it deems necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the management is responsible for assessing the company's ability to continue as a going concern, for presenting in these statements, as applicable, the required information, and applying the going concern accounting policy, unless it is planned to liquidate the company or to cease trading.

It is the responsibility of the Audit Committee to monitor the process for preparing financial information and the effectiveness of the internal control and risk management systems, as well as any internal audit, regarding the procedures used to prepare and process accounting and financial information.

The annual financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors in relation to the audit of the annual financial statements

Audit objectives and procedures

It is our responsibility to draw up a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or cumulatively, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As stated by article L. 821-55 of the French Commercial Code, our audit mission does not require us to guarantee the viability or quality of the management of your company.

The professional standards applicable in France require that Statutory Auditors exercise professional judgment throughout the audit. In addition:

- we identify and assess the risks of material misstatement in the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- we evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management in the annual financial statements;
- we assess the appropriateness of the management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the company’s ability to continue as a going concern. Such conclusions are based on evidence collected up to the date of the report. However, events or conditions arising after this date may threaten the company’s continuity as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- we assess the overall presentation and content of the annual financial statements and whether the statements give a true and fair view of the underlying transactions and events.

Report to the Audit Committee

We present to the Audit Committee a report which covers, among other matters, the audit scope and the programme of work undertaken, as well as the conclusions based on this work. We also draw attention, where necessary, to any significant weaknesses identified in internal control as regards the procedures used to prepare and process accounting and financial information.

The items covered in the report to the Audit Committee include the risks of material misstatements that we judge to be the most significant for the audit of the annual financial statements for the year, and which therefore constitute one of the key audit matters, which we are obliged to describe in this report.

We also present to the Audit Committee the declaration required by article 6 of EU regulation no. 537-2014 confirming our independence, within the meaning of the rules applicable in France as set out notably in articles L. 821-27 to L. 821-34 of the French Commercial Code and in the French Statutory Auditors' professional code of conduct. Where applicable, we discuss with the Audit Committee any risks to our independence and any safeguards applied.

Paris La Défense and Levallois-Perret, 29 April 2026

The Statutory Auditors

Deloitte & Associés
Marjorie Blanc Lourme

Forvis Mazars S.A.
Laurence Karagulian

2 Statutory Auditors’ special report on regulated agreements

General Meeting held to approve the financial statements for the year ended 31 December 2025

To the General Meeting of BANQUE PALATINE

In our capacity as Statutory Auditors of your company, we hereby present our report on the regulated agreements.

It is our responsibility to inform you, on the basis of the information provided to us, of the characteristics, the essential terms, and the justifications of the agreements about which we have been informed or that we have discovered during our audit, without commenting on their usefulness or merit or ascertaining the existence of other such agreements. It is your responsibility, under the terms of article R. 225-31 of the French Commercial Code, to assess the benefits resulting from these agreements prior to their approval.

In addition, we are required to inform you, in accordance with article R. 225-31 of the French Commercial Code, of the execution, during the past year, of the agreements already approved by the General Meeting.

We performed the procedures we considered necessary to comply with the Professional Code of the *Compagnie nationale des commissaires aux comptes* (France’s National Association of Statutory Auditors) relating to this assignment.

Our work consisted of verifying that the information provided to us is consistent with the underlying documents from which it was extracted.

Agreements subject to the General Meeting's approval

Pursuant to article L. 225-40 of the French Commercial Code, we have been advised of the following agreements entered into during the past year, which were authorised by your Board of Directors.

Related-party agreement related to the amendment of the internal rules of BPCE Solutions Informatiques

Persons concerned

Bruno Goré and Bertrand Magnin, representing Caisse d'Epargne Normandie and Caisse d'Epargne Loire Drôme Ardèche respectively, and acting as joint officers on the date of the commitment.

Terms and conditions

The amendment to BPCE SI's internal regulations provides a framework for the allocation of costs relating to the Orion project for the years 2025 and 2026 and for ensuring their accounting and tax treatment. The new clause includes, among other things, a commitment regarding the billing arrangements and the 50/50 cost sharing of the Orion project between the institutions using the MySys and Equinoxe platforms for the years 2025 and 2026, initially.

The completion of the Orion project is justified for Banque Palatine in view of the savings expected in the long term, linked to its participation in the construction of a single IT platform dedicated to Groupe BPCE's retail business. The Board of Directors authorised this related-party agreement on 18 December 2025.

In the 2025 fiscal year, Banque Palatine recognised €3.5 million in current account advances and €58 thousand in interest received.

Pay including fixed and variable components and other mechanisms

Person concerned

Nathalie Bulckaert-Grégoire, Deputy Chief Executive Officer

Terms and conditions

The Deputy Chief Executive Officer is entitled, under the same conditions as Palatine employees, to the defined contribution supplementary pension plan applicable to senior managers *(Klésia).* This scheme, which was modified following the merger of AGIRC and ARRCO on 1 January 2019, is funded by a contribution of:

- Tranche A remuneration: 10.16% (7.62% payable by Banque Palatine and 2.54% payable by the Deputy Chief Executive Officer)
- Tranche B remuneration: 9.45% (7.09% payable by Banque Palatine and 2.36% payable by the Deputy Chief Executive Officer)

For the 2025 financial year, the amount of Klésia employer contributions paid by Palatine to the Deputy Chief Executive Officer amounted to €13,602.96.

At its meeting on 4 February 2025, the Board of Directors authorised the compensation package, including fixed and variable components as well as other frameworks.

Agreements already approved by the General Meeting

Pursuant to article R. 225-30 of the French Commercial Code, we have been informed that the execution of the following agreements, already approved by the General Meeting in previous years, continued during the past year.

Agreements with shareholders and their subsidiaries

Invoicing agreement between Banque Palatine and BPCE of 5 March 2012

Person concerned

BPCE: majority shareholder of Banque Palatine

Terms and conditions

Authorisation granted by the Supervisory Board on 17 February 2012

Financial impact on the financial year: expense of €2,677,026.45 excl. tax

Agreements with senior executives

Retirement benefit

Person concerned

Chief Executive Officer: Didier Moaté

Terms and conditions

Authorisation of the Board of Directors on 10 December 2021 and, in addition, the authorisation given by the Board of Directors on 4 April 2024 relating to the amendment to the subscription to the pension contract.

Financial impact on the financial year: none

No employment contract or suspended employment contract; unemployment insurance

Person concerned

Chief Executive Officer: Didier Moaté

Terms and conditions

Authorisation of the Board of Directors on 10 December 2021 and, in addition, the authorisation given by the Board of Directors on 4 April 2024 relating to the amendment to the subscription to the pension contract.

Financial impact on the financial year: none

Departure benefit for forced termination of the Chief Executive Officer’s term of office

Person concerned

Chief Executive Officer: Didier Moaté

Terms and conditions

Authorisation of the Board of Directors on 10 December 2021 and, in addition, the authorisation given by the Board of Directors on 4 April 2024 relating to the amendment to the subscription to the pension contract.

Financial impact on the financial year: none

Supplementary pension plan for the Chief Executive Officer (article 82)

Person concerned

Chief Executive Officer: Didier Moaté

Terms and conditions

Authorisation of the Board of Directors on 10 December 2021 and, in addition, the authorisation given by the Board of Directors on 4 April 2024 relating to the amendment to the subscription to the pension contract.

Financial impact on the financial year: none

Affiliation to supplementary social protection schemes

For the Chief Executive Officer: authorisation of the Board of Directors on 10 December 2021 and, in addition, the authorisation given by the Board of Directors on 4 April 2024 relating to the amendment to the subscription to the pension contract.

The Chief Executive Officer of Palatine is entitled, under the same conditions as Palatine employees, to the defined contribution supplementary pension plan applicable to senior managers (Klésia). This scheme, which was modified following the merger of AGIRC and ARRCO on 1 January 2019, is funded by a contribution of:

- Tranche A of the remuneration: 10.16% (7.62% payable by Banque Palatine and 2.54% payable by the beneficiary);
- Tranche B of the remuneration: 9.45% (7.09% payable by Banque Palatine and 2.36% payable by the beneficiary).

Financial impact on the fiscal year: for 2025, the amount of Klésia employer contributions paid by Banque Palatine for the benefit of the Chief Executive Officer, Didier Moaté, amounted to €13,602.96.

Levallois-Perret and Paris-La Défense, 29 April 2026

The Statutory Auditors

Forvis Mazars S.A.	**Deloitte & Associés**
Laurence Karagulian	Marjorie Blanc Lourme

3 Statutory Auditors’ report on the consolidated financial statements

Financial year ended 31 December 2025

To the General Meeting of Banque Palatine

Opinion

Pursuant to the mission entrusted to us by your General Meeting, we conducted an audit of the consolidated financial statements of Banque Palatine for the year ended on 31 December 2025, as appended to this report.

In our opinion, the consolidated financial statements give a true and fair view of the operating results for the year ended and of the financial position, assets and liabilities of the companies and entities included in the consolidated group in accordance with IFRS inventory as adopted in the European Union.

The above opinion is consistent with the content of our report to the Audit Committee.

Basis of opinion

Audit inventory

We carried out our audit in accordance with the professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code *(Code de commerce)* and the French Code of Ethics *(Code de déontologie)* for Statutory Auditors for the period from 1st January, 2025 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) no. 537/2014.

Justification of our assessments – Key audit matters

In application of the provisions of articles L. 821-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, we must bring to your attention the key audit matters relating to the risks of material misstatements which, in our professional judgment, were the most significant for the audit of the consolidated financial statements for the year, as well as the responses we have provided to these risks.

These assessments are made in the context of the audit of the consolidated financial statements taken as a whole and the formation of our opinion expressed above. We have no comment to make on the items of the consolidated financial statements taken in isolation.

Credit risk – Impairment of loans and receivables (Statutes 1, 2 and 3)

Description of risk and main judgments	Our response

The Banque Palatine group is exposed to credit risks. These risks, resulting from the inability of its clients or counterparties to meet their financial commitments, particularly affect its customer lending activities.
In accordance with the 'impairment' component of IFRS 9, the Banque Palatine group recognises impairments and provisions intended to cover the risk of expected losses (outstandings in stages 1 and 2) or incurred losses (outstandings in stage 3).
The impairment rules for expected credit losses provided for by IFRS 9 lead, from the initial recognition of financial assets measured at amortised cost or at fair value through other comprehensive income, as well as financing and guarantee commitments, to: the recognition of one-year expected credit losses for stage 1 outstandings, and the recognition of lifetime expected credit losses in the event of a significant increase in credit risk leading to classification as stage 2.
Expected credit losses relating to stages 1 and 2 are mainly determined from the Group's central model, which incorporates, in particular, probability of default and loss given default parameters and forward-looking information based on several macroeconomic scenarios weighted by their probability of occurrence.
These expected credit losses may be supplemented, if necessary, by additional allocations to cover specific risks identified for certain sectors or portfolios, determined by the Banque Palatine group in addition to the central model.
	Impairment of outstanding loans under stages 1 and 2
	Impairment of outstanding loans under stages 1 and 2 is determined using the models and tools deployed by BPCE. As a result, the audit procedures on these aspects are carried out at our request by the central body's college of auditors, whose conclusions we review for the purposes of our audit.
	Our work mainly consisted of:
	• verifying the existence of an internal control framework allowing an appropriate frequency update of the ratings of the different counterparties;
	• in a critical review of the work, carried out at our request by the auditors of the central body, who, in conjunction with their experts and specialists:
	  • verified the existence of governance reviewing at an appropriate frequency the adequacy of impairment models, the parameters used for the calculation of impairments, and analysing the developments of impairments with respect to IFRS 9;
	  • assessed the appropriateness of the models, parameters, and macroeconomic assumptions used for the calculations of impairments;
	  • performed counter-calculations on the main types of credit outstandings;
	  • carried out controls on the Groupe BPCE's overall IT framework, including a review of general IT controls, interfaces and automated controls relating to specific data designed to process information concerning IFRS 9;
	  • carried out controls on the tool provided by Groupe BPCE to assess the impact in terms of expected credit losses of the application of sectoral degradations.

Description of risk and main judgments	Our response
Outstandings for which there is objective evidence of proven credit risk and classified as stage 3 are subject to impairments determined mainly on an individual basis. These impairments are assessed by Banque Palatine group's management on the basis of the recoverable amount of the receivables, corresponding to the present value of the estimated recoverable future cash flows, taking into account the guarantees that form an integral part of the contractual terms of the loans concerned. We considered the identification and evaluation of credit risk to be a key point of the audit given that the induced impairments and provisions constitute a significant estimate for the preparation of the accounts, and call upon management’s judgment both in the attachment of loan outstandings to the different statuses and in the determination of the parameters and calculation modalities of the impairments and provisions for outstandings in stages 1 and 2, as well as in the assessment of the level of individual provisioning of loan outstandings in stage 3. The stock of impairments for credit losses on outstanding loans and similar to clients and credit institutions amounted to €379.8 million, of which €35.8 million under stage 1, €67.6 million under stage 2 and €276.4 million under stage 3. The cost of risk for the 2025 financial year amounts to €45.5m (compared to €62.3m for the 2024 financial year). For further details on accounting principles and exposures, see note 7.1 to the consolidated financial statements	In addition, we verified that the sector-specific provisions recognised by the Banque Palatine Group were properly documented and supported. In this respect, we (i) assessed the criteria for the Banque Palatine Group’s identification of business sectors considered in view of its environment to be more sensitive to the impacts of the current economic context, (ii) carried out a critical review of the provisions thus estimated. **Impairment of credit outstandings in stage 3** In the context of our audit procedures, we have, in general, examined the control system related to the census of exposures classified in stage 3, the monitoring of credit and counterparty risks, the assessment of non-recovery risks, and the determination of impairments and provisions on an individual basis. Our work consisted of assessing the quality of the system for monitoring sensitive, dubious and litigious counterparties, the credit review process and the system for valuing collateral. Furthermore, based on a sample of files, we have carried out contradictory analyses of the amounts of impairments and provisions. Finally, we assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements.

Specific verifications

In accordance with the professional standards applicable in France, we also performed the specific verifications required by law and regulations on the information relating to the Group, provided in the Board of Directors' management report.

We have no comments to report with respect to the fairness of its presentation and consistency with the consolidated financial statements.

Other verifications or information required by law and regulations

Presentation format of the consolidated financial statements included in the annual financial report

In accordance with the professional standards pertaining to the Statutory Auditors' work on annual and consolidated financial statements presented in the single European electronic reporting format, we have also verified the compliance with this format, as defined by EU delegated regulation no. 2019/815 of 17 December 2018, in the presentation of the consolidated financial statements included in the annual financial report mentioned in paragraph I of article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chief Executive Officer. With regard to consolidated financial statements, our procedures include verifying that the markup of these financial statements complies with the format defined by the aforementioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements included in the annual financial report complies, in all material respects, with the single European electronic reporting format.

We are not responsible for verifying that the consolidated financial statements actually included by your company in the annual financial report filed with the AMF correspond to those on which we have performed our work.

Appointment of Statutory Auditors

We were appointed as Statutory Auditors of the company Banque Palatine by your General Meetings of 29 September 2022 in the case of Deloitte & Associés, and of 28 May 2025 in the case of Forvis Mazars S.A.

At 31 December 2025, Deloitte & Associés had conducted its duties for 4 years without interruption, and Forvis Mazars S.A. was in its 1st year.

Responsibilities of the management and those charged with corporate governance in relation to the consolidated financial statements

It is the management's responsibility to prepare the consolidated financial statements in accordance with IFRS inventory as adopted by the EU and to put in place the internal controls it deems necessary to ensure the consolidated financial statements are free of material misstatement, whether as a result of fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is a plan either to liquidate the company or to cease its operations.

It is the responsibility of the Audit Committee to monitor the process for preparing financial information and the effectiveness of the internal control and risk management systems, as well as any internal audit, regarding the procedures used to prepare and process accounting and financial information.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors in relation to the audit of the consolidated financial statements

Audit objectives and procedures

It is our responsibility to draw up a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but it is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or cumulatively, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As stated in article L. 821-55 of the French Commercial Code, our audit mission does not require us to guarantee the viability or quality of the management of your company.

The professional standards applicable in France require that Statutory Auditors exercise professional judgment throughout the audit. In addition:

- they identify and assess the risks of material misstatements of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- we evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management in the consolidated financial statements;
- we assess the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. Such conclusions are based on evidence collected up to the date of the report. However, events or conditions arising after this date may threaten the company's continuity as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the information provided in the consolidated financial statements or, if such information is missing or inadequate, to issue a certificate with reserves or to refuse certification;
- we evaluate the overall presentation and content of the consolidated financial statements and whether the consolidated financial statements give a true and fair view of the underlying transactions and events;
- as regards the financial information of persons or entities included in the scope of consolidation, we collect information that we consider a sufficient and appropriate basis for our opinion on the consolidated financial statements. We are responsible for the management, supervision and conduct of the audit of the consolidated financial statements and for reporting our opinion on these financial statements.

Report to the Audit Committee

We present to the Audit Committee a report which covers, among other matters, the audit scope and the programme of work undertaken, as well as the conclusions based on this work. We also draw attention, where necessary, to any significant weaknesses identified in internal control as regards the procedures used to prepare and process accounting and financial information.

The items covered in the report to the Audit Committee include the risks of material misstatement that we judge to be the most significant for the audit of the consolidated financial statements for the year and which constitute one of the key audit matters, which we are obliged to describe in this report.

We also present to the Audit Committee the declaration required by article 6 of EU regulation no. 537-2014 confirming our independence, within the meaning of the rules applicable in France as set out notably in articles L. 821-27 to L. 821-34 of the French Commercial Code and in the French Statutory Auditors' professional code of conduct. Where applicable, we discuss with the Audit Committee any risks to our independence and any safeguards applied.

Levallois-Perret and Paris-La Défense, 29 April 2026

The Statutory Auditors

Forvis Mazars S.A.
Laurence Karagulian

Deloitte & Associés
Marjorie Blanc Lourme

2025 RISK MANAGEMENT

4

Key figures at 31 December 2025

as a percentage	31/12/2025	31/12/2024
Tier 1 ratio	10.52%	10.19%
CET1 ratio	9.58%	9.25%
Total capital adequacy ratio	12.60%	12.62%

Additional indicators

in millions of euros	31/12/2025	31/12/2024
Total assets	19,326.1	19,187.3
Customer loans	11,896.3	11,982.4

IFRS cost of risk

in millions of euros	31/12/2025	31/12/2024
	45.5	62.3

LCR

as a percentage	31/12/2025	31/12/2024
	112.2	109.2

1 Risk factors for Groupe BPCE, including Palatine

The banking and financial environment in which Groupe BPCE operates is exposed to numerous risks and requires the implementation of an increasingly demanding and strict policy to control and manage these risks.

Some of the risks to which Groupe BPCE is exposed are set out below. However, this is not a comprehensive list of all of the risks incurred by Groupe BPCE in the course of conducting its business or given the environment in which it operates. The risks presented below are those identified to date as significant and specific to Groupe BPCE, and liable to have a material adverse impact on its business, financial position, and/or results.

For each of the risk subclasses listed below, the risk factor considered to date by Groupe BPCE as the most significant is listed first. The risks presented below are those identified to date as liable to have an adverse impact on the businesses of BPCE SA.

The risk factors described below are presented as of the date of this document, and the situation described may change, even significantly, at any time.

1.1 Strategic, business and ecosystem risks

Environmental, Social and Governance risks (ESG), together with their repercussions for economic players, could adversely affect Groupe BPCE's activities, results, and financial position.

Climate and environmental risks relate to the financial and non-financial impacts of climate change and environmental damage. These risks can be direct (i.e., on the Group's own operations) as well as indirect (i.e., on the bank's counterparties). They are factors that exacerbate existing risks, in particular credit risk, operational risk, and market risk, and may also carry reputational risks for Groupe BPCE.

Physical climate and environmental risks correspond to the economic costs resulting from extreme weather events (such as heat waves, landslides, floods, late frosts, fires, storms, pollution of water, soil and air, or water-stressed situations) whose intensity and frequency increase due to climate change, as well as to gradual long-term changes in the climate or the environment (such as changes in rainfall patterns, rising sea levels and average temperatures, the loss of biodiversity, or the depletion of natural resources). These risks can affect the activity of economic players directly (damage and unavailability of assets, disruption of distribution and supply capacities, etc.) or indirectly, through their macroeconomic environment (decline in productivity, reduced attractiveness of regions, etc.) and deteriorate the financial position and valuation of economic assets.

Transition climate and environmental risks are linked to the consequences of the transition to a more sustainable and low-carbon economy, which may, in particular, result in regulatory changes, technological shifts, or sociodemographic changes leading to a change in the expectations of stakeholders (customers, employees, civil society, etc.). These changes may call into question all or part of the business model and result in significant investment needs for economic players. They may also lead to a loss in the valuation of economic assets that are not aligned with the transition objectives and have macroeconomic consequences at the level of the business segments.

The consequences of climate and environmental risks, both physical and transition risks, on its counterparties are likely to result in financial losses for Groupe BPCE through increased risks related to its financing, investment, or insurance activities. Groupe BPCE could also be exposed to financial losses due to the direct exposure of its activities to the consequences of climate and environmental risks, which could lead to an increase in operational, reputational, compliance, or legal risks.

Groupe BPCE may be vulnerable to political, macroeconomic, and financial environments or to specific circumstances in its countries of operation.

Some Groupe BPCE entities are exposed to country risk, which is the risk that economic, financial, political, or social conditions in a country (particularly in countries where the Group conducts business) may affect their financial interests. Groupe BPCE predominantly does business in France (77% of net banking income for the financial year ended 31 December 2024) and North America (13% of net banking income for the financial year ended 31 December 2024), with other European countries and the rest of the world accounting for 3% and 7%, respectively, of net banking income for the financial year ended 31 December 2024. Note 12.6 'Locations by country' to the consolidated financial statements of Groupe BPCE, contained in the 2024 Universal Registration Document, lists the entities established in each country and gives a breakdown of net banking income and income before tax by country of establishment.

A significant change in the political or macroeconomic environment of such countries or regions may generate additional expenses or reduce profits earned by Groupe BPCE.

The economic outlook remains weakened by the uncertainties and downside risks surrounding it, especially when these are compounded by geopolitical tensions. In particular, two major events marked the year 2024, the effects of which may extend into 2025 and beyond: the surprise dissolution of the French National Assembly on 9 June and the presidential election of Donald Trump in the United States on 5 November. Generally, the extent of the imbalances to be eliminated can also always tip developed economies into a downward spiral, whether it is the significance of public and private debts on both sides of the Atlantic and in China, the resurgence of an inflationary expectation mechanism, or the heterogeneity of geographical and sectoral situations, combined with overlapping global risks, thus fuelling the return of the risk of financial instability. In addition, there is the potential occurrence of natural disasters or health risks. Joint threats mainly concern geopolitical and economic uncertainties: the context of the war waged by Russia against Ukraine and the conflict in the Middle East; the still latent risks of tensions between Taiwan and China; the availability of nuclear weapons in Iran; the Sino-US geostrategic confrontation and the development of protectionist trends, particularly in the US; the deepening of economic decline in Europe, Germany and France in the face of the strategies of the race for industrial hegemon implemented by China and the United States; the emergence of Eurosceptic and protectionist governments in several major European economies; even the behaviour of European and French consumers, whose savings rate remains well above its pre-health crisis level.

France entered a situation of political instability after the dissolution of the National Assembly. The business climate, which declined in the summer just after the dissolution, remained below its long-term average. Its fiscal credibility, already tarnished by an unanticipated public deficit of 5.5% of GDP in 2023 and by the downgrade of its sovereign rating on 31 May by Standard & Poor's, the most powerful US agency (rating downgraded to AA-, from AA since 2013), then Moody's rating on 4 December (Aa3 from Aa2), became the main victim of ambitious election campaign promises, with no real basis in terms of financing. With the censorship of the government of Prime Minister Michel Barnier on 4 December, political instability took over from inflationary fears, despite the appointment of François Bayrou. It has increased, fuelling the budgetary uncertainty it generates. The public deficit also rose again, reaching 6.1% of GDP in 2024. In addition to maintaining the widening of the sovereign yield spread with Germany by nearly 80 basis points (bps), compared to only 50 bps before the dissolution of the National Assembly, this shock would have already cost 0.1 point of GDP in lost growth in 2024, according to the Observatoire Français des Conjonctures Économiques (OFCE), which was mainly due to lower private investment.

Once again, 2025 has begun amidst a period of radical geopolitical, political, and economic uncertainty, particularly in France, where the political situation remains very uncertain, despite the constitution of a government before the Christmas holidays by the new Prime Minister François Bayrou. Internationally, the impact of the election of the new US President remains to be seen whether it is the rapid implementation of customs measures that could slow global trade – by leading to widespread commercialisation tensions and strong potential for retaliation from China, the risk of losses in economic efficiency and price increases (and therefore of persistently higher interest rates), or the favourable scale of the planned fiscal expansion. Added to this is the reaction of monetary policy to the potential resurgence of inflationary seeds and the desire to drive down the dollar.

We can also see a deepening of the economic decline in Europe, Germany and France, due to a loss of competitiveness - also linked to higher energy costs than on the other side of the Atlantic - and to the attractiveness of the Eurozone, in view of the race for industrial hegemony between the two main competitors, China and the United States. The race between the US champion and the Chinese outsider involves a budgetary headlong rush, which is set to continue through 2025 and into 2026. Measures to support the US industry, such as the Chips Act and the IRA, have greatly increased the attractiveness of investing in the United States. The profitability gap in their favour could result in Europe losing out to the United States on key localisation projects. As for the Chinese offensive, it is based on price competitiveness, coupled with a rise in technological range. Europe, which has suffered a largely specific energy crisis with the economic sanctions against Russia, has seen the price of its exports rise by more than 30% since the end of 2019, against a maximum of 5% for Chinese exports. In addition, the need to restore a certain fiscal discipline in the Member States of the Eurozone, after the overrun in public finances, which was justified by the pandemic, could lead certain countries, such as Italy and France, to present debt and public deficit reduction plans. This would then gradually involve a restriction on public spending, likely to cause a drop in demand.

Across the Atlantic, the Trump programme is based on four main areas, namely deregulation, protectionism, reduction in taxation and public spending, and, finally, the control of migration flows. It would be moderately inflationary in the short term in 2025 but favourable to growth, while widening public (to more than 6% of GDP?) and commercial deficits. If the increase in tariffs is only 10%, it can probably be offset by the appreciation of the dollar and by the margins of exporters and distributors. Moreover, following the example of the first presidential term, it is not impossible that the anxiety-provoking statements of protectionism are more of a negotiating tactic aimed at forcing Europe to take responsibility for financing its own defence and for China to strengthen its internal demand. The most significant protectionist measure, which would only take effect in 2026, concerns the 60% increase in customs duties vis-à-vis the Middle Kingdom, whose economy is tending to change (a significant decline in the weight of real estate in favour of cutting-edge industries and technological services). In retaliation, while avoiding a war on increased customs duties, China may then make it more difficult to export certain strategic inputs such as Gallium, Germanium, and Antimony.

In addition, the economic development of Europe's main trading partners, in particular China, could also present risks. Chinese public and private over-indebtedness are slowing down the country's ability to keep pace with growth. Ten years after the announcement of the China 2025 plan, which aimed for industrial pre-eminence in 10 key sectors, China's leadership is still only asserted at the cost of increased trade tensions with its US, Asian, and European partners and the instability of the Chinese financial system.

In addition, other perennial sources of instability, such as the continuation of the war in Ukraine, the situation in the Middle East or the Red Sea, could cause tensions on oil and gas prices and shipping costs, resulting in an upwards risk on inflation and a downwards risk on activity. A scenario in which Ukraine is abandoned in its struggle against Russia could also create the conditions for a climate of concern for Europe. Without going as far as an invasion of Taiwan by China, a major escalation of tensions between these two countries is likely to lead to the implementation of severe sanctions against China, such as the freezing of all Chinese assets and the disconnection of China from all SWIFT platforms, similar to what happened in Russia after the invasion of Ukraine. This poses a major risk for the global economy, particularly for trade flows through the Taiwan Strait. It is used by almost half of the world's container ships, connecting the electronic equipment factories (leading semiconductors) in East Asia to the rest of the world. This corridor is also used to supply the continent with natural gas and oil. All this could still cause a deep recession, especially in Europe.

In France, in addition to a significant risk of an additional increase in the interest rate risk premium *vis-à-vis* Germany and a continued drift in public spending, a wait-and-see attitude may turn into mistrust due to political instability. It may lead to rather cautious spending behaviour by households and businesses, despite the a priori favourable effect of less budgetary consolidation. In particular, savings incentives may remain strong, slowing the expected decline in the household savings rate due to a need for precaution, with rising unemployment and individual customers' concern about budgetary imbalances. Regarding companies, the proportion of business leaders who have said that they are postponing their planned investments and hires has increased significantly, according to the BPI France and Rexecode survey on SMEs and medium-sized companies in November 2024. Moreover, despite the relative maintenance of margin levels for all non-financial companies, the increase in financing costs is weighing on corporate profits. The latter fell to a historically low level in 2024. This could even result in an accentuation of the decline in productive investment, despite the improvement in monetary and financial conditions and the trend towards investment in digital and energy transitions. Furthermore, the rather modest improvement in household spending, the main driver of activity, would then be insufficient to counteract the increased prudence of companies in terms of employment, management of inventories, and investment, due to the environment of still high interest rates, the deterioration of the cash position of VSEs/SMEs, and the rise in insolvencies. In particular, nearly 66,500 companies have failed, reaching the highest level since at least 2009, according to a 2024 report prepared by BPCE *L'Observatoire*. In the fourth quarter of 2024 alone, 17,966 insolvencies were recorded, according to this source. This record number of insolvencies, which could have dangerous consequences, particularly in terms of jobs, constitutes a warning for economic and political players as we enter 2025, which already promises to be difficult on an economic level and uncertain on a political and budgetary level: 68,000 insolvencies are expected, and 240,000 jobs are at risk.

However, the identical renewal of the services voted in the last Finance Act, in addition to the capacity of the State to raise taxes and take on debt to finance itself as well as the Social Security, must a priori lead to an ex ante reduction in the budget deficit, hence a reduction in the budget impulse. The Finance Act for 2025 was adopted on 5 February 2025, and provides for an exceptional contribution to the profits of large companies that will only apply to the financial year ended 31 December 2025 (an exceptional contribution of 41.20%, increasing the effective tax rate to 36.2%). The corporate income tax rate remained at 25.83% for the financial year ended 31 December 2024.

The consensus forecasts presented for 2025, particularly for France, therefore reproduce the economic trends already at work, without necessarily integrating specific measures likely to be taken by the new government, nor the effects of an even more prolonged wait-and-see period, in the event of a misunderstood direction of economic policy.

Lastly, the physical risks related to extreme climate events (heat waves, fires, droughts, floods, etc.) or environmental degradation, as well as the risks associated with the transition to an economy with a lower environmental impact, are likely to have a material impact on people, companies, and public players and have a negative impact on the French economy.

For more detailed information, see sections 5.2 ’Economic and financial environment’ and 5.8 ’2025 economic outlook’ in BPCE’s 2024 Universal Registration Document.

The risk of a pandemic (such as the coronavirus – Covid-19) and its economic consequences may adversely impact the Group’s activities, results, and financial position.

The emergence of Covid-19 at the end of 2019 and the rapid spread of the pandemic to the whole planet led to a deterioration in the economic situation of many sectors of activity, a financial deterioration of economic agents, and a strong disruption of financial markets, as the affected countries were required to take health measures to respond to it (border closures, lockdown measures, restrictions on the exercise of certain economic activities, etc.). Government (guaranteed loans, tax, and social assistance, etc.) and banking (moratoria) schemes have been put in place. Some counterparties may emerge from this unprecedented period weakened.

Massive fiscal and monetary policy measures to support activity were put in place between 2020 and 2022, in particular by the French government (a system of state-guaranteed loans for companies and professionals, partial unemployment measures for individuals, as well as numerous other fiscal, social, and bill payment measures) and by the European Central Bank (more abundant and less costly access to very significant refinancing allocations). Groupe BPCE has actively participated in the French state-guaranteed loan program in the interest of financially supporting its customers and helping them overcome the effects of this crisis on their activities and income (e.g., automatic six-month deferral on loans to certain professional customers and microenterprises/SMEs). There is no way to guarantee, however, that such measures will be enough to offset the negative impacts of the pandemic on the economy or to fully stabilise the financial markets over the long term. In particular, the repayment of state-guaranteed loans may lead to defaults by borrowers and financial losses for Groupe BPCE up to the amount of the portion not guaranteed by the state.

Groupe BPCE may not achieve the objectives of its VISION 2030 strategic plan.

On 26 June 2024, Groupe BPCE presented its strategic plan ’Vision 2030’ based on three pillars: (i) forging our growth for the long term, (ii) giving our customers trust in their future, and (iii) expressing our cooperative values in all regions. The first pillar aims to make Groupe BPCE a leading banking group promoting diversified growth, open to partnerships, and capable of achieving high levels of performance. The second pillar aims to make the Group a facilitator of access to housing for all, and for all types of needs, to be the go-to player for territorial competitiveness, to protect customers at every moment and stage in their lives, and to simplify relationship models (from 100% physical to 100% digital), notably with the help of AI. The third pillar aims to give full expression to the cooperative values promoted by the Group, which draws its strength from its multifaceted activities and the range of its expertise, from its positive global impact, and from its cooperative shareholders and employees, proud and committed to their day-to-day lives. The new growth model is being implemented in three major geographical circles – France, Europe, and the rest of the World – and is based on organic growth, acquisitions, and partnerships.

This strategic vision is accompanied by a trajectory for 2026 based on a macroeconomic scenario that assumes, from 2025 onwards, a rebound in economic growth at rates that may vary from one geographical region to the next, a moderate fall in inflation in 2025 and 2026, a fall in the three-month Euribor, and relative stability in long-term interest rates (10-year OAT).

The success of the 2026 financial trajectory is grounded in a large number of initiatives to be rolled out within the various business lines of Groupe BPCE. Although most of the goals defined in the strategic plan are expected to be achieved, some may not, owing to changes in the economic environment or possible changes in accounting and/or tax regulations. If Groupe BPCE does not achieve its ambitions, the 2026 financial trajectory could be affected.

The physical and transitional aspects of the climate risks and their consequences on economic players could adversely affect Groupe BPCE’s activities, results, and financial position.

The risks associated with climate change are factors that exacerbate existing risks, including credit risk, operational risk, and market risk. In particular, BPCE is exposed to physical and transition climate risk. They potentially carry an image and/or reputation risk.

The physical risk results in increased economic costs and financial losses resulting from the severity and increased frequency of extreme weather events related to climate change (such as heat waves, landslides, floods, late frosts, fires, and storms) as well as long-term gradual changes in climate (such as changes in precipitation, extreme weather variability, and rising sea levels and average temperatures). It could have an extensive impact in terms of scope and magnitude, which may affect a wide variety of geographical areas and economic sectors relevant to Groupe BPCE. The Cevennes episodes that affect south-east France every year can cause flooding in buildings, factories, and offices, slowing down or even making the client's activity impossible. As a result, physical climate risk can spread along the value chain of Groupe BPCE's corporate customers, which could lead to their default and thus generate financial losses for Groupe BPCE. These physical climate risks are likely to increase and could result in significant losses for Groupe BPCE.

The transition risk is related to the process of adjustment to a low-carbon economy. The process of reducing emissions is likely to have a significant impact on all sectors of the economy by affecting the value of financial assets and the profitability of companies. The increase in costs related to this energy transition for economic players, both companies and individuals, could lead to an increase in defaults and thus significantly increase Groupe BPCE's losses. For example, the energy-climate law of 8 November 2019 will limit the sale and rental of properties with the lowest energy performance from 2023 and more completely in 2028. Some of Groupe BPCE's customers will therefore have to plan renovation work for a possible future sale or lease of such type of property. The risk lies in the inability of Groupe BPCE's customers to carry out this costly work and therefore not be able to carry out the financial transaction necessary to balance their budget. These customers of Groupe BPCE could therefore become insolvent, which would result in significant financial losses for Groupe BPCE.

Groupe BPCE may encounter difficulties in adapting, implementing, and incorporating its policy governing acquisitions or joint ventures

The Group may consider acquisition or partnership opportunities in the future. Although Groupe BPCE carries out an in-depth analysis of any potential acquisitions or joint ventures, in general, it is impossible to carry out an exhaustive appraisal in every respect. As a result, Groupe BPCE may have to manage initially unforeseen liabilities. Similarly, the results of the acquired company or joint venture may prove disappointing, and the expected synergies may not be realised in whole or in part, or the transaction may give rise to higher-than-expected costs. Groupe BPCE may also encounter difficulties with the consolidation of new entities. The failure of an announced acquisition or failure to consolidate a new entity or joint venture may place a strain on Groupe BPCE's profitability. This situation may also lead to the departure of key employees. In the event that Groupe BPCE is obliged to offer financial incentives to its employees in order to retain them, this situation may also lead to an increase in costs and a decline in profitability. In the case of joint ventures, Groupe BPCE is exposed to additional risks and uncertainties, such as depending on systems, controls, and individuals that are not under its control and could, as such, give rise to liability, losses, or damage to its reputation. In addition, conflicts or disagreements between Groupe BPCE and its partners could have a negative impact on the benefits sought by the joint venture.

At 31 December 2024, total investments in equity-consolidated companies amounted to €57 billion, and goodwill amounted to €4.3 billion. For further information, please refer to notes 12.4.1 'Investments in equity-consolidated companies' and 3.5 'Goodwill' to the consolidated financial statements of Groupe BPCE.

Intense competition in France, Groupe BPCE's main market, or internationally, may cause its net income and profitability to decline

Groupe BPCE's main business lines operate in a very competitive environment, both in France and other parts of the world, where it does substantial business. This competition is heightened by consolidation, either through mergers and acquisitions or cooperation and arrangements. This consolidation has created a certain number of companies which, like Groupe BPCE, can offer a wide range of products and services, ranging from insurance, loans, and management of deposits to brokerage, investment banking, and asset management. Groupe BPCE is in competition with other entities based on a certain number of factors, including the correct execution of products and services offered, innovation, reputation, and price. If Groupe BPCE is unable to maintain its competitiveness in France or in its other major markets by offering a range of attractive and profitable products and services, it may lose market share in certain key business lines or incur losses in some or all of its activities.

For example, at 31 December 2024, in France, Groupe BPCE was the number one bank for SMEs [1], and number two for individual, professional, and self-employed customers [2]. It had a 26.3% [3] market share in home loans [4]. For retail banking and insurance, outstanding loans amounted to €724 billion at 31 December 2024, compared to €719 billion at 31 December 2023, with savings deposits of €937 billion at 31 December 2024, compared to €918 billion at 31 December 2023 (for more information on the contribution of each business line and each network, see section 5.4.2. 'The Group's business lines' of the 2024 Universal Registration Document).

1) *Kantar SME-SMI survey.*
2) *Market share: 21.9% in household deposits/savings and 26.3% in home loans (Banque de France Q3-2024).*
3) *38.4% (rank 2) penetration rate among professional customers and self-employed customers (Pépites CSA 2021-2022 survey).*
4) *Balance sheet and financial savings.*

In addition, any slowdown in the global economy or in the economies in which Groupe BPCE's main markets are located is likely to increase competitive pressure, in particular through increased pressure on prices and a contraction in the volume of activity of Groupe BPCE and its competitors. New, more competitive rivals subject to separate or more flexible regulation or other prudential ratio requirements could also enter the market. These new market participants would thus be able to offer more competitive products and services. Advances in technology and the growth of e-commerce have made it possible for institutions other than custodians to offer products and services that were traditionally considered banking products, and for financial institutions and other companies to provide electronic and Internet-based financial solutions, including electronic securities trading. These new entrants may put downward pressure on the price of Groupe BPCE's products and services or affect Groupe BPCE's market share. Advances in technology could lead to rapid and unexpected changes on Groupe BPCE's markets of operation. Groupe BPCE's competitive position, net income, and profitability could be adversely affected if it fails to adapt its activities or strategy adequately to respond to these changes.

Groupe BPCE's ability to attract and retain skilled employees is paramount to the success of its business, and failing to do so may affect its performance.

The employees of Groupe BPCE entities are the Group's most valuable resource. Competition to attract and retain skilled talent is fierce in the financial services industry, and the Group's performance depends on its ability to recruit and retain employees. The current upheavals (technological, economic, and customer requirements), particularly in the banking sector, demand major efforts to support and train employees. In the absence of sufficient support, this could prevent Groupe BPCE from taking advantage of potential commercial opportunities, which could consequently affect its performance.

At 31 December 2024, Groupe BPCE had 103,418 registered employees.

Groupe BPCE could be exposed to unidentified or unanticipated risks that may have a negative impact on its results and financial position if its model-based risk measurement system should fail.

Groupe BPCE's risk measurement system is based specifically on the use of models. Groupe BPCE's portfolio of models mainly includes the Corporate & Investment Banking market models and the credit models of Groupe BPCE and its entities. The models used for strategic decision-making and risk management monitoring (credit, financial (ALM and market), operational, including compliance and climatic) could fail, exposing Groupe BPCE to unidentified or unanticipated risks that could result in significant losses.

1.2 Financial risks

Significant changes in interest rates may have a material adverse impact on Groupe BPCE's net banking income and profitability.

The net interest income received by Groupe BPCE during a given period represents a significant portion of its income. Consequently, changes in the latter have a significant impact on Groupe BPCE's net banking income and profitability over this period. The cost of the resource, as well as the conditions of return on the asset and, in particular, those attached to new production, are, therefore, elements that are particularly sensitive, notably to factors that may be beyond Groupe BPCE's control. These significant changes could have significant temporary or lasting repercussions, although a rise in interest rates should be generally favourable in the medium and long term.

The recent environment has been marked by a sharp rise in interest rates initiated by the European Central Bank at the end of 2022 and then maintained at very high levels throughout 2023. Exposure to interest rate risk, and more generally to price risk, has therefore been increased by a combination of unfavourable factors, namely the sharp rise in regulated interest rates, the reallocation of a portion of savings following the rapid exit from the low-rate environment, and the rise in interbank spreads, while, conversely, the rate of new loans was temporarily constrained by the level of the usury rate in 2022 and 2023. While inflation began a gradual decline, the world's central banks, including the European Central Bank (ECB), having completed their cycle of monetary policy tightening at the end of 2023, began a cycle of gradual rate cuts in 2024. The European Central Bank (ECB) announced its first rate cut (-25 bps) in June 2024, and the US Federal Reserve in September 2024. Despite this cautious start to the rate-cutting cycle, short-term and long-term interest rates remain at high levels not seen since 2008. At the end of 2024, ECB rates were in the 3% - 3.15% range, while the US Federal Reserve (FED) cut its key rates to the 4.25% - 4.5% range.

At the same time, the Livret A savings account rate, to which Groupe BPCE is exposed due to the regulated savings accounts held by its customers, has experienced a trajectory similar to that of inflation, with a rapid increase and then stability at 3% since February 2023 (rate announced stable until February 2025). From February 2025, the Livret A savings account rate will fall to 2.4%.

The corollary of this atypical situation, in terms of intensity and economic impact, was a significant reduction in Groupe BPCE's bank loan production in 2024 after a peak in activity in the first months of the inflationary period. This situation has resulted in an 11% decrease in loan production, with a more marked effect on home loans to households, with -21% between 2023 and 2024, after the sharp decline already observed between 2022 and 2023 to -44%.

As a result of the rise in the average cost of customer funds in the two main regional banking networks (Banques Populaires and Caisses d'Epargne), Groupe BPCE has gradually passed on the high interest rates observed in 2024 to the rates on new fixed-rate home loans and other consumer and business loans.

On the other hand, customers continued to gradually switch from low-interest accounts to higher-interest products (regulated passbook savings accounts and fixed-deposit accounts). Against this backdrop of squeezed margins, Groupe BPCE has adjusted its interest rate hedging policy by increasing the volume of its interest rate swaps (macro-hedging) in order to protect the value of its balance sheet and its future net interest margin.

Consequently, even if the high-interest-rate environment is generally favourable in the medium and long term, these significant changes can have a major impact, either temporarily or permanently. Groupe BPCE's interest rate risk indicators reflect this exposure.

The sensitivity of the net present value of Groupe BPCE's balance sheet to a +/-200 bps variation in interest rates remained lower than the 15% Tier-1 limit. At 31 December 2024, Groupe BPCE's sensitivity to Tier-1 interest rate increases stood at -9.62% compared to -10.8% at 31 December 2023. This indicator, calculated according to a static approach (contractual or conventional flow of all balance sheet items) and in a stress scenario (immediate and significant interest rate shock), makes it possible to highlight the distortion of the balance sheet over a long horizon.

To better control the Group's exposure to interest rate risk, this approach must be supplemented by a dynamic approach (including new production forecasts). Following regulatory changes and modifications of its management framework, since 2023, Groupe BPCE has deployed an internal revenue sensitivity indicator on the commercial banking networks and the Supervisory Outlier Test (SOT) Net Interest Margin (NIM) regulatory indicator at Group level, in addition to its internal indicators. The introduction of the SOT NIM supplements the information communicated as part of the interest rate risk management framework by a margin view over a one-year horizon, and must be published in the financial statements, even if it will not directly generate a Pillar 1 expense. At 31 December, 2024, the most penalizing scenario for the Group in terms of the SOT NIM was the downside scenario. The indicator stands at -1.2% and remains below the 5% limit compared to Tier 1.

The dynamic approach in terms of sensitivity of future revenues is reinforced by a multi-scenario vision, allowing a broader approach by taking into account the uncertainties related to business forecasts (new activity and changes in customer behaviour), possible changes in commercial margins, etc. This is achieved through the sensitivity of the Group's revenues by measuring the change in the Group's forecast net interest margin at one year according to four scenarios (rise in rates, decline in rates, steepening of the yield curve, and flattening of the yield curve) compared to the core scenario. This revenue sensitivity indicator covers all commercial banking activities and aims to estimate the sensitivity of the institutions' results to interest rate fluctuations.

Groupe BPCE is dependent on its access to funding and other sources of liquidity, which may be limited for reasons outside its control, thus potentially having a material adverse impact on its results.

Access to short-term and long-term funding is critical for the conduct of Groupe BPCE's business. Non-collateralized sources of funding for Groupe BPCE include deposits, issues of long-term debt and short/medium-term negotiable debt securities, bank loans, and credit lines. Groupe BPCE also uses secured funding, notably through repurchase agreements and the issuance of covered bonds or securitization via dedicated vehicles or conduits. Geopolitical instabilities in the world with variable-rate tranches can have an impact on arrears and default rates, as well as on final legal maturities. If Groupe BPCE were unable to access the secured and/or unsecured debt market at conditions deemed acceptable, or incurred an unexpected outflow of cash or collateral, including a significant decline in customer deposits, its liquidity may be negatively affected. Furthermore, if Groupe BPCE were unable to maintain a satisfactory level of customer deposits (e.g., in the event its competitors offer higher rates of return on deposits), it may be forced to obtain funding at higher rates, which would reduce its net interest margin and results.

Groupe BPCE's liquidity, and consequently its results, could also be affected by events that Groupe BPCE cannot control or predict, such as general market disruptions, which may be related to geopolitical or health crises, operational difficulties affecting third parties, negative opinions on financial services in general or the short- or long-term financial outlook of Groupe BPCE, changes in Groupe BPCE's credit rating or even the perception among market players of the situation of the Group or other financial institutions.

Groupe BPCE's access to the capital markets and the cost of long-term unsecured funding are directly related to changes in its credit spreads on the bond and credit derivatives markets, which it can neither predict nor control. Liquidity constraints may have a material adverse impact on Groupe BPCE's business, financial position, results, and ability to meet its obligations to its counterparties. Similarly, a change in the monetary policy stance, in particular that of the European Central Bank, may impact Groupe BPCE's financial position.

However, to deal with these risk factors, Groupe BPCE has liquidity reserves made up of cash deposits from central banks and available securities and receivables eligible for central bank refinancing. Groupe BPCE's liquidity reserve amounted to €302 billion at 31 December 2024, covering 177% outstanding short-term funding and short-term MLT maturities, compared with 161% at 31 December 2023. The one-month LCR (Liquidity Coverage Ratio) averaged 149% over 12 months on 31 December 2024 versus 145% on 31 December 2023. Given the importance of these risks for Groupe BPCE in terms of impact and probability, these risks are monitored proactively and closely, with Groupe BPCE also pursuing a very active policy of diversification of its investors.

Downgraded credit ratings could have an adverse impact on BPCE's funding cost, profitability, and continuity of certain activities.

At 31 December 2024, Groupe BPCE's long-term ratings were A+ for Fitch ratings, A1 for Moody's, A+ for R&I, and A+ for Standard & Poor's, which upgraded its rating in July 2024 to reflect its assessment of the Group's solidity. The decision to downgrade these credit ratings may have a negative impact on the funding of BPCE and its affiliates active in the financial markets. A ratings downgrade may affect Groupe BPCE's liquidity and competitive position, increase funding costs, limit access to financial markets, and trigger obligations under some bilateral contracts governing trading, derivative, and collateralised funding transactions, thus adversely impacting its profitability and business continuity.

Furthermore, BPCE's unsecured long-term funding cost is directly linked to its credit spreads (the yield spread over and above the yield on government issues with the same maturity that is paid to bond investors), which, in turn, are heavily dependent on its ratings. An increase in credit spreads may raise BPCE's funding cost. Shifts in credit spreads are correlated to the market and sometimes subject to unforeseen and highly volatile changes. Accordingly, a change in perception of an issuer's solvency due to a rating downgrade could have an adverse impact on that issuer's profitability and business continuity.

Groupe BPCE is exposed to credit spread risk at the level of its assets in a scenario of widening credit spreads, on its portfolio of securities at fair value or at amortised cost. The Group holds a significant bond portfolio eligible for the liquidity reserve, mainly composed of sovereign and corporate bonds, which makes its valuation sensitive to changes in the credit spreads of its securities.

Market fluctuations and volatility could expose Groupe BPCE, and, in particular, its major corporate & investment banking business lines (Natixis CIB and Natixis IM), to favourable or unfavourable fluctuations in its trading and investment activities, which could adversely affect Groupe BPCE's results of operations and financial position.

In the course of its third-party trading or investment activities, Groupe BPCE may carry positions in the bond, currency, commodity, and equity markets, and in unlisted securities, real estate assets, and other asset classes. These positions may be affected by volatility in the markets (especially the financial markets), *i.e.,* the degree of price fluctuations over a given period on a given market, regardless of the levels on the market in question. Certain market configurations and fluctuations may also generate losses on a broad range of trading and hedging products used, including swaps, futures, options, and structured products, which could adversely impact Groupe BPCE's operating results and financial position. Similarly, extended market declines and/or major crises may reduce the liquidity of certain asset classes, making it difficult to sell certain assets and, in turn, generate material losses.

The market risk-weighted assets totalled €13 billion, *i.e.,* around 4% of Groupe BPCE's total risk-weighted assets, on 31 December 2024. For information, the weight of Corporate & Investment Banking activities in the Group's net banking income was 19% for the year 2024. For more detailed information and examples, see note 10.1.2 'Analysis of financial assets and liabilities classified in Level 3 of the fair value hierarchy' to the consolidated financial statements of Groupe BPCE, included in the Universal Registration Document.

Groupe BPCE's revenues from brokerage and other activities associated with fee and commission income may decrease in the event of market downturns.

A market downturn is liable to lower the volume of transactions (particularly financial services and securities transactions) executed by Groupe BPCE entities for their customers and as a market maker, thus reducing the net banking income from these activities. In particular, in the event of a decline in market conditions, Groupe BPCE may record a lower volume of customer transactions and a drop in the corresponding fees, thus reducing revenues earned from this activity. In addition, as the management fees that Groupe BPCE entities charge to their customers are generally calculated on the value or performance of portfolios, any decline in the markets that would result in a decrease in the value of these portfolios or an increase in the amount of withdrawals would reduce the revenue that these entities receive via the distribution of mutual funds or other financial savings products (for the Caisses d'Epargne and Banques Populaires) or for the asset management business, through an unfavourable change in management or performance fees. In addition, any deterioration in the economic environment could have an unfavourable impact on the seed money contributed to asset management structures, with a risk of partial or total loss.

Even where there is no market decline, if funds managed for third parties throughout Groupe BPCE and other Groupe BPCE products underperform the market, redemptions may increase and/or inflows decrease as a result, with a potential corresponding impact on revenues from the asset management activities.

In 2024, the total net amount of fees and commissions received was €11,035 million, representing 47% of Groupe BPCE's net banking income. For more detailed information on the amounts of fees and commissions received by Groupe BPCE, see note 4.2 ('Fee and commission income and expenses') to the consolidated financial statements of Groupe BPCE.

Changes in the fair value of Groupe BPCE's portfolios of securities and derivative products and its own debt are liable to have an adverse impact on the net carrying amount of these assets and liabilities, and as a result on Groupe BPCE's net income and equity.

The net carrying amount of Groupe BPCE's securities, derivative products, and other types of assets at fair value, and of its own debt, is adjusted (at balance sheet level) at the date of each new financial statement. These adjustments are predominantly based on changes in the fair value of assets and liabilities during an accounting period, i.e., changes taken to profit or loss or recognised directly in other comprehensive income. Changes recorded in the income statement, but not offset by corresponding changes in the fair value of other assets, have an impact on net banking income and thus on net income. All fair value adjustments have an impact on equity and, thus, on Groupe BPCE's capital adequacy ratios. Such adjustments are also liable to have an adverse impact on the net carrying amount of Groupe BPCE's assets and liabilities, and thus on its net income and equity. The fact that fair value adjustments are recorded over an accounting period does not mean that additional adjustments will not be necessary in subsequent periods.

At 31 December 2024, total financial assets/liabilities at fair value through profit or loss amounted to €231 billion (with €218 billion in financial assets at fair value held for trading) and €219 billion (with €175 billion in financial liabilities at fair value held for trading), respectively. For more detailed information, see also note 4.3 'Gains (losses) on financial instruments at fair value through profit or loss', note 4.4 'Gains (losses) on financial assets measured at fair value through other comprehensive income before tax', note 5.2 'Financial assets and liabilities at fair value through profit or loss' and note 5.4 'Financial assets at fair value through other comprehensive income' to the consolidated financial statements of Groupe BPCE, in the Universal Registration Document.

1.3 Credit and counterparty risks

Groupe BPCE is exposed to credit and counterparty risks that could have a material adverse effect on the Group's business, financial position, and income.

Groupe BPCE is significantly exposed to credit and counterparty risk through its financing or market activities. The Group could thus incur losses in the event of the default of one or more counterparties, in particular if the Group encounters legal or other difficulties in exercising its collateral or if the value of the collateral does not make it possible to fully cover the exposure in the event of a default. Despite the vigilance implemented by the Group, aimed at limiting the effects of concentration of its loan portfolio, it is possible that counterparty defaults are amplified within the same economic sector or region of the world due to the interdependence of the counterparties. Default by one or more major counterparties could thus have a material adverse effect on the Group's cost of risk, results and financial position.

For information, on 31 December 2024, Groupe BPCE's gross exposure to credit risk amounted to €1,511 billion, with the following breakdown for the main types of counterparty: 37% for retail customers, 30% for corporates, 16% for central banks and other sovereign exposures, and 6% for the public sector and similar entities. The credit risk-weighted assets amounted to €398 billion (including counterparty risk).

The main economic sectors to which the Group was exposed in its non-financial corporations portfolio were Real Estate (38% of gross exposures at 31 December 2024), Wholesale and Retail Trade (11%), Finance/Insurance (10%), and Professional, Scientific and Technical Activities (6%).

Groupe BPCE develops its activities mainly in France. The Group's gross exposure (gross carrying amount) to France was €1,300 billion, representing 38% of the total gross exposure. The remaining exposures were mainly concentrated in the United States for 5%, with other countries accounting for 12% of the total gross exposures.

For further information, please see chapters 5 'Credit risks' and 6 'Counterparty risk' in BPCE's Universal Registration Document.

A substantial increase in impairments or provisions for expected credit losses recognized in Groupe BPCE's accounts could have a material adverse effect on its results and financial position.

In the course of its business, Groupe BPCE regularly records impairment charges to reflect, where necessary, actual, or potential losses in respect of its loans and receivables portfolio, its fixed-income securities portfolio (at amortised cost or fair value through equity), and in respect of its given commitments. These impairments are recognised in the income statement under 'Cost of risk'. The overall level of Groupe BPCE's asset impairment charges is based on the Group's assessment of the history of loan losses, the volumes and types of loans granted, industry standards, loans in arrears, economic conditions and other factors related to the degree of recovery of various types of loans. While Groupe BPCE makes every effort to set aside a sufficient level of provision for asset impairment expenses, its lending activities may cause it, in the future, to have to increase its expenses for losses on loans, due to a rise in non-performing loans or for other reasons, such as the deterioration of market conditions or factors affecting certain countries. Any substantial increase in charges for losses on loans, material changes in Groupe BPCE's estimate of the risk of loss associated with its portfolio of loans, or any loss on loans exceeding past impairment expenses could have an adverse impact on Groupe BPCE's results and financial position.

For information, Groupe BPCE's cost of risk amounted to -€2,061 million in 2024 compared to -€1,731 million in 2023, with credit risks accounting for 87% of Groupe BPCE's risk-weighted assets. On the basis of gross exposures, 37% relate to retail customers and 30% to corporate customers (of which 68% of exposures are located in France).

Consequently, the risk associated with a substantial increase in impairment expenses on the loans and advances portfolio remains significant in terms of both impact and probability and is monitored carefully. In addition, prudential requirements supplement these provisioning mechanisms via the prudential backstop process, which provides for a deduction in equity of non-performing loans beyond a certain threshold in line with the quality of the guarantees and according to a regulatory timetable defined by regulatory texts.

A decline in the financial strength and performance of other financial institutions and market players may have an unfavourable impact on Groupe BPCE.

Groupe BPCE's ability to execute transactions may be affected by a decline in the financial strength of other financial institutions and market players. Financial institutions are closely interconnected owing to their trading, clearing, counterparty, and financing operations. The default of a significant sector player (systemic risk), or even mere rumours or questions concerning one or more financial institutions or the financial industry more generally, may lead to a general contraction of liquidity in the market and subsequently result in losses or additional failures. Groupe BPCE is directly or indirectly exposed to various financial counterparties, such as investment service providers, commercial or investment banks, clearing houses and CCPs, mutual funds, hedge funds, and other institutional customers, with which it regularly conducts transactions. The default or failure of any such counterparties may have an adverse impact on Groupe BPCE's financial position. Moreover, Groupe BPCE may be exposed to the risk associated with the growing involvement of operators subject to little or no regulation in its business segment and to the emergence of new products subject to little or no regulation (including, in particular, crowdfunding and trading platforms). This risk would be exacerbated if the assets held as collateral by Groupe BPCE could not be sold or if their selling price would not cover all of Groupe BPCE's exposure to defaulted loans or derivatives, or in the event of fraud, embezzlement or other misappropriation of funds committed by financial sector participants in general to which Groupe BPCE is exposed, or if a key market operator such as a CCP defaults.

In addition, the distribution risk in the event of a difficult market or an unfavourable economic environment may also generate losses in a severe scenario.

The exposures to the 'financial institutions' asset class represented 4% of Groupe BPCE's total gross exposures of €1,511 billion at 31 December 2024. In geographic terms, 67% of gross exposures to 'institutions' are located in France.

1.4 Non-financial risks

In the event of non-compliance with applicable laws and regulations, Groupe BPCE could be exposed to significant fines and other administrative and criminal penalties that could have a material adverse effect on its financial position, activities, and reputation.

Non-compliance risk is defined as the risk of sanction – judicial, administrative, or disciplinary – but also of financial loss or damage to reputation, resulting from non-compliance with laws and regulations, professional standards and practices, and ethical standards specific to banking and insurance activities, whether national or international.

The banking and insurance sectors are subject to increased regulatory oversight, both nationally and internationally. The last few years have seen an increase in the volume of new regulations that have introduced significant changes affecting the relationships between investment services providers and customers or investors (e.g., MIFID II, PRIIPS, insurance distribution regulation, market abuse regulation, Personal Data Protection Regulation, Benchmark Regulation, etc.). These new regulations have major impacts on the company's operational processes.

In terms of financial security, the regulatory framework for the fight against money laundering and the financing of terrorism is part of a European trajectory. The Anti-Money Laundering (AML) package, currently in trialogue, will significantly harmonise and raise the level of requirements for regulated professions, particularly the financial sector. This package includes a systemic change in the supervision function due to the establishment, in 2024, of a new European authority, the AML Authority. It will have dual powers: (i) in terms of supervision: by 2027, it will have around 40 entities under its direct supervision and will supervise the rest of the financial sector indirectly via national authorities; (ii) in terms of coordinating the EU's financial intelligence units (FIUs). The gradual increase in the EBA's powers in AML-CTF areas also confirms the trend towards bringing these regulations into line with prudential rules, in terms of consolidated supervision requirements for banking groups.

The risk of non-compliance could result, for example, in the use of inappropriate means to promote and market the bank's products and services, inadequate management of potential conflicts of interest, disclosure of confidential or privileged information, failure to comply with due diligence when dealing with suppliers, failure to comply with legal and regulatory obligations to detect financial transactions likely to derive from criminal offenses (e.g.: corruption, tax fraud, drug trafficking, concealed work, the financing of the proliferation of weapons of mass destruction, etc.) committed by customers and linked to acts of terrorism. The risk of non-compliance may also lead to failures in the implementation of international sanctions (embargoes, asset freezes on individuals targeted by national measures applicable in the jurisdictions in which Groupe BPCE is present, European Union restrictions, or extraterritorial sanctions from certain foreign authorities).

Within BPCE, the Compliance function is responsible for overseeing the system for preventing and managing non-compliance risks. Despite this system, Groupe BPCE remains exposed to the risk of fines or other significant sanctions from the regulatory and supervisory authorities, as well as civil or criminal legal proceedings that could have a significant adverse impact on its financial position, activities, and reputation.

Any interruption or failure of the information systems belonging to Groupe BPCE or third parties, particularly external service providers, may generate losses (including commercial losses) and may have a material adverse impact on Groupe BPCE's results.

As is the case for its competitors, Groupe BPCE is highly dependent on information and communication systems, as a large number of increasingly complex transactions are processed in the course of its activities. Any failure, interruption, or malfunction in these systems may cause errors or interruptions in the systems used to manage customer accounts, general ledgers, deposits, transactions, and/or to process loans. For example, if Groupe BPCE's information systems were to malfunction, even for a short period, the affected entities would be unable to meet their customers' needs in time and could thus lose transaction opportunities. Similarly, a temporary failure in Groupe BPCE's information systems despite back-up systems and contingency plans could also generate substantial information recovery and verification costs, or even a decline in its proprietary activities if, for example, such a failure were to occur during the implementation of a hedging transaction. The inability of Groupe BPCE's systems to adapt to an increasing volume of transactions may also limit its ability to develop its activities and generate losses, particularly losses in sales, and may therefore have a material adverse impact on Groupe BPCE's results.

Groupe BPCE is also exposed to the risk of malfunction or operational failure by one of its clearing agents, foreign exchange markets, clearing houses, custodians, or other financial intermediaries or external service providers that it uses to carry out or facilitate its securities transactions. As interconnectivity with its customers continues to grow, Groupe BPCE may also become increasingly exposed to the risk of the operational malfunction of customer information systems. Groupe BPCE's communication and information systems, and those of its customers, service providers, and counterparties, may also be subject to failures or interruptions resulting from cybercriminal or cyberterrorist acts. For example, with the digital transformation, Groupe BPCE's information systems are becoming increasingly open to the outside (cloud, big data, etc.). Many of its processes are gradually going digital. Use of the Internet and connected devices (tablets, smartphones, apps used on tablets and mobiles, etc.) by employees and customers is on the rise, increasing the number of channels serving as potential vectors for attacks and disruptions, and the number of devices and applications vulnerable to attacks and disruptions. Consequently, the software and hardware used by Groupe BPCE's employees and external agents are constantly and increasingly subject to cyber threats. As a result of any such attacks, Groupe BPCE may face malfunctions or interruptions in its own systems or in third-party systems that may not be adequately resolved. Any interruption or failure of the information systems belonging to Groupe BPCE or third parties may generate losses (including commercial losses) due to the disruption of its operations and the possibility that its customers may turn to other financial institutions during and/or after any such interruptions or failures.

The risk associated with any interruption or failure of the information systems belonging to Groupe BPCE or third parties is significant for Groupe BPCE in terms of impact and probability and is therefore carefully and proactively monitored.

Lastly, it is necessary to note the risk of outsourcing, particularly in external IT services or more generally in connection with critical and important external services within the meaning of French regulations.

Reputational risks could unfavorably impact Groupe BPCE's profitability and business outlook.

As a major player in the financial system, Groupe BPCE relies on the notion of a trusted third party for the general public, its individual customers, companies, investors, and all economic players. Damage to Groupe BPCE's reputation, particularly when associated with an unfavourable media campaign, could compromise the relationship of trust between the Group and both internal and external stakeholders.

Groupe BPCE is exposed to reputational risks due to the diversity of its international banking, financial, and insurance activities. This risk may arise following criticism concerning, in particular, the promotion and marketing of its products and services, the nature of the financing and investments made, as well as the reputation of the Group's partners. In addition, concerns may arise around BPCE's environmental strategy and social policies or its governance.

Furthermore, Groupe BPCE's reputation could also be compromised by the actions of external entities, such as acts of cybercrime or cyberterrorism, internal or external fraud, or embezzlement. Significant damage to Groupe BPCE's reputation could restrict its ability to enter into or continue existing relationships with its counterparties, customers, or service providers and weaken its attractiveness to employees and candidates, resulting in an adverse effect on its financial position and business prospects.

Inadequate management of reputational risk would limit the mitigation of negative impacts and could also increase Groupe BPCE's legal risk. This could lead to an increase in the number of legal actions and the risk of being ordered to pay damages, while exposing the Group to sanctions from regulatory authorities. For more information, please refer to the 'Legal Risks' chapter of this document. Like reputational risk, these litigations could also have repercussions on Groupe BPCE's financial position and its business outlook.

At 31 December 2024, the total provisions for legal and tax risks amounted to €994 million.

Unforeseen events may interrupt Groupe BPCE's operations and cause losses and additional costs.

Unforeseen events, such as natural disasters, physical climatic risks, pandemics, attacks or other emergency situations, could cause an abrupt interruption in Groupe BPCE's activities and affect its critical business lines (liquidity, payment instruments, securities, loans to individual and corporate clients, fiduciary) and result in substantial losses to the extent that they are not, or insufficiently, covered by an insurance policy. These losses could relate to material assets, financial assets, market positions, or key employees, and have a direct and potentially material impact on Groupe BPCE's net income. Moreover, such events may also disrupt Groupe BPCE's infrastructure, or that of a third party with which Groupe BPCE does business, and generate additional costs (relating in particular to the cost of rehousing the affected personnel) and increase Groupe BPCE's costs (such as insurance premiums). Such events may invalidate insurance coverage of certain risks and thus increase Groupe BPCE's overall level of risk.

At 31 December 2024, the majority of Groupe BPCE's operational risk losses were in the business line 'Payment and Settlement' at 41%. They are concentrated in the Basel category 'External fraud', which accounts for 37%.

The failure or inadequacy of Groupe BPCE's risk management and hedging policies, procedures, and strategies may expose it to unidentified or unexpected risks, which may trigger unforeseen losses.

Groupe BPCE's risk management and hedging policies, procedures, and strategies may not succeed in effectively limiting its exposure to all types of market environments or all kinds of risks and may even prove ineffective for some risks that the Group was unable to identify or anticipate. Furthermore, the risk management techniques and strategies employed by Groupe BPCE may not effectively limit its exposure to risk and do not guarantee that the overall risk will actually be lowered. These techniques and strategies may prove ineffective against certain types of risk, in particular risks that Groupe BPCE had not already identified or anticipated, given that the tools used by Groupe BPCE to develop risk management procedures are based on assessments, analyses, and assumptions that may prove inaccurate or incomplete. Some of the indicators and qualitative tools used by Groupe BPCE to manage risk are based on the observation of past market performance. To quantify risk exposures, risk managers carry out a statistical analysis of these observations.

These tools and indicators may not be able to predict future risk exposures. For example, these risk exposures may be due to factors that Groupe BPCE may not have anticipated or correctly assessed in its statistical models or due to unexpected or unprecedented shifts in the market. This would limit Groupe BPCE's risk management capability. As a result, losses incurred by Groupe BPCE may be higher than those anticipated on the basis of past measurements. Moreover, the Group's quantitative models cannot factor in all risks. While no significant problem has been identified to date in this respect, the risk management systems are subject to the risk of operational failure, which could expose Groupe BPCE to unexpected losses.

Groupe BPCE is also exposed to the risk of cybercrime. Cybercrime refers to a set of malicious and/or fraudulent acts using digital means, including those based on artificial intelligence (AI), to achieve higher levels of persuasion, in order to access data (personal, banking, insurance, technical, or strategic), processing, and users to cause significant harm to a company and its employees, partners, customers, and counterparties.

Actual results may vary compared to assumptions used to prepare Groupe BPCE's financial statements, which may expose it to unexpected losses.

In accordance with current IFRS standards and interpretations, Groupe BPCE must use certain estimates when preparing its financial statements, in particular accounting estimates relating to the determination of impairment for credit risk and provisions for employee benefits or provisions for litigation, estimates relating to the determination of the fair value of certain financial assets and liabilities, etc. If the values used for the estimates by Groupe BPCE prove to be materially inaccurate, in particular in the event of major and/or unexpected market trends, or if the methods used to calculate these values are modified due to future changes in IFRS standards or interpretations, Groupe BPCE may be exposed to unexpected losses.

Information on the use of estimates and judgments is provided in Note 2.3 'Use of estimates and judgments' to the consolidated financial statements of Groupe BPCE in the Universal Registration Document.

1.5 Insurance risks

A deterioration in market conditions, in particular excessive fluctuations in interest rates (both upwards and downwards) and/or a deterioration in spreads or equity markets, or an increase in reinsurance costs could have a significant adverse impact on the financial position and solvency of Life and Non-Life insurance companies.

The main risk to which Groupe BPCE's insurance subsidiaries are exposed is financial risk. This exposure results mainly from capital guarantees on euro funds and unrealized capital gains or losses on investments held.

Among the financial risks, interest rate risk is structurally significant due to the predominantly bond component of euro funds on savings products, as well as to unrealised capital gains or losses on portfolio investments.

Among financial risks, interest-rate risk is structurally significant due to the predominantly bond-based composition of assets backing commitments. Fluctuations in interest rates may have the following consequences:

- in the case of higher rates: reduce the competitiveness of the euro-denominated offer (by making new investments more attractive) and trigger waves of redemptions and major arbitrage on unfavourable terms with unrealised capital losses on outstanding bonds;
- in the case of lower rates: in the long term, make the return on general funds too low to enable them to honour their capital guarantees.

As a result of the asset allocation, the widening of spreads and the fall in the equity markets could also have a significant negative impact on the results of Groupe BPCE's insurance business, particularly through lower valuations of investments at fair value through profit or loss and the setting aside of provisions for impairment.

A mismatch between the level and cost of claims anticipated by insurers, on the one hand, and premiums and provisions, on the other, could have a significant adverse impact on the results and financial position of the non-life, personal protection, and surety portion of its insurance activities

The main risk to which Groupe BPCE's insurance subsidiaries are exposed in connection with these latter activities is underwriting risk. This risk results from the mismatch between, on the one hand, the claims actually incurred and the amounts actually paid as compensation for these claims, and, on the other hand, the assumptions used by the subsidiaries to set the rates of their insurance products and establish technical provisions for possible compensation.

Companies use both their own experience and industry data to establish loss ratios and actuarial estimates, including the pricing of insurance products and the establishment of related technical provisions. However, reality may differ from these estimates, and unforeseen risks such as pandemics or natural disasters could result in higher-than-expected payments to policyholders. In this respect, changes in climate phenomena (known as 'physical' climate risks) are subject to particular vigilance.

In the event of claims exceeding the underlying assumptions initially used to establish provisions, or if events or trends lead to changes in the underlying assumptions, companies could be exposed to greater liabilities than anticipated, which could adversely affect their results and financial position. This could be the case in connection with the climatic hazards described above.

The various actions implemented in recent years, particularly in terms of financial coverage, reinsurance, business diversification, and investment management, have also contributed to the resilience of the capital adequacy of Groupe BPCE's insurance subsidiaries.

1.6 Regulatory risks

Groupe BPCE is subject to many regulations in France and in several other countries around the world where it operates; regulatory measures and changes could have a material adverse impact on Groupe BPCE's business and results.

The business and results of Groupe BPCE entities may be materially impacted by the policies and actions of various regulatory authorities in France, other governments of the European Union, the United States, foreign governments, and international organisations. Such constraints may limit the ability of Groupe BPCE entities to expand their businesses or conduct certain activities. The nature and impact of future changes in such policies and regulatory measures are unpredictable and are beyond Groupe BPCE's control. Moreover, the general political environment has evolved unfavourably for banks and the financial industry, resulting in additional pressure on the part of legislative and regulatory bodies to adopt more stringent regulatory measures, despite the fact that these measures may have adverse consequences on lending and other financial activities and on the economy. Given the ongoing uncertainty related to new legislative and regulatory measures, it is impossible to predict their impact on Groupe BPCE, but it could be materially unfavourable.

Groupe BPCE may have to reduce the size of some of its activities to comply with new requirements. New measures are also liable to increase the cost of compliance with new regulations. This could cause revenues and consolidated profit to decline in the relevant business lines, sales to decline in certain activities and asset portfolios, and asset impairment expenses.

The new banking package (CRR III/CRD VI directive) was published on 19 June 2024 in the Official Journal of the European Union. This banking package implements the last phase of the Basel III regulatory reform in the European Union. Most of the provisions of the CRR III are applicable from 1 January 2025. However, the rules relating to market risks have been postponed for one year to 1 January 2026. The implementation of these reforms may result in higher capital and liquidity requirements, which could impact Groupe BPCE funding costs.

On 26 November 2024, the Financial Stability Board ('FSB'), in consultation with the Basel Committee on banking supervision and national authorities, published the 2024 list of global systemically important banks ('G-SIBS'). Groupe BPCE is classified as a G-SIB by the FSB. Groupe BPCE also appears on the list of global systematically important institutions ('G-SIIs') for the financial year 2024.

These regulatory measures, which may apply to various Groupe BPCE entities, and any changes in such measures, may have a material adverse impact on Groupe BPCE's business and results.

Legislation and regulations have recently been enacted or proposed in recent years with a view to introducing a number of changes, some permanent, in the global financial environment. These new measures, aimed at avoiding a new global financial crisis, have significantly altered the operating environment of Groupe BPCE and other financial institutions, and may continue to alter this environment in the future. Groupe BPCE is exposed to the risk associated with changes in legislation and regulations. These include the new prudential backstop rules, which measure the difference between the actual provisioning levels of defaulted loans and guidelines, including target rates, depending on the age of the default and the presence of guarantees.

In today's evolving legislative and regulatory environment, it is impossible to foresee the impact of these new measures on Groupe BPCE. The updating or development of programmes to ensure compliance with these new legislative and regulatory measures and of its information systems in response to or in anticipation of the new measures generates, and could, in the future, generate, significant costs for the Group. Despite its best efforts, Groupe BPCE may also be unable to fully comply with all applicable laws and regulations and may thus be subject to financial or administrative penalties. In addition, new legislative and regulatory measures could force the Group to adapt its activities and/or consequently affect its results and financial position. Lastly, new regulations may require Groupe BPCE to strengthen its equity or increase its total funding costs.

The late publication of regulatory standards could also lead to delays in their implementation in Groupe BPCE tools.

The risk associated with regulatory measures and subsequent changes to such measures is significant for Groupe BPCE in terms of impact and probability and is therefore carefully and proactively monitored.

BPCE may have to help entities belonging to the financial solidarity mechanism in the event they experience financial difficulties, including entities in which BPCE holds no economic interest.

As the central institution of Groupe BPCE, BPCE is responsible for ensuring the liquidity and solvency of each regional bank (Banques Populaires and Caisses d'Epargne) and the other members of the group of affiliates. The group of affiliates includes BPCE subsidiaries, such as Natixis, Crédit Foncier de France, Oney, and Banque Palatine. In the case of Groupe BPCE, all the financial institutions affiliated with the central institution of Groupe BPCE benefit from a guarantee and solidarity system whose purpose, in accordance with Articles L. 511-31, L. 512-107-5 and L. 512-107-6 of the French Monetary and Financial Code, is to guarantee the liquidity and solvency of all affiliated financial institutions and to organize financial solidarity within the Group.

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

The three guarantee funds created to cover Groupe BPCE's liquidity and insolvency risks are described in Note 1.2 'Guarantee mechanism' to the consolidated financial statements of Groupe BPCE included in the Universal Registration Document. The regional banks are obligated to make additional contributions to the guarantee fund on their future profits. While the guarantee fund represents a substantial source of resources to fund the solidarity mechanism, there is no guarantee these revenues will be sufficient. If the guarantee funds prove insufficient, BPCE, due to its missions as a central institution, will have to do everything necessary to restore the situation and will have the obligation to make up the deficit by implementing the internal solidarity mechanism that it has put in place, by mobilizing its own resources, and may also make unlimited use of the resources of several or all of its affiliates.

As a result of this obligation, if a member of the Group were to encounter major financial difficulties, the event underlying these financial difficulties could have a negative impact on the financial position of BPCE and that of the other affiliates, thus called upon to provide support under the legal principle of financial solidarity.

Investors in BPCE's securities could suffer losses if BPCE and all of its affiliates were to be subject to liquidation or resolution procedures.

The EU regulation on the Single Resolution Mechanism No. 806/214 and the EU Directive for the recovery and resolution of banks No. 2014/59, as amended by EU Directive No. 2019/879 (the 'BRRD'), as transposed into French law in Book VI of the French Monetary and Financial Code, give the resolution authorities the power to impair BPCE securities or, in the case of debt securities, to convert them to capital.

Resolution authorities may write down or convert capital instruments, such as BPCE's Tier-2 subordinated debt securities, if the issuing institution or the group to which it belongs is failing or likely to fail (and there is no reasonable prospect that another measure would avoid such failure within a reasonable time period), becomes non-viable, or requires extraordinary public support (subject to certain exceptions). They must write down or convert additional capital instruments before opening a resolution proceeding, or if doing so is necessary to maintain the viability of an institution. Any write-down of capital instruments must be effected in order of seniority so that Common Equity Tier-1 instruments are to be written down first, then additional Tier-1 instruments are to be written down, followed by Tier-2 instruments. Additional capital instruments must be converted in order of priority, such that additional Tier-1 instruments are converted first, followed by Tier-2 instruments. If the write-down or conversion of capital instruments is not sufficient to restore the financial health of the institution, the bail-in power held by the resolution authorities may be applied to write down or convert eligible liabilities, such as BPCE's senior non-preferred and senior preferred securities.

At 31 December 2024, total Tier-1 capital amounted to €73.8 billion and Tier-2 prudential capital to €12.2 billion. Senior non-preferred debt instruments amounted to €36.4 billion at that date, of which €32.5 billion had a maturity of more than one year and were therefore eligible for TLAC and MREL.

As a result of the complete legal solidarity, and in the extreme case of a liquidation or resolution proceeding, one or more affiliates may not find itself subject to court-ordered liquidation or be affected by resolution measures within the meaning of the 'BRRD', without all affiliates and BPCE also being affected. In accordance with Articles L. 613-29 and L. 613-55-5 of the French Monetary and Financial Code, the judicial liquidation proceedings and resolution measures are therefore brought in a coordinated manner with regard to the central institution and all of its affiliates.

Article L. 613-29 also provides that, in the event of court-ordered liquidation proceedings being brought against all affiliates, the external creditors (of the same rank or enjoying identical rights) of all affiliates would be treated equally according to the ranking of the creditors and regardless of whether they are attached to a particular affiliated entity. As a result, investors in AT1 instruments and other securities of the same rank would be more affected than holders of Tier-2 and other securities of the same rank, which, in turn, would be more affected than investors in external senior nonpreferred debt, which, in turn, would be more affected than investors in external senior preferred debt. Similarly, in the event of resolution, and in accordance with Article L. 613-55-5 of the French Monetary and Financial Code, identical depreciation and/or conversion rates would be applied to debts and receivables of the same rank, regardless of their attachment to a particular affiliated entity in the order of the hierarchy recalled above.

Due to the systemic nature of Groupe BPCE and the assessment currently made by the resolution authorities, resolution measures would be more likely to be taken than the opening of judicial liquidation proceedings. A resolution procedure may be initiated against BPCE and all affiliated entities if (i) the default of BPCE and all affiliated entities is proven or foreseeable, (ii) there is no reasonable expectation that another measure could prevent this failure within a reasonable time frame, and (iii) a resolution measure is required to achieve the objectives of the resolution: (a) guarantee the continuity of critical functions, (b) avoid material adverse impacts to financial stability, (c) protect State resources by minimizing the use of exceptional public financial support and (d) protect client funds and assets, particularly those of depositors. Failure of an institution means that it does not respect requirements for continuing authorization, it is unable to pay its debts or other liabilities when they fall due, it requires extraordinary public financial support (subject to limited exceptions), or the value of its liabilities exceeds the value of its assets.

In addition to the bail-in power, resolution authorities are provided with broad powers to implement other resolution measures with respect to failing financial institutions or, under certain circumstances, their groups, which may include (without limitation): the total or partial sale of the institution's business to a third party or a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), discontinuing the listing and admission to trading of financial instruments, the dismissal of managers or the appointment of a temporary administrator (administrateur spécial) and the issuance of new equity or own funds.

The exercise of the powers described above by resolution authorities could result in the partial or total write-down or conversion to equity of the capital instruments and the debt instruments issued by BPCE or may substantially affect the amount of resources available to BPCE to make payments on such instruments, potentially causing BPCE investors to incur losses.

Tax legislation and its application in France and in countries where Groupe BPCE operates are likely to have an adverse impact on Groupe BPCE's results.

As a multinational banking group that carries out large and complex international transactions, Groupe BPCE (particularly Natixis) is subject to tax legislation in a large number of countries throughout the world and structures its activity in compliance with applicable tax rules. Changes in tax schemes by the competent authorities in these countries could materially impact Groupe BPCE's results. Groupe BPCE manages its activities with a view to creating value from the synergies and sales capabilities of its various constituent entities. It also endeavours to structure the financial products sold to its customers in such a way as to take account of their tax consequences and ensure that they are fully tax compliant. The structure of intragroup transactions and financial products sold by entities of Groupe BPCE are based on its own interpretations of applicable tax regulations and laws, generally based on opinions given by independent tax experts, and, as needed, on decisions or specific interpretations by the competent tax authorities. It is possible that, in the future, tax authorities may challenge some of these interpretations, as a result of which the tax positions of Groupe BPCE entities may be disputed by the tax authorities, potentially resulting in tax reassessments, which may, in turn, have an adverse impact on Groupe BPCE's results.

In France, the Barnier government being overthrown meant that the Finance Act for 2025 was not adopted before the end of 2024, which created uncertainty about the taxation levels of activities exercised in France by Groupe BPCE in respect of the 2024 financial year. The Finance Act for 2025 was adopted on 5 February 2025, and provides for an exceptional contribution to the profits of large companies that will only apply to the financial year ended 31 December 2025 (an exceptional contribution of 41.20%, increasing the effective tax rate to 36.2%). The corporate income tax rate remained at 25.83% for the financial year ended 31 December 2024.

Details of ongoing tax disputes are presented in the Legal Risks section of this Universal Registration Document.

2 Governance and risk management framework

2.1 Groupe BPCE framework

The risk management function and the compliance certification function ensure, among other tasks, the permanent control of risks and compliance.

The Risk Management and/or Compliance Departments ensure the effectiveness of the risk management system. They ensure the assessment and prevention of risks, the development of the risk policy integrated into the management policies of operational activities, and the permanent monitoring of risks.

Within BPCE's central body, the Risk Management Department, and the General Secretariat in charge of compliance, security, and permanent controls ensure the consistency, uniformity, effectiveness, and completeness of the measurement, monitoring, and management of risks. These departments are responsible for the Group's consolidated risk management.

The missions of the latter are carried out independently of the operational departments. Its operating procedures, particularly in terms of business lines, are set out in the Group's Risks, Compliance and Permanent Control Charter, approved by the Management Board of BPCE on 7 December 2009 and last updated in December 2021, in line with the order of 3 November 2014, as amended on 25 February 2021, dedicated to internal control. The Risk Management and Compliance Department of our institution is attached to it with a strong functional link.

2.2 Risk, Compliance, Permanent Control, and Financial Security Department (RCS)

Palatine's Risk and Compliance department reports to the Chief Executive Officer and reports functionally to the BPCE Risk department and to the Group Corporate Secretary's Office in charge of compliance and permanent controls

The Risk Management and Compliance Department covers all risks: credit risks, financial risks, operational risks, non-compliance risks, climate risks, as well as cross-functional risk management and control activities. In accordance with Article 75 of the order of 3 November 2014, as amended on 25 February 2021, regarding internal control, it provides for the measurement, monitoring, and control of risks.

To ensure its independence, the risk and compliance functions, which are separate from the other internal control functions, are independent of all functions carrying out commercial, financial, or accounting transactions.

In risk management, Banque Palatine applies all principles of the Group's Risks, Compliance and Permanent Control Charter. The Risk Management and Compliance Department independently controls the correct application of standards and methods of risk measurement, including limits and delegation frameworks. It makes sure the risk policy is respected within the framework of its second-level permanent controls.

The executive management ensures that the risk management systems put in place are appropriate to the risk profile and the business strategy of the institution, in accordance with the regulations concerning the prudential requirements applicable to credit institutions and investment entities (European directives CRR3 and CRD6).

The Risk Management and Compliance Department:

- proposes Banque Palatine's risk policy, in line with the Group's risk policy (limits, caps, etc.);
- identifies risks, establishes a macro-mapping with a list of priority risks, and manages the annual process of reviewing the risk appetite system and the annual control plan;
- contributes to the development of risk management systems and policies regarding operational activities (quantitative limits, framework for delegations of authority, analysis of new products or new activities);
- confirms and ensures second-level control of risks (standards for valuing transactions, provisions, risk management systems);
- contributes to the definition of the first-level permanent control standards for risks and/or compliance and ensures their proper application (the definition of Group standards and methods being the responsibility of the central body);

- ensures the monitoring of all risks, including non-compliance, in particular the reliability of the system for detecting limit breaches and the monitoring and control of their resolution;
- assesses and controls the level of risks (stress scenarios, etc.);
- prepares risk reports for the executive bodies (the effective managers and the Board of Directors), contributes to the legal or regulatory reports, and alerts the effective managers and the Board of Directors in the event of a significant incident (Article 98 of the order of 3 November 2014, as amended on 25 February 2021, regarding internal control);
- contributes to the dissemination of the risk and compliance culture within the institution.

2.2.1 Dedicated organisation and resources

The Risk Management and Compliance Department has 45 employees, broken down as follows:

- the Credit Risk Department;
- the Prudential Management Department (RWA and prudential ratios, monitoring);
- the Operational Risk and Anti-Fraud Coordination Department, the data protection and security function, including information systems security and business continuity;
- the Financial Risks Department (market risks and ALM risks);
- the Compliance and Ethics Department;
- the Financial Security Department (AML-CFT and international sanctions);
- the Permanent Control Department;
- the Financial Control Department;

Thus, its organisation effectively breaks down the specialised functions by risk area, mainly: credit risks, financial risks, operational risk, and non-compliance risks, with the support of the cross-functional vision conferred by the coordination of permanent controls and by the financial control in charge of second-level controls of the bank’s accounting and financial information.

Structuring decisions in terms of risk and compliance are made by the Executive Risk Committee, which meets quarterly and is responsible for managing all risks.

This committee is responsible for defining the institution’s major risk guidelines (limits, risk policies, delegated charters, etc.). It regularly reviews the main credit, operational, and financial risks of our institution.

2.2.2 Organisation of internal control for consolidated companies of the Groupe Palatine

The Risk and Compliance department covers the entire consolidated scope of Palatine and, in particular, Palatine Asset Management, a portfolio management company, and Ariès Assurances, an insurance brokerage company operating in the field of collective social protection.

Palatine Asset Management has a head of compliance and internal control in charge of second-level controls and reporting functionally to the Chief Risk and Compliance Officer of Palatine.

He or she reports back to the Palatine Asset Management Audit Committee, which includes, as permanent guests:

- the Chief Risk and Compliance Officer of Palatine;
- Palatine's head of internal audit.

The minutes of the meetings of Palatine Asset Management's Audit and Risk Committee are systematically sent to Palatine's Audit Committee and Risk Committee.

2.2.3 Changes in 2025

The organisation of the Risk and Compliance department did not change in 2025.

A new head of risks, compliance, and permanent control was appointed in early 2025.

2.3 Main risks of 2025

Palatine's overall risk profile corresponds to that of a retail bank but with a strong exposure to the corporate segment, the institution being particularly present in the mid-sized company market. The risks are mainly concentrated on credit activity in order to support and finance the economy.

The breakdown of Palatine's risk-weighted assets at 31 December 2025 was as follows:

- credit risk (including CVA): 93.91%;
- market risk: 0.20%;
- operational risk: 5.89%.

It should be noted for market risk a parallel calculation of CRR regulation (SSA)/CRR2 regulation (FRTB) since the closing of September 2021.

The cost of risk amounted to €45.5 million in 2025, down from €62.3 million in 2024.

2.4 Risk and compliance culture

In carrying out their different tasks, Groupe BPCE's entities are guided by the Group's Internal Control Charter and Risks, Compliance and Permanent Control Charter. The latter specifies, in particular, that the supervisory body and the executive management of each institution must promote the risk and compliance culture at all levels of their organisation, and that the Risk and Compliance departments must coordinate the dissemination of the risk and compliance culture among all employees, in coordination with all the other channels and/or functions of Palatine.

Overall, the Risk Management and Compliance Department:

- participates in risk management and compliance verification function days, special moments for discussions on risk issues, presentation of the work carried out by the various functions, training, and sharing of best practices between institutions, which are also broken down by area, the main ones being: loans, financial, operational, and non-compliance involving all Group institutions. Dedicated working groups complete this system;
- enhances its regulatory expertise, in particular through the receipt and distribution of educational regulatory documents;
- sets out the organisations and systems used to manage risks, verify compliance, and carry out permanent controls;
- carries out regular interventions in the institution's various functions (sales functions, support functions, etc.) to promote the risk and compliance culture;
- is represented by its Chief Risk and Compliance Officer at audio conferences with the central body or regional meetings bringing together the heads of risk and compliance of Groupe BPCE's networks and subsidiaries on topical issues;
- contributes, through its executives or its Chief Risk and Compliance Officer, to the decisions taken by the committees dedicated to the risk management function at Group level, in particular the Group Credit and Counterparty Committee, the Group Watch List and Provisions Committee and the validation of Permanent Control Committee;
- benefits, on behalf of its employees, from an annual training programme distributed by BPCE and supplemented by internal training courses (BPCE's risk & compliance academy courses were followed);
- prepares the macro-risk map for the institution, assessing its risk profile and identifying the main high-priority risks;
- lists the internal models specific to the institution as part of the Group's system for managing model risk;
- manages the annual review of the institution's risk appetite indicators as part of the system put in place by the Group;
- disseminates the risk and compliance culture and shares best practices with the other Groupe BPCE entities;
- measures the level of risk and compliance culture, based on a self-assessment based on a questionnaire of 139 questions on the risk and compliance culture, based on the recommendations of the FSB 2014, AFA 2017 and the EBA 2018 guidelines.

More specifically, to coordinate cross-functional projects, the institution's Risk Management and Compliance Department relies on BPCE's Risk Management Department and the Group General Secretariat in charge of compliance and permanent controls at Groupe BPCE, which contribute to the proper coordination of the risk management and compliance certification function and manage the overall monitoring of risks, including those inherent to compliance within the Group.

2.5 Palatine macro-risk mapping

Palatine's macro-risk mapping complies with the regulations, in particular the order of 3 November 2014, as amended on 25 February 2021, dedicated to internal control, which states in its Articles 100, 101 and 102 (repeating the provisions contained in CRBF 97-02) the need for a ‘risk mapping that identifies and assesses the risks incurred with regard to internal and external factors’, as well as with the EBA's ‘internal governance guidelines’ published on 1 July 2018. Palatine meets this obligation with the ‘macro-risk mapping’ system developed by Groupe BPCE.

This macro-mapping aims to secure the activities of the institutions, to consolidate their financial profitability, and their long-term development. This risk-based approach, through a rating of the risk management system, enables the implementation and monitoring of targeted action plans.

The macro-risk mapping plays a central role in an institution's overall risk management system: through the identification and rating of its risks, in particular through the assessment of the risk management system, each Group institution has its own risk profile and priority risks. This risk-based approach serves to update the risk appetite and the permanent/periodic control plans of Group institutions on a yearly basis.

The integration of the macro-risk mapping in the permanent control management tool PRISCOP makes it possible to automate the risk-control links in the risk-management system. Action plans targeting high-priority risks are defined with the goal of reducing and/or managing risks.

The results of the macro-risk mapping contribute to the exercise of the supervisory review and evaluation process (SREP) of the Group, by identifying the main risks in the risk management and prudential approach and feeding, in particular, the annual internal control report, and the internal capital adequacy assessment process (ICAAP) report.

In 2023, a consolidation of the macro-mapping was carried out for each of the networks. Each institution is able to compare the results of its own macro-level risk mapping with those of its network. Action plans set up by the institutions to address their priority risks were also consolidated.

2.5.1 Risk appetite framework

Groupe BPCE’s risk appetite is defined as the level of risk it is willing to accept with the goal of increasing its profitability while maintaining solvency. This risk appetite must be aligned with the institution’s operating environment, strategy, and business model, while making customer interests the top priority. In determining its risk appetite, Groupe BPCE aims to steer clear of any major pockets of concentration and to optimise equity allocation.

The system is based on:

- the definition of the Group's risk profile (or Risk Appetite Statement), which ensures consistency between the Group's DNA, its cost and revenue model, its risk profile, and its loss-absorbing capacity, as well as its risk management system;
- indicators covering all the main risks to which the bank is exposed and completed by the limits or thresholds triggering the measures and specific governance in the event of overruns;
- governance integrated into the Group's governance bodies for its creation and review, as well as in the event of a major incident; as well as a roll-out of all the principles at each Group institution;
- a full operational inclusion with cross-cutting systems for financial planning.

The risk appetite is defined according to five criteria specific to Groupe BPCE:

- its DNA;
- its cost and revenue model;
- its risk profile;
- its capacity to absorb losses; and
- and its risk management system.

Groupe BPCE's DNA

As a decentralised and supportive cooperative group, Groupe BPCE organises its business around capital held mainly locally in its regional institutions and centralised market funding, optimising the resources provided to the entities. Due to its cooperative nature, Groupe BPCE aims to provide its customers with the best service over the long term, while generating long-term results.

Groupe BPCE:

- must preserve the solvency, liquidity and reputation of each Group entity – a duty assumed by the central institution through the oversight of consolidated risks, a risk policy, and shared tools;
- is made up of regional entities and banks, which own the Group and its subsidiaries. In addition to normal management operations, in the event of a crisis, solidarity mechanisms between Group entities ensure the circulation of capital and prevent the entities or the central institution from defaulting;
- focuses on the structuring risks of its universal banking business model, with a predominant component in retail banking in France, while integrating other business lines necessary to serve all customers;

- diversifies its exposures by developing certain activities in line with its strategic plan:
  - development of bancassurance and asset management,
  - international development (mainly global customers banking and asset management, and more targeted retail banking).

In terms of risk profile, Groupe BPCE bears risks that are intrinsically linked to its retail banking businesses and its global customers banking activities.

The institution's DNA

Palatine is a financing bank with strong activity in the corporate market and a strong presence in the mid-sized company market. Palatine supports corporate clients in their various needs, in particular the financing of their international and equity financing transactions, as well as the management of their foreign exchange and interest rate risks.

Palatine is also exposed to retail credit risks, but more particularly in the private customer market.

As a wholly-owned subsidiary of BPCE, Palatine's priority is to provide the best client service while preserving solvency and long-term profitability.

2.5.1.1 Business model

Groupe BPCE focuses on the structuring risks of its banking and insurance business model, with a predominant component in retail banking in France, while integrating other business lines required to serve the Group's customers.

It is fundamentally a universal bank in all segments and markets and is present throughout the country through two competing networks whose regional entities have territorial jurisdiction defined by their region of activity. In order to strengthen this franchise and offer a complete range of services to its customers, Groupe BPCE is developing an economic financing activity, mainly for SMEs, professionals, and individuals.

Certain activities (in particular, specialised financial services, global customer banking, asset management, and insurance) are housed in specialised subsidiaries.

Lastly, given the context of changes in interest rates in which Groupe BPCE operates, on the one hand, and the commitment to generate resilient and recurring income, on the other, the Group maintains a balance between the search for profitability and the risks related to its activities.

Palatine has a more specialised customer profile in the mid-sized corporate and wealth management customer segments. It offers all the services of a retail bank and relies on the Group's specialised financial services. An activity dedicated to asset management also meets the more specific needs of its customers and is housed in a subsidiary.

2.5.1.2 Risk profile

The balance between the search for profitability and the level of risk accepted is reflected in Groupe BPCE's risk profile and is reflected in the Group's risk management policies.

Palatine assumes risks intrinsically linked to its retail banking business lines, more specifically for corporate and wealth management customers.

Due to its business model, the following risks are assumed:

- the credit and counterparty risk resulting from the predominant activity of lending to individuals and companies is controlled through Group risk policies, included in its risk policy, concentration limits by counterparty, country, and sector, and an appropriate delegated system supplemented by portfolio monitoring and a monitoring system;
- the structural interest rate risk is linked in particular to its intermediation and transformation activity, which is closely linked to its lending activity. It is governed by common Group standards and its own limits;
- the liquidity risk is managed at Group level, which allocates liquidity to Palatine to supplement the customer resources raised locally. In addition, Palatine is responsible for managing its liquidity reserve in accordance with Group rules;
- the non-financial risks are governed by standards that cover non-compliance risks, fraud, information system security, conduct risks, legal and other operational risks. To this end the following are implemented:
  - a common data collection framework for all of the Group's establishments and tools for annual mapping and reporting of losses and incidents over time,
  - monitoring of the major risks and risks to be managed by Palatine,
  - action plans on specific risks and enhanced monitoring of emerging risks.

Lastly, the alignment of the requirements of individual customers and credit investors imposes a very strong aversion to reputational risk.

Palatine focuses on specific market risk scopes that remain limited, since the positions taken for customers are systematically hedged.

The evolution of its business model extends its exposure to certain types of risks, in particular risks related to asset management and the development of international activities.

It is prohibited to engage in uncontrolled activities or trading on own account. Activities with high risk profiles and profitability are strictly regulated.

Whatever the activities, entities or regions, Palatine's employees aim to operate at the highest level of ethics and conduct, and according to the highest standards of execution and security of operations.

Risk management is governed by:

- governance with dedicated committees to monitor all risks;
- framework documents (guidelines, policies, standards, etc.) and charters;
- a permanent control system.

2.5.1.3 Capacity to absorb losses

Groupe BPCE has a high level of liquidity and solvency, reflecting, where applicable, its ability to absorb the occurrence of a risk at the entity or Group level.

In terms of solvency, the Group is able to absorb the risk over the long term through its capital structure.

In terms of liquidity, the Group has a significant reserve composed of cash and securities to meet regulatory needs, to satisfy stress tests, and also to access unconventional financing mechanisms with central banks. It also has good quality assets eligible for market refinancing schemes and those offered by the ECB.

The Group ensures the robustness of this system through the implementation of global stress tests carried out on a regular basis. They are intended to verify the Group's resilience, particularly in the event of a serious crisis.

Palatine's loss-absorbing capacity is closely monitored and relies, in particular, on the monitoring of the concentration risk of the credit portfolio, the monitoring of liquidity risk, and the quality of the assets of the reserve.

2.5.1.4 Risk management framework

The implementation of the risk appetite is based on four essential components: (i) the definition of common benchmarks, (ii) the existence of a set of limits in line with those defined by the regulations, (iii) the distribution of expertise and responsibilities between local and central, and (iv) the functioning of governance within the Group and the various entities, allowing an effective and resilient application of the risk appetite system.

The establishment:

- is primarily responsible for the management of its risks within its scope and has, as such, dedicated permanent control manager(s);
- manages the risk appetite components through a set of standards and guidelines drawn from Internal Control Charters designed at Group level;
- lastly, our institution has adopted a set of limits applicable to the various risks and applied at Group level.

The Group and the institution's risk appetite system are regularly updated. Any exceeding of the quantitative limits defined in the risk appetite system is subject to an alert and an appropriate remediation plan that can be approved by the Executive Management Committee and communicated to the Board of Directors if necessary.

2.6 Disclosures by the governing body within the meaning of Article 98 of the order of 3 November 2014 on internal control

2.6.1 Operational risks

The bank's control processes include the immediate reporting to executive management, the Board of Directors, BPCE, and the *Autorité de contrôle prudentiel et de résolution* (ACPR), the French prudential supervisory authority for the banking and insurance sector, of any provisioned or definitive loss greater than or equal to 0.5% of its common equity tier 1, for operational risks, in accordance with Article 98 of the order of 3 November 2014 on internal control, and BPCE's decisions.

In this regard, no incidents were reported in 2025.

2.6.2 Credit risk

Palatine is subject to the Groupe BPCE standard on credit risks of 2 December 2015, which sets an alert threshold of 2% of equity.

This threshold, calculated on the basis of the equity at 31 December 2025, amounts to €26.75 million.

In this regard, no incidents were reported in 2025.

3 Capital management and equity adequacy

3.1 Regulatory framework

The Basel III agreement, transposed into European Union legislation through the capital requirements regulation (CRR) and the capital requirements directive (CRD), which were passed by the European Parliament on 16 April 2013 and published in the official journal of the European Union on 26 June 2013, defined the prudential supervision rules applicable to credit institutions and investment companies. Institutions concerned are required to maintain an overall capital adequacy ratio of at least 8% at all times.

The CRR and CRD IV texts were reviewed on 7 June 2019. The CRR 2 and CRD V texts were published in the official journal of the European Union for implementation in June 2021. With the Basel III reform, these were then adapted and approved on 6 December 2023 (CRR 3/CRD VI) by the Council and the European Parliament for entry into force on 1 January 2025.

This capital adequacy ratio is equal to the ratio between total equity and the sum of:

- assets weighted by credit, counterparty, and dilution risk;
- equity requirements with respect to the prudential supervision of market, operational, and credit valuation adjustment (CVA) risk multiplied by 12.5.

Article 92 of the CRR sets a minimum common equity tier 1 ratio of 4.5% and a minimum equity tier 1 ratio of 6%.

Regulatory equity and Basel III capital adequacy ratios

in millions of euros	31/12/2025	31/12/2024
Consolidated equity	1,231.38	1,180.78
Perpetual deeply subordinated notes classified as other comprehensive income	(100.00)	(100.00)
Consolidated equity excluding perpetual deeply subordinated notes classified as equity	1,131.38	1,080.78
Non-controlling interests		
Common equity tier 1 (CET1) before deductions	1,072.70	1,049.46
Deductions from common equity		
• Goodwill		
• Other intangible fixed assets	(4.18)	(4.08)
Other prudential adjustments	(50.94)	(62.81)
Common equity tier 1 (CET1)	1,017.59	982.57
Deeply subordinated notes		
Other additional equity tier 1 (AT1)	100.00	100.00
Equity tier 1 (A)	**1,117.59**	**1,082.57**
Equity tier 2	219.94	257.83
Equity tier 2 (B)	**219.94**	**257.83**
TOTAL REGULATORY EQUITY (A + B)	**1,337.52**	**1,340.40**
Credit risk-weighted assets	9,948.62	9,903.00
Market risk-weighted assets	21.98	17.55
Operational risk-weighted assets	625.05	677.79
CVA risk-weighted assets	23.59	20.68
TOTAL BASEL III RISK-WEIGHTED ASSETS	**10,619.23**	**10,619.01**
Capital adequacy ratios		
Core tier 1 ratio	9.58%	9.25%
Tier 1 ratio	10.52%	10.19%
Total capital adequacy ratio	12.60%	12.62%

3.2 Composition of equity

The regulatory equity is determined in accordance with EU Regulation No. 575/2013 (‘CRR’) of 26 June 2013, as amended by EU Regulation No. 2019/876 (‘CRR2’), on the prudential requirements applicable to credit institutions and investment firms.

They are organised into three main categories:

- common equity tier 1 (CET1);
- additional equity tier 1 (AT1); and
- equity tier 2.

These categories are broken down according to decreasing degrees of solidity and stability, duration, and degree of subordination.

3.2.1 Common Equity Tier-1 (CET1) capital

Common equity tier 1 consists of the share capital and related share premiums, reserves, retained earnings, the fund for general banking risks, subject to adjustments and regulatory deductions (i.e. elimination of minority interests, deductions of goodwill and intangible assets).

The CET1 equity of €1,017.6 million includes the following items:

- capital, reserves, and undistributed profits: €1,072.7 million;
- prudential restatements (including goodwill, intangible assets and prudential backstop): -€55.1 million.

3.2.2 Additional equity tier 1 (AT1)

Additional equity tier 1 corresponds to perpetual debt instruments that feature no redemption incentive or obligation. AT1 instruments are subject to a loss absorption mechanism that is triggered when the CET1 ratio falls below a threshold, which must be at least 7%.

In March 2018, Palatine held a €100 million issue of the most deeply subordinated perpetual debt qualifying for AT1 equity.

3.2.3 Equity tier 2

Equity tier 2 corresponds in particular to subordinated instruments issued, meeting the restrictive eligibility criteria according to Article 62 of the CRR2. Palatine's equity tier 2 consists of five eligible fixed-term subordinated loans amounting to €340 million, breaking down into:

- €150 million (issued on 7 December 2015 and maturing in 2025);
- €50 million (issued on 22 December 2017 and maturing in 2027);
- €25 million (issued on 28 September 2022 and maturing in 2032);
- €75 million (issued on 27 March 2023 and maturing in 2033);
- €40 million (issued on 18 December 2023 and maturing in 2033).

The €150 million loan has been amortised prudentially since 31 December 2020.

3.3 Equity requirements and risk-weighted assets

The bank calculates its risk-weighted exposures using the standardised approach for credit, market, operational, and CVA risk.

Risk-weighted assets for credit, market and operational risk and credit valuation adjustment risk

in millions of euros	Risk-weighted exposure 31/12/2025	Risk-weighted exposure 31/12/2024
Central governments or central banks	81	92
Public sector entities	0	0
Institutions	63	64
Secured bonds	0	3
Corporate customers	6,659	6,735
Retail	156	235
High-risk exposures	0	575
Acquisition, Development, and Construction	435	
Exposures secured by a real estate mortgage	2,052	1,763
Exposures in default	356	303
Collective investment undertakings	15	16
Exposure in the form of shares	32	15
Other items	90	99
Credit risk exposures	9,949	9,903
Market risk exposure	22	18
Operational risk exposures	625	678
CVA risk exposures	24	21
TOTAL AMOUNT OF RISK EXPOSURES	**10,619**	**10,619**
CET1 equity	1,018	983
CET1 ratio	**9.58%**	**9.25%**
Equity tier 1	1,118	1,083
AT1 ratio	**10.52%**	**10.19%**
Total equity	1,338	1,340
Total capital adequacy ratio	**12.60%**	**12.62%**

At 31 December 2025, the risk-weighted assets calculated in accordance with the Basel IV reference framework amounted to €10,619 million.

The ‘Basel IV’ calculation methods for the capital adequacy ratio are defined in accordance with the texts passed on 16 April 2013 by the European Parliament and published in the Official Journal of the European Union on 26 June 2013, as amended by Regulation No. 2024/1623 (CRR3). Payments are also supplemented by Technical standards of the European Banking Authority, such as the ratio between overall regulatory equity and the sum of:

- credit risk-weighted exposures calculated by Palatine using the standardised approach;
- equity requirements with respect to the prudential supervision of market, operational, and credit valuation adjustment (CVA) risk multiplied by 12.5.

3.4 Leverage ratio

The leverage ratio aims to control the development of the leverage effect on the balance sheets of institutions with regard to their equity. Its calculation methods are determined by the CRR2 Regulation, EU Regulation No. 2019/976 amending the CRR regulation, and EU Regulation No. 2013/575, amended by EU Regulation No. 2020/873. The CRR2 regulation is applicable from 28 June 2021 in the European Union.

The leverage ratio is equity tier 1 divided by exposures, which means on- and off-balance sheet assets, restated for derivatives, securities financing transactions, and assets deductible from capital. The minimum leverage ratio is currently 3%.

The leverage ratio, calculated in accordance with the European Commission Delegated Regulation of 10 October 2014, was 6.95% at 31 December 2025, compared with 7.01% for the previous financial year, based on Tier-1 capital.

in millions of euros	31/12/2025	31/12/2024
TOTAL CONSOLIDATED ASSETS ACCORDING TO PUBLISHED FINANCIAL STATEMENTS	**19,326**	**19,142**
Adjustment for financial derivatives	(50)	(52)
Adjustment for commitments given (conversion of loan-equivalent amounts of off-balance sheet exposures)	2,037	2,063
Adjustments for equity	(18)	(18)
Intragroup deductions (1)	(4,542)	(5,055)
Deduction of Livret A, LDD, and LEP passbook savings accounts (2)	(664)	(630)
Deduction of central bank exposures	0	0
TOTAL LEVERAGE EXPOSURES	**16,091**	**15,451**

(1) This is an exemption for intragroup transactions only for counterparties established in the same member state as the institution, according to Article 429a1 c) exposures that receive a risk weight of 0% in accordance with the Article 113 § 6 or § 7.

(2) The CRR2 Regulation makes the exemption relating to centralised savings mandatory with Caisse des dépôts for 100% of the centralised outstandings automatic (429a1(j)).

3.5 Quality controls on accounting and financial information

The main functions that contribute to the preparation and communication of accounting and financial information are accounting, management control, and the General Secretariat.

The preparation and processing of accounting and financial information is the responsibility of the finance function, whose head is the bank's finance director. Accounting and management controls are placed under its responsibility.

3.5.1 Accounting

The main duties of the Accounting Department are:

- preparation of the parent-company financial statements;
- preparation of the consolidated financial statements for the Palatine Group in accordance with the standards governing Groupe BPCE;
- production of regulatory reports and ratios;
- definition of accounting frameworks, ensuring compliance with Group accounting standards and guides;
- identification and quantification of the accounting impacts of company projects;
- contribution of expertise for the development of the accounting information system;
- responsibility for accounts payable and paying supplier invoices.

3.5.2 Presentation of the Accounting department's internal control framework

For Palatine, the accounting function prepares quarterly consolidated financial statements in accordance with IFRS and publishes them half-yearly. Data is consolidated based on the financial statements of each entity in the scope of consolidation.

Data is added to a central database, and consolidation adjustments are then made. Accounting uses Groupe BPCE's accounting tool, which ensures the internal consistency of scopes, charts of accounts, processes, and analyses for the entire consolidated scope of Groupe Palatine and Groupe BPCE.

Palatine's internal control framework plays an instrumental role in risk management and contributes to the quality of its accounting and regulatory information. It is organised in accordance with the legal and regulatory requirements arising from the French Monetary and Financial Code and the order of 3 November 2014 on internal control.

The 'quality control framework for accounting and financial information' was approved by the Group Internal Control Coordination Committee on 9 June 2016. This is a single-unified framework and applies to all Groupe BPCE entities in the consolidated supervisory scope, replacing the Group's old accounting and regulatory review charter.

3.5.3 Application of the control framework to accounting and financial data

Accounting and regulatory controls are carried out by various internal and external parties to maintain the segregation of tasks in line with a three-level control hierarchy.

3.5.3.1 First-level controls

First-level controls relate to operational or functional services embedded in accounting processes and controlled by the head of accounting

First-level controls on accounting and regulatory aspects help to verify the compliance of transactions processed with the accounting standards and procedures in force.

As far as possible, they are based on integrated management systems.

All operational services and/or departments are responsible for the first-level controls on activities within their scope and responsible for maintaining and demonstrating the audit trail, from the original document through to the corresponding entry in the relevant internal accounts. First-level control is completed with the process of justifying internal accounts.

Justification of the internal accounts takes place in Groupe BPCE's Comptabase system. This tool was launched in 2014 and has now reached cruising speed. A group of requests developed based on the tool's data allowed for better steering of the justification of accounts and measuring customer feedback in quantitative and qualitative terms.

3.5.3.2 Second-level controls

The intermediate base, known as second-level control, is organised and carried out by a specialised and dedicated function, financial control. Financial control conducts second-level independent permanent controls to enhance the reliability of processes and reinforce the quality of accounting and regulatory disclosures, in connection with the other permanent control functions.

There are two types of financial control tasks:

- control missions:
  - second-level control of the accounting processes and treatments that lead to the preparation of the separate financial statements and the consolidated financial statements,
  - second-level control of the prudential and regulatory reports;
- thematic assignments that are essential to the organisation and quality of the permanent control framework:
  - preparation and updating of mapping of accounting and financial information, the annual financial control plan, and work programmes,
  - preparation and communication of summaries,
  - monitoring the implementation of recommendations issued by financial control.

Given the nature of its tasks, financial control must ensure that it maintains a high level of competence and, in particular, must have good knowledge of accounting, regulatory statements, audit techniques, and the information system in order to facilitate the investigations required.

Financial control reports functionally to Groupe BPCE financial control, which is responsible for drafting standards relating to the control framework for accounting and financial information.

3.5.3.3 Third-level controls

The top level, or third-level controls, cover:

- periodic controls organised under the authority of the internal audit function or Groupe BPCE’s general inspection division;
- controls performed by external parties from outside the Group (statutory auditors and the *Autorité de contrôle prudentiel et de résolution* (ACPR), the French prudential supervisory authority for the banking and insurance sector);
- controls performed by authorities under government supervision, such as the French anti-corruption agency (A*gence Française Anticorruption* - AFA).

3.5.4 Management control

The management control function is responsible for preparing management information. The management control function is governed within Groupe BPCE by an operating charter stating the duties of management control.

Within Palatine, this function is performed by the Management Control department, the head of which reports to the bank's finance director.

Its main duties are:

3.5.4.1 Supporting strategic oversight and earnings management

This task is performed on behalf of Palatine’s executive management.

It extends to financial planning, earnings management, and the publication of financial information.

It draws on the planning cycle established centrally by BPCE’s management control unit, incorporating medium- and long-term projections (strategic plan), a one-year horizon (budget), and midyear updates (reforecasts/estimates).

It also includes occasional studies to enrich management discussions concerning the merits of setting up new activities or to decide between investment options.

It aims to produce the most relevant information in the form of performance indicators for executive management (e.g. commercial briefings, financial dashboard).

3.5.4.2 Measuring, analysing, and helping to optimise performance

This role encompasses shedding light on contributions to Group results made by each business line, product, and sales network. It uses valuation and income and expense apportionment methods and techniques deriving from management accounting in line with the agreements in force at Groupe BPCE.

3.5.4.3 Designing management standards and tools for the company

Management control has a standard-setting role, devising and implementing management indicators. It is responsible for the reliability of the management data contained in reporting and financial releases. It is involved in the preparation of activity and management reporting used to steer the Group.

3.5.5 The Corporate Secretary’s Office

Financial communication is the responsibility of the General Secretariat. The Institutional Affairs and Investments department, which manages governance operationally, is responsible for disseminating the financial information published and made available to financial analysts and institutional investors on Palatine’s website and through documents updated annually and registered, if necessary, with the French Financial Markets Authority (AMF - *Autorité des Marchés Financiers*).

The validation process implemented is geared to the nature of each individual publication.

The General Secretariat's duties in relation to accounting and financial information are to coordinate and prepare presentations of the bank’s results and developments concerning it to give third parties an idea of its financial strength, profitability, and outlook.

4 Credit and counterparty risks

4.1 Definitions

Credit risk is the risk incurred in the event of default by a debtor or counterparty, or debtors or counterparties considered to be the same group of related customers in accordance with regulations; this risk may also result in the loss of value of securities issued by the defaulting counterparty.

Counterparty risk is defined as the risk that the counterparty of a transaction will default before final settlement of all cash flows related to the transaction.

4.2 Organisation of credit risk management

In the framework of its risk appetite system, the establishment's 'credit risk management' function:

- proposes delegation systems to undertake transactions to the effective managers, taking into account the levels of risk as well as the competencies and experiences of the teams;
- participates in setting the institution's pricing standards by ensuring that the level of risk is taken into account, in compliance with the Group standard;
- conducts dialectic analyses of credit files, excluding delegation by committee decision;
- analyses concentration, segment, and geographic risks;
- periodically monitors ratings and ensures limits are respected;
- alerts the effective managers and notifies the operational managers in the event of a limit being exceeded;
- registers on the watch list cases that are alarming or have deteriorated according to Group criteria;
- controls the implementation of risk reduction plans and participate in defining the level of necessary provisions if applicable;
- implements the permanent second-level control framework dedicated to credit risks through the Group's PRISCOP tool;
- contributes to the Group's work.

The Credit Risk Committee, in line with the definition of its risk appetite, validates the institution's credit risk policy in line with Group policies, decides on internal caps and credit limits, validates the institution's delegated manager, and examines the significant exposures and the results of the risk measurement.

4.2.1 Ceilings and limits

At BPCE level, the Risk Management Department and the General Secretariat in charge of Group compliance and permanent control measure and monitor, on behalf of the Group Risk and Compliance Committee, the compliance with the regulatory caps. The system of internal caps for institutions, which is lower than the regulatory ceilings, is applied to all Group entities. A Group limit system is also set for the main asset classes and the main groups of counterparties in each asset class.

The internal caps and Group limits are regularly reported to the bodies.

Lastly, risk monitoring is implemented by sectors through systems that translate into recommendations for the Group's institutions in certain sensitive sectors. Several sectoral policies are in place (agrifood, automotive, construction, communication and media, renewable energy, etc.). These policies take into account environmental, social, and governance (ESG) risks.

4.2.2 Rating policy

The measurement of credit and counterparty risks is based on rating systems adapted to each type of customer or transaction, for which the Risk Management Department monitors performance through the validation of models and the implementation since 2020 of a Group system dedicated to model risk management.

Rating is a fundamental element of risk assessment.

As part of the permanent control process, BPCE's Risk Management Department has, notably, implemented a centralised monitoring procedure to verify the quality of data and the due application of the Group's standards in terms of segmentation, ratings, guarantees, defaults, and losses.

4.2.3 Monitoring and supervision of credit and counterparty risks

The risk management function is independent of the operating functions: in particular, it does not have a credit-granting delegation and does not carry out the business line analysis of commitment requests.

It applies the credit risk reference framework, which is regularly updated and distributed by the BPCE Risk Management Department. This credit risk framework covers the standards and best practices to follow in each of the Groupe BPCE entities and the management and reporting standards established by the BPCE Supervisory Board or Management Board upon the recommendation of the Group Risk Committee. It is a work tool for Risk Management Department participants within the Group and represents an element of the permanent control framework of the Group's institutions.

Palatine's Risk and Compliance department has strong functional ties with BPCE's Risk department, which is in charge of:

- defining customer risk standards;
- evaluating risks (definition of concepts);
- preparing methodologies, models, and risk rating systems (scoring or expert systems);
- developing and deploying monitoring systems, standards, and data quality;
- conducting performance tests of the rating systems (back-testing);
- conducting credit risk stress scenarios (which may be completed with complementary scenarios that are defined locally);
- approving evaluation, permanent control, and reporting standards.

In addition, BPCE centralises monitoring of the Risk Management Department's control.

The supervision of Palatine's risks relates to data quality and the quality of exposure. It is steered through indicators for each class of assets.

Groupe BPCE applies IFRS 9 'financial instruments', which defines the new rules for classifying and measuring financial assets and liabilities, the new impairment methodology for credit risk on financial assets, and the treatment of hedging transactions.

Palatine's risk management function ensures that any transaction complies with the Group's standards and procedures in force with regard to authorised counterparties. It proposes to the competent committee that projects of worrying or degraded quality, according to Group standards, be added to the watch list. This mission is the responsibility of the risk management function of our institution within its own scope and the responsibility of the BPCE Risk Management Department at the consolidated level.

Breakdown of gross exposures by category (credit risk including counterparty risk)

	31/12/2025			31/12/2024
in millions of euros	Standard Exposure	IRB Exposure	Total Exposure	Total Exposure
Sovereigns	2,579	0	2,579	1,575
Institutions	4,635	0	4,635	5,288
Corporate customers	9,206	0	9,206	9,291
Retail	372	0	372	474
Securitisation	0	0	0	0
Equities	13	0	13	15
Other assets	6,495	0	6,495	6,432
TOTAL	**23,300**	**0**	**23,300**	**23,074**

in millions of euros	31/12/2024 Gross exposure	31/12/2024 RWA	31/122025 Gross exposure	31/122025 RWA	Change Gross exposure	Change RWA
Sovereigns	1,575	92	2,579	91	1,004	(1)
Institutions	5,288	64	4,635	63	(653)	(1)
Corporate customers	9,291	6,735	9,206	6,659	(85)	(76)
Retail	474	235	372	156	(102)	(79)
Securitisation	0	0	0	0	0	0
Equities	15	15	13	32	(2)	17
Other assets	6,432	2,759	6,495	2,948	63	189
TOTAL	**23,074**	**9,901**	**23,300**	**9,949**	**226**	**48**

The ‘other assets’ category includes, among other things, exposures secured by a mortgage on real estate, doubtful exposures, and ‘high risk’ exposures.

4.2.3.1 Monitoring of concentration risk by counterparty

The concentration rates are monitored based on on-balance sheet and off-balance sheet outstandings.

	Gross risks 2025 in thousands of euros
SAS SWISSMED HOLDING	18,071.02
SWISSMED ACO SA	17,154.36
SOCIETE AIR FRANCE - TREMBLAY-EN-FRANCE	12,630.32
MARIETTON DEVELOPPEMENT	6,112.25
SAGEMCOM BROADBAND SAS	5,227.40
CROUZET GROUPE	3,698.05
SAS GEOGAS MARITIME	3,475.27
SAS BLACKFIN BACALAN HOLDING	3,179.64
SAS BABILOU	2,993.90
CHAUSSEA SAS	2,897.93
SAS CROUZET	2,893.74
SOCIETE GENERALE - PARIS HAUSSMANN	2,649.49
BARCLAYS BANK IRELAND PUBLIC LIMITED COMPANY	2,139.75
CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK - PARIS	2,134.22
JP MORGAN SE - FRANKFURT	1,722.30
LCH LIMITED	1,519.57
BBVA - BANCO BILBAO VIZCAYA ARGENTARIA - MADRID	1,448.27
ROYAL BANK OF CANADA - MONTREAL	1,310.58
COMMERZBANK AG - FRANKFURT	880.26
SAS MESSIKA GROUPE	862.42

4.2.3.2 Monitoring of geographic risk

The geographical exposure of the outstanding loans mainly relates to the Eurozone and more specifically to France, which represented 89% of Palatine's exposures at 31 December 2025.

4.2.3.3 Monitoring of doubtful receivables and commitments

The doubtful receivables and commitments amounted to €723.6 million at the end of 2025, compared to €716.1 million in the previous financial year.

These receivables and commitments are covered by provisions for which the coverage rate (including the SGLs hedged up to 10%) decreased to 41.3% compared to 44.2% in 2024.

The bank's cost of risk was €45.5 million in Q4 2025 (vs. €62.3 million in 2024) due to an effect of reversal/disposal from the scope, coupled with a decrease in IFRS 9 provisions (model effect in particular).

IFRS 9 provisioning rate - Stages 1 and 2

	2025			2024		
in millions of euros	Exposures	Provisions	Provision rate	Exposures	Provisions	Provision rate
Credit institutions' loans and receivables	4,817.6	0.0		5,387.6	0.0	
Customers' loans and receivables	11,619.9	92.1		11,736.2	96.9	
Debt securities at amortised cost	955.9	1.3		589.8	0.7	
BALANCE SHEET	**17,393.5**	**93.5**	**0.54%**	**17,713.6**	**97.6**	**0.55%**
Guarantee commitments given	1,206.8	4.8		1,197.5	3.1	
Financing commitments given	2,071.6	6.6		2,092.8	6.6	
Other provisions as liabilities		1.9			0.0	
BALANCE SHEET AND OFF-BALANCE SHEET	**20,671.8**	**106.7**	**0.52%**	**21,003.9**	**107.4**	**0.51%**

IFRS 9 provisioning rate - Stage 3

	2025			2024		
in millions of euros	Exposures	Provisions	Provision rate	Exposures	Provisions	Provision rate
Credit institutions' loans and receivables in default						
Customers' loans and receivables in default	610.0	241.5		601.9	258.8	
Of which outstanding state-guaranteed loans	*141.6*	*14.3*		*162.2*	*16.3*	
Debt securities at amortised cost in default	26.6	19.1		30.9	23.0	
DOUBTFUL BALANCE SHEET ITEMS	**636.6**	**260.6**	**40.9%**	**632.8**	**281.8**	**44.5%**
Doubtful guarantee commitments given	59.3	34.8		66.8	30.8	
Doubtful financing commitments given	27.8			16.4		
Other provisions as liabilities		3.5			3.6	
DOUBTFUL BALANCE SHEET AND OFF-BALANCE SHEET ITEMS	**723.6**	**298.8**	**41.3%**	**716.1**	**316.2**	**44.2%**

Performing and non-performing renegotiated exposures

EU CQ1 - Credit quality of renegotiated exposures

in millions of euros	31/12/2025							
	Gross carrying amount/nominal amount of exposures subject to renegotiation measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral and guarantees received for exposures subject to renegotiation measures	
	Performing forborne	Non-performing forborne	Of which: in default	Of which: impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral received and financial guarantees received for non-performing exposures subject to renegotiation measures
Cash balances at central banks and other demand deposits	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Loans and advances	**59**	**66**	**66**	**66**	**(3)**	**(16)**	**51**	**29**
Central banks	0	0	0	0	0	0	0	0
General governments	0	0	0	0	0	0	0	0
Credit institutions	0	0	0	0	0	0	0	0
Other financial corporations	10	0	0	0	(1)	0	0	0
Non-financial corporations	45	63	63	63	(2)	(16)	46	27
Households	4	3	3	3	(0)	(1)	5	2
Debt securities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Loan commitments given	**0**	**0**	**0**	**0**	**(0)**	**0**	**0**	**0**
TOTAL	**59**	**66**	**66**	**66**	**(3)**	**(16)**	**51**	**29**

in millions of euros	31/12/2024							
	Gross carrying amount/nominal amount of exposures subject to renegotiation measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral and guarantees received for exposures subject to renegotiation measures	
	Performing forborne	Non-performing forborne	Of which: in default	Of which: impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral received and financial guarantees received for non-performing exposures subject to renegotiation measures
Cash balances at central banks and other demand deposits	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Loans and advances	**68**	**63**	**63**	**63**	**(3)**	**(18)**	**64**	**32**
Central banks	0	0	0	0	0	0	0	0
General governments	0	0	0	0	0	0	0	0
Credit institutions	0	0	0	0	0	0	0	0
Other financial corporations	10	0	0	0	(1)	0	0	0
Non-financial corporations	55	59	59	59	(2)	(17)	59	29
Households	3	4	4	4	(0)	(1)	5	3
Debt securities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Loan commitments given	**0**	**0**	**0**	**0**	**(0)**	**0**	**0**	**0**
TOTAL	**68**	**63**	**63**	**63**	**(3)**	**(18)**	**64**	**32**

EU CR1 – Performing and non-performing exposures and corresponding provisions

	31/12/2025														
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative fair value adjustments due to credit risk, and provisions			Cumulative partial balance sheet disposals	On the performing exposures	On the non-performing exposures
in millions of euros		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			
Cash balances at central banks and other demand deposits	**1,146**	**1,146**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**		**0**	**0**
Loans and advances	**15,293**	**13,543**	**1,750**	**610**	**0**	**599**	**(92)**	**(32)**	**(60)**	**(242)**	**(0)**	**(239)**		**5,169**	**240**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0		0	0
General governments	700	700	0	0	0	0	(0)	(0)	(0)	0	0	0		0	0
Credit institutions	2,976	2,976	0	0	0	0	(0)	(0)	(0)	0	0	0		0	0
Other financial corporations	160	141	19	10	0	10	(1)	(0)	(1)	(5)	0	(5)		45	1
Non-financial corporations	9,311	7,869	1,442	569	0	557	(87)	(31)	(56)	(227)	(0)	(224)		3,201	223
Of which SMEs	4,158	3,526	632	270	0	265	(44)	(16)	(29)	(84)	0	(84)		2,340	128
Households	2,146	1,856	290	31	0	31	(4)	(1)	(3)	(10)	(0)	(10)		1,923	16
Debt securities	**2,111**	**2,045**	**51**	**27**	**0**	**27**	**(3)**	**(1)**	**(2)**	**(19)**	**0**	**(19)**		**0**	**0**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0		0	0
General governments	1,728	1,695	33	0	0	0	(3)	(1)	(2)	0	0	0		0	0
Credit institutions	290	290	0	0	0	0	(0)	(0)	(0)	(0)	0	0		0	0
Other financial corporations	15	0	0	0	0	0	0	0	0	0	0	0		0	0
Non-financial corporations	78	60	17	27	0	27	(0)	(0)	(0)	(19)	0	(19)		0	0
Off-balance sheet exposures	**3,445**	**2,973**	**472**	**87**	**0**	**87**	**(11)**	**(4)**	**(8)**	**(35)**	**(0)**	**(35)**		**58**	**2**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0		0	0
General governments	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Credit institutions	175	147	27	4	0	4	(0)	(0)	(0)	0	0	0		0	0
Other financial corporations	30	30	0	(0)	0	0	(0)	(0)	(0)	(0)	0	0		0	0
Non-financial corporations	3,175	2,736	439	81	0	81	(11)	(4)	(7)	(35)	(0)	(35)		51	2
Households	66	60	6	3	0	3	(0)	(0)	(0)	(0)	0	(0)		6	0
TOTAL	**21,994**	**19,706**	**2,273**	**724**	**0**	**712**	**(107)**	**(37)**	**(70)**	**(295)**	**(0)**	**(293)**		**5,227**	**242**

in millions of euros	31/12/2024														
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Cumulative partial balance sheet disposals	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative fair value adjustments due to credit risk, and provisions				On the perfor-ming expo-sures	On the non-perfor-ming expo-sures
		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			
Cash balances at central banks and other demand deposits	**1,655**	**1,655**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**		**0**	**0**
Loans and advances	**15,469**	**13,636**	**1,830**	**602**	**0**	**575**	**(79)**	**(29)**	**(68)**	**(277)**	**(0)**	**(255)**		**5,474**	**183**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0		0	0
General governments	667	667	0	0	0	0	(0)	(0)	(0)	0	0	0		0	0
Credit institutions	3,091	3,089	2	0	0	0	(0)	(0)	(0)	(0)	0	0		0	0
Other financial corporations	164	148	16	2	0	2	(2)	(0)	(2)	(1)	0	(1)		50	0
Non-financial corporations	9,567	8,037	1,528	575	0	548	(74)	(28)	(64)	(266)	(0)	(245)		3,645	172
Of which SMEs	4,378	3,635	743	249	0	242	(54)	(24)	(30)	(84)	(0)	(83)		2,474	74
Households	1,979	1,694	284	25	0	25	(3)	(0)	(3)	(10)	(0)	(10)		1,778	11
Debt securities	**1,214**	**1,185**	**14**	**32**	**0**	**31**	**(1)**	**(0)**	**(0)**	**(23)**	**0**	**(23)**		**0**	**0**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0		0	0
General governments	983	982	1	0	0	0	(0)	(0)	(0)	0	0	0		0	0
Credit institutions	112	112	0	0	0	0	(0)	(0)	0	(0)	0	0		0	0
Other financial corporations	16	0	0	0	0	0	0	0	0	0	0	0		0	0
Non-financial corporations	104	92	13	32	0	31	(0)	(0)	(0)	(23)	0	(23)		0	0
Off-balance sheet exposures	**3,474**	**3,090**	**384**	**83**	**0**	**83**	**(10)**	**(4)**	**(6)**	**(31)**	**(0)**	**(31)**		**399**	**(0)**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0		0	0
General governments	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Credit institutions	357	356	2	2	0	2	(0)	(0)	(0)	(0)	0	0		0	0
Other financial corporations	24	24	0	0	0	0	(0)	(0)	(0)	(0)	0	0		1	0
Non-financial corporations	3,042	2,664	378	82	0	81	(9)	(4)	(6)	(31)	(0)	(31)		361	(0)
Households	51	46	5	0	0	0	(0)	(0)	(0)	(0)	0	(0)		37	0
TOTAL	**21,812**	**19,566**	**2,228**	**717**	**0**	**689**	**(90)**	**(33)**	**(75)**	**(331)**	**(0)**	**(309)**		**5,872**	**183**

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

	31/12/2025											
	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
in millions of euros		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 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
Cash balances at central banks and other demand deposits	**1,146**	**1,146**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loans and advances	**15,293**	**15,270**	**23**	**610**	**486**	**30**	**48**	**35**	**12**	**0**	**-**	**610**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	700	700	-	-	-	-	-	-	-	-	-	-
Credit institutions	2,976	2,976	-	-	-	-	-	-	-	-	-	-
Other financial corporations	160	160	-	10	7	4	-	-	-	-	-	10
Non-financial corporations	9,311	9,294	17	569	459	20	45	34	11	0	-	568
Of which SMEs	4,158	4,144	14	270	209	10	23	21	8	-	-	270
Households	2,146	2,140	6	31	20	7	3	1	0	0	-	31
Debt securities	**2,111**	**2,111**	**-**	**27**	**27**	**-**	**-**	**-**	**-**	**-**	**-**	**27**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	1,728	1,728	-	-	-	-	-	-	-	-	-	-
Credit institutions	290	290	-	-	-	-	-	-	-	-	-	-
Other financial corporations	15	15	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	78	78	-	27	27	-	-	-	-	-	-	27
Off-balance sheet exposures	**3,445**			**87**								**87**
Central banks	-			-								-
General governments	-			-								-
Credit institutions	175			4								4
Other financial corporations	30			-								-
Non-financial corporations	3,175			81								81
Households	66			3								3
TOTAL	**21,994**	**18,526**	**23**	**724**	**512**	**30**	**48**	**35**	**12**	**0**	**-**	**724**

	31/12/2024											
	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
in millions of euros		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 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defau-lted
Cash balances at central banks and other demand deposits	**1,655**	**1,655**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loans and advances	**15,469**	**15,431**	**38**	**602**	**495**	**26**	**41**	**30**	**10**	**-**	**-**	**591**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	667	667	-	-	-	-	-	-	-	-	-	-
Credit institutions	3,091	3,091	-	-	-	-	-	-	-	-	-	-
Other financial corporations	164	164	-	2	0	2	-	-	-	-	-	2
Non-financial corporations	9,567	9,539	28	575	475	23	39	29	9	-	-	565
Of which SMEs	4,378	4,357	21	249	196	12	18	15	8	-	-	249
Households	1,979	1,969	10	25	20	1	1	1	1	-	-	25
Debt securities	**1,214**	**1,214**	**-**	**32**	**32**	**-**	**-**	**-**	**-**	**-**	**-**	**31**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	983	983	-	-	-	-	-	-	-	-	-	-
Credit institutions	112	112	-	-	-	-	-	-	-	-	-	-
Other financial corporations	16	16	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	104	104	-	32	32	-	-	-	-	-	-	31
Off-balance sheet exposures	**3,474**			**83**								**83**
Central banks	-			-								-
General governments	-			-								-
Credit institutions	357			2								2
Other financial corporations	24			-								-
Non-financial corporations	3,042			82								81
Households	51			0								0
TOTAL	**21,812**	**18,300**	**38**	**717**	**527**	**26**	**41**	**30**	**10**	**-**	**-**	**706**

Credit quality by geographical area

EU CQ4 – Quality of exposures by geographic area

in millions of euros	31/12/2025						
	Carrying amount/gross nominal amount				Accumulated impairment	Provisions for off-balance sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing					
			Of which defaulted	Of which subject to impairment			
On-balance sheet exposures	**19,186**	**637**	**637**	**19,171**	**(356)**		**0**
France	17,200	613	613	17,185	(341)		0
Portugal	933	10	10	933	(9)		0
Luxembourg	188	12	12	188	(2)		0
Spain	174	-	-	174	(1)		0
Belgium	174	-	-	174	0		0
Other countries	516	2	2	516	(3)		0
Off-balance sheet exposures	**3,532**	**87**	**87**			**(46)**	
France	3,418	83	83			(46)	
Portugal	39	4	4			-	
Luxembourg	25	-	-			-	
Spain	20	-	-			-	
Belgium	13	-	-			-	
Other countries	17	-	-			-	
TOTAL	**22,718**	**724**	**724**	**19,171**	**(356)**	**(46)**	**0**

in millions of euros	31/12/2024						
	Carrying amount/gross nominal amount				Accumulated impairment	Provisions for off-balance sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing					
			Of which defaulted	Of which subject to impairment			
On-balance sheet exposures	**17,316**	**633**	**623**	**17,300**	**(379)**		**0**
France	16,145	601	590	16,129	(361)		0
Portugal	215	-	-	215	(0)		0
Luxembourg	166	16	16	166	(7)		0
Spain	160	-	-	160	(0)		0
Belgium	130	9	9	130	(8)		0
Other countries	500	8	8	500	(3)		0
Off-balance sheet exposures	**3,557**	**83**	**83**			**(41)**	
France	3,462	80	80			(40)	
Portugal	-	-	-			0	
Luxembourg	50	3	3			(1)	
Spain	-	-	-			0	
Belgium	19	-	-			(0)	
Other countries	27	-	-			(0)	
TOTAL	**20,873**	**717**	**706**	**17,300**	**(379)**	**(41)**	**0**

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

in millions of euros	31/12/2025					
	Gross carrying amount					
		Of which non-performing				
			Of which defaulted	Of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
Agriculture, forestry and fishing	28	2	2	28	(2)	-
Mining and quarrying	6	0	0	6	(1)	-
Manufacturing	862	95	95	862	(46)	-
Production and distribution of electricity, gas, steam and air conditioning	363	8	8	363	(3)	-
Water supply	31	2	2	31	(1)	-
Construction	349	69	69	349	(32)	-
Wholesale and retail trade	957	75	75	957	(46)	-
Transport and storage	144	27	27	144	(7)	-
Accommodation and food service activities	189	16	16	189	(10)	-
Information and communication	337	25	25	337	(15)	-
Real estate activities	4,173	159	159	4,173	(88)	-
Financial and insurance activities	999	38	38	999	(25)	-
Professional, scientific and technical activities	884	30	30	884	(17)	-
Administrative and support service activities	400	22	22	400	(13)	-
Public administration and defence, compulsory social security	-	-	-	-	0	-
Education	1	-	-	1	(0)	-
Human health services and social work activities	62	0	0	62	(4)	-
Arts, entertainment and recreation	23	1	1	23	(0)	-
Other services	70	0	0	70	(4)	-
TOTAL	**9,880**	**569**	**568**	**9,880**	**(314)**	**-**

in millions of euros	31/12/2024 Gross carrying amount	Of which non-performing	Of which defaulted	Of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
Agriculture, forestry and fishing	38	2	2	38	(2)	-
Mining and quarrying	9	1	1	9	(1)	-
Manufacturing	868	128	128	868	(65)	-
Production and distribution of electricity, gas, steam and air conditioning	315	6	6	315	(3)	-
Water supply	29	1	1	29	(1)	-
Construction	359	59	59	359	(28)	-
Wholesale and retail trade	974	67	67	974	(45)	-
Transport and storage	133	26	26	133	(12)	-
Accommodation and food service activities	196	14	14	196	(11)	-
Information and communication	334	34	34	334	(14)	-
Real estate activities	4,356	96	96	4,356	(70)	-
Financial and insurance activities	1,028	37	37	1,028	(31)	-
Professional, scientific and technical activities	896	44	44	896	(30)	-
Administrative and support service activities	408	28	28	408	(13)	-
Public administration and defence, compulsory social security	-	-	-	-	0	-
Education	1	0	0	1	(0)	-
Human health services and social work activities	47	-	-	47	(4)	-
Arts, entertainment and recreation	23	0	0	23	(0)	-
Other services	130	31	20	130	(10)	-
TOTAL	**10,143**	**575**	**565**	**10,143**	**(340)**	**-**

Risk mitigation techniques

in millions of euros	31/12/2025 Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
Loans and advances	11,306	5,409	3,533	1,876	-
Debt securities	2,115	-	-	-	
TOTAL	**13,421**	**5,409**	**3,533**	**1,876**	**-**
Of which non-performing exposures	136	240	119	121	-
Of which defaulted	138	240			

in millions of euros	31/12/2024 Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
Loans and advances	11,714	5,657	3,739	1,918	-
Debt securities	1,222	-	-	-	
TOTAL	**12,936**	**5,657**	**3,739**	**1,918**	**-**
Of which non-performing exposures	151	183	67	116	-
Of which defaulted	162	183			

4.2.3.4 Credit risk crisis simulation

BPCE's Risk department carries out crisis simulations relating to credit risk for Groupe BPCE, and then for all establishments, including Palatine. The goal of the resistance tests is to measure the sensitivity of the various portfolios to a deteriorated situation, in terms of cost of risk, weighted assets, and expected losses.

The resistance tests are performed on the basis of the Group's consolidated exposures. When calibrating risk parameters, they take into account the specificities of each of the Group's major pools (Natixis, Crédit Foncier de France, Banque Populaire network, Caisse d'Epargne network). They cover all portfolios subject to credit and counterparty risk, regardless of the approach used to calculate risk-weighted assets (standardised approach or IRB). They are carried out on the basis of detailed information framed by the information that feeds into COREP Group prudential reporting and the risk analyses of the portfolios.

Three types of stress tests are carried out:

- the EBA stress test aims to test the resilience of credit institutions to simulated shocks and to compare them;
- the annual internal stress test at Groupe BPCE. It includes more scenarios than the EBA stress test and includes the evolution of the entire balance sheet on projections;
- specific stress tests can be carried out on external (supervisor) or internal request.

The EBA stress test confirms the financial strength and quality of Groupe BPCE's risk policy.

In addition, as part of the annual macro-risk mapping, the institutions carry out stress tests on each credit risk identified in the macro-mapping and in their risk appetite.

The institution is responsible for the control framework to oversee the undertaking of guarantees, their validity, and their registration. The registration of guarantees follows the procedures in force, common to our network. Safe-keeping and archiving of our guarantees are done pursuant to the internal procedures in force.

The departments in charge of back-office commitments are responsible for the first-level controls.

The operational departments (commitments, branches, etc.) carry out first-level controls, and the Risk Management and Compliance Department carries out second-level controls on the validity and registration of the guarantees.

4.2.4 Activities in 2025

In 2025, the Risk department continued its actions to strengthen the monitoring of the credit portfolio and to support Groupe BPCE in the deployment of its systems; the main work focused on:

- deployment and/or updating of risk policies;
- strengthening the monitoring of the Leverage Finance scope with the introduction of weekly reporting on LF and LF HLT production;
- analysing, monitoring and setting up sectoral provisions for the LBO and REAL ESTATE scopes (for €5.7 million and €4.8 million respectively in the last quarter);
- the launch of a review of the Forbearance process, with deployment scheduled for 2025;
- supporting the production launch of the new MINT internal rating engine for the small business, non-profit, and real estate investment company segment;
- the integration of the new Basel IV/CRR3 regulations (which came into force on 1st January 2025) in the RWA production system;
- the continuation of Palatine's IRBA certification project.

5 Market risks

5.1 Definition

Market risks are defined as the risk of losses related to changes in market parameters.

Market risks have three main components:

- interest rate risk: risk that a change in interest rates poses to the holder of a receivable or debt security; this risk may be specific to a particular issuer or to a particular category of issuers whose creditworthiness has been downgraded (credit spread risk);
- foreign exchange risk: risk that affects receivables and securities denominated in foreign currencies held in the context of capital market activities, due to changes in the price of these currencies expressed in national currency;
- price change risk: price risk on the position held on a given financial asset, in particular a share.

5.2 Market risk monitoring organisation

The scope concerned by the monitoring of market risks covers all market activities, i.e., treasury transactions, financial activities in the trading book, as well as medium- or long-term investment transactions on products generating market risks (private equity and non-operating asset transactions, including real estate), regardless of their accounting classification.

Activities falling within this scope are not included in the ALM function.

Within this scope, the market risk function carries out the following tasks, defined in the Group's Risks, Compliance and Permanent Control Charter:

- identifying the various risk factors and mapping and updating financial products and instruments, covering market risks;
- implementing a system to measure market risks;
- examining global and operational limit requests, and the list of authorised market products submitted to the relevant Risk Committee;
- checking the consistency of positions and their allocation in the correct management compartment (Group business line segmentation standards);
- cross-discipline analysis of market risks and their development given the business strategy decided by the governing bodies and policies for managing operating activities;
- checking the implementation of risk-mitigation action plans, if applicable.

These missions are carried out in conjunction with BPCE's Risk Management Department. The latter notably handles:

- the definition of the market risk measurement system (VaR, *stress tests*, etc.);
- the evaluation of this system's performance (back-testing), notably in the context of reviews of annual limits;
- the reporting standard for monitoring market risks consolidated at the different levels of the Group;
- the examination of the subjects brought to the Group Risk and Compliance Committee.

5.3 Law on the separation and regulation of banking activities

The mapping of Groupe BPCE's market activities is regularly updated. It required the implementation of internal units subject to an exemption within the meaning of Act No. 2013-672 of 26 July 2013 on the separation and regulation of banking activities:

- in conjunction with the work on this law, a compliance programme resulting from the Volcker rule (section 619 of the US Dodd-Frank Act) was adopted and implemented in July 2015 for BPCE and its subsidiaries. In a broader approach than French law, this programme aims to map all of Groupe BPCE's financial and commercial activities, in particular to ensure that they comply with the two major prohibitions imposed by the Volcker rule, namely the prohibition of the activities of proprietary trading and the prohibition of certain transactions in connection with covered funds within the meaning of US law. The Volcker Rule was amended in 2020, giving rise to new Volcker 2.0 and 2.1 provisions that relax the existing system;
- as every year since July 2015, the Group has certified its compliance with the Volcker system. As a reminder, since the beginning of 2017, Groupe BPCE has had a SRAB-Volcker Office whose role is to guarantee, coordinate and secure the measures put in place with regard to the separation of activities.

At 31 December 2025, the annual update of the institution's market activities map revealed six internal units subject to an exception within the meaning of the law on the separation and regulation of banking activities. These internal units are covered by a mandate that defines healthy and prudent management and risk characteristics:

- one unit falling under the legal exception for healthy and prudent cash management;
- one unit falling under the legal exception for the provision of investment services to customers;
- one unit falling under the legal exception for hedging financial instruments for transactions set up with corporate customers;
- one unit relating to the institution's investment operations;
- one unit falling under the legal exception for hedging financial instruments;
- one unit relating to monitoring the main ALM limits and indicators and regulatory liquidity ratios.

5.4 Market risk measurement and surveillance

The overall limits of market risk are set and reviewed, as often as necessary and at least once per year, by the effective managers and by the Board of Directors, taking into account the company's equity and, if necessary, consolidated equity and its distribution within the Group adapted to the risks incurred.

The decision-making committees are the Executive Risk Committee and the Finance Committee. The latter, which meets at least every month, is tasked with:

- deciding the specific implementation methods for programmes defined by the Asset-Liability Management Committee for market transactions where it is responsible for execution (timing, level, breakdown, etc.), including transactions in the securities portfolio;
- reviewing the execution of past plans and amending them as necessary, reporting to the Asset-Liability Management Committee;
- examining market conditions and indicators (rates, cash spreads, etc.);
- reviewing major transactions with customers and deciding, where appropriate, to arrange cover;
- monitoring liquidity and rate management risks;
- managing regulatory ratios, BPCE ratios, and monitoring compliance with internal limits;
- taking allocation decisions for the HQLA securities reserve, creditworthiness reviews, and responsibility for creditworthiness having now passed to the Credit Committee;
- managing and monitoring the LBF/Volcker procedures, including reviewing any significant quarter-on-quarter change in indicators with an analysis from the Risk Management Department;
- monitoring trading portfolio business, including calculations of VaR sent by the Risk Management Department and cash monitoring;
- addressing problems in financial management in the framework of Groupe BPCE;
- dealing with any other matters directly or indirectly related to financial activities (accounting treatment, data management, etc.).

The market risk monitoring system is accordingly based on qualitative and quantitative risk indicators. The frequency of monitoring of these indicators varies according to the financial product monitored.

The qualitative indicators include the list of authorised products and the watch list. The term watch list is used to name the list of counterparties, funds, securities, etc., under watch.

To complete this qualitative monitoring, market risk monitoring is conducted through the calculation of complementary quantitative indicators.

On the trading book, a parametric VaR and a Monte Carlo at 99% 1 day is calculated on a daily basis in the Scenarisk tool by BPCE's Risk Management Department. Sensitivities, by risk area, are calculated daily by the institution.

Segment	Sub-segment	VaR at 31/12/2024	VaR at 31/03/2025	VaR at 30/06/2025	VaR at 30/09/2025	VaR at 31/12/2025	Change in VaR between 31/12/2025 and 31/12/2024
Capital markets	Exchange rates, interest rates	21,509	70,721	31,873	25,768	31,258	9,749

The VaR is an overall indicator of market risk, which measures maximum potential loss over a given time frame for a defined confidence interval, in accordance with the regulatory requirements related to internal control.

VaR movements during 2025 are mainly due to:

- the instability of rate sensitivities on TARF/ACCU since the start of production in mid-May 2024 (sensitivities calculated using dual curve);
- the launch of a corrective measure for BPCE SF at the end of June 2025 to properly take into account the partial liquidations of transactions.

5.5 Simulation of market risk crisis

The stress test consists of simulating on the portfolio large variations in the market parameters in order to calculate the potential loss in the event of such situations.

Stress tests are calibrated according to severity and occurrence levels, which are consistent with portfolio management objectives:

Trading book stress tests are calibrated over a 10-day period and a 10-year probability of occurrence. They are based on:	• historical scenarios, which reproduce changes in market conditions observed during past crises, their impacts on current positions and P&Ls. They make it possible to gauge the exposure of the scope tested to known stress scenarios. 12 historical stresses are deployed on the trading book; • hypothetical scenarios, which involve simulating changes in market conditions in all activities based on plausible assumptions concerning the dissemination of an initial shock. The shocks are based in turn on scenarios defined using economic criteria (real estate crisis, economic crisis, etc.), geopolitics (terrorist attacks in Europe, regime overthrown in the Middle East, etc.) and others (avian flu, for example). The Group has run seven hypothetical stress tests since 2010.
Banking book stress tests are calibrated over a longer period in line with the banking book's management periods:	• a bond stress test calibrated using a mixed hypothetical-historical approach that reproduces a stress on European sovereigns (similar to the 2011 crisis); • a bond stress test calibrated using a mixed hypothetical-historical approach that reproduces a stress on corporates (similar to the 2008 crisis); • an equity stress test calibrated over the 2011 historical period, applied to equity investments for the purpose of the liquidity reserve; • a private equity and real estate stress test, calibrated over the 2008 historical period, applied to the private equity and real estate portfolios.

These stress tests are defined and applied jointly to the entire Group to enable BPCE's Risk Management Department to be able to carry out consolidated monitoring.

In addition, specific stress scenarios complete this system. Either at Group level or by entity in order to best reflect the specific risk profile of each of the portfolios (private equity or non-operating real estate assets).

5.6 Activities in 2025

2025 was marked by the completion of the work to manage trading room activities. The formalisation of the financial risk controls carried out has been reviewed in its entirety, with the introduction of daily emails sent to management, presenting a summary of the control results. All risk reports are produced daily on a Power BI page to which the FO and the Finance department have access.

Many policies have been updated. Thus, five new policies have replaced the previous financial risk policy, including three in the context of market risks:

- market risk policy;
- counterparty credit risk policy (on derivatives);
- foreign exchange settlement-delivery risk policy.

6 Structural balance sheet risks

6.1 Definition

Structural balance sheet risks result in a risk of loss, immediate or future, related to changes in commercial or financial parameters and the structure of the balance sheet on banking book activities, excluding proprietary transactions.

Structural balance sheet risks have three main components:

- liquidity risk is the risk that the institution will not be able to meet its commitments or not be able to settle or offset a position due to market conditions or idiosyncratic factors, within a specified period and at a reasonable cost (order of 3 November 2014, as amended on 25 February 2021, relating to internal control).

  Liquidity risk is also associated with the inability to transform illiquid assets into liquid assets.

  Palatine's liquidity is managed closely with Groupe BPCE's central body, which is responsible for the centralised management of refinancing;
- overall interest rate risk is the risk incurred in the event of a change in interest rates as a result of all balance sheet and off-balance sheet transactions, with the exception, where applicable, of the transactions subject to market risk (order of 3 November 2014, as amended on 25 February 2021, relating to internal control);
- foreign exchange risk is the risk that affects receivables and securities denominated in foreign currencies; it is due to changes in the price of these currencies expressed in national currency.

Palatine's exposure to structural foreign exchange risk is monitored by calculating the RWA for foreign exchange risk (on the trading and banking portfolios).

6.2 Monitoring of asset-liability management (ALM) risk

The financial risk function provides second-level control of structural balance sheet risks. As such, it is in charge of the following tasks:

- examination of requests for internal ALM limits, in accordance with the limits defined at Group level;
- definition of stress scenarios in addition to the Group stress scenarios, where applicable;
- control of indicators calculated in accordance with the standards of the Group's asset-liability management framework;
- monitoring the compliance with the limits based on prescribed information;
- checking the implementation of return action plans, where applicable.

The controls are formalised in a second-level risk control report. It includes qualitative data on the risk-management system, compliance with limits, and monitoring of the return within limits, if necessary, as well as the analysis of changes in the balance sheet and risk indicators.

These tasks are carried out in conjunction with BPCE's Risk Management Department, which is in charge of the critical review or validation with the Group Finance Department:

- ALM agreements submitted to the ALM Committee (outflow laws, separate trading/banking books, definition of instruments accepted for hedging balance sheet risks);
- monitoring indicators, rules, and reporting intervals to the ALM Committee;
- information reporting agreements and processes;
- control standards relating to the reliability of assessment systems, procedures for setting limits and managing breaches, and monitoring action plans to return to within limits;
- selection of the model used to assess the Group's economic equity requirements with regard to structural balance sheet risks, where applicable.

6.3 Monitoring and measurement of liquidity and interest rate risks

Palatine manages its balance sheet independently within the standardised Group asset-liability management (ALM) framework, set by the operational Group ALM Committee and approved by the Group Risk and Compliance Committee or by the strategic Group ALM Committee.

Groupe BPCE institutions share the same management indicators, the same risk modelling integrating the specificity of their activities, and the same limit rules, which makes it possible to consolidate their risks. Thus, the limits monitored by our institution are in line with those set out in the Group's asset-liability management framework.

The establishment of scenarios is necessary to properly evaluate the interest rate and liquidity risks incurred by the establishment, assessed individually, and by the Group as a whole. In order to make it possible to consolidate information on a homogeneous basis, it was agreed that ‘Group’ scenarios would be developed and applied by all the institutions.

6.3.1 At institutional level

The Asset-Liability Management Committee and the Finance Committee deal with liquidity risk. These committees are responsible for monitoring liquidity risk and for making financing decisions.

Palatine has several funding sources for its customer activity (loans):

- customer savings in non-centralised regulated savings accounts, other savings plans and accounts and term deposits;
- customer deposit accounts;
- issues of negotiable certificates of deposit;
- loans issued by BPCE;
- where applicable, centralised market refinancing at the Group level, optimising the resources provided to it, and, in particular, targeted longer-term refinancing operations (TLTRO).

6.3.2 Monitoring of liquidity risk

Liquidity risk is ‘the risk of not being able to meet commitments or not being able to settle or offset a position due to market conditions’ (Article 10.h of the order of 3 November 2014, as amended), within a specific period and at a reasonable cost’ (order of 5 May 2009).

The liquidity risk management policy is formalised through indicators linked to liquidity risk appetite. The latter is defined at the Group level and adapted at the level of the institutions.

The liquidity management policy consists of ensuring the institution's development strategy in compliance with the management framework set by the regulator (LCR, NSFR), by the Group (gap limit, liquidity stress), and internally (limits specific to the institution defined in the institution's RAF).

In terms of management, the assessment of liquidity risk must be based on different approaches:

- time horizon: short, medium, and long term;
- normal or stressed situation;
- static and dynamic vision.

In the short term (less than a year), the objective is to ensure that its exposure guarantees its survival at all times, and more particularly in a stress situation.

In the medium term, liquidity is measured according to the institution's cash requirements and is governed by the feasibility of the MLT funding plan.

In the long term, the aim is to guarantee the sustainability of its activities over time and monitor the level of transformation (in liquidity) of the balance sheet.

Liquidity coverage ratio - LCR

The LCR represents the institution’s ability to cope with a specific and systemic liquidity crisis in the short term (30 days). The objective is to ensure that the institution survives stress over a period of 30 days. The weightings applied to measure this indicator are defined by European regulations, which impose a minimum LCR level of 100%.

Board RAF - ALM risks

Metrics	2025 observation threshold	2025 resilience threshold	12/2024	03/2025	06/2025	09/2025	12/2025	Change Y/ Y-1
LCR (in %)	105%	103%	109.19%	114.71%	109.81%	112.32%	112.17%	↗ 2.98%
Deficit			(212)	(323)	(241)	(335)	(309)	
RL			2,518	2,518	2,703	3,052	2,846	
NCO			2,196	2,196	2,462	2,717	2,537	

Net stable funding ratio - NSFR

The NSFR is a regulatory ratio for medium-term liquidity risk that requires banks to finance a significant portion of their assets with stable funding at one year. Since 30 June 2021, with the entry into force of CRR2, this indicator has been subject to a regulatory minimum of 100%.

In millions of euros	12/2024	03/2025	06/2025	09/2025	12/2025	12/2024
NSFR	113.2%	105.8%	102.3%	107.2%	107,6%	113.2%
NSFR surplus (in millions of euros)	1,445	646	254	807	884	1,445

Static liquidity gap

Static liquidity risk is measured by the liquidity gap, which aims to measure liquidity needs or surpluses at future dates. The observation of this gap from one period to another makes it possible to assess the distortion (in terms of liquidity) of an institution's balance sheet.

Static liquidity gap (data at 31/12/2025) (average annual outstandings in millions of euros):

	Limit	Limit	Limit	Threshold
In millions of euros	M2	M5	M11	A5
Closing December 2025	1,468	1,363	806	1,214
Closing September 2025	1,727	1,742	1,292	1,112
Closing June 2025	1,103	475	(26)	964
Closing March 2025	1,200	970	367	822
Closing December 2024	1,256	1,584	1,158	1,297
Observation limits/thresholds	0.0	0.0	0.0	0.0

6.3.3 Monitoring of interest rate risk

Interest rate risk limits include:

- the sensitivity limit of the economic value of shareholders' equity. The calibration of the limit on this indicator is based on the observation of the following two situations: the retail banking model can neither lead to a structural position of de-transformation (major risk on the replacement of demand deposits) nor display a directional position generating gains in the event of a 200-basis-point decrease in interest rates. The system of limits must be independent of interest rate expectations so as to enable the bank to be resilient in the event of an unexpected and large-scale interest rate shock, which is a separate consideration from that of the hedging to be implemented.

The sensitivity limit of the economic value of shareholders' equity under the internal approach applies to six scenarios.

- A regulatory indicator subject to limits: the supervisory outlier test (SOT) indicator. It is used for financial communication (benchmark). This indicator was not retained as a management indicator, even though the regulatory limit of 20% concerning it must be respected;
- Two interest-rate risk indicators with mandatory limits:
  - static fixed rate gap limits:

    The bank's gap position is measured and is subject to limits. Initially, the analysis relates to on- and off-balance sheet transactions existing at the balance-sheet date, as part of a static approach;
  - static inflation deadlock limits:

    The inflation gap limits are monitored over four years, year by year. The indicator is monitored without a limit or alert threshold at this stage;
  - NII sensitivity limits.

6.4 Work carried out in 2025

The year 2025 was marked by numerous model changes within Groupe BPCE, impacting interest rate risk. Interest rate hedges, for changes in the balance sheet and models, have been put in place within Palatine in order to manage the SOT/EVE indicator without downgrading it. It should also be noted that the Group ALM risk policy will be rolled out to the Bank in 2025.

Lastly, the checks carried out during the year did not reveal any material misstatement likely to materially affect the ALM indicators.

7 Operational risks

7.1 Definition

The definition of operational risk is, according to the regulations, the risk of losses resulting from an inadequacy or failure of processes, personnel, and internal systems or 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.

7.2 Organisation of operational risk monitoring

The framework for managing operational risks is part of Groupe BPCE's risk assessment statement (RAS) and risk assessment framework (RAF). These systems and indicators are adapted at the level of each Group institution and subsidiary.

The Operational Risk function operates:

- all entities consolidated or controlled by the establishment or subsidiary (bank, financial firm, insurer, etc.);
- all the activities entailing operational risks, including outsourced activities within the meaning of Articles 10 q) and 10 r) of the order of 3 November 2014, as amended on 25 February 2021, ‘outsourced activities and provision of services or other essential or important operational tasks’.

The Operational Risk Department has chosen not to rely on a network of correspondents. It relies on the business line managers, whose role is to:

- ensure that the collection of incidents within their scope is exhaustive;
- produce the information needed to update the operational risk management tool (incidents, indicators, corrective actions, mapping);
- mobilise the people involved when an incident occurs and take the necessary measures to reduce the risk;
- implement corrective actions (action plans) decided by the OR Committee.

The Operational Risk Department ensures permanent second-level control of the operational risk management function.

The Operational Risk Management Department of the establishment, by its action and organisation, contributes to financial performance and to the reduction of losses, ensuring that the operational risk management system within the institution is reliable and effective.

Within Palatine, the guidelines and governance rules are defined in the following manner:

- Palatine has opted for a decentralised system;
- the effective managers are informed of major incidents through two channels:
  - the Executive Risk Committee reports on the major elements of the Operational Risk and Security Committee,
  - any alerts issued under Article 98 of 3 November 2014.

Palatine's Operational Risk and Security Committee meets quarterly and is chaired by the Deputy Chief Executive Officer.

This committee:

- ensures the implementation of the operational risk management policy and the relevance and effectiveness of the system;
- takes note of major incidents and validates the corrective actions to be taken;
- takes note of the key risk indicators (KRI) in excess and decides on the corrective actions to be taken;
- monitors the progress of risk reduction actions after serious incidents or risks deemed excessive;
- monitors awareness-raising and training actions.

The head of operational risk reports to the Chief Risk Officer. He or she is responsible for the different elements of the operational risk system: mapping, incidents, indicators, action plans, and reporting within the scope concerned. He or she also participates in the internal control framework of Palatine.

In this role, he or she must:

- guarantee the quality of the data recorded in the operational risk tool;
- ensure the completeness of the data collected, in particular by carrying out periodic reconciliations between incidents in the operational risk database, and in particular: insurance claims;
- carry out a periodic review, using the operational risk management tool, of the status of incidents, progress of action plans, and their recording in the operational risk management tool;
- control the various business lines and functions in the implementation of corrective actions;
- ensure regular updating of the risk indicators and track changes so that they can trigger the necessary actions in the event of their worsening;
- periodically update the risk map for presentation to the Operational Risk Committee;
- produce reports;
- formalise or update procedures;
- lead the Operational Risk and Security Committee.

The establishment uses the OSIRISK tool to apply the methodologies disseminated by the BPCE Risk Management Department and to collect the information necessary for the proper management of operational risks.

This tool makes it possible to:

- identify and evaluate operational risks, making it possible to define Palatine's risk profile;
- collect and manage on a day-to-day basis incidents generating or likely to generate a loss;
- update the rating of risks on the risk map and monitor the action plans.

Palatine also has reporting items from power Bi.

Palatine calculates its equity requirements in terms of operational risks according to the Standardised Measurement Approach (SMA) method adopted by the Group since the implementation of Basel IV. Corep regulatory reporting documents are produced in this respect. At 31 December 2025, the equity requirement to be allocated to cover the operational risk was €50.004 million.

The missions of the Operational Risk Department are carried out in conjunction with the BPCE Risk Management Department, which monitors the effectiveness of the systems deployed within Groupe BPCE and analyses the main proven and potential risks identified in the establishments, particularly during the Groupe BPCE Non-Financial Risk Committee meeting.

7.3 Operational risk measurement system

In accordance with the Group's Risks, Compliance and Permanent Control Charter, Banque Palatine's operational risk management function is responsible for:

- the development of systems allowing the identification, evaluation, oversight, and control of operational risk;
- the definition of policies and procedures for the management and control of operational risk;
- the design and implementation of an operational risk evaluation system;
- the design and implementation of the operational risk reporting system.

and its tasks are:

- to identify operational risks;
- to map these risks by process, and update the map, working with the business lines concerned, including compliance;
- to collect and consolidate operational incidents and evaluate their impact, working with the business lines in conjunction with the mapping used by the permanent and periodic control functions;
- to implement warning procedures, and notably inform the operational managers according to the action plans implemented;
- to monitor the corrective action plans defined and implemented by the operational units concerned in the event of a severe or significant incident.

An operational risk incident is considered serious when the potential financial impact at the time of detection is greater than €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.

This procedure is supplemented by the procedure dedicated to significant operational risk incidents within the meaning of Article 98 of the order of 3 November 2014, as amended on 25 February 2021, for which the minimum threshold is set at 0.5% of common equity tier 1.

7.4 Cost of operational risk for the institution

In 2025, the annual amount of losses recognised was €2.76 million (source: Power Bi report).

7.5 Activities in 2025

During the year 2025, the following work was carried out:

- ongoing action plans were monitored and others created;
- the operational risk mapping has been updated;
- awareness-raising actions were carried out;
- the risk appetite framework indicators and Group/local risk indicators were regularly monitored by the Operational Risk and Security Committee;
- operational risk procedures have been updated.

All incidents were reviewed at least half-yearly in 2025.

8 Legal risks

The Legal Affairs department, linked to the Corporate Secretary's Office, is responsible for preventing and controlling Palatine's legal risks and litigation risks. It also helps to prevent image risks.

8.1 Organisation of the Legal Affairs department

The Legal Affairs department is made up of five employees (including one on a fixed-term contract for support) reporting directly to the head of the Legal Affairs department and the head of the Litigation department. Each employee is able to handle legal consultations and projects and take charge of claims and complaints against the bank.

8.2 Duties of the Legal Affairs department

The main responsibilities of the department are as follows:

- provide legal assistance to the bank's various units;
- monitor changes in the regulations and case law that may affect the bank's activities;
- draft or review legal circulars as well as specific private contracts used by the bank;
- study and negotiate from a legal perspective the contracts proposed by customers or service providers;
- review the new commercial products that the bank envisages circulating to its customers;
- give a legal opinion on complaints made by customers;
- manage complaints brought by lawyers and claims made against the bank;
- participate in cross-functional projects.

8.3 Organisation of legal watch activities

Any changes in the legislation, regulations, or case law with potential implications for the bank are analysed to determine whether a specific procedure needs to be drafted or whether new documents used by the bank need to be drafted or existing documents amended.

Legal watch findings are disseminated within the bank through the following actions:

- general or targeted information on all legislative, regulatory and case-law developments and monitoring of Group NORMA related to legal activity;
- publication of new or updated procedures when there are changes in the legislative, regulatory, or case-law environment;
- alignment with the standards of document frameworks following these changes;
- publication of a monthly legal bulletin covering problems encountered by the bank, jurisprudence of interest for the profession, or new regulations;
- participation in function meetings, allowing subjects deemed important by regional managers to be raised and any issues encountered in the context of consultations or subpoenas to be flagged up;
- participation in the training of the network through presentations on topics of interest to the network or the back offices.

8.4 Flow of consultations and assignments

In this role, the legal service provides a legal and regulatory watch, information, assistance, and advice for all of the institution's employees.

In 2025, in conjunction with conducting its legal watch, major projects, telephone consultations, and direct conversations with user services, the department answered around 2,000 written queries.

In conjunction with the Compliance and Permanent Control Department, it also plays a role in ensuring the consistency and effectiveness of controls on non-compliance risks arising from laws and regulations specific to banking and financial activities. Within the framework of the Products and Services Approval Committee, it is consulted for its opinion on any legal risks potentially arising from new products and services that the bank is considering marketing.

The Legal Affairs Department operates independently of the operational departments.

Within the bank, the inventory of cases in dispute at the end of 2025 was 78 cases totalling €23.6 million (excluding non-quantified cases).

The new disputes in 2025 amounted to 10 claims for €0.884 million and 22 complaints filed by lawyers for €0.921 million (excluding non-quantified cases).

9 Non-compliance risks

9.1 Definition

Non-compliance risk is defined in Article 10 p of the order of 3 November 2014, as amended on 25 February 2021, as being the risk of legal, administrative or disciplinary sanctions, significant financial loss or harm to reputation, which arises from non-compliance with provisions specific to banking and financial activities, whether legislative or regulatory, national or European directly applicable, or professional and ethical standards, or instructions from the effective managers taken in accordance with the guidelines of the supervisory body.

9.2 Organisation of the compliance function within Groupe BPCE

Within the central body, the compliance function is performed by the Compliance Department of the General Secretariat of Groupe BPCE. The latter exercises its responsibilities within the framework of a dedicated compliance verification function.

It includes the following sections:

- bancassurance compliance;
- financial savings compliance
- ethics compliance;
- financial security in charge of anti-money laundering/combating the financing of terrorism (AML/CFT), compliance with international sanctions and embargo measures, and combating internal fraud;
- management and cross-functional coordination of the compliance functions;
- Eurotitres compliance and permanent control;
- BPCE compliance and operational risks and coordination of subsidiaries.

It acts as a guide and stimulus for the heads of the institutions' various Compliance Departments. The Compliance Officers appointed in the various affiliates, including its parent companies, Banques Populaires and Caisses d'Epargne, and the direct subsidiaries subject to the regulatory banking and financial supervision system, including Palatine, report to it through a strong functional link.

It conducts all actions to strengthen the compliance of products, services, and marketing processes, customer protection, compliance with rules of ethics, the fight against money laundering and the financing of terrorism, the fight against market abuse, monitoring of transactions, and compliance with sanctions and embargo measures.

It monitors non-compliance risks throughout the Group.

As such, it builds and revises the standards proposed for the governance of Groupe BPCE, shares best practices, and coordinates working groups consisting of departmental representatives.

The dissemination of the culture of risk management and consideration of the legitimate interests of customers is also reflected in the training of the employees of the institutions.

As a result, BPCE's Compliance Department:

- collaborates and validates the content of training materials intended in particular for the compliance function, in conjunction with the Group's Human Resources Department and the Risk Governance Department of the BPCE Risk Management Department, which coordinates the annual plan of the risk and compliance functions;
- contributes to the training of stakeholders in the sectors, in particular through specialised annual seminars (financial security, compliance, ethics, steering of permanent compliance control, etc.);
- coordinates the training of directors and Compliance Officers through a dedicated system in conjunction with the risk culture and committee coordination section of the BPCE Risk Management Department;
- coordinates and monitors the compliance function of the institutions through national days and a permanent control framework coordinated at Group level;
- relies on the compliance function of the institutions through thematic working groups, in particular for the construction and implementation of compliance standards.

At Palatine, within the Risk and Compliance department, the compliance functions are broken down as follows:

- a Compliance Ethics Department which ensures, in particular, the implementation of systems intended to guarantee the protection of customers and the integrity of the financial markets in compliance with the regulations in force. To this end, this department is in charge of analysing, measuring, and monitoring non-compliance risks and monitors action plans designed to better frame them;
- a Financial Security Department, in charge of anti-money laundering and terrorist financing matters and compliance with international sanctions and embargo measures. This department is the main contact for the Tracfin organisation;
- a Permanent Control Department, which manages all the bank's first- and second-level controls and is responsible for some of them.

In accordance with the Group's directives, a Compliance Verification Officer has been appointed to oversee these activities.

The Financial Security Compliance department also organises the New Product New Activity Committee (NPNAC), which is responsible for approving all new products and the processes for marketing these new products and services to customers.

The Data Protection Officer (DPO), appointed by the CNIL, reports to the Operational Risk Department.

9.3 Monitoring of non-compliance risks

Non-compliance risks, in accordance with the order of 3 November 2014, as amended on 25 February 2021, are analysed, measured, monitored, and controlled by:

- ensuring a permanent overview of these risks and the associated risk prevention and mitigation system, including updated identification under the new non-compliance risk-mapping exercise;
- ensuring that the most significant risks are subject to controls and action plans aimed at better managing them, as needed.

The management of non-compliance risk within Groupe BPCE is based on the mapping of non-compliance risks and the deployment of mandatory level 1 and 2 compliance controls common to all institutions in Group retail banking.

9.3.1 Product governance and oversight

All new products or services, regardless of their distribution channel, as well as all commercial media, falling within the expertise of the compliance function, are examined in advance by the latter. The purpose of this review is to ensure that applicable regulatory requirements are met and that targeted customers – and the public at large – receive clear and fair information. Particular attention is also paid to the monitoring of products throughout their life cycle.

In addition, the compliance function coordinates the validation of national commercial challenges, ensures that conflicts of interest are managed, and that the priority of customer interests is taken into account.

The compliance function ensures that sales procedures and processes, as well as commercial policies, at all times and for all customer segments, ensure compliance with the rules of compliance and ethics, in particular that the advice provided to the customer is adapted to his or her needs.

9.3.2 Customer protection

The compliance of the products and services marketed by Palatine and the quality of the information provided reinforce customer confidence and underpin the Group's reputation. To maintain this trust, the compliance function places the concept of customer protection at the heart of its activities.

To this end, the Group's employees are regularly trained on customer protection issues in order to maintain the required level of service quality. These training sessions are aimed at promoting awareness of compliance and customer protection among new hires and/or sales team employees. Ethics training has been set up for all Group employees, entitled 'the essentials of professional ethics'. In addition, BPCE has implemented a Code of Conduct and Ethics, which is rolled out to all Groupe BPCE institutions.

The new regulations on financial instruments markets (MIF2) and on packaged retail investment and insurance-based products (PRIIPS), to standardise pre-contractual information on packaged financial products, strengthen investor protection, and market transparency. They have an impact on the Group as a distributor of financial instruments, by strengthening the quality of customer journeys dedicated to financial savings and insurance:

- adaptation of customer data collection and KYC (customer profile, characteristics of the customer's projects in terms of objectives, risks, and investment horizons), update of the KYC knowledge and financial investment experience questionnaire, and of the customer risk appetite and ability to sustain losses questionnaire, thus enabling appropriate advice;
- adaptation of offers related to the financial products and services marketed;
- formalisation of the advice to the customer (statement of adequacy) and its acceptance of the advice (if applicable issuance of alerts informing the customer);
- organisation of the relations between the Group's producers and distributors;
- taking into account the provisions relating to the transparency of fees and charges according to the required granularity;
- preparation of periodic adequacy and value-added reports for customers and on the recording of exchanges in the context of the relationship and advice provided to customers;
- reporting of transactions to regulators and to the market, best execution, and best selection obligations;
- participation in the development of employee training and change management related to these new systems.

9.3.3 Financial security

The prevention of money laundering and financing of terrorist activities within Groupe BPCE is based on:

9.3.3.1 Corporate culture

Promoted across all levels of the company, corporate culture is built on:

- customer relations principles aimed at preventing risks, which are formalised and regularly communicated to the employees;
- a harmonised training system for Group employees, held every two years, and specific training for the financial security function.

9.3.3.2 An organisation

In accordance with Groupe BPCE's charters, all institutions have a division or a unit dedicated to financial security. At Palatine, financial security, which reports to the Risk and Compliance department, covers anti-money laundering, the prevention of terrorism, and compliance with international sanctions.

Within BPCE, a dedicated division oversees the prevention of money laundering and terrorism financing, defines the financial security policy for the entire Group, draws up the various standards and guidelines, and ensures the consistency of all decisions taken at the level of each project. This division also monitors regulations on the types of transactions concerned and ensures that money laundering and terrorist financing risks are taken into account during the procedure for approval of new commercial products and services by BPCE.

9.3.3.3 Specialised processes

In accordance with regulations, institutions have means of detecting atypical transactions adapted to their risk classification, making it possible to carry out, if necessary, the reinforced examinations and the necessary declarations to the French office for action against illicit financial circuits (*traitement et action contre les circuits financiers clandestins* - Tracfin) in the shortest possible time.

The Group's risk classification includes the issue of 'at-risk' countries, whether in terms of money laundering, terrorism, tax fraud, or corruption. This system has also been strengthened with the implementation of a framework and automated scenarios adapted to the specificities of terrorist financing.

With regard to compliance with restrictive measures related to international sanctions, the Group's institutions are equipped with filtering tools that generate alerts on customers (freezing of assets of certain persons or entities) and on international flows (freezing of assets and countries subject to a European and/or US embargo).

Given its significant international financing activity, Palatine has set up a specific tool (Compliance Link) allowing enhanced monitoring of financed goods.

9.3.3.4 Business supervision

The prevention of money laundering and financing of terrorist activities gives rise to internal reporting to senior executives and decision-making bodies and to the central body.

9.3.4 Fight against corruption

Groupe BPCE condemns corruption in all its forms and under all circumstances. In this context, it is a participating member of the UN global compact whose tenth principle concerns action ‘against corruption in all its forms, including extortion and bribery’.

There are several ways to prevent corruption:

- by means of the corruption risk exposure mapping of the Group's entities, the methodology of which was reviewed in 2022;
- thanks to employees' compliance with the rules of professional conduct and ethics set out in the Code of Conduct and Ethics (prevention of conflicts of interest, policies on gifts, benefits, and invitations, principles of confidentiality and professional secrecy). Disciplinary sanctions are provided for failure to comply with the professional rules governing the activities of the Group’s companies;
- by managing relations with third parties: standardised contracts within the Group and account agreements with anti-corruption clauses, assessment of suppliers of more than €50,000 with regard to the risk of corruption, system relating to relations with ‘politically exposed persons’;
- through regulatory training on professional ethics and anti-corruption in the form of e-learning.

A system for collecting and processing professional alerts on serious incidents, including corruption and influence peddling offences, is made available to employees (including external service providers and occasional employees).

Since 2022, the bank has introduced the new corruption control plan, specifically rolled out by the accounting audit (Palatine equivalent of financial control within Groupe BPCE).

BPCE also has accounting standards and procedures that comply with professional standards. The Group's internal control framework relating to accounting information aims to verify the conditions for assessing, recording, storing, and making available information, in particular by guaranteeing the existence of the audit trail within the meaning of the order of 3 November 2014, as amended on 25 February 2021, on internal control. In 2020, a Group framework of controls involved in the prevention and detection of fraud and acts of corruption or influence peddling was formalised. In this context, special attention is paid to donations, sponsorship and patronage.

More generally, these systems are formalised and detailed in the umbrella charter relating to the organisation of the Group's internal control and the Group's Risks, Compliance and Permanent Control Charter.

9.4 Work carried out in 2025

The main work carried out in 2025 to better control non-compliance risks focused on the main risks identified.

The action plan launched in 2023 within Palatine relating to KYC in terms of financial savings, was finalised in 2025 with a remediation rate of 95% for the most exposed clients. For clients whose documents are still missing or outdated, the investment advice tool is blocked, and therefore, no advice can be provided to these clients without first updating the KYC documents.

Another remediation action was launched in early 2025 relating to GSM mandates whose risk no longer seemed suited to the investor profile of the clients. The hundred or so clients concerned were contacted by the advisors in order to update their investor profiles and, if necessary, to offer them less risky mandates in line with their profiles. This initiative, although coming to an end, was strongly impacted by the unavailability of the O2S tool. At the end of 2025, 90% of the clients concerned had been remedied.

Particular efforts were also made in the areas of KYC and ethics. The Compliance department held several webinars on these two topics. Commercial network employees were made aware of best practices in terms of onboarding, updating KYC information, and entering data into the information system. All Bank employees were able to take part in webinars recalling the reporting obligations in terms of ethics (gifts, personal transactions, mandates, and conflicts of interest) and detailing the system reserved for whistleblowers.

Several other actions were carried out to improve issues identified in the context of permanent controls (right to an account, non-financial preferences, updates to procedures, etc.).

10 Business continuity

The management of business interruption risks is addressed by the Group's legal entities in the form of an analysis of the risks associated with the activities carried out. This analysis makes it possible to prioritize their restart. At the same time, the identification of the various possible risk events guides the legal entity in the business continuity responses to be provided and the preparation of the actions to be taken in the event of the occurrence of the risk event.

10.1 Organisation and steering of business continuity

Groupe BPCE's business continuity is organised as a function, managed by Group Business Continuity, within the Business Continuity and Crisis Management department (BCCMD).

The Group head of Business Continuity and Crisis Management (G-HBCCM) is responsible for supervising:

- managing the Group's business continuity and coordinating the Group's business continuity function;
- overseeing the implementation and maintenance in operational condition of the Group's business continuity plans;
- ensuring compliance with regulatory provisions governing business continuity;
- participating in internal and external bodies of the Group.

The HBCPs/HEBCPs of the Group's institutions report functionally to the Group's HBC, and the appointments of the HBCPs/HEBCPs are notified to him.

The Group's business continuity framework defines the governance of the function, ensured by three levels of bodies, mobilised according to the nature of the decisions to be taken or the approvals to be granted:

- the Group decision-making and steering bodies in which the Group HBC participates to validate the major guidelines and obtain the necessary arbitration;
- the Business Continuity Function Committee, a validation and operational coordination body of the function;
- the Group business continuity plenary, a national plenary body to exchange information and collect issues, supplemented by regional meetings and function calls in which the HBCPs are invited to participate.

The reference framework, CCA-G (NORMA BPCE/2024/06) was adapted and validated within our institution via the institution's Operational Risk and Security Committee (ORSC) chaired by the Deputy Chief Executive Officer, in May 2025.

Group Business Continuity defines, implements, and changes the Group's business continuity policy as necessary.

10.2 Description of the organisation implemented to ensure business continuity

The decision-making governance of Palatine's business continuity is ensured by the institution's Operational Risk and Security Committee (ORSC), chaired by the Deputy Chief Executive Officer of the institution, which is responsible for:

- validating the appointment of the HEBCP and their alternates;
- approving the governance and the business continuity system;
- validating the annual plan for maintenance in operational condition (PMOC);
- approving the multi-year plan for exercises and tests;
- reviewing and validating the restitution of the level 2 permanent controls relating to the EBCP;
- validating all new measures, tools, or significant changes in Palatine's business continuity system.

The operational governance of the system is ensured by the HEBCP, which reports to the Operational Risk department of the bank's Compliance Risk department. They rely on a network of around 100 Business Line Business Continuity Correspondents (BLBCC), whom they coordinate directly.

Under the management of the ORSC:

- the HEBCP undertakes the necessary actions with the business lines to identify:

  - activities to benefit from business continuity measures,
  - the resources needed by the business lines to carry out their activities,
  - interdependencies between business lines,
  - the risks and impacts of these risks on the performance of activities,
  - the most appropriate responses to the potential risks identified.
- the HEBCP defines and assigns to the business lines the actions necessary to confirm the operationality of the business continuity system within their scope of responsibility (maintenance actions), both in terms of documentation and physical resources.

10.3 Activities in 2025

The BCCMD continuously strives to improve the Group's business continuity culture and to strengthen the governance and business continuity systems.

In terms of governance:

- validation of a more accessible and developed version of the current policy;
- convergence of permanent control processes initiated, starting with LoD2 controls;
- decision-making role of the Business Continuity Function Committee (BCCMDC) strengthened, and articles of association updated accordingly;
- redesign of the dashboard for Group bodies;
- definition of the supervisory framework applicable to the function;

At the operational level:

- creation of an 'HBCP as a service' offering enabling small entities to benefit from enhanced support from the Group;
- classification of the business continuity awareness module as mandatory regulatory training to make it more visible;
- decision to overhaul the business continuity IS following a reflection on the need to change the tools.

Within Palatine, for 2025, the main work carried out for 2025 was to:

- consolidate the robustness and operationality of the EBCP system and the crisis management system, with an update of the document framework and procedures;
- strengthen crisis governance by clarifying the roles, escalation circuits, and organisation of executive, decision-making, and operational units;
- carry out resilience tests and crisis exercises, in particular on cyber and IT scenarios, incorporating feedback to improve the institution's response capacity;
- prepare the system to comply with new Group and European requirements;
- manage an incident concerning an external service provider by implementing a degraded operating process throughout the unavailability of the tool.

11 Information systems security

11.1 Organisation and steering of the ISS function

The Group Security department (DSG) is in charge of managing cyber and technological risks for the Group through the Cyber & Technology Risk Management Group (CTRMG) team.

The CTRMG team is organized into four teams:

- Function, Policies and Processes (FPP) whose main missions are the definition and operational implementation of TRM governance, the associated policies and processes, the coordination of the CTRM function composed of approximately 280 members, and the contribution of CTRM expertise during project validation committees.
- the Computer Emergency Response Team (CERT), reachable 24/7, whose duties are to provide incident responses to internal or external requests, manage and deliver cyber services (in particular bug bounty, cyber rating, attack surface, etc.), moderate the VIGIE community of more than 300 internal members and coordinate the Group's Security Operation Centres (SOC).
- the CISO/CTRM Delegation team, whose mission is to strengthen links, share best practices and make collective progress in order to ensure IS security, IT risk management, and business line compliance.
- the leaders of major Cybersecurity projects (DORA, IAM, etc.) under the responsibility of programme directors reporting to the Group RSSI.

The CTRMG team defines its projects according to three areas:

- continued implementation of regulatory projects (including DORA);
- implementation of essential projects and platforms for IT security and resilience;
- study of initiatives to respond to new threats.

The local Cyber and IT Risk Managers (CISOs or CTRMs) of Palatine and, more generally, of all affiliates (parent companies, direct subsidiaries and IT EIGs) report functionally to the Head of the Security Department in the Group Cyber and IT Risks area of expertise (Group CISO/CTRMG). This functional link notably means that:

- any CISO appointment is notified to the Group CISO;

- a report on the cyber and IT risk highlights of the institutions is sent to the Group CISO.

Since 2019, Palatine's CISO has also been external fraud coordinator. He is supported by a work-study employee who shares their work-study assignment with the EBCP function. Palatine also created an I-TRM position within LOD1 in September 2025.

11.2 Monitoring of risks related to information systems security

The Group Information Systems Security policy (ISSP-G), which dealt solely with the types of cybersecurity risk, has given way to the Technology Risk Management (TRM) model, which is now the Group's technology risk management framework.

The general Cyber and IT Risk Management policy (GP-TRM) covers six types, meeting EBA guidelines and the DORA regulation, and is accompanied by new policies dedicated to each of these risks:

- cybersecurity;
- IT production;
- IT developments and projects;
- IT outsourcing;
- IT governance and strategy;
- IS continuity.

This TRM model is deployed in all Group entities, in accordance with the level of risk of each entity, with four main objectives:

- contacts who are aware of and trained in cyber & IT risks;
- a system equipped with rules and controls;
- cyber & IT risk mapping;
- a comitology system incorporating TRM risks.

11.2.1 Raising employee awareness of cybersecurity:

The new ‘Charter for the Use of Information and Communication Technologies’ is an appendix to the internal rules, and it defines:

- the general rules governing the use of IT resources;
- the security policies for these resources that users must comply with;
- the protection and control principles that may be put in place;
- the responsibilities of users and potential sanctions incurred in the event of non-compliance with the Charter.

As the use of IT tools has evolved in recent years with the emergence of artificial intelligence, the massive deployment of teleworking, etc., the threats have become multifaceted and have also intensified. These developments require the Group to adapt to these new threats by adjusting certain rules for the use of IT resources, while making users aware of their central role in Company security.

The Charter thus specifies the rights, duties, and obligations of the user (employee or external) concerning the use of the resources made available. It applies both inside and outside the company's premises, whether traveling or teleworking.

In addition, the awareness-raising campaigns continued, particularly aimed at the Group’s top management. In addition, the Group participates in industry bodies on cybersecurity and events such as the ‘European Cybersecurity Month’.

Palatine rolls out the Group’s awareness programme locally and participates in various awareness campaigns (phishing tests, cybersecurity month).

11.3 Activities in 2025

In 2025, the cyber and IT risk management framework evolved to cover not only the European Banking Authority guidelines on information and communication technology (ICT) risk management and security, which were published on 27 November 2019 and entered into force on 30 June 2020, but also the DORA (Digital Operational Resilience Act) regulation (EC 2022/2554), which strengthens the European Banking Authority’s guidelines. It defines a regulatory framework on digital operational resilience in the event of cyber threats or ICT-related incidents, was published on 16 January 2023, and entered into force on 17 January 2025.

In addition, the TRM deployment ensures the strengthening of third-party management (classification and definition of associated control measures) and the implementation of the audits provided for in subcontracting or service contracts. The existing contracts have also been reviewed and supplemented with the TRM appendix for better management of the security of data entrusted to third parties.

In addition, the improvement of the data leak detection system has led to an increase in the incidence rate, without increasing the severity of the consequences.

Palatine adapted the work undertaken by the Group at a local level.

12 Climate risks

As part of the publication of BPCE's first TCFD report in October 2021, the Group Risk division has defined a materiality matrix for climate risks that can be applied to all Group entities.

The materiality of the risks associated with climate change is assessed by reference to the main risk classes of Basel III pillar 1, namely credit risk, market risk, and operational risk, including non-compliance and reputation risk. BPCE has therefore set up a system to identify climate risk factors that could impact the Group's traditional risks, accompanied by precise management. The climate risk materiality matrix.

Environmental risks fall into two main categories:

- acute physical risks' are defined as direct losses triggered by extreme weather events, the resulting damage of which may lead to the destruction of physical assets (real estate and/or production) and cause a drop-in local economic activity and possibly a disruption of value chains. 'Chronic physical risks' are the direct losses triggered by longer-term climate changes (sea-level rise, chronic heat waves, modification of rainfall patterns and increase in their variability, and disappearance of certain resources) that may deteriorate the productivity of a given sector.
- Transition risk' results from the economic and financial consequences related to the effects of the implementation of a low-carbon economic model, whether through changes in regulations, technological progress, or changes in consumer expectations and reputational repercussions.

As part of the double materiality exercise conducted by Palatine, the bank assessed various material climate-related impacts, risks, and opportunities (IRO) that can be linked to the business models and the implementation of the Palatine 2030 strategic project:

- impacts relating to climate change mitigation within the scope of Palatine's own footprint (negative impact on the climate due to the greenhouse gas emissions of Palatine's own operations) for Palatine's financing and investment activities (negative impact on the climate due to financing and investments in sectors that are high greenhouse gas emitters);
- risks induced by climate change for Palatine's financing and investment activities:
  - risk of financial losses arising from credit or market risk related to financing or investment transactions in counterparties, activities, or projects sensitive to physical climate risk factors. This risk is comparable to a physical risk;
  - risk of financial losses arising from credit or market risk related to financing or investment transactions in counterparties, activities or projects sensitive to transition climate risk factors. This risk is similar to transition risk;
  - risk of financial losses resulting from a turnover risk related to a change in financing portfolio sector mix and an increase in competition, and interest rate risk from the general evolution of interest rates and inflation in the event of an acceleration in the transition. This risk is similar to transition risk.
- material opportunities related to climate change mitigation for Palatine's financing and investment activities: business opportunities related to financing solutions to support clients in their transition and adaptation to climate change, as well as sustainable savings products invested in companies to support their transition

Climate risk management programme

Within BPCE, the Climate Risk department coordinates the implementation of the climate risk management framework through a dedicated programme. This programme, in line with the Group's climate and environmental commitments, addresses specific objectives for all business lines and all functions. The proposed system aims to ensure the most comprehensive coverage of the 13 pillars proposed by the ECB in its guide on climate and environmental risks of November 2020. It also aims to integrate the national or international regulatory perspectives that are currently the reference.

This programme is regularly updated with the points of attention specified by the ECB, in particular in its return to the subject of the self-assessment questionnaire, and then through the thematic review carried out.

Concretely, this system is organised around nine major areas (governance, risk appetite framework, stress test, financial and market risks, operational risk, credit risks, risk control framework, the dashboard, and data).

The work and expectations are thus precisely qualified, by theme, making it possible to know and monitor the status, the implementation schedule, the people in charge in the Climate Risk Department, and other departments such as those involved in its implementation or the expected deliverables.

Representatives of Banques Populaires, Caisses d'Epargne, and Global Financial Services were also involved in the programme to ensure the operationality of the actions planned in each Group entity.

Groupe BPCE has formalised a climate change ambition in its 2021-2024 strategic plan and initiated the adaptation of its activities in order to contribute to the decarbonisation of the economy. In 2024, with the VISION 2030 strategic project, Groupe BPCE committed to long-term action.

With the aim of making impact accessible to all, the Group defined specific areas of action:

- support for all clients in their environmental transition;
- alignment of its financing, investment, and insurance portfolios with trajectories based on scientific scenarios compatible with the objectives of the Paris Agreement;
- decarbonisation trajectories offered by European asset management companies to their investor customers;
- extension of the sustainable refinancing strategy in order to have the resources necessary to achieve its objectives;
- accelerated reduction of its own footprint.

The Group is accelerating the transformation of its activities with the aim of extending its impact solutions to all its clients on climate issues and, more broadly, on sustainability issues. Thus, Groupe BPCE's 'Impact Inside' internal transformation plan strengthens its ability to support its clients' environmental and societal transitions. It is reflected in the mobilisation of the full strength of the Group's regional and international economic footprint to support all players in the economy in their transitions and thus strengthen their positive impact on society and on the environment.

The transition plan to mitigate climate change is part of this global approach.

Palatine does not have a transition plan of its own, but as a Groupe BPCE company, it contributes with its business model and specificities to the implementation and execution of the transition plan defined at Groupe BPCE level, mainly through the following focuses:

- support for all customers in their environmental transition;
- reduction of greenhouse gas emissions from the Bank's financing portfolios;
- continuation of actions to reduce the footprint of Palatine Asset Management's investments and that of the Bank.

12.1 Governance

In 2022, Groupe BPCE's committee procedure was strengthened with the generalisation of climate-related elements in the committee procedure of each of its entities.

The coordination of the climate risk correspondents has increased employee awareness, and training actions are offered in the other departments. A monthly newsletter, a quarterly conference, and virtual classes on specific topics aim to promote the dissemination of the climate risk culture in all entities. The best practices identified are presented at these regular or ad hoc events. Climate Risk Pursuit training has been rolled out across the Group. Lastly, the governing bodies are also trained on these subjects on a regular basis.

Within Palatine, the climate risk officer is the Risk, Compliance, and Permanent Control Director, assisted by the Corporate Secretary's Office via the CSR department in charge of preparing the sustainability report. The collaborative and entertaining climate awareness tool developed by the Fresque du Climat association (Climate Fresco Association) has been rolled out at Palatine. Based on scientific data from the IPCC (intergovernmental panel on climate change), the set of 42 cards makes it possible to understand the cause-and-effect links of climate change, with a time for discussion between employees on the levers of action faced with this environmental challenge.

12.2 Risk appetite framework

The ‘climate risk/transition risk’ and ‘climate risk/physical risk’ categories were added to BPCE's risk framework in 2019. At this stage, the materiality of these risk categories has been assessed on an expert basis and supported by the mapping work. Transition risk was deemed material, including in the short-term, given the potential reputational impacts, the risks related to changes in the regulatory and legal framework, and the strategic risk related to market changes in response to the climate transition.

At Groupe BPCE level, this process is coordinated by the ESG risk department under the supervision of Groupe BPCE’s ESG Risk Committee and Supervisory Board. It is reviewed annually to update the underlying scientific knowledge and methodologies. This process consists of four main steps:

- creation of the risk framework;
- documentation of climate risk transmission channels;
- assessment of the materiality of climate risks in relation to the other risk categories;
- input into cross-functional risk management exercises (risk appetite system, ICAAP, ILAAP).

Palatine relied on the work carried out by Groupe BPCE to set up a process for identifying and assessing the materiality of climate and environmental risks aimed at structuring the understanding of the risks to which it is exposed in the short, medium, and long term, and to identify priority areas for strengthening the risk control system.

Group risk framework

Groupe BPCE has set up an environmental risk framework that makes it possible to define the contingencies covered. This framework is based on current scientific knowledge and reference regulatory texts (e.g. European taxonomy) and aims to provide the most comprehensive possible representation of the hazards.

Risk transmission channels

ESG risks are risk factors underlying the other risk categories to which Groupe BPCE is exposed, namely credit and counterparty risks, market and valuation risks, insurance risks, structural balance sheet risks, strategic and business risks, and non-financial risks (operational risks, reputational risks, non-compliance risks, insurance risks, etc.), as identified in the Group’s risk taxonomy.

These transmission channels involve the impacts of climate risks on activities and business models, which are reflected in financial variables at the macroeconomic or microeconomic level and ultimately modify Groupe BPCE’s risk exposure. They may materialise directly, in connection with BPCE’s own activities, or indirectly through the counterparties to which the Group is exposed as part of its financing or investment activities.

12.3 Stress tests

Measurement of the impacts of climate risks on Groupe BPCE's assets.

In 2020, Groupe BPCE volunteered to participate in a first climate risk assessment exercise led by the European Banking Authority (EBA). Groupe BPCE also contributed to the pilot exercise conducted by the *Autorité de contrôle prudentiel et de résolution* (ACPR), the French prudential supervisory authority for the banking and insurance sector, in 2021 to estimate physical and transition risks.

Then, in 2022, Groupe BPCE took part in the very first climate stress test launched by the European Central Bank (ECB). The stated objective of this last exercise was to identify the preparedness of the hundred or so banking groups under supervision in view of the financial and economic shocks that climate risk is likely to cause. This initiative was part of a desire already supported by the national supervisors. This exercise should be seen as a joint learning exercise with pioneering features aimed at strengthening the capacity of banks and supervisors to assess climate risk. For this first learning exercise, the ECB wanted to simplify the request. The stress test targets specific categories of assets exposed to climate risks and not the full balance sheet of the banks. The exercise is based on three modules:

- the first module focuses on the framework and governance of the approach;
- the second aims to collect a certain number of metrics in order to assess sector sensitivity;
- the third consists of estimating the impacts of short- and long-term physical and transition risks.

In 2024, the assessment of the climate risks was carried out by almost all of the Group’s physical entities and aggregated at BPCE level. It was supplemented by an initial assessment of the environmental risks carried out solely at Groupe BPCE level. As part of the assessments' annual update, the climate and environmental risk assessment processes are converged and extended to social and governance risks.

As part of the assessment of the financial materiality of the risks in accordance with the ESRS, the assessment of the materiality of the climate risks was cross-referenced with the materiality assessment of each of the ‘traditional’ risks carried out annually as part of the work on the Risk Appetite Framework in order to obtain an assessment of the intrinsic materiality for each risk on the same criteria applied to other risks (probability of occurrence/ magnitude of financial impact), making it possible to ensure consistency between the assessments. An expert’s overall consistency check was carried out to validate the materiality levels obtained.

Consequently, Groupe BPCE has developed an internal methodology for assessing climate issues and risks, based on sector notes documenting the main issues and risks related to the sector, according to criteria aligned with the definitions of the European taxonomy. These criteria are then rated by in-house experts according to the principles of double materiality. The scores for the climate criteria are also aggregated in order to provide a summary score enabling the sectors to be compared. The proposed scores were validated by the Non-Financial Risk Committee.

This analysis methodology was deployed in the 26 economic sectors used to manage Groupe BPCE’s financing portfolio. It is shared with all Groupe BPCE entities.

Work was carried out from 2024 to improve methods for assessing physical and transition environmental risks and replace this methodology during 2025.

With respect to climate risks, Groupe BPCE analyses the resilience of its business model across its three activities (financing, insurance, and asset management) through climate stress tests as part of the self-assessment process of its capital (ICAAP) and liquidity (ILAAP) with regard to the risks it may face. This analysis takes place each year between October and February, on the basis of assumptions defined upstream in the cycle (between June and November). Each year, the analysis is enriched in terms of coverage of the scope (increase in the number and/or modulation of the severity of hazards) as part of the continuous improvement process.

Groupe BPCE continues to enhance its ICAAP framework by incorporating new factors:

- a new acute physical risk hazard, heat wave, based on the 99th percentile of the NGFS scenario applied to France, the Eurozone, and the United States, taking into account current and future intensity (2042);
- transition risk still based on the NGFS Net Zero 2050 scenario (which assumes a rapid transition to a low-carbon economy, significantly impacting the functioning of the economy) and also including changes in chronic physical risk;
- climate risk components are integrated into an adverse scenario.

Although the quantifications carried out in the ICAAP take place over a short-term horizon (three years), they result from the use of assumptions that are assumed to occur in some cases at the earliest in the medium term (transition risk, consistent with the central assumption used in materiality analysis) or even in the long term (acute physical risk of heat wave in year 3).

The other material risks identified as part of the double materiality analysis exercise are covered through the overall quantifications of operational risks (including, in particular, legal and reputational risks) carried out within the framework of the ICAAP.

From a liquidity perspective, the Group's resilience to climate-related risks has been assessed in relation to physical and transition risks across its key components (client deposits, financing to investors, liquid assets) under the ILAAP. In addition, the impact of material ESG risks on the Group's reputation was also assessed on the main components (client deposits, financing with investors) under the ILAAP.

Although the quantifications carried out in the ILAAP take place over a short-term horizon (one year), they result from the use of assumptions that are assumed to occur in some cases at the earliest in the medium term (transition risk, consistent with the central assumption used in materiality analysis) or even in the long term (intensity of physical risk). The regulatory risk component (change in ECB eligibility rules) is assumed to be able to take place in the short term.

None of the material risks identified as part of the double materiality assessment and subsequently assessed call into question the resilience of Groupe BPCE's business model over the time horizon of its strategic plan. They do not require dedicated strategic actions, beyond the actions already planned in response to a solvency or liquidity stress situation assessed in the ICAAP or ILAAP.

Banque Palatine did not carry out any stress tests at its level. Its activities are well covered by the stress tests conducted by BPCE, as are all Groupe BPCE subsidiaries and institutions. Calculations are carried out centrally (quantification analyses, including stress tests).

12.4 PAM: climate risk management

Climate change presents both a financial risk and a strategic opportunity for Palatine Asset Management.

The risks identified are mainly related to the transition to a low-carbon economy (changes in the regulatory framework, technological developments, client, and investor expectations in terms of climate alignment) and the portfolios' indirect exposure to physical risks (extreme weather events, water stress, sea-level rise).

To manage climate risks, Palatine Asset Management assesses portfolio exposure. This involves modelling different carbon emission scenarios and analysing how these scenarios may affect asset performance.

At the same time, the climate transition opens up opportunities through the steered allocation of investments that contribute to sustainable environmental activities within the meaning of the European taxonomy.

Risks and opportunities are incorporated into the investment processes as part of:

- as part of the ESG analysis of issuers, with a focus on companies that adopt sustainable practices;
- as part of sectoral exclusion policies, notably targeting fossil fuels (coal, oil, and gas sectors) and certain heavy industries with a high carbon footprint;
- as part of engagement strategies, in particular through the exercise of voting rights at General Meetings and dialogue with companies, to encourage them to adopt more sustainable practices and better manage climate risks;
- in the main climate indicators and analyses, which are regularly monitored and included in internal reporting.

An environmental performance monitoring programme has been developed to assess the impact of investments on the climate and regularly analyse the carbon footprint of portfolios. Finally, regular reports on progress and commitments in terms of environmental impact are published, reinforcing Palatine Asset Management's transparency and responsibility towards its stakeholders.

12.5 Financial and market risks

Palatine incorporates ESG criteria into the management of the liquidity reserve in order to manage both the ESG risks associated with investments and the associated reputational risk.

These ESG criteria are defined according to two axes: a target is set on the proportion of ‘sustainable’ securities (green, social, or sustainable) and an exclusion on issuers of securities with a downgraded non-financial rating.

Furthermore, the criteria set out in the ESG policies also apply to securities held in the liquidity reserve.

12.6 Operational risks

Risks related to their own activity

In the operational risk monitoring tool (OSIRISK), a metric tracks incidents linked to climate change. The latter makes it possible to distinguish between physical risks and transition risks.

In addition, in order to anticipate and manage physical climatic events that could affect its own activities, Groupe BPCE has implemented a business continuity plan that defines the procedures and resources enabling the bank to deal with natural disasters in order to protect employees, key assets, and activities and ensure the continuity of essential services.

No incident of this type in OSIRISK was mentioned in 2025 concerning Palatine.

Reputational risk

The evolution of consumer awareness and sensitivity to climate issues is a sensitivity factor for the banking sector that could lead to damage to the bank's reputation in the event of non-compliance with regulatory expectations or controversial business-related controversies. A reputation measurement indicator incorporating climate-related events and, more broadly, ESG is being developed by the Group's Operational Risk Department.

Reputational risk has been identified as material in the sections on Climate change, Own workers, Consumers and end-users, and Business conduct.

Legal, compliance, and regulatory risk

In order to limit the effects of climate change, the administrative and legislative authorities are required to adopt new regulations. These texts can be international (Paris Agreement), European (taxonomy), or national (Climate and Resilience Act). For example, the French legislator has increased its requirements with Article 29 of the Climate Energy Act. Financial corporations must demonstrate how their investments are in line with a 1.5°C/2°C trajectory (see Paris Agreement).

The Legal department, in conjunction with the CSR department and the Group Risk division, organises the information of the respective channels about this risk and encourages increased vigilance regarding the use of climate-related terminologies in order to be aligned with the European taxonomy.

Palatine is fully committed to this approach.

12.7 Credit risk

For retail banking, in addition to the coal policy applied to all Groupe BPCE companies, environmental criteria have been systematically included in sectoral policies since 2018. The Non-Financial Risk Committee, made up of the climate risk, credit analysis, and CSR teams, has been meeting every month since March 2020 to conduct ESG reviews of all business sectors and by client type.

As part of these reviews, each business segment is assessed on the basis of six environmental issues as defined by European taxonomy: physical climate risks, transition climate risks, biodiversity, water, pollution other than greenhouse gases, and a circular economy. An environmental sectoral classification follows from this assessment and identifies specific points of attention.

These sectoral ESG analyses are intended to inform discussions, particularly when granting loans. The objective is to provide additional analytical elements in light of regulatory and market changes, so as to better support customers in the transition.

Palatine's Credit Risk department within the DRCCP is based on Groupe BPCE's policies.

Transition questionnaire being rolled out for retail banking customers

For retail banking, a questionnaire dedicated to the consideration of environmental issues by customers in their business model was tested by customer service managers in order to collect information on the knowledge, actions, and commitment of customers on climate and environmental issues. This tool is part of the Group’s response to the EBA guide on granting and monitoring loans in its ESG component.

The first elements collected make it possible to assess the customer’s maturity in terms of managing the climate and environmental challenges of its business segment. The pilot phase is being completed with a reflection on its future integration into customer rating systems once the necessary depth of history has been reached.

The integration of this data into the loan approval process and risk monitoring is currently being studied with the Retail Banking Insurance Development departments (BPCE).

12.8 Dashboards

Group dashboards for monitoring and managing climate and environmental risks, validated in 2022, ensured the reliability and quality of the data used. Since 2023, Palatine has benefited from the qualitative elements of climate risks produced by the Group on the bond scope.

During 2025, the Group made available for all its subsidiaries, including Palatine:

- physical and transition risk exposure data via Power Bi;
- an analytical approach;
- a Group materiality analysis.

13 Emerging risks

Groupe BPCE places great importance on anticipating and managing emerging risks in today's constantly changing environment. To this end, a prospective analysis identifying the risks that could impact the Group is carried out every six months and presented to the Risk and Compliance Committee, followed by the Board's Risk Committee.

The macroeconomic context has deteriorated sharply since the beginning of 2022 and has led to a more pessimistic view than the one projected in terms of the results generated by the Group's activities and the level of risk. In addition, the Covid crisis and the consequences of the crisis in Ukraine have profoundly changed the environment in which the Group's activities are carried out. They have greatly increased the intensity of the shocks caused by the various types of risks affecting our businesses.

The forthcoming slowdown in economic growth, combined with high and potentially long-term inflation, poses an increased risk of a deterioration in credit portfolios, in particular for certain customer segments with vulnerabilities (business sectors sensitive to the effects of a secondary war in Ukraine and/or inflation, customers with an already high level of debt, etc.).

Vigilance on interest rates and investment risks is also heightened, given the highly unfavourable impact that the rise in interest rates and inflation could have on the Group's profitability in the short and medium term.

The international geopolitical environment remains an area of attention under vigilance, with various geopolitical tensions continuing to weigh on the global economic context and feeding uncertainty.

The continued digitalization of the economy and financial services is accompanied by constant vigilance by banks in the face of cyber risks. The sophistication of cyber-attacks and the potential vulnerability of their IS systems are both major risks for Groupe BPCE, in conjunction with the expectations of the regulatory authority.

The Group is very attentive to changes in the regulatory environment and to the supervisor's requests, in particular on new provisioning standards, the management and monitoring of leveraged loans, guidelines on non-performing loans, etc.

Climate change is an integral part of the risk management policy, with a risk control mechanism currently being strengthened.

Lastly, operational risks are the subject of close attention, in particular with the application of crisis management systems when necessary.

5
NOTES TO THE MANAGEMENT REPORT

A Statement of results for the five previous years

Article R. 225-102 of the French Commercial Code

in thousands of euros	2021	2022	2023	2024	2025
SHARE CAPITAL AT REPORTING DATE					
Share capital	688,803	688,803	688,803	688,803	688,803
Number of shares(1)	34,440	34,440	34,440	34,440	34,440
OPERATIONS AND INCOME FOR THE FINANCIAL YEAR					
• Revenue	501,213	612,846	1,158,262	1,293,009	1,145,481
Income before tax, employee profit-sharing, depreciation, amortisation, and impairment	75,359	84,483	145,481	134,059	125,682
Income tax	(9,068)	(3,226)	48,936	27,491	39,511
Income after tax, employee profit-sharing, depreciation, amortisation, impairment, and provisions	38,410	(2,740)	124,243	58,399	101,920
• Dividend paid(2)	-	-	50,364	56,110	67,644
EARNINGS PER SHARE (IN EUROS)					
Revenue	14.55	17.79	33.63	37.54	33.26
Income after tax, employee profit-sharing, but before depreciation, amortisation, and impairment	1.74	2.61	6.16	5.05	5.30
Income tax	(0.26)	(0.09)	1.42	0.80	1.15
Income after tax, employee profit-sharing, depreciation, amortisation, impairment, and provisions	1.12	(0.08)	3.61	1.70	2.96
Dividend per share(2)			1.46	1.63	1.96
EMPLOYEE DATA					
Average headcount	1,182	1,105	1,098	1,095	1,086
o/w managerial staff	807	777	822	822	828
o/w non-managerial	375	328	276	273	257
Total wage bill for the year	79,992	71,594	68,516	70,645	72,431
Amount of employee benefits during the period	36,122	37,193	36,527	37,232	38,075

(1) Earnings per share are calculated based on the number of shares outstanding at the date of the General Meeting.
(2) Subject to approval by the General Meeting.

B Information on supplier and client payment periods

Invoices received and due but not settled at the reporting date (table provided for in I of Article D. 441-6-1 of the French Commercial Code)	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
Number of invoices concerned	2	2	3	2	34	41
Total amount, inclusive of VAT, of the invoices concerned (in euros)	6,333	7,113	12,847	7,982	524,929	552,872
Percentage of the total amount of purchases, inclusive of VAT, for the financial year	0.02%	0.02%	0.04%	0.02%	1.53%	1.61%

Invoices received in arrears during the year (table provided for in II of Article D. 441-6-1 of the French Commercial Code)	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
Number of invoices concerned	3,238	1,268	316	122	127	1,833
Total amount, inclusive of VAT, of the invoices concerned (in euros)	18,763,571	10,656,872	2,605,388	860,650	890,342	15,013,252
Percentage of the total amount of purchases, inclusive of VAT, for the financial year	54.65%	31.04%	7.59%	2.51%	2.59%	21.31%

This information does not include banking transactions and related operations. For Palatine customer receivables and liabilities, see Appendix 4.14 to Chapter 2 on the maturity of loans and borrowings, which provides information on their residual maturity.

C Appropriation of earnings for the 2025 financial year

Sources	
Net profit	€101,920,043.33
Carried forward	€283,145,543.09
TOTAL	**€385,065,586.42**

Appropriation	
Allocation to the legal reserve	€5,096,002.17
Dividend payments	€67,643,602.38
Carried forward	€312,325,981.87
TOTAL	**€385,065,586.42**

D Information on inactive accounts

Articles L. 312-19, L. 312-20, and R. 312-21 of the French Monetary and Financial Code

From 1 January to 31 December 2025

- Number of inactive accounts at the bank: 3,610.

Total amount of deposits and assets in these accounts: €21,764,813.64. The published figures do not take into account accounts with a zero balance or in debit.

- Number of accounts for which deposits and assets are deposited with *Caisse des dépôts et consignations* (CDC): see table below.
- Total amount of deposits and assets deposited with *Caisse des dépôts et consignations:* see table below.

2025	Number of accounts whose assets are deposited with CDC	Amount of funds deposited with CDC (in euros)
Quarter 1	24	79,508.26
Quarter 2	23	58,138.45
Quarter 3	21	27,065.93
Quarter 4	47	415,249.90
TOTAL TO BE DECLARED	**115**	**579,962.54**

E List of business and private banking centres, premium branches, and other locations

North-East France: nine business and private banking centres

Paris Matignon	12, avenue Matignon	75008	Paris
Paris Opéra	24 bis, avenue de l'Opéra	75001	Paris
Nogent-Sur-Marne	1, avenue de Lattre de Tassigny	94130	Nogent-sur-Marne
Saint-Germain-en-Laye	4, rue d'Alsace	78100	Saint-Germain-en-Laye
Caen - Normandy	2, place de la République (1)	14000	Caen
Lille - Hauts-de-France	56, boulevard de la Liberté	59000	Lille
Dijon - Bourgogne-Franche-Comté	20, boulevard de Brosses	21000	Dijon
Metz - Lorraine Champagne	4, place du roi George	57000	Metz
	Immeuble Zash - rue Frédéric Passy	51430	Bezannes
Strasbourg - Alsace	1, avenue de la Liberté	67000	Strasbourg

(1) Address since 27 January 2026 – previously at 12 rue Ferdinand Buisson, 14280 Saint-Contest.

West France: nine business and private banking centres

Paris Auteuil	65, rue d'Auteuil	75016	Paris
Paris Courcelles	86, rue de Courcelles	75008	Paris
Paris Rive Gauche	147, boulevard Saint Germain	75006	Paris
Versailles	13, rue Colbert	78000	Versailles
Orléans - Centre-Val de Loire	123, rue de la Juine	45160	Olivet
Rennes - Brittany	37, boulevard Solférino	35000	Rennes
	1, rue Jean Marie Lebris	29200	Brest
Nantes - Pays de la Loire	2, rue Voltaire	44000	Nantes
La Roche-Sur-Yon - Vendée Poitou Charentes	2, rue Benjamin Franklin	85000	La-Roche-sur-Yon
Bordeaux - Nouvelle-Aquitaine	35, place Gambetta	33000	Bordeaux
	68, avenue du 8 mai 1945	64100	Bayonne

South-East France: eight business and private banking centres

Lyon - Rhône Est	1, place des Cordeliers	69002	Lyon
Lyon - Vallée du Rhône	12 ter, quai Perrache	69002	Lyon
Alpes	15, rue du président Favre	74000	Annecy
	7, avenue du Mont Blanc	74400	Chamonix
	18, chemin de Malacher	38240	Meylan
Saint-Etienne - Loire-Auvergne	17, rue Cugnot	42000	Saint-Etienne
	4, rue Eric de Crosmières	63000	Clermont Ferrand
Toulouse - Midi-Pyrénées	8, rue du Poids de l'Huile	31000	Toulouse
Sud Midi	2, place Paul Bec	34000	Montpellier
	26, rue de la République	84000	Avignon
Marseille - Provence	65, avenue Jules Cantini	13006	Marseille
Nice - Côte d'Azur	470, promenade des Anglais	06200	Nice

Premium network: four Palatine Premium branches

Paris	200, rue Carnot	94120	Fontenay-sous-Bois
Lyon	33, rue Maurice Flandin	69003	Lyon
Marseille	65, avenue Jules Cantini	13006	Marseille
Nice	470, promenade des Anglais	06200	Nice

Other location

Paris Malesherbes	Immeuble Horizons 17 - 140, boulevard Malesherbes	75017	Paris

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Design & production by Labrador Transparency +33 (0)1 53 06 30 80

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l'Art d'Être Banquier

MKG 10121 B – V. 02/2026 Ext.