Annual report 2022

FONDS DE GARANTIE
DES DÉPÔTS ET
DE RÉSOLUTION

French deposit insurance and resolution fund

Annual Report Financial Year 2022

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Foreword

The world is built on tools.

Whether physical or virtual, these tools allow everyone to build more and go further. They are what we all use to achieve our goals. But a tool that fails to evolve soon becomes ineffective and useless. As our practices evolve, our tools must keep pace with them.

Guarantee schemes are no more exempt from this rule as anyone else. To ensure that depositors and customers of the financial sector have strong protection that can be activated at any time, guarantee schemes must have tools that are capable of withstanding events and new threats. These threats no longer take the form they did in the past; they are increasingly digital, hidden, and fast-changing. It is crucial to constantly stay ahead of them, which is why the FGDR focused throughout the year on strengthening its tools, securing its systems, and assessing and controlling its own risks in greater depth.

Much was done at the end of 2021 and in 2022.

The FGDR spared no effort in subjecting its data processing systems to security audits. It put their impermeability to the test. It verified that the sensitive data it processes is protected. It looked for flaws and conducted numerous intrusion tests. All that enabled it to draw conclusions and develop an action plan that is both immediate and scalable: immediate to address possible vulnerabilities without delay, and scalable to ensure that its efforts are part of an ongoing process.

This also had an effect on its structure and ecosystem. In addition to external players who perform various security audits and intrusion tests, the FGDR now uses the services of consultants who specialise in IT security to assist it in analysing cyber threats and defining and implementing its security plan. The selection of its service providers also includes stricter security and audit requirements. To address an equally important issue, the FGDR created a special department within its organisation dedicated to risk control.

The new risk management department has a very broad reach within the FGDR's still streamlined structure. The head of risk management responsible for internal control also oversees personal data protection. What's more, he is also the person who drives and coordinates the stress test campaigns carried out by the FGDR on a regular basis.

This year, the FGDR wanted to expand this special focus placed on the effectiveness and security of its tools to include the public, which has increasingly become the target of fraud and scams that use information technology and identity theft to sometimes rob people of their life savings. The FGDR therefore increased the number of tips and warnings that it puts out through the media. It responds in the same way to individual requests it receives through its dialogue channels with customers of the financial sector and regularly notifies the relevant authorities about the fraud schemes it identifies. Helping to reduce the financial risks to which the public is exposed is part of its mission.

A mission that is also expanding: in addition to the three protection mechanisms that already exist (deposits, investor compensation and performance bonds), in the summer of 2022 the FGDR was given the task of overseeing the scheme that guarantees the services of portfolio management companies. The FGDR's coverage of customers of the financial sector is therefore growing, as it prepares to receive some 650 new members within a framework that will be finalised in 2023. We welcome them!

Thierry DISSAUX
Chairman of the Executive Board

Michel CADELANO
Member of the Executive Board

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The FGDR's missions and framework of activity

1.1. Missions

The Fonds de Garantie des Dépôts et de Résolution (FGDR) is a financial crisis operator.

It was born out of a need, which is in its DNA: to protect customers of financial institutions, particularly banks, and preserve financial stability. Of course, both these things work together. The public's confidence is needed for financial sector stability. And the financial sector must ensure that this confidence is deserved, through the quality of its services and its practices and through its soundness. It must go even further and assure the public that, if a bank does fail, as rare as that may be, the interests of those who trusted it – the customers – are protected.

That is where the FGDR comes in. Within the "financial safety net", alongside the Prudential Supervision and Resolution Authority ("ACPR"), the Banque de France, the Financial Markets Authority ("AMF") and the public authorities, its own mission is to intervene in crisis management, either before a crisis occurs or, when necessary, afterwards, if the crisis has already occurred, by compensating customers.

It is a complex undertaking that entails, at the legal and operational levels, developing specific tools and making them available to all those concerned over the long term. It is also an undertaking with an important international dimension, since its regulatory framework derives largely from European texts, while exchanges with other European and international deposit schemes are crucial to performance, progress and planning.

The FGDR is a financial sector body. Created by law in 1999 and reinforced by public oversight, it has private law status and governance that comes from the financial sector itself, reflecting the guarantee mechanisms it manages. This demonstrates the conviction shared by public authorities and private players alike – that financial stability and customer protection are a common goal in which everyone has a part to play.

The FGDR manages four guarantee mechanisms:
- the deposit guarantee scheme, which protects bank customers;
- the investor compensation scheme, which protects customers of investment firms;
- the performance bonds guarantee scheme, which covers performance bonds issued by authorised financial intermediaries to customers of certain regulated professions (real estate agents, travel agents, etc.); and
- the guarantee of asset management services, which covers the clients of portfolio management companies (PMC).

In addition to these schemes, there is also a mechanism for funding the resolution of credit institutions and other financial intermediaries.

The FGDR's intrinsic mission is to promote sustainability and social responsibility. It works to support the public interest and serve the public; its role is to anticipate crises, prevent them from occurring or minimise their impact, while the mechanisms for building up its reserves, through risk-based contributions, favour the strongest, best managed institutions. The FGDR also strives to strengthen Corporate Social Responsibility ("CSR") and to present itself, to both the public and its financial sector members, as one of the faces of responsible finance to which they themselves are committed and contribute.

Overall, the mission and *raison d'être* of the FGDR is to be a **crisis operator in support of sustainable finance**.

The guarantee mechanisms managed by the FGDR

Deposit guarantee scheme
The deposit guarantee scheme covers amounts of up to €100,000 per person, per bank left in passbook and other accounts by the customers of a failed institution. It covers all bank customers, including natural persons, whether minors or adults, business owners, associations, civil and commercial partnerships, with the exception of financial institutions.

Compensation is made available to depositors within seven working days of the ACPR's decision noting the unavailability of the institution's deposits.

The guarantee may be increased up to an additional €500,000 per event to cover various cases of large deposits made within the three months preceding the failure (sale of residential property, compensation for harm, estate, etc.).

Investor compensation scheme
This guarantee covers all the securities and financial instruments held by investors through their investment services providers (banks, investment firms) in an amount of up to €70,000 per person, per institution. Like the deposit guarantee scheme, it covers all investors, including private individuals and legal entities, with the exception of financial institutions.

The products covered include shares, bonds, units of open-end investment companies or mutual funds, certificates of deposit and negotiable debt instruments, whether held directly (securities accounts) or through an equity savings scheme (PEA). The cash associated with these securities and instruments is also covered up to an additional amount of €70,000. When the service provider is a bank, this cash coverage is included in the €100,000 provided under the deposit guarantee scheme.

Compensation is paid within three months, which may be extended once after determination by the ACPR and the AMF that the securities have disappeared and that the institution at which the accounts were held is no longer able to return or repay them.

Performance bonds guarantee
The performance bonds guarantee scheme covers regulated performance bonds that an authorised bank or financial institution must issue to certain regulated professions (real estate agents, travel agents, developers, etc.) to guarantee the proper completion of their customers' projects.

If the bank or financial institution fails, the FGDR takes over and honours the performance bond until the project is completed. If, in the meantime, the professional itself fails with regards its customers, the FGDR pays compensation in an amount up to 90% of the harm sustained by the customer, with a deductible amount of €3,000.

The guarantee of asset management services
This guarantee is for clients of portfolio management companies. Created in the summer of 2022, it covers financial instruments, particularly units of UCITS, and associated cash, which are held or managed by these companies on behalf of their clients up to a total of €20,000.

The guarantee of asset management services works much like the investor compensation scheme (coverage of private individuals and legal entities, initiation in case of disappearance of securities or cash, compensation within three months). However, the AMF is solely responsible for activating the guarantee through the FGDR.

1.2. Organisation

The FGDR has the skills and resources necessary for its operation both under normal circumstances and during a crisis, while controlling its cost base. The internal team oversees an ecosystem of service providers that can rapidly deploy the resources needed to manage an intervention (call centre, processing centre, media agency, printing, electronic document management, etc.) based on a pre-set, clearly defined and regularly tested *modus operandi*.

It also outsources IT services to a French group for core operational systems such as the integrated Compensation and Communication System ("CCS") and the member database.

The Executive Board is responsible for specifying the FGDR's main objectives, defining its organisation and managing its activities. It also provides overall supervision and ensures that the annual targets are met in accordance with a specific risk management policy. The FGDR itself has five departments that work interactively: operations, communications, legal, finance and risk management, to which an office manager has been added.

The FGDR employed 14 people at year-end and three people are currently being recruited. All FGDR employees carry out their tasks in accordance with the rules governing the FGDR's missions, including the internal regulations and the confidentiality and ethics charter which are revised regularly.

The operations department employs seven people on a permanent basis. It is built around three key functions:
- define, create and update the FGDR's compensation processes, while guaranteeing their compliance with the regulatory requirements;
- develop, operate, secure and update the FGDR's information systems; and
- ensure the operational capability of the system as a whole, particularly by performing regular and on-site controls with credit institutions, but also by participating in stress test campaigns alongside the FGDR's other operational departments.

The communication and training department employs two people. One person on a work-study programme also helps the department achieve its objectives. The department is responsible for defining and managing the communication channels and for developing information content regarding the FGDR's missions and activity intended for the general public, the authorities and the press. In addition, this department provides training for external compensation operators together with the operations department and implements the continuous training plan for FGDR employees.

The legal and administrative department consists of one person, its manager, who is tasked with analysing, monitoring and implementing regulations regarding the FGDR's activity, monitoring any lawsuits related to the FGDR's interventions and managing the FGDR's business activities (including acting as secretary of the Supervisory Board). This department also handles labour law matters.

The finance department consists of three people. It handles the FGDR's administrative management and accounting and produces the financial statements. It ensures compliance with the operating budget through appropriate management control, determines the amount of member contributions together with the ACPR and collects them. In addition, this department is responsible for implementing the FGDR's asset management policy in accordance with the objectives and criteria set by the Supervisory Board.

The risk management department consists of one person. This department, created in 2022, is responsible for assessing, controlling and remediating risks that may affect all aspects of the FGDR's activity, under normal circumstances and during a crisis. In addition to managing risks (affecting the Fund's business continuity), the head of risk management is responsible for regulatory compliance (excluding legal matters but including personal data protection), IT and physical security, and coordination of stress test campaigns.

1.3. Members

All companies that are licensed by the ACPR to operate as a credit institution, an investment services provider, a financial intermediary authorised to issue regulated performance bonds, or a portfolio management company are members of the FGDR under the deposit guarantee, investor compensation or performance bonds guarantee schemes, respectively. This membership is mandatory and a prerequisite for obtaining the licence.

All financial institutions that fall within the scope of resolution at the national level, and are therefore members to the National Resolution Fund ("NRF"), are also members of the FGDR.

At 31 December 2022, the FGDR had 465 members, seven fewer than at 31 December 2021, for all mechanisms. Many of these members participate in several schemes.

Taken separately, each mechanism has:
- for the deposit guarantee scheme: 331 members (-9 year on year);
- for the investor compensation scheme: 304 members (+3);
- for the performance bonds guarantee scheme: 266 members (-11);
- for the guarantee of asset management services: approximately 650 members;
- for the National Resolution Fund: 105 members (+2).

N.B.: portfolio management companies are in the process of becoming members.

1.4. Legal framework

The FGDR's legal framework is mainly derived from the French Monetary and Financial Code (particularly Articles L. 312-4 to L. 312-18 for the FGDR's missions, intervention mechanisms and governance and for the deposit guarantee scheme; Articles L. 322-1 to L. 322-4 for the investor compensation scheme; Articles L. 313-50 to L. 313-51 for the performance bonds guarantee scheme; and Articles L. 322-5 to L. 322-10 for the guarantee of asset management services scheme). This framework was originally established by Law No. 99-532 of 25 June 1999 on savings and financial security.

More recently, Order No. 2015-1024 of 20 August 2015 containing various provisions for adapting legislation to European Union financial law transposed both Directive No. 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes ("DGSD2") and Directive No. 2014/59/EU of the European Parliament and of the Council of 15 May 2014 on the resolution of credit institutions ("BRRD"). It revised the framework applicable to the deposit guarantee scheme and made changes to the FGDR's governance for all guarantee mechanisms.

The resulting overall legal framework is summarised below.

1.4.1. Provisions relating to the guarantee mechanisms

The French Monetary and Financial Code establishes, in Articles L. 312-4, L. 312-4-1, L. 312-16 and L. 312-18, the general principles governing the various guarantee mechanisms (deposit, investor compensation, performance bonds and asset management services): the institutions concerned, scope of the guarantees and their exclusions, limitation periods, obligations to inform customers of the institutions about these guarantees, and the framework of cooperation between the FGDR and its European counterparts, particularly in terms of cross-border compensation under the deposit guarantee scheme.

For the deposit guarantee scheme, and pursuant to Article L. 312-16 of the Code, these legislative provisions were supplemented on 27 October 2015 (*Official Journal* of 30 October) by:

- a decree on the implementation of the guarantee scheme, specifying its scope, the persons covered (customers of institutions, but also successors and attaching creditors), the compensation ceiling (including specific provisions regarding temporary high balances), the terms and conditions of compensation, the role and powers of the FGDR to prepare compensation, and the appeal and claims procedures. This decree was amended in 2019 to also set out the provisions applicable to factoring activities;
- a decree on the notification of depositors regarding the deposit guarantee scheme which defined the content and type of information that must be provided by the FGDR and by the institutions;
- a decree on the connection between the deposit guarantee scheme managed by the FGDR and savings accounts guaranteed by the French government (Article 120 of amending finance law No. 2008-1443 of 30 December 2008 for 2008), applicable in practice to Livret type "A" savings accounts and former Livret Bleu savings accounts, Livret type "LDDS" savings accounts and Livret type "LEP" savings accounts, which sets out the conditions under which the FGDR fulfils its mission as operator of the French government guarantee on behalf of the latter.

The above three decrees apply to the investor compensation scheme, the performance bonds guarantee scheme and the guarantee of asset management services scheme where relevant. Otherwise, CRBF Regulations No. 99-14 and 99-16 of 23 September 1999, CRBF Regulation No. 99-12 of 9 July 1999 and CRBF Regulation No. 2000-06 of 6 September 2000, as amended, as well as the decree of 5 August 2022 on the guarantee of services of asset management services, respectively, currently have precedence.

In addition, the revision in 2015 of the regulatory framework of the deposit guarantee scheme made it necessary to revise that of the investor compensation scheme, without waiting for an update to European Directive 97/9/EC on that scheme. The investor compensation scheme and the deposit guarantee scheme may be implemented simultaneously for the same member, which means that both mechanisms must function in a consistent manner. The FGDR therefore prepared, in agreement with the banking industry (FBF and AMAFI), a draft decree on the implementation of the investor compensation scheme designed to replace CRBF Regulation No. 99-14. This draft decree, which served as the basis for the decree of 5 August 2022 on asset management services, is expected to be finalised and published in 2023, thereby ensuring the consistency of the three mechanisms.

In addition, the order transposing Directive 2014/65/EU ("MiFID 2") regarding markets in financial instruments authorised market undertakings "to provide the investment services referred to in sections 8 and 9 of Article L. 321-1" of the French Monetary and Financial Code and, in return, requires them to join the FGDR's investor compensation scheme. The authorisation for market undertakings to manage trading facilities ("SMN/MTF" or "SON/OTF") has been effective since 3 January 2018. The method used to calculate their contributions was developed together with the AMF and the ACPR.

1.4.2. Provisions relating to the FGDR's terms of intervention

Pursuant to Articles L. 312-5 to L. 312-6-1 of the French Monetary and Financial Code, the FGDR may intervene in a troubled institution through compensation, on a preventive basis or through resolution. It is also entrusted with the management of the National Resolution Fund ("NRF") and is responsible for collecting contributions to the fund from the institutions that fall within its scope; it also collects contributions to the European Single Resolution Fund ("SRF").

With respect to prevention and resolution, the FGDR may intervene at various levels, through capital or financing of the failed institution, through capital or financing of a bridge institution or defeasance structure,

Changes to the regulatory framework in 2022

In 2022, various texts modified the legislative and regulatory framework governing the FGDR's activities. Other texts are also being reviewed.

Amendment of the internal regulations
The FGDR's internal regulations had to be adjusted to take into account changes in recent years regarding the responsibility of directors and members of supervisory boards. The approval of this change, which occurred by order of the Minister of the Economy on 14 June 2022, thus made it possible for the Secretary General of the ACPR to send, via the Executive Board, to some or all members of the Supervisory Board the information enabling them to perform their own duties under satisfactory conditions during a crisis.

Implementation of the guarantee of asset management services
The decree of 5 August 2022 issued by the Minister for the Economy implementing paragraph 1 of Article L. 322-9 of the French Monetary and Financial Code and relating to the guarantee of services of asset management companies now establishes the framework for a guarantee that was previously defined only at the legislative level (Articles L. 322-5 to L. 322-10 of the Code).

The mechanism put in place covers the inability of an asset management company to repay or return to investors financial instruments and associated cash, including: instruments or cash held by the company on behalf of investors in breach of the ban on receiving them; units or shares of UCIs managed by it and no longer included in the register that it is responsible for maintaining; as well as financial instruments managed by the PMC on behalf of investors as part of a management under mandate activity.

Calculation of contributions to the national resolution mechanism
ACPR Decision No. 2022-CR-28 of 25 November 2022 on the calculation of contributions to the national resolution funding mechanism replaced the text of a similar nature previously in effect.

Application of the public procurement framework
The FGDR, which is now considered as having a public service mission following a decision by the Council of State on 28 September 2021, is therefore also subject to the rules of public procurement for the award of its contracts. A plan, already activated, was developed to transition the FGDR's contracts to this new framework within approximately three years.

Texts under review
The FGDR is working with the public authorities on two texts that will be added to the legal framework of the guarantee of asset management services:
- development of election mechanisms (eligibility, college, voting rights) for the representation of asset management companies on the FGDR's Supervisory Board;
- method used to calculate asset management companies' contributions to this mechanism.

The revision of CRBF Regulation No. 99-14 of 23 September 1999 on the rules for implementing the investor compensation scheme is complete, but must still go through the final steps in the approval process before it can officially replace the text currently in effect.

The FGDR is also preparing other texts intended to:
- allow the FGDR to mobilise borrowings from its members;
- ensure the pre-funding of compensation for regulated savings accounts, in the event that the French government initiates the guarantee;
- clarify the FGDR's ability to hold accountable managers of an institution that was the subject of an intervention;
- adapt the guarantee mechanisms to changes resulting from Law No. 2022-172 of 14 February 2022 in favour of self-employed occupations;
- provide adequate coverage of the costs of collecting contributions to the Single Resolution Fund and the National Resolution Fund.

through the acquisition of assets or by assuming the cost of measures intended to restore the institution's solvency. It may also replace certain creditors in the bail-in cascade if the Resolution Authority decides to exclude such creditors from this mechanism for reasons of feasibility or excessive risk of contagion (Article L. 613-55-1).

Under the deposit guarantee scheme, the FGDR can also be asked to participate in the bail-in of the institution under resolution in the event that the deposits must be drawn on, but under two conditions:
- firstly, given the preference established (see below), the deposits covered by the guarantee scheme, below €100,000, are used last and are not affected (the FGDR bears the cost of the adjustment);

- secondly, the amount of the FGDR's contribution may not exceed the losses that it would have incurred if the institution had been liquidated (fourth subparagraph of paragraph III of Article L. 312-5).

Moreover, in case of court-ordered liquidation, the law established a depositor preference in the hierarchy of creditors (Article L. 613-30-3), immediately after the preferential creditors and up to the €100,000 ceiling of the guarantee provided by the FGDR.

1.4.3. Provisions relating to the FGDR's funding

Articles L. 312-7 to L. 312-8-2 of the French Monetary and Financial Code define the FGDR's funding principles. The FGDR is funded by its members through contributions, which are calculated based on a method established by the ACPR after obtaining the opinion of the FGDR's Supervisory Board; however, the total amount, or the rate, of contributions is set by the FGDR's Supervisory Board, at the Executive Board's proposal and after obtaining the assent of the ACPR.

The texts also establish the types of instruments that may be used for this purpose: premiums, member's certificates, certificates of membership and collateralised payment commitments, which are allocated to losses in a specific order in the event of an intervention. The Code also stipulates that the FGDR's reserves are not distributable (third subparagraph of Article L. 312-9).

These provisions are supplemented by various decrees:
- a decree of 27 October 2015, amended by a decree of 13 April 2017 on the FGDR's financial resources. This decree specifies the procedure for collecting annual and special contributions, in particular the population concerned, the legal and accounting scheme relating to the various contribution instruments, various accounting provisions relating to the definition of losses, and the terms and conditions of possible loans and borrowings between the FGDR and its European counterparts;
- a second decree of 27 October 2015 on the criteria to be taken into account for opinions issued by the ACPR on decisions regarding the contributions collected by the FGDR, and on the conditions under which the power of substitution may be exercised by the ACPR in the event of a disagreement with the Supervisory Board on such matters.

The method used to calculate contributions to the guarantee mechanisms is derived from three ACPR instructions:
- decision No. 2020-C-62 of 14 December 2020 amended for the deposit guarantee scheme;
- joint ACPR and AMF decision No. 2020-C-63 of 14 December 2020 amended for the investor compensation scheme;
- decision No. 2020-C-64 of 14 December 2020 for the performance bonds guarantee scheme.

For the guarantee of asset management services, the calculation method will be finalised together with the AMF in 2023. The method used to calculate contributions to the National Resolution Fund (NRF) are defined by ACPR Decision No. 2022-CR-28 of 25 November 2022.

The FGDR's accounting and tax scheme is derived from amending finance law No. 2016-1918 of 29 December 2016 for 2016. In keeping with earlier provisions, Article 92 of this law authorised the creation of a provision for intervention risk for each mechanism or scheme in the FGDR's accounting system. This provision is equal to all excess income, including income resulting from the conversion of certificates and guarantee deposits into premiums in the event of an intervention, and the sums collected following an intervention, but excluding non-recurring income, relative to all the expenses for the year, including intervention expenses. It is added to the FGDR's reserves and is reversed in the event of an intervention by the FGDR under the conditions set out in Article L. 317-7 of the French Monetary and Financial Code.

In terms of taxation, this same article of the law added an Article 39 *quinquies* GE to the General Tax Code stipulating that this provision for intervention risk must be tax-exempt.

This accounting and fiscal framework, specific to the FGDR, is the reference framework that has been used for the closing of the accounts since 2016.

Lastly, the FGDR's borrowing capacity is established by Law No. 2018-32 of 22 January 2018 on public finance planning for the years 2018 to 2022. At the end of 2016, the FGDR was statistically reclassified by the national ("INSEE") and European ("Eurostat") statistics bodies as a "public administration", thereby losing the ability to contract new loans of more than one year under French domestic law.

Article 25 of the above-mentioned law lifted this prohibition as a matter of principle, while an additional decree of 25 March 2019 specified the terms and limits of such borrowings and loans of more than 12 months. Similarly, the total amount of certificates of membership is capped, while the term of guarantee deposits provided as collateral for payment commitments is unrestricted.

1.4.4. Provisions relating to the FGDR's organisation and operation

The FGDR's organisation and operation are defined in Articles L. 312-9 to L. 312-15 of the French Monetary and Financial Code, particularly as regards its governance method, with a Supervisory Board that includes full members and elected members representing each of the mechanisms, an Executive Board, and a non-voting member appointed by the Minister for the Economy.

The text defines the powers conferred on each body, as well as voting rules (proportional to contributions, but with the principle of "one member/one vote" applied for decisions related to contributions). The regulatory implementation of the guarantee of asset management services mechanism in 2022 will result in the election in 2023 of a 13th member to the FGDR's Supervisory Board, who will represent portfolio management companies.

As the FGDR has no articles of association in the usual sense of the term, its amended internal regulations (dated 29 March 2017, approved by ministerial decrees of 28 April 2017 and 14 June 2022) apply for provisions that are covered neither by law nor by implementing decrees. These internal regulations include additional information about the FGDR's organisation and operation (Supervisory Board, Executive Board, ethics), as well as rules regarding the use of funds and accounting rules.

1.5.
International framework

The FGDR's activity is governed at the European level by various directives of the European Union, including in particular:
- Directive No. 2014/49/EU of 16 April 2014 on deposit guarantee schemes, "DGSD2";
- Directive No. 97/9/EC of 3 March 1997 on investor compensation schemes, "ICSD";
- Directive No. 2014/59/EU of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, BRRD, amended by Directive No. 2019/879/EU ("BRRD2").

These directives were transposed into French law through the above-mentioned texts.

The FGDR's activity also has a highly international dimension, as evidenced by supranational projects to overhaul or update the banking and financial crisis management framework, including the single European Deposit Insurance Scheme project, and by the FGDR's exchanges with European authorities in general and the European Banking Authority ("EBA") in particular, and with its counterparts around the world. These counterparts are members of two associations: the European Forum of Deposit Insurers ("EFDI") and the International Association of Deposit Insurers ("IADI").

In this area, together with the authorities and its counterparts, the FGDR plays an active role both when regulations are developed and at the time of their individual and collective operational implementation.

1.5.1. Single European Deposit Insurance Scheme project ("EDIS")

In November 2015, the European Commission unveiled its proposal to create a single European Deposit Insurance Scheme (EDIS). This initiative aimed to complete the "third pillar" of the Banking Union by organising a euro-area wide system of reinsurance/coinsurance among the national funds. It fulfilled the desire to de-link sovereign risk and banking risk and responds to concerns that the guarantee schemes of some countries may be unable to deal with a local bank crisis if the failed institutions whose compensation they would need to pay became too large in size.

In a consistent manner, and independently of the political options that would involve varying degrees of solidarity among Member States of the euro zone, through this project the FGDR endeavoured to send a mainly technical message: to ensure depositors' trust, the deposit guarantee scheme may be European, but must at the same time remain local in its practical application; even before sharing of the financial burden, the most important thing for a deposit guarantee scheme is access to liquidity; lastly, a more effective system, as the EDIS must be, is also less expensive than the existing one and, in any case, avoids increasing the expenses of the banking system.

The work originally started in Brussels on this draft text has not yet been agreed between the Council, the Parliament and the Commission. It became increasingly clear as of 2019 that the proposed single European Deposit Insurance Scheme, on which attention has long been focused, could be just one of several elements of a real Banking Union. In light of its goals, the Banking Union project requires that multiple components, summarised at end-2019 by the High-Level Working Group formed for this purpose at the EU level, be taken into account, including perhaps:
- a study on the establishment of capital margins and concentration ratios on banks' sovereign exposures;
- the harmonisation of liquidation procedures applicable to banks;
- a discussion on the greater or lesser freedom of use by guarantee schemes of crisis management measures other than compensation;
- a change in the "public interest test" criterion to allow a possible extension of the resolution scheme to small- and medium-sized banks;
- identification of prudential and non-prudential obstacles to greater trans-border integration of banking groups.
- this last point includes the fundamental "home/host" problem relating to the extent of the prudential consolidation of cross-border groups (liquidity ratios, minimum requirements for liabilities to be used in bail-in, Minimum Requirement for own funds and Eligible Liabilities – "MREL", etc.).

In parallel, in 2020 the European Commission embarked on various projects and consultations to recast all or some of the provisions of the Banking Union. This resulted in the launch in early 2021 of a broad consultation, in which the public authorities and deposit guarantee schemes of the European Union countries, along with the EFDI, actively participated and on the basis of which the Commission re-engage in a dialogue with the members of the Union and with the European Parliament.

The aim of this dialogue is to define a new crisis management and deposit insurance ("CMDI") framework, which the Commission hopes to present during the first half of 2023. This framework could result in a less extensive programme than was originally desired, and could possibly include a proposed adjustment to the 2014 deposit guarantee directive.

1.5.2. The EBA's guidelines – Task Force on Deposit Guarantee Schemes ("TFDGS")

Since the entry into force of the DGSD2 directive, the European Banking Authority ("EBA") has published various guidelines concerning the deposit guarantee scheme and relating to the following areas:

- general rules for calculating contributions to deposit guarantee schemes (September 2015);
- characteristics of the "collateralised payment commitments" by which institutions may fulfil up to 30% of their contribution-related obligations (September 2015);
- definition of the cooperation agreements among the Union's deposit guarantee schemes to allow the arrangement of cross-border compensation, as well as any loans and transfers of contributions between funds (June 2016);
- stress tests that must be conducted by deposit guarantee schemes to assess the degree of preparation and resistance of their intervention systems (October 2016, revision in September 2021);
- definition of "Qualified Available Financial Means" ("QAFM", December 2021).

In 2019 and 2020, the EBA's task force focused on collecting data and analysis on the implementation of the DGSD2 directive within the EU, as part of the review that it was required to conduct pursuant to the directive, together with the European Commission. This work led to the issuance in the second half of 2019 and in 2020 of three very detailed Opinions regarding eligibility, coverage and cooperation among schemes, the compensation processes, and the resources of the deposit guarantee schemes and the use thereof, respectively. The main issues covered by these Opinions were the level and types of resource instruments of the guarantee schemes, the use of additional resources (ex-post contributions, lines of credit), the investment policy of the schemes, the eligibility and coverage of specific types of deposits (temporary high balances, accounts with successors, etc.), the processing of fraudulent or suspicious transactions, and cross-border compensation, issues on which the EFDI often developed common positions prior to the work of the task force.

This work has subsequently been complemented by two new Opinions, one on the interactions between the Deposit Guarantee Scheme Directive and the Anti-money Laundering Directive (December 2020), the other on the processing of customer accounts with regard to the DGSD2 (October 2021). In total, it offers a unique summary of the diverse practices for implementing the DGSD2 directive. It also points to the adjustments that could be included in the European Commission's proposals for the recast of DGSD2, expected in 2023.

Over the last two years, the TFDGS has worked on defining the Qualified Available Financial Means (QAFM), i.e. the question of a precise delineation of the reserves of the deposit guarantee schemes eligible for the calculation of the regulatory ratio of target resources (0.5 to 0.8% of the deposits covered by July 2024). The resulting guideline was published in December 2021.

The task force also looked into the processing of beneficiary accounts held by financial or non-financial institutions, on behalf of their customers. This was to specify the compensation that can fairly be paid to end customers, but also to limit the contagion of a banking crisis spreading to other members of the system. The work concluded with the publication of the opinion, in October 2021, on the processing of customer funds referred to above.

The task force also carried out a thorough revision of the previous guidelines relating to the stress tests used by the deposit guarantee schemes in order to standardise and strengthen the scope and precision of these preparatory tests for compensation. The FGDR uses these new recommendations to slightly adjust its own multi-year stress test programme (2023-2024), with the objective of extracting reporting elements necessary for European comparisons from these tests, yet without abandoning the generally more detailed and frequent requirements of its own programme.

Lastly, following extensive work with the task force, in the second half of 2022 the EBA launched a consultation on new guidelines on contributions to deposit guarantee schemes, updating those of 2015. These new guidelines, which will provide for the revision of various risk indicators, a wider spread of the corresponding scores, and a wider range of calculation formulas, are expected in the first half of 2023.

On all these matters, the TFDGS has benefited from the work and analyses of the EFDI and the FGDR.

The European Banking Authority

The European Banking Authority (EBA), created on 1 January 2011 pursuant to EU Regulation 1093/2010 of 24 November 2010 to strengthen the European system of financial supervision, is an independent authority of the European Union that works to ensure effective and consistent prudential regulation and supervision across the European banking sector. Its main objectives are to maintain financial stability in the European Union and ensure the integrity, efficiency and orderly functioning of the banking sector. The EBA contributes to the creation of a single rulebook in the banking sector by adopting binding technical standards and guidelines. The guidelines are subject to prior consultations with the relevant public, and then to decisions of the Authority's competent college, before being proposed to the Member States based on a comply or explain procedure. Although these regulations are therefore not directly binding, they have the full scope of a legal rule because of the manner in which they are developed and the general discipline of the States.

The EBA also has authority with respect to deposit guarantee schemes. Article 26 of the above-mentioned regulation stipulates that: "The Authority shall contribute to strengthening the European system of national deposit guarantee schemes […] with the aim of ensuring that national deposit guarantee schemes are adequately funded by contributions from financial institutions [...] and provide a high level of protection to all depositors in a harmonised framework throughout the Union."

With the conclusion in May 2014 of the main constituent provisions of the Banking Union, and particularly the directive on European Union deposit guarantee schemes (DGSD2), the EBA was tasked with developing extensive secondary regulations relating to deposit guarantee schemes.

In the autumn of 2018, the EBA launched a task force known as TFDGS with the EU's public authorities and guarantee funds, which serves as a platform of cooperation on the technical and operational aspects of deposit guarantee activity. The FGDR has participated in the task force since its creation, along with the ACPR.

1.5.3. Activities of the European Forum of Deposit Insurers (EFDI)

To facilitate its operation and expand the scope of services provided to its members while remaining lightweight, the association adopted a permanent structure, with its own Secretary General, in early 2018. The recruitment of the Secretary General, followed by the recruitment of an assistant in 2019, gave new momentum to the activities of the association, which is now fully operational.

The association's roadmap covers various objectives, particularly in terms of scheduling and conducting stress tests (Stress Test Working Group), the guarantee schemes' relations with the public (Public Relations and Communication Committee), research (Research Working Group – risk-based contribution systems, transfer of contributions between guarantee schemes, changes in covered deposits, etc.), cooperation among investor compensation schemes (ICS Working Group), and of course a specific programme for the European Union's deposit guarantee schemes (EU Committee).

At the initiative of the FGDR, in early 2022 the association formalised the creation of a new working group, the Risk Management Working Group, which initially focused on comparing the risk control systems implemented by guarantee schemes across Europe.

Within the EU Committee and under the guidance of the EU Management Executive, the main work priorities selected echoed the requirements of the collective practice and consideration of the European Union's deposit insurers, in the context of the planned revision of both the DGSD and the general framework of intervention in banking crises (CMDI Framework). On this specific issue, important for all European schemes, in early 2022, ahead of the proposals expected from the European Commission, the EFDI published a list of topics that it believes need to be covered as part of a revision of the DGSD Directive.

Three main groups are involved in the work of the EU Committee:

- the D3 Working Group (for "DGSD3"), which is focusing on areas in which, excluding the general architecture of intervention in banking crises, there appears to be a need to update the European text by integrating the experience gained with DGSD2 (this group is also continuing the work undertaken by the EFDI on Non-Binding Guidance for the implementation of European regulations – see https://www.efdi.eu/publications);
- the Banking Union Working Group, which is examining the feasibility and technical procedures for applying the objectives of the Banking Union, particularly the EDIS project (see the above-mentioned Technical

The EFDI's activities

Since its creation in 2002, the European Forum of Deposit Insurers (EFDI) has brought together all European funds (deposit guarantee and investor compensation schemes), including those of countries outside the European Union, to enable deposit insurance practitioners to exchange experiences and share their thoughts on the European legal framework specific to their activities.

The revision of the EFDI's statutes, which took place over a long period of time, was submitted to the community of 57 European member guarantee schemes and approved almost unanimously at an extraordinary general meeting held in Brussels in May 2017.

The changes to the statutes, which sought to preserve the association's genetic code (exchanges among practitioners, priority given to the technical approach, consensus building, lightweight operation), resulted in an operating framework characterised mainly by the following elements:

- redefinition of the missions so as to encompass resolution activities;
- the ability to issue non-binding guidance/insights to members;
- better integration of members and issues relating to investor compensation schemes;
- enhanced governance for the EU Committee, the centre of the EFDI's activities, through an independent EU Management Executive responsible for coordinating the work regarding the European Union's schemes;
- a maximum level of contributions increased to €10,000;
- less onerous quorum rules and more stringent proxy rules.

Considerations for the Design of EDIS report of November 2018) and Commission projects aimed at updating the general framework of intervention in banking crises (Crisis Management and Deposit Insurance – CMDI);

- the Cross Border Working Group, which is responsible for harmonising the way in which the European schemes interact in terms of cross-border cooperation and compensation and which began work on updating and expanding the Multilateral Cooperation Agreement prepared by the EFDI in 2016 to define these technical terms of cooperation.

The EFDI also continues to promote its sustainability charter for European and international deposit guarantee and investor compensation schemes internationally, a charter developed at the initiative of the FGDR in 2020. This charter, which demonstrates and calls for a commitment to a set of principles of sustainability and social responsibility specific to the activities of guarantee schemes was signed by sixteen institutions at the end of 2022.

After two terms as President of the EFDI from 2016 to 2022, the Chairman of the FGDR decided not to seek reappointment and handed over responsibility for managing the association to his newly elected Austrian counterpart. Thanks to the collective support of its teams, the FGDR proudly took on the challenging responsibility of managing this extraordinary association for six years, giving it a greater role than ever in the European and international dimension of deposit guarantee schemes.

1.5.4. Activities of the International Association of Deposit Investors ("IADI")

The IADI has been chaired by Mr Alejandro López, CEO of SEDESA (*Seguro de Depósitos S.A.*), since October 2022. He replaced Mr Yuri Isaev and will serve a three-year term.

The IADI's Board of Directors has representatives from various international guarantee schemes, including Mr Michel Cadelano, a member of the FGDR Executive Board since October 2019, who was reappointed in October 2022.

The association's strategic priorities were confirmed in 2021, aiming, in particular, to ensure the dissemination of deposit insurance principles worldwide, provide technical cooperation and expertise in this regard to jurisdictions that express a need for this, and produce analysis and research related to deposit guarantee schemes.

Under this plan, at its meeting on 29 March 2022 the IADI's Executive Committee decided to launch a project to review and update the IADI's Core Principles. Each of these core principles is broken down into essential criteria.

The goal is to have a set of revised principles by December 2023, adapt these principles to changes in the economic and financial system and clarify some of their meanings.

The IADI's activities

The International Association of Deposit Insurers (IADI) was founded in 2002 with the aim of increasing the effectiveness of deposit insurance worldwide through the issuance of guidelines and through international cooperation among deposit insurers. At the end of 2014, the IADI issued a revised set of Core Principles for Deposit Insurance. The Core Principles constitute the basic doctrine of all deposit insurers around the world, as well as the standard used by the International Monetary Fund as the basis for the periodic assessments of national financial sectors and regulation that it conducts in all Member States (Financial Sector Assessment Program - "FSAP").

The new set of Core Principles therefore provided a more solid and more rigorous structure to the previous version and attempted to address the issues of moral hazard and resolution and define increasingly stringent action principles. It includes a seven-day target repayment period, the shortest possible compensation initiation times, rules related to funding and management, and monitoring or elimination of conflicts of interest.

In accordance with these Core Principles, the IADI has subsequently finalised another key element of the standards for the deposit guarantee scheme, the Assessor Handbook. This handbook is a detailed technical guide to the Core Principles for FSAP assessors and clearly defines a content of recommended standards for deposit insurers.

These principles, along with the Assessor Handbook, are currently being reviewed.

2

Management bodies

2.1. Composition and operation of the Executive Board

The composition of the Executive Board is as follows:

Position	Name	Effective date of appointment	End of current term
Chair	Thierry DISSAUX	Reappointed on 23 August 2022	22 August 2026
Member	Michel CADELANO	Appointed on 1 October 2019	30 September 2023

The contractual framework applicable to members of the Executive Board was set by the Supervisory Board at its meeting on 8 December 2010. As it does each year, at its meeting on 15 March 2022, the Supervisory Board reviewed the aspects relating to the compensation of the members of the Executive Board, at the recommendation of the Nomination and Compensation Committee.

2.2. Composition and operation of the Supervisory Board

Pursuant to Article L. 312-10 of the French Monetary and Financial Code, the seven banking groups that are the largest contributors to the deposit guarantee scheme are entitled members of the Supervisory Board. The others are elected at a rate of two members for the deposit guarantee scheme, two members for the investor compensation scheme, and one member for the performance bonds guarantee scheme.

The seven largest contributors considered are: the Crédit Agricole group, the BPCE group, the Crédit Mutuel group, the Société Générale group, the BNP Paribas group, Banque Postale and RCI Banque.

The other members of the Supervisory Board were elected in May 2020 by the members of each mechanism in accordance with the following rules:

- only credit institutions not represented by the entitled members may elect members for the two seats to be filled for the deposit guarantee scheme;
- only members of the investor compensation scheme that are not credit institutions (for all practical purposes, investment firms) may elect members for the two seats to be filled for the investor compensation scheme;
- only members of the guarantee of performance bonds scheme that are not credit institutions (for all practical purposes, financing companies) may elect the member for the seat to be filled for the guarantee of performance bonds scheme.

Elected for the deposit guarantee scheme were: Oddo BHF SCA and Orange Bank. Elected for the investor compensation scheme were: Epsens and Exane. Elected for the performance bonds guarantee scheme was: Crédit Logement.

At its initial meeting in May 2020, the Supervisory Board elected its Chairman and its Vice-Chairman. It also appointed the members of its committees, as well as the Board Secretary, Ms Clara Cohen, Head of Legal at the FGDR. The Supervisory Board's term of office will end after the meeting at which it approves the financial statements for the fourth year of its term of office, which is the first half of 2024.

During the second half of 2021, a member's seat of the college for the investor compensation scheme became vacant following an equity change for Exane. The FGDR conducted a partial election so as to fill the vacant seat. After the electoral process, AXA Épargne Entreprise was elected to replace Exane, until the end of the Board's term of office.

In 2022, the composition of the Supervisory Board was as follows:

Chair	
SOCIÉTÉ GÉNÉRALE **Gilles BRIATTA** – Secretary General	
Vice-Chair	
CRÉDIT AGRICOLE S.A. (group) **Jérôme GRIVET** – Deputy Chief Executive Officer	
Members	
AXA ÉPARGNE ENTREPRISE **Yann ILLOUZ** – Chief Executive Officer then **Marie-Pierre RAVOTEUR** – Chief Executive Officer from 15 June 2022	**BNP PARIBAS** **Jean-Jacques SANTINI** – Director of Institutional Affairs
BPCE (group) **Benoît de la CHAPELLE BIZOT** – Advisor to the Chair in charge of public affairs	**CRÉDIT LOGEMENT** **Jean-Marc VILON** – Chief Executive Officer
CNCM et CCM **Isabelle FERRAND** – Deputy Chief Executive Officer	**EPSENS** **Catherine PAYS-LENIQUE** – Chief Executive Officer
LA BANQUE POSTALE **François GÉRONDE** – Chief Financial Officer	**ORANGE BANK** **Paul de LEUSSE** – Chief Executive Officer then **Véronique McCAROLL** – Deputy Chief Executive Officer from 9 December 2022
ODDO BHF SCA **Grégoire CHARBIT** – Managing Director	**RCI Banque** **Jean-Marc SAUGIER** – Deputy Chief Executive Officer
Non-voting member appointed by the Minister for the Economy	
TREASURY DIRECTORATE **Gabriel CUMENGE** – Assistant Director Banking and General-Interest Financing	

Audit Committee		
Chair		
BNP PARIBAS **Jean-Jacques SANTINI**		
Membres		
BPCE (group) **Benoît de la CHAPELLE BIZOT**	**CRÉDIT AGRICOLE S.A. (group)** **Jérôme GRIVET**	**LA BANQUE POSTALE** **François GÉRONDE**

Nomination and Compensation Committee	
Chair	
SOCIÉTÉ GÉNÉRALE **Gilles BRIATTA**	
Members	
CNCM and CCM **Isabelle FERRAND**	**ORANGE BANK** **Paul de LEUSSE** then **Véronique McCAROLL**

The Supervisory Board held four meetings, on 15 March, 1 July, 15 June and 9 December 2022, during which detailed reports were routinely presented on asset management (performance and outlook), issues being discussed with the authorities and international developments, and one or more aspects of risk management.

In addition, the main topics discussed at the 2022 Supervisory Board meetings included, but were not limited to, the following:

- meeting of 15 March 2022: preliminary discussions on the 2022 contributions, approval of the 2021 financial statements, centralisation of the FGDR's cash assets at the Treasury, the FGDR's stress test policy, implementation of the guarantee mechanism for portfolio management companies, and finalisation of the procedure regarding the Supervisory Board's involvement in crisis management;
- meeting of 15 June 2022: reappointment of the Chairman of the Board, 2021 internal control report, plan regarding implementation of the guarantee mechanism for portfolio management companies;
- meeting of 9 September: presentation of the FGDR's risk management department, update to the EBA guidelines on contributions to deposit guarantee schemes, implementation of public procurement, 2022 awareness poll;
- meeting of 9 December 2022: 2022 income forecasts and 2023 budget, planning for the collection of 2023 contributions, asset allocation, 2023 stress test programme, stock of contributions for the investor compensation and performance bonds guarantee schemes, bilateral cooperation with other European Union schemes.

The breakdown of votes on the FGDR's Supervisory Board at 31 December 2022 was as follows:

Group or member name	Breakdown of votes deposit guarantee	Breakdown of votes investor compensation	Breakdown of votes performance bonds guarantee	Breakdown of votes all guarantees
CRÉDIT AGRICOLE GROUP	31.69%	19.87%	14.05%	31.30%
BPCE GROUP	22.29%	11.12%	16.40%	21.98%
CRÉDIT MUTUEL GROUP	16.20%	9.55%	7.22%	15.98%
SOCIÉTÉ GÉNÉRALE GROUP	9.33%	13.58%	23.52%	9.52%
BNP PARIBAS GROUP	8.31%	23.75%	26.52%	8.79%
LA BANQUE POSTALE	7.94%	2.43%	0.04%	7.76%
RCI BANK & SERVICES GROUP	1.11%	0%	0.04%	1.08%
ORANGE BANK	2.66%	0%	0%	2.58%
ODDO BHF SCA	0.47%	0.84%	0%	0.48%
EPSENS	0%	16.07%	0%	0.39%
CRÉDIT LOGEMENT	0%	0%	12.20%	0.07%
AXA ÉPARGNE ENTREPRISE	0%	2.78%	0%	0.07%
TOTAL	**100%**	**100%**	**100%**	**100%**

3

Activity during the year

3.1. Collection of resources

The FGDR's resources come from the contributions paid by its members. These are annual contributions determined in accordance with the regulations outlined below.

3.1.1. Regulatory framework and collection of contributions

Except for contributions to the two resolution funds for which different procedures exist, Articles L. 312-8-1 and L. 312-10 of the French Monetary and Financial Code, resulting from Order No. 2015-1024 of 20 August 2015 applicable since the collection of 2015 contributions, stipulate that:

- the Prudential Supervision and Resolution Authority (ACPR) determines the method used to calculate each member's contributions, after obtaining the opinion of the FGDR's Supervisory Board. This calculation method includes defining the basis of calculation, each member's specific risk factors, their weighting and how they are taken into account in the calculation in terms of increasing or decreasing the contributions, all of which must reflect the guidelines issued by the European Banking Authority (EBA);
- the Supervisory Board sets the amount or rate and the nature of the contributions levied each year, at the recommendation of the Executive Board and after obtaining the assent of the ACPR. The Supervisory Board has a choice of two methods: either it sets the amount of an overall contribution to be allocated among the members, or it sets the rate to be applied to the basis weighted by each member's risks and adjustment factors to determine its individual contribution. It also determines the possible legal forms of the contributions (premiums, member's certificate, certificate of membership and payment commitment backed by a guarantee deposit in an equal amount given to the FGDR);
- lastly, the ACPR calculates the individual contributions, by incorporating the risk factors specific to each institution, and notifies the members and the FGDR, which then collects them.

Pursuant to the decrees of 27 October 2015, since the calculation methods for the three mechanisms are now established, contributions for the three guarantee mechanisms are set based on the following sequence:

- transmission to the ACPR of a proposal for discussion by the FGDR's Supervisory Board of the amount or rate and the nature of the contributions to be levied for a given year for each of the mechanisms;
- opinion of the ACPR's "*collège de supervision*" regarding this proposal;
- final decision of the Supervisory Board on this basis, in compliance with the opinion of the ACPR. If the decision does not comply with the opinion of the ACPR, the procedure is repeated, on an urgent basis (eight days), based on a draft decision prepared by the ACPR. If the non-compliance persists, a finding of non-compliance is issued by the ACPR whereby its opinion becomes the decision.

It should be noted that, for contributions to be levied for the investor compensation scheme, the opinion of the AMF must also be obtained before each decision is taken.

3.1.2. Contributions collected in 2022

The procedures for collecting contributions have remained largely unchanged since 2016. The contributions are broken down into two categories:

- the first – and largest – portion (98.51%) is intended to provide the FGDR with the resources needed for a possible intervention;
- the second portion amounting to €12.54 million is intended to finance the FGDR's operating expenses.

The net contributions collected by the FGDR in 2022 totalled €829.17 million (including €819.40 million for the deposit guarantee scheme and €9.77 million for the investor compensation and performance bonds guarantee schemes and the national resolution fund).

These are broken down as follows:
- call of €178.21 million in the form of premiums;
- call of €401.14 million in the form member's certificates and certificates of membership;
- call of €249.82 million in guarantee deposits.

The amount of contributions collected in 2022 therefore increased by €58.68 million compared with 2021.

Following the collection of contributions, the FGDR's own funds for all mechanisms totalled €6.9 billion at 31 December 2022.

The FGDR is also responsible for collecting contributions on behalf of the Single Resolution Fund (SRF) and transferring them to that fund after receipt.

In order to simplify and secure the collection of contributions, the FGDR has set up a direct debit payment method with its members to replace the bank transfer method. This new collection method also makes it possible to collect contributions, as necessary, within the seven working day period stipulated for compensation under the deposit guarantee scheme.

3.2. Changes to the integrated Compensation and Communication System (CCS)

The year 2022 was marked by three structural changes to the integrated Compensation and Communication System (CCS) involving the regular control process, payment of depositors in the event of compensation, and preparation of cross-functional "Total Flow" tests. These changes both enhance the security and optimise the operation of the system.

3.2.1. Standardisation of the regular control process

Until 2021, the FGDR's regular controls (100 to 200 annual controls) were carried out using both the CCS and dedicated tools in Excel.

The aim of the changes, which began in 2021, was to increase automation in order to standardise this process by using only the CCS secure environment for all control stages. In particular, these changes helped to:
- increase the protection of data transmitted by institutions during a control: data transmitted must be encrypted by each institution; data can only be viewed by the FGDR in the CCS (no possibility of extraction); and data is automatically purged at the end of the control. These measures are in addition to those that existed previously (in particular, data anonymisation);
- facilitate exchanges between the institutions and the FGDR: all exchanges regarding anomalies detected or action plans to be implemented now take place only in the CCS;
- produce and distribute the control report automatically: the drafting, signing and distribution of the report were automated in the CCS to ensure greater efficiency in these final control stages.

These changes not only decreased the amount of work required for a regular control, but also helped to reduce execution risks and fully secure data and information exchanges with institutions by allowing this data to be processed only via the CCS, in a perfectly airtight way.

3.2.2. Optimisation of the depositor payment module

The "treasury" module of the CCS is used to compensate depositors, select the FGDR bank accounts to be used for this purpose, generate financial reports and verify payment accounting entries.

The "Total Flow" simulation exercises conducted by the FGDR revealed that improvements to this module aimed at streamlining the depositor payment process in the event of compensation were necessary.

The following changes were therefore made in 2022:
- review of the breakdown between the Executive Board, the finance department and the operations department in terms of how the module is used;
- simplification of the "treasury" module by making exchanges between the Executive Board and the finance department more streamlined and user-friendly.

These changes not only enhance the operational security of the payment process, but also optimise its use in the event of compensation.

3.2.3. Help with the preparation of cross-functional "Total Flow" stress tests

The last structural change in 2022 entailed implementing an automated function in the CCS for loading all the documents produced by the FGDR that are needed to carry out the cross-functional tests each year.

These documents, previously loaded manually by equensWorldline, are used to simulate the special circumstances that the FGDR uses to assess the performance of the processing centre's lead operators.

Thanks to this change, the FGDR is able to perform this task on its own with fewer constraints (cost, availability of equensWorldline resources, task planning, etc.).

3.3.
Risk management

The FGDR's risk management policy has two key objectives:

- firstly, to support robust governance of the FGDR, as is expected of every company; and
- secondly, to prepare the FGDR, as a crisis operator, for an intervention.

Risk management is a focal point of the FGDR's activity that extends from its members, on the one hand, to its service partners, on the other, and also to its own operational systems. Risk management is refined every year by the FGDR and enables it to reduce execution risks associated with its operation both under normal circumstances and during a crisis. Risk management includes an internal control system that is built around the use of stress tests, an assessment of the quality of the data produced and made available by members, and the establishment and implementation of a security and continuity plan.

In 2022, the FGDR worked on a plan to enhance its risk management system. This entailed setting up a strong risk management organisation, backed by the new risk management department created in early 2022, and increasing the awareness and involvement of all its members. A proactive trajectory was plotted for the years 2022 and 2023.

3.3.1. The internal control system

The FGDR's internal control system is an essential and necessary component of its operation. It ensures compliance with laws and regulations, protects information, and assesses the risks to which the FGDR is subject in order to reduce them to the acceptance level defined by the FGDR. It helps to ensure that the FGDR has an effective level of operational capability under normal circumstances and, in particular, in the event of an intervention.

The FGDR is not subject to the provisions of the decree of 3 November 2014 on the internal control of entities in the banking, payment services and investment services sector subject to supervision by the ACPR. However, the FGDR endeavours to have an internal control system that is as close as possible to the standards applicable to its members and is adapted to its mission.

The internal control system is based on the internal control charter approved by the FGDR's Supervisory Board. The FGDR's means and resources are appropriate to its organisation and include an internal control officer – in the person of the head of risk management – who reports directly to the Supervisory Board, and three successive lines of defence made up of:

- permanent control carried out by each operational department;
- a level of control implemented by the internal control officer based on guidelines issued by the Executive Board;
- various external audits and the review and approval of an annual internal control report by the Supervisory Board.

The FGDR has a risk assessment and monitoring tool built on a comprehensive and settled reference framework. This reference framework contains eight risk categories specific to the FGDR that identify impacts based on those involved in or associated with the FGDR's missions and activity. Remediation plans have been created to ensure a reduction in persistent risks, in line with existing plans. The establishment of a three-year cycle that includes annual assessment phases ensures an agile approach to FGDR's risk control.

In addition to its activity to develop methodologies and associated tools, the FGDR's internal control defines a set of controls that are designed to reduce the risks related to its processes, whether these are strictly internal or shared with other members. This plan is updated every year. Furthermore, the FGDR ensures that service providers that are essential for the key processes for the fulfilment of its missions have continuity plans that are tested regularly. The FGDR also has a continuity plan to ensure the continuity of its operations in case of an incident.

In terms of internal control, simulations of the compensation procedure for the deposit guarantee scheme also continued in 2022. This entails measuring the ability of the FGDR, including that of its ecosystem, to play its role in the event of an intervention based on its objectives and obligations.

3.3.1.1. Financial risk

The FGDR incurs a risk of loss on the assets that it manages and which make up its intervention reserves. It also bears a liquidity risk in crisis situations, when it potentially has to mobilise all its resources in under seven working days. Various instruments have been used to reduce these financial risks.

The FGDR has an investment policy, developed by a management committee, validated by the Supervisory Board and reviewed regularly. In addition to security (credit risk, counterparty risk, market risk, etc.) and the adaptation of the Environmental, Social and Governance ("ESG") policy, its objective is to allow the rapid liquidation of assets regardless of market conditions. This cautious investment policy is reflected in the asset allocation and the restrictions defined for the investment universe (cf. section 3.6 Asset management).

In addition to the resources that it has through collecting contributions, the FGDR took out a syndicated loan for an amount of €1.5 billion to complement its intervention capacity and reduce any asset liquidity risk. In accordance with the European DGSD2 Directive, the FGDR can collect special contributions when a crisis strikes. Thanks to the use of levies, it is able to collect these "ex-post" contributions within just a few days.

In 2022, as it does every year, the FGDR carried out a stress test to verify the availability of resources covering several bank failure scenarios, including the assumptions in the EBA guidelines. This test was conclusive.

3.3.1.2. Regulatory compliance

The FGDR is subject to regulatory requirements at several levels, in terms of its activity both under normal circumstances and during an intervention.

Alignment with these requirements is continuously monitored and actions to ensure compliance are reviewed on a weekly basis. In particular, the FGDR complies with the GDPR regulation and took steps to enhance personal data protection in 2022.

3.3.1.3. IT security

For the FGDR and for others, information systems security is an absolute priority, whether it is operating under normal circumstances or during more critical intervention periods as a crisis operator.

In 2022, the security committee managed the FGDR's IT security, in particular through a multi-year security plan covering three areas:

- changes to the organisation, with the recruitment of an expert IT security consultant, training of the entire team in the basics of IT security, and recurrent awareness-raising initiatives;
- the implementation of technical and functional security systems;
- external audits and intrusion tests, both on the core environment of the compensation process (CCS, SCA), and on the environment related to day-to-day activity (member database, institutional website). These tests and the associated verification counter-tests have been conducted regularly since 2014.

These actions also entail improving the formalisation of relevant policies, rules, procedures and logging.

3.3.1.4. Business continuity

Business continuity is also a crucial objective for the FGDR. It is assessed through a plan that takes into account key components in terms of continuity: staff, premises, information systems, essential service providers.

3.3.2. Other elements of risk measurement

3.3.2.1. Stress tests

The planning and implementation of stress tests is a long-standing practice at the FGDR. They allow it to test the same subset of critical processes of the deposit guarantee compensation system on an annual basis and gradually expand the scope of key components to be tested. Stress tests are therefore an essential component of the assessment of operational risks to which the FGDR is subject.

The FGDR has built its 2022-2023 plan with the aim of:

- performing end-to-end test scenarios involving all stakeholders and under conditions that are as close as possible to the operational reality, with random events not known by the operating teams;
- assessing the FGDR's capacity to compensate depositors while complying with the seven working day period for simple so-called "passing" compensation cases;
- opening the exercises to external actors for the design, execution, observation and assessment of the tests;
- including interoperability tests with the FGDR's European counterparts.

In 2022, the FGDR built a solid, scalable reference framework to ensure the completeness of the tests based on the objectives set for that biennial cycle, to plan and monitor the execution of the tests, and to compare both the scope and the results obtained from one year to the next.

This reference framework consists of three levels:

- availability and scale of the resources;
- performance of the resources mobilised;
- oversight process.

3.3.2.1.1. Summary of the tests conducted in 2022

The actions taken in 2022 included:

- a cross-functional "Total Flow" global simulation test of a compensation procedure;
- tests with credit institutions:
  - regular control of 113 institutions to assess their ability to provide depositor data, in a SCV file, within the specified time periods and with the required quality level,
  - on-site control of three institutions to assess governance and the process used to produce and manage the quality of the depositor data files,
  - the collection of information from 248 institutions on crisis communication processes;
- unit tests conducted with service providers or entities that would intervene in the event of compensation:
  - 10 dimensioning tests,
  - 9 tests to verify contractual and operational commitments,
  - a specific test on the mobilisation of resources conducted by the finance department,

The FGDR's approach to deposit guarantee stress tests

The aim of the **2022-2023 stress test plan** is to ensure that the production of all those involved at the time of a credit institution's failure meets the necessary requirements in terms of processes, content, quality, lead times, volume capacities and security.

These tests concern all stakeholders, including the FGDR as a whole, its member credit institutions and its partners and service providers. To ensure full coverage of the wide range of players and aspects to be tested, the FGDR has developed a classification of tests that covers all types of intervention by the FGDR in order to create a set of tests that includes:

- **1. availability and scale tests:** these tests are used to ensure that the elements essential for an intervention are indeed available and able to be activated and that the scale of the system is adapted and adaptable to all situations, with the correct level of resilience and continuity;
- **2. performance tests:** these tests are used to ensure that the level of effectiveness of the services is expected and sufficient for an intervention, under both nominal and adverse conditions;
- **3. execution tests:** these tests are used to ensure that a compensation intervention is executed in accordance with the rules set by the FGDR, including under adverse conditions.

These categories include several test dimensions:

- **cross-functional tests that cover the entire compensation process, Total Flow:** the objective is to ensure that the compensation system is deployed in its entirety (all the FGDR's functions, all service providers, all tools);
- **area-specific simulations:** this entails stressing a specific part of the system to ensure a given level of performance, generally in an external service;
- **tests for intrusion in the security system:** the goal is to verify that the computer systems are resistant to malicious attacks;
- **tests with credit institutions:** in the form of remote or on-site control, these tests are used to ensure that each institution meets the FGDR's regulatory requirements. Control involves production of the Single Customer View ("SCV") file and the final Deposit Account Statements ("DAS"), or can relate to the crisis communication process to be used.

- tests of the security of the FGDR's information system, computer intrusion tests conducted on:
  - the FGDR's office and accounting environment,
  - three core applications: CCS, SCA, member database,
  - and both websites (institutional website and document website).

3.3.2.1.2. Focus on the cross-functional "Total Flow" simulation test of a compensation procedure

The 2022 Total Flow simulation exercise was constructed so as to ensure comparability with the 2021 Total Flow exercise. It is the fourth in the series of cross-functional exercises conducted by the FGDR. An assessment of the results of this final test showed a good understanding and execution of the compensation process by both the internal and external participating teams. An additional objective of the 2022 Total Flow test was to test service continuity with fewer internal employees.

In 2022, the FGDR was able to execute its entire overall compensation process under significant pressure and with shorter lead times. In addition, the compensation crisis cell meetings were effective, brief and fully achieved their goal. The service providers went into action and were able to respond positively to the time constraints imposed by the scenario.

All the objectives of this 2022 Total Flow test were achieved and many valuable lessons were learned:

- depositors received the correct amount of compensation within the required seven working day period;
- the service providers were mobilised within the specified time periods;
- communication occurred as expected.

New optimisation actions were identified and documented in a remediation plan. They are all expected to help to optimise management of the compensation process, including by simplifying certain functionality.

3.3.2.1.3. Focus on tests related to communication

The FGDR's communication channels also need to be tested regularly, independently of a Total Flow test. The following were therefore conducted in 2022:

- an operational test of the production of press releases during a compensation procedure and of their coordinated distribution on all internal and external communication channels;
- a continued proficiency test for the lead operators on the team that is mobilised when the call centre is opened;
- several dimensioning tests for the call centre teams under actual scheduling conditions;
- two media trainings; and

- a test dedicated to the production of press releases during the pre-failure and compensation phases aimed at improving the tools and the time needed to produce this important material in an external information campaign.

3.3.2.1.4. Focus on tests related to financial resources

Each year, the FGDR conducts stress tests to measure the time needed to liquidate its assets in order to meet the requirements of a possible intervention. These stress tests last several days, involve all asset managers, and therefore apply to all the FGDR's investments of any type.

The FGDR gives the managers of its dedicated funds a few hours to indicate, based on the prevailing market conditions at the time of the test, the time needed to sell all the securities in the portfolio and any discounts that may be applied. The managers respond to this request using pre-defined methods.

These tests confirmed the responsiveness of the managers and the relevance of the allocation choices and the restrictions applicable to the FGDR's investments in terms of deadlines and costs for mobilising resources.

3.3.2.1.5. Annual review and outlook

Conducting and monitoring stress tests are now important activities for the FGDR, and are geared towards making improvements and reducing execution risks during a compensation process.

These exercises allow the FGDR to guarantee its operational capability and its ability to properly fulfil its mission.

The FGDR intends to pursue an ambitious stress test policy, with a broad plan covering multiple dimensions, and gradually make their conditions more complex. Its goal is to test and improve the processes, tools and organisational methods implemented, which will also satisfy the EBA's criteria.

3.3.2.2. 2022 regular and on-site control campaign

Of the 345 institutions that are members of the deposit guarantee scheme and for the 2021 campaign, 179 were eligible for controls. In fact:
- 73 were not subject to regular controls because they did not collect deposits. As is the case every year, the effective manager of the institution in question requested an exemption, which was approved by the FGDR after reviewing the situation;
- 93 others were not subject to regular controls for various reasons: they undergo regular controls every two years because they belong to a group with a satisfactory score, or their licence is being revoked.

As the 2022 campaign only began in June rather than in February because of the functional and technical changes made to the regular control process, 63% of the institutions were subject to a control procedure:
- either regular controls (110);
- or on-site controls (3).

However, the control procedure focused on "core targets", non-systemic institutions for which the FGDR would intervene on a preventative basis or to pay compensation in the event of a failure. Therefore, 102 out of 103 "core target" institutions (99%) were subject to control in 2022, along with 11 out of 76 systemic institutions, i.e. 15% of those likely to be subject to control this year.

3.3.2.2.1. General results of regular controls

Of the 113 institutions subject to control in 2022:
- 77% (87 institutions) had a "satisfactory" or "relatively satisfactory" score;
- for the remaining 23% (26 institutions):
  - 13% (15 institutions) had a "less than satisfactory" score,
  - 10% (11 institutions) had an "unsatisfactory" score.

The percentage of "satisfactory" and "relatively satisfactory" results decreased compared with the previous campaigns (87% in 2020, 90% in 2021). This was mainly due to the reduction in the advance notice period (when an institution does not submit its file within the specified time periods, its score is lowered) and to the controls being more robust, particularly when the number of anomalies remains the same or action plans are not implemented.

Furthermore, the anomalies detected during the 2022 campaign show a slight improvement in the quality of the data sent by institutions. Indeed, over the last five years:
- the number of SCVs with no anomalies has increased from 65% to 80%;
- the number of SCVs with "blocking" anomalies has decreased from 2% to 0.24%;
- the number of SCVs with "annoying" anomalies has decreased from 33% to 19.76%.

In 2023, for the ninth regular control campaign, the FGDR will pursue its policy of convergence towards the actual conditions of a compensation procedure, by again shortening the advance notice period and the deadline by which institutions must submit the SCV file. The deadlines for 2023 were therefore set out as follows:
- one working day advance notice of the control given by the FGDR (two days in 2022);
- submission of the SCV file generated by the institution within two days (same as in 2022).

3.3.2.2.2. General results of on-site controls

The on-site control process, launched in 2021, continued in 2022. Three institutions were subject to control after being selected based on a risk analysis. There are various types of objectives:

- raise awareness among effective managers;
- conduct a comprehensive audit of governance and the regular control process;
- verify consistency of the data with data submitted during regular controls;
- help the institution with action plans by having direct discussions with those involved.

On a still limited basis, the lessons learned are in line with the on-site controls performed the previous year:

- the controls were received positively by the institutions, with a focus on improving their system (in terms of governance and technical operation);
- on-site controls are instrumental in raising institutions' awareness about SCV and DAS reporting to the FGDR;
- management of the control system at institutions often needs to be better integrated into their governance structure;
- data quality is of vital importance when submitting information.

These controls, which are essential for ensuring the required level of quality, will be continued and ramped up in 2023.

The FGDR's six communication principles

- **Progressiveness:** being appropriately visible, without generating unnecessary questions or fuelling fears of a crisis.
- **Education:** responding clearly to questions and conveying a strong message of customer protection and financial risk prevention for banks and financial institutions.
- **Support:** being available quickly at the public's request, creating and nurturing a relationship of trust.
- **Consistency:** being in line with the messages and information disseminated by the entire banking industry (authorities, banking institutions, representative bodies).
- **Clarity:** conveying a strong message in support of customers and the financial sector regarding the progress made in terms of protecting customer deposits.
- **Adaptability and responsiveness:** immediately initiating a crisis communication process as needed.

3.4. Communication and training

3.4.1. Principles and preparation of the FGDR's communication

The FGDR's communication is centred around communication "under normal circumstances" and "crisis" communication. For the FGDR, it is essential to communicate about the protective mechanisms to all its audiences (partners, financial institutions, media, industry professionals and the general public) and thereby further strengthen trust in the financial sector. In addition, controlling the effects of a media crisis and customer support processes are crucial in the event of an intervention.

3.4.2. Communication under normal circumstances and in times of crisis

In 2022, the work related to communication under normal circumstances had the objective of:

- continuing to gradually increase the visibility of the FGDR and the guarantees that it manages in order to strengthen depositors' trust in the banking system, in particular via the website, social networks and the media;
- promoting the role and operation of the FGDR, conveying a positive image so as to create a positive environment among depositors and the media and preserve trust in the banking system in case of an intervention;
- maintaining a stable community of communication correspondents, created in 2020, at institutions that are members of the deposit guarantee scheme; and
- designing and developing five online training modules offered on the website.

The aim of the work related to crisis communication was to:

- put the finishing touches on the communication content and messages, particularly those intended for the website and social networks;
- enhance the FGDR's ability to manage crisis communication with its members' communication correspondents;
- prepare and plan well ahead for activation of all the FGDR's communication channels during a crisis, whether or not it is related to compensation.

These objectives were achieved, particularly through the following actions included in the communication department's roadmap for 2022:

- a more user-friendly website, with the addition of a page for the newly-created online courses;
- a ramp-up of press relations campaigns to maintain a media presence, with a focus on the regional and national daily press;
- ongoing posts on the three social networks (Facebook, LinkedIn and Twitter), which continue to develop the FGDR's qualitative visibility and generate traffic to the website;

- coordination of the network of 250 crisis communication correspondents at the member institutions of the deposit guarantee scheme;
- oversight of the EFDI's communication and public relations committee which, four times a year, brings together our European counterparts' communication correspondents to share best practices and experience in crisis communication;
- contribution to the FGDR's cross-functional stress test plan with the testing of communication tools and procedures and the implementation of a crisis preparedness initiative that focuses on coordination among all communication channels managed internally and externally.

3.4.3. Media and press relations

Since the end of 2015, the FGDR has worked to cultivate a link with the community of journalists specialising in the economy and finance, which has gradually grown to include representatives of the regional and the mainstream press. The FGDR itself generates a relatively low level of information and news (three press releases were published in 2022). However, the number of contact requests and press articles remains high with the increase in new players in the broader financial sector (online and mobile payment services, new sales platforms, online banks from the fintech sector, etc.), on which the media is asked to provide more clarity. New issues are emerging, savings fraud is becoming more sophisticated, and banking protection is of greater concern than ever.

The deposit guarantee scheme and the FGDR were mentioned more frequently in such mainstream media outlets as *Le Particulier*, *BFM Business* and *Le Parisien-Aujourd'hui en France*, which attests to this growing need for clarity even by mainstream media journalists across France.

The message of a deposit protection mechanism involving the entire industry continues to be effectively conveyed by the economic press, which also made an effort in 2022 to educate the public about customer protection. The number of articles mentioning the FGDR returned to a volume higher than that of 2019, after the exceptional peak in 2020 related to concerns raised by the pandemic.

Year	Annual press mentions (mentions and articles)
2019	87
2020	131
2021	83
2022	98

Articles during the year included:
- "Financial scams: why are swindlers now making reference to the deposit guarantee scheme?", *Le Particulier*, 17 February 2022;
- "Record deposits, record guarantee scheme", *Les Échos*, 19 April 2022;
- "Michel Cadélano: the FGDR's concern is to be ready", *Le Revenu*, 30 April 2022;
- "Neobanks: the right actions to avoid scams", *BFM Business*, 18 May 2022;
- "At FGDR, we invest exclusively in dedicated funds, whose management criteria we define ourselves", *Option Finance*, 19 May 2022;
- "Neobanks: what happens to your money if your bank fails?", *Le Particulier* and Le figaro.fr, 1 June 2022;
- "Banking: is your money really protected if your bank fails?", *Le Parisien*, 28 June 2022;
- "Financial education: an endless mission", *L'Agefi*, 15 December 2022.

3.4.4. Social networks

The spread of information many times over prompted the FGDR to create Twitter and Facebook accounts, the first in 2016 and the second in 2018, then finally a LinkedIn account in 2019. Knowledge of the FGDR and its visibility are on the rise, allowing the creation of a community among economic experts, the banking sector and the general public. In 2022, communication activity on social networks was steady, keeping pace with 2021. Content design is based on a very concise, educational editorial line on the FGDR's mission and the guarantees it provides to depositors, and on the participants in the banking and financial safety net.

In 2022, a strategy aimed at fine-tuning the Twitter community led to the re-creation of a highly qualified community of nearly 1,000 followers compared with just under 700 in 2021. Many members of the FGDR's direct ecosystem, including journalists, participants in the banking and financial safety net, academics and industry experts, contribute to a high-quality community of ambassadors.

FGDR Twitter account					
Year	Number of FGDR followers	Number of subscriptions	Number of tweets posted	Number of views	Number of visits to the FGDR's account
2019	596	691	287	425,000	9,225
2020	689	1,207	129	215,772	13,739
2021	686	909	109	51,031	6,730
2022	963	729	88	28,089	35,816

On LinkedIn, the 100 or so posts in 2022 generated nearly 44,000 views, a sharp increase compared with 2021. The FGDR's LinkedIn account is gaining new subscribers every month. This good result is related to two factors: the publication of corporate content that is meeting with real success on this professional network, and the synergy created between the company page and the LinkedIn accounts of several FGDR employees.

FGDR LinkedIn account				
Year	Number of subscribers	Number of posts	Number of visits to the page	Number of times content viewed
2019	65	5	30	1,187
2020	343	63	1,116	22,265
2021	462	98	1,400	24,725
2022	682	91	2,768	44,331

On Facebook, the 2022 results confirm the performance of the strategy aimed at enhancing the FGDR's visibility among the general public by focusing on the number of people reached and video views. The performance in 2022 remained proportionally as good as the previous year, with more than 1.2 million unique individuals reached and over 252,000 video views generated.

FGDR Facebook account (created in September 2018)					
Year	Number of subscribers	Number of posts	Number of people reached	Engagement rate	Video views at 95% of their length
2019	67	51	694,505	11.92%	225,337
2020	161	47	1,858,632	5.89%	265,031
2021	603	36	1,309,888	5.73%	188,685
2022	740	40	1,248,970	8.55%	252,629

3.4.5. Institutional website

The new website was launched in October 2020, with a more "service-oriented" structure that is geared towards users' needs thanks to knowledge of their behaviour in terms of pages read and expectations. As in the past, the new site was built using natural search engine optimisation techniques. This content tagging allows the site to be listed at the top of responses to users' requests; it also enhances the site's visibility and encourages visits.

In terms of traffic, public interest in the FGDR and the guarantees it provides has grown each year. In 2022, the FGDR website had more than 41,000 visitors per month on average, 2,500 more per month than the previous year.

Traffic on the FGDR's institutional website	Number of visits January-December basis	Monthly average January-December basis
2019	252,063	21,005
2020	604,895	50,408
2021	468,499	39,042
2022	372,357(1)	41,730(1)

(1) Data available for January-September 2022 only.

3.4.6. Relations with the banking industry in terms of communication, in France and at the EFDI

The FGDR set up a financial working group in 2015 to deal specifically with customer information and communication, both under normal circumstances and in a crisis situation or compensation process. This work is essential for the FGDR given the importance of proper coordination of communication within the industry in the event of a media crisis related to an intervention in a member institution.

This exchange of information about the communication systems in place and those to be activated in the event of an intervention by the FGDR offers many valuable lessons and allows a sharing of practices regarding the prioritisation of communication channels, response times for each channel if content needs to be adapted or closure if a crisis situation so requires.

In 2022, international work and seminars within the EFDI's Public Relations and Communication Committee continued, with a focus on sharing of practices related to communication during a compensation procedure or under normal circumstances, comparison of awareness levels and crisis preparedness work, including home-host cooperation. These exchanges are very valuable for the FGDR, as they enrich its knowledge base and allow it to fine-tune communication initiatives for France.

3.4.7. Internal and external training

Keeping its employees' skills up to date is essential to the FGDR's missions.

The 2022 internal training programme was geared towards:

- a group programme to raise awareness about data protection (GDPR), IT security and crisis management in which all employees participated;
- additional risk management training for the management team;
- choices based on individual needs and profiles.

In 2022, 320 hours of training were completed, with an increase in the number of training days per employee compared with the previous year. External training is offered to service providers through a continued proficiency programme for the team of "lead" operators at the call centre and processing centre set up at Teleperformance. The operational stress tests conducted by the FGDR's teams with their service providers are, in essence, an intensive training and practice ground (see section 3.3.2.1. Stress tests).

3.5.
The annual awareness and recognition poll

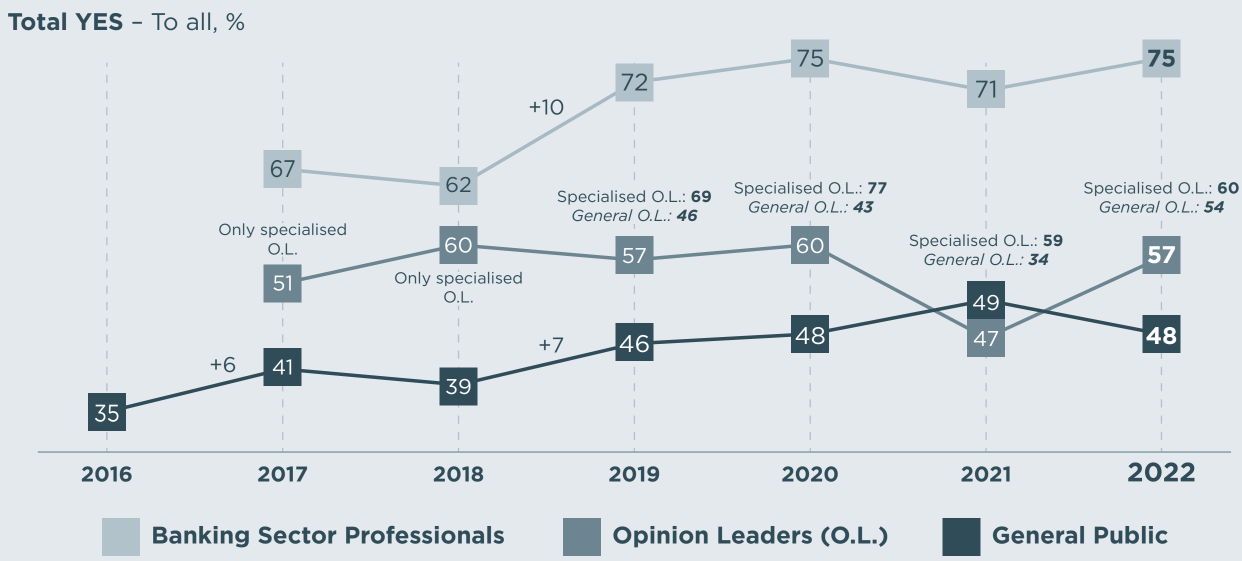
For the seventh consecutive year, the Fonds de Garantie des Dépôts et de Résolution has measured French people's knowledge of the deposit guarantee scheme and the FGDR and their confidence in the banking system.

This poll, conducted with the market research firm, Harris Interactive, is based on a constant methodology over time.

Question 1 - To what extent do you agree with the following statements? Question asked to everyone. Results as a %. In brackets: change relative to 2021.			
TOTAL AGREEMENT %	2022	Who know about the FGDR	Who know exactly what the FGDR does
Generally speaking, I have confidence in the French banking system.	68% (+1%)	78% (+3%)	79% (-3%)
When I deposit my money at a bank, I know that it is safe.	68% (=)	75% (+2%)	73% (-7%)
If my bank fails, I know that I will not lose all my money.	53% (-2%)	66% (=)	78% (+2%)

Question 2 of the 2022 Harris Interactive – FGDR Poll

"If a bank at which you have made deposits were to fail, do you think your money will be protected?"



3.5.1. Results among the general public

In 2022, the conflict in Ukraine and economic uncertainties do not appear to have had a negative impact on the general public's confidence in the banking system:

- 68% of French people say that, generally speaking, they are confident in the French banking system (+1% compared with 2021);
- 68% say they know their money is safe when they deposit it at a bank (stable score year on year);
- 53% say they are confident that they will not lose all their money if their bank fails (-2% compared with 2021).

The general public's overall confidence level was 78% among those interviewed who stated that they know about the FGDR (+3%) and 79% among those who said they know exactly what the FGDR does (-3%).

The FGDR's name recognition continues to grow:

- the FGDR was named by 39% of those interviewed (+2%) as the institution responsible for protecting deposits and paying compensation if a bank fails, ahead of the Banque de France (25%) and the French Government (24%), stable score.
- 55% of French people say they have heard of the FGDR, a higher score this year.

More than half of the general public are now aware that there is a deposit protection scheme: 52% of French people (-1% compared with 2021).

However, for most of those interviewed, how the mechanism works and its specific features are difficult to understand. The details of the scheme about which most people remain unclear are:

- the €100,000 compensation ceiling: only 22% of French people know the amount (-3% compared with 2021);
- and the 7-day compensation period: 10% are able to identify it (+1% compared with 2021).

Regarding the notification method in the event of a bank failure, receipt of a document sent by the bank had the highest score among respondents (33%), followed by information provided by the advisor at their branch (29%) or by telephone (29%), and information provided on the bank's website (21%) and on their bank account statements (18%).

3.5.2. Results among banking sector professionals

Professionals continue to display a high level of confidence in their business sector. After falling in 2021, professionals' confidence in protection in the event of a bank failure returned to the 2020 level with a score of 84% (76% in 2021).

General knowledge of the deposit guarantee scheme remains very high at 95% (+1% year on year). The FGDR is still identified as the body responsible for protecting and paying compensation for bank deposits with 81% of responses (-3%). And while 81% of professionals say they have heard of the FGDR (-5% year on year), 93% say they are personally well-informed about the deposit guarantee scheme (+3%).

Methodology of the FGDR/Harris Interactive awareness and recognition poll

In accordance with international public awareness best practices derived from the Core Principles issued by the International Association of Deposit Insurers (IADI), every year the FGDR conducts an awareness and recognition poll with the market research firm, Harris Interactive.

The objectives are as follows:
- track changes in French people's knowledge and opinion of bank guarantees and confidence in the sector;
- assess the perception of audiences informed about the same issues;
- assess the impact of communications of banking institutions and the FGDR on the general public;
- analyse the effectiveness of messages and the communication and information channels from institutions, the media and the FGDR.

This semi-directive poll is comprised of 19 questions with most of the answers being selected from a list. The notions of awareness and recognition are however studied using open questions.

Online poll of a sample of 2,262 people representative of the adult French population aged 18 and above and its 13 administrative regions conducted from 31 May to 16 June 2022.

Telephone survey of:
- 134 banking sector professionals within institutions based on the quota method: personal and professional customer service managers, business unit managers;
- 70 opinion leaders, including 34 journalists and section editors from business and financial media outlets, saver association managers and expert "economics" bloggers, and 36 journalists from mainstream media outlets.

However, information and training on the deposit guarantee scheme provided to banking professionals was down, with 50% of sales advisors exposed to it during the year (-14% compared with 2021).

These results are an incentive to step up educational efforts among all professionals who are in contact with customers, particularly as regards the products covered, the compensation ceiling and the seven working day compensation period. In response to this dwindling knowledge of the mechanism by sales representatives in the banking sector, in 2022 the FGDR produced five online training modules that were offered on its website. As a follow-up to these courses, training modules will be offered to bank advisors at FGDR member institutions in 2023.

3.6. Asset management

3.6.1. Investment policy

The FGDR's investment policy has been defined so as to meet the objectives of its mission.

These objectives are set out in the European directive on deposit guarantee schemes, with which the FGDR fully complies. The aim is to have the necessary resources for an intervention, particularly to be able to compensate depositors within seven working days.

In light of this, the FGDR has designed its investment policy with liquidity and capital preservation as its main objectives and performance as merely a secondary objective. As a result of this policy, there are strict requirements as to the quality of debt securities eligible for investment (A- for corporate securities and BBB for sovereign securities), dispersion of credit risk (maximum 4% per corporate issuer) and asset allocation (minimum 60% money market investments).

Asset allocation is one of the key factors that enable the FGDR to meet its investment objectives.

In 2020, on the government's initiative, the French Parliament enacted a law providing for the centralisation of the cash assets of a number of public and private bodies at the Public Treasury (Law No. 2020-734 of 17 June 2020 - Article 58), for which Order No. 2020-1496 of 2 December 2020 (Article 1) provides for its application to the FGDR in 2021. This resulted in a requirement to centralise, at the end of the year, 75% of the resources recorded on the balance sheet the previous year. The FGDR therefore adjusted its asset allocation to reflect this change. Since the end of 2021, all funds invested in money market instruments (approximately 56% of the total assets this year) have been deposited in an account at the Public Treasury. For the other asset classes, the FGDR has shifted some assets, reducing the portion allocated to bond investments to keep the stock allocation constant and to maintain the amount invested in capitalisation contracts.

As of 31 December 2022, the asset allocation was as follows:

Historical value of units of mutual funds	
Equity investments	up to 5%
Investments centralised at the Treasury	at least 75% of total Y-1 assets
Capitalisation contracts	up to 6%
Bond investments	between 14% and 25%(1)

(1) In the event that the historical value of the portfolio remains constant from one year to the next. Changes in assets between two years may affect this range upwards or downwards.

3.6.2. Implementation of the investment policy

The implementation of this investment policy relies on the management companies to which the FGDR issues mandates establishing the investment rules. These rules are applied to the dedicated funds in which the FGDR invests.

The FGDR selects the management companies using tenders in which several criteria are analysed. The main ones are:

- compliance with the investment constraints in the model portfolio presented;
- the management company's proven expertise in the management style considered and its size in relation to what the FGDR intends to entrust to it;
- the quality of the risk control and monitoring process;
- the price of the service.

Moreover, as a banking crisis operator in support of responsible finance, the FGDR has included Environmental, Social and Governance (ESG) criteria in its investment policy for the past several years. Its goal is therefore to contribute to the overall objectives of the banking sector in this area.

To develop the investment policy, the FGDR's Executive Board has long been supported by an advisory committee on financial resources management, in accordance with the FGDR's internal regulations. The role of this independent committee is to express opinions regarding asset management. It has at least five members, including a Chair. Its members are individuals chosen from member institutions and their subsidiaries who have acquired recognised experience in cash and fund management. They are appointed by the Executive Board.

As of 31 December 2022, the committee's members included the following:

Advisory Committee on Financial Resources Management	
Chair	**Isabelle REUX-BROWN** – Independent consultant
Members	**Laurent TIGNARD** – AMUNDI
	Alexandre ADAM – BNP PARIBAS
	Laurent CÔTE – CA-CIB
	Bernard DESCREUX – EDF
	Claudio KERNEL – BPCE GROUP
The members of the Executive Board participate in meetings.	

In 2022, the advisory committee on financial resources management assessed management in 2021 and monitored changes in the performance of the FGDR's asset portfolios in a market environment heavily impacted by inflation and rising interest rates.

The committee was also asked to issue an opinion on:

- the asset allocation before being presented to the Supervisory Board following the decision to centralise 75% of the previous year's resources at the Public Treasury;
- its perception of market trends and their impact on FGDR's investments;
- the choice of investments after the 2022 contributions are collected.

3.6.3. Management decisions

After paying its operating and investment expenses, the FGDR invested the balance of the amounts received for the 2022 contributions, i.e. €841.70 million. The total amount of its investments therefore rose by €840.60 million in book value and €727.90 million in market value (due to negative overall performance during the year).

The increase in the book value of investments breaks down as follows:

- +€1,150.00 million for the account at the Public Treasury;
- -€344.50 million for the dedicated bond funds;
- +€31.80 million for the dedicated equity funds;
- +€3.30 million for the capitalisation contracts.

These investments were made in accordance with the limits in historical values defined by the allocation strategy.

3.6.4. Return on the portfolio

Performance				
2022	Net asset value (€m)	Performance during the year (€m)	Return %	Unrealised gains (€m)
Overall portfolio	7,037.1	-109.0	-1.73	98.5
Equity portfolio	432.7	-91.3	-18.07	95.0
Bond portfolio	1,780.1	-21.0	-0.83	3.5
Treasury account(1)	4,580.0	0	0	0
Capitalisation contracts	244.3	3.3	1.39	0

(1) The interest on the bank balance of the funds deposited at the Treasury is zero.

The portfolio's overall performance in 2022 was negative at -1.73% compared with a positive performance of +1.76% in 2021. Unrealised gains, i.e. not recorded in the profit and loss statement, represented 1.40% of the market value of the investment portfolio at 31 December 2022, and amounted to €98.50 million.

The equity portfolio was the main reservoir of unrealised gains, even though it generated a negative performance of -€91.30 million (-18.07%) in 2022 compared with +€94.80 million (+23.51%) in 2021. The unrealised gain on this portfolio was €95.00 million at 31 December 2022 (€98.50 million for the portfolio as a whole). The equity investment terms changed in 2021, since the FGDR entrusted all of its equity investments to a single manager in February, with the mandate to replicate a bespoke index in definitive securities. This index was defined by the FGDR in partnership with an index provider to meet its investment objectives in terms of limiting performance volatility and complying with the ESG policy. It closely tracked general trends in stock markets, which fell sharply during the period amidst fears of a global recession linked to the steep hike in key interest rates decided by central banks to counter rising inflation rates.

The performance of the bond portfolio was slightly negative at -0.83% (-€21.00 million). However, this performance was significantly better than the very negative overall performance of this asset class in 2022. This resulted from the managers' use of the leeway given to them in the fund management agreements to adapt the portfolio's duration to the rise in interest rates (absolute return asset management). The managers protected the funds against the increase in interest rates using interest rate hedges.

Under legislation, funds deposited in the account at the Treasury do not earn interest.

The capitalisation contracts, fully invested in "euro funds", performed better than the previous year, at 1.39% in 2022 vs. 0.93% in 2021.

3.6.5. Portfolio analysis

Assets under management or deposited at the Public Treasury, measured at market value at 31 December 2022, totalled €7,037.10 million, for a net book value of €6,938.6 million.

They break down as follows in market value:

Market value (€m) Breakdown (%)	End of 2022	End of 2021	End of 2020	End of 2019	End of 2018
Equity mutual fund investment	432.7 6.1%	504.9 8.0%	401.3 7.4%	378.0 8.0%	281.7 6.7%
Bond mutual fund investment	1,780.1 25.3%	2,133.3 33.8%	1,847.5 34.1%	1,370.3 29.1%	1,364.6 32.7%
Treasury account + capitalisation contracts + Monetary mutual funds (before 2021)	4,824.3 68.6%	3,671.0 58.2%	3,175.3 58.5%	2,966.5 62.9%	2,529.9 60.6%
Total	**7.037,1**	**6.309,2**	**5,424.1**	**4,714.8**	**4,176.2**

In historical value, the breakdown of investments reflects the strategic allocation defined by the Supervisory Board.

Historical value (€m) – Breakdown (%)	Fin 2022
Equity mutual fund investment	337.7 4.9%
Bond mutual fund investment	1,776.6 25.6%
Treasury account + capitalisation contracts	4,824.3 69.5%
Total	**6,938.6**

a) Breakdown of counterparty risks

The management agreements on bond funds stipulate that counterparties must have a rating of at least BBB (S&P) or Baa2 (Moody's) for government securities and A- (S&P) or A3 (Moody's) for corporate securities. Risk dispersion rules limit the concentration of investments in issuers.

Centralisation of a portion of the funds at the Treasury led to an over-representation of the French Government, rated AA, in the asset allocation (66.3%); however, excluding this particular exposure, all asset classes combined, the nine largest nominal exposures to credit risk represented only 5.4% of the total exposure in 2022.

At 31 December 2022, this breakdown for all portfolios was as follows:

Rating	%
AAA	1.78
AA	79.14
A	17.28
BBB	1.8
< BBB	0

b) Sensitivity of the fixed-income portfolio and stress tests

At 31 December 2022, the overall sensitivity of the portfolio to changes in interest rates, which is used to assess the overall interest-rate risk in the FGDR's portfolio, was -0.27. In other words, a 1% increase in market rates would have had an impact of -0.27% on the performance of the portfolio, all things being equal. This level, nearly the same as in 2021 (-0.2), reflects the decision taken by the bond fund managers to limit the exposure of the funds to a potential increase in rates.

The annual risk assessment was carried out in accordance with the recommendations of the advisory committee on financial resources management and the Supervisory Board in 2007. The value at risk ("VaR") of the portfolio is calculated based on the parameter approach with probabilities of 95% and 99% and time horizons of one week, one month and one year.

The table below indicates the level of VaR at 30 December 2022:

VaR	1 week	1 month	1 year
VaR 95%	-0.29%	-0.58%	-1.51%
VaR 99%	-0.42%	-0.84%	-2.43%

Over one year, the investment structure of the FGDR's portfolio is such that the probability of a rate of return of more than -2.43% is 99% (-4.22% at end-2021). This decrease in VaR is related to the increase in deposits in the Public Treasury account, with a resulting reduction in the return prospects of the portfolio.

The overall risk associated with the portfolio therefore remains limited, though not insignificant, as the stress tests confirm. Stress tests have a legislative nature and are not associated with a probability of occurrence. They are used to estimate losses based on significant changes in certain assets or interest rates. The main assumptions used are as follows:

- for equities: 20%, 30% and 40% asset deterioration;
- for interest rates: 0.5%, 1% and 2% rate increase;
- for bond assets: 4 and 8 times the historical default per rating published by the rating agencies (S&P and Moody's).

For the extreme scenarios applied to the portfolio at 31 December 2022 – for all risks taken simultaneously – this results in a loss of 2.4%, i.e. €168 million (versus 3.63% and €228 million in 2021). This decrease can be attributed to the increase in the proportion of funds deposited at the Public Treasury, for which the risk is considered nil.

3.6.6. Socially Responsible Investment (SRI)

For many years, the FGDR has incorporated Environmental, Social and Governance (ESG) criteria into its investment and management company selection policy. These criteria are fully in line with its strategy as a "responsible finance operator". They are also taken into account during the FGDR's assessment of fund management performance.

With this in mind, the FGDR launched various studies to decide which indicators and principles it would use in determining its investment policy and opted for the following:

- verification during fund management tenders that the service providers selected are signatories of the Principles for Responsible Investment ("PRI") defined by the United Nations ("UN");
- determination of the percentage of securities in its portfolio that is eligible for each management company's Socially Responsible Investment (SRI) funds.

As previously indicated, the FGDR also decided to add investment restrictions for the management of its equity portfolio from February 2021 in order to include ESG criteria. Shares of companies that do not comply with any of the following criteria will be excluded from the investment universe:

- compliance with the principles defined in the UN's Global Compact. These 10 principles relate to respect for human rights, international labour standards, the environment and anti-corruption;
- less than 5% of the company's business involves the use of coal;
- no production or sale of controversial weapons of any kind.

Finally, in 2021 the FGDR asked the management companies to adapt the management criteria they applied to the FGDR's dedicated funds, if necessary, so that all these funds could be classified under "Article 8" of the Sustainable Finance Disclosure Regulation (SFDR). It also monitors regulatory developments to ensure that all its funds apply ESG criteria that meet this classification. Since 2021, all the dedicated funds in which the FGDR makes investments belong to this category. In the future, the FGDR intends to develop the ESG criteria included in the tenders for selecting the management companies responsible for its investments.

4

Monitoring of past interventions

4.1. Crédit martiniquais

4.1.1. Proceedings brought by the FGDR

Following proceedings brought in 2000 to hold the directors of the former Crédit martiniquais accountable for the problems encountered by the bank, which had justified the FGDR's preventive intervention in 1999, in September 2016 the FGDR appealed a ruling by the Paris Court of Appeal handed down in July of the same year. In a ruling rendered on 9 January 2019, the Commercial Chamber of the Court of Cassation rejected the FGDR's appeal. The Court based its decision to reject the appeal on the principle of sovereignty of discretion of appeal judges. It also found that the FGDR's action was statute-barred as it referred to a ruling of the Versailles Court of Appeal of 3 May 2007 which had allowed the FGDR's action. According to the Court, this limitation period had expired even before the FGDR's intervention, since it began in 1996 on the date of the managers' misconduct and ended in 1999, and not when the FGDR became aware of it. The ruling of 9 January 2019 marked the end of appeals that may be brought by the FGDR.

4.1.2. Proceedings brought by the liquidator

Crédit martiniquais, which became Financière du Forum, was placed in court-ordered liquidation by the Commercial Court of Paris on 24 June 2015. In accordance with the laws in force, the FGDR presented its claim in an amount of more than €237 million. On 29 May 2018, the liquidator subpoenaed the directors of Financière du Forum as part of an action to pay off that company's debt, including the FGDR's claim, at their expense. On 16 February 2021, the Commercial Court of Paris rejected the liquidator's request. The liquidator immediately filed an appeal. On 20 September 2022, the Court of Appeal rejected all the liquidator's requests. The liquidator appealed to the Court of Cassation against the decision of the Court of Appeal.

4.2. Européenne de gestion privée (EGP)

All the proceedings that were pending in France ended without any decision taken by the FGDR regarding the compensation of EGP's former clients being invalidated. Moreover, the criminal lawsuits in Italy against the former senior managers, and in which the FGDR was a plaintiff claiming damages, continued. In a ruling, the operative part of which was sent to the parties on 2 December 2016, the District Court of Rome, in addition to convicting the individuals charged, referred the determination of injury and the allocation of compensation to the civil court, to which the matter will be presented at the end of the criminal proceedings. Since the ruling of the District Court of Rome is being appealed, the quantification ruling by the civil court will only take place once the court of appeal has rendered its ruling. The criminal proceedings are still pending before the Italian courts, which have had problems organising talks between the concerned parties since the Covid-19 pandemic, seeing as no hearing was held in 2021 or 2022.

4.3. Géomarket (formerly Dubus SA)

In late 2022, the FGDR received the sum of €150,000 as part of the distribution of assets. However, the court-ordered liquidation is currently still under way and other funds from the available assets could still be received once the court in charge of the case is informed of them.

5

Financial statements

5.1. Balance sheet

Balance sheet - all mechanisms

Assets (€ thousand)	31/12/2021	31/12/2022
Non-current assets	**1,110**	**886**
Net tangible and intangible assets	645	493
• *Gross amount*	*2,113*	*2,235*
• *Depreciation, amortisation and provisions*	*-1,468*	*-1,743*
Net compensation platform assets	465	393
• *Gross amount*	*18,603*	*18,753*
• *Depreciation, amortisation and provisions*	*-18,139*	*-18,359*
Short-term receivables	**74**	**20**
Amounts due from members	2	0
Other receivables (advances made and credit notes received)	4	4
Members - interest receivable	0	0
Net monetary penalties and court costs receivable	16	16
• *Gross amount*	*2,373*	*1,373*
• *Depreciation, amortisation and provisions*	*-2,358*	*-1,358*
Revenue accruals	53	0
Claim-related receivables	**0**	**0**
Net receivables	0	0
• *Gross amount*	*201,915*	*201,765*
• *Depreciation, amortisation and provisions*	*-201,915*	*-201,765*
Transferable securities and cash assets	**6,111,602**	**6,946,818**
Shares	305,939	337,717
Bonds	2,123,318	1,776,544
Public Treasury account	3,430,000	4,580,000
Capitalisation contracts	240,985	244,291
Cash assets	11,359	8,266
Accruals	**183**	**91**
Pre-paid expenses	183	91
Total assets	**6,112,969**	**6,947,815**

Liabilities (€ thousand)	31/12/2021	31/12/2022
Equity	**3,738,413**	**4,324,410**
Profit/loss	0	0
Technical provision for intervention risk	1,405,328	1,590,468
Member's certificates	2,333,085	2,733,942
Subordinated debt	**2,368,052**	**2,616,377**
Certificates of membership	542,891	542,888
Guarantee deposit	1,825,160	2,073,489
Total equity	**6,106,464**	**6,940,787**
Provisions for claims	**208**	**208**
Provisions for risks and charges	**3,019**	**2,237**
Provisions for risk - capitalisation contracts	1,437	500
Provision for charges	1,582	1,737
Current liabilities	**2,523**	**2,516**
Trade payables	1,518	1,525
Tax and social security liabilities	990	976
Advances received on monetary penalties	16	16
Liabilities to members	**754**	**2,066**
Members - licence revocations and overpayments	754	1,737
Liabilities to European DGS	0	329
Accruals	**0**	**0**
Unearned income	0	0
Total liabilities	**6,112,969**	**6,947,815**

Between 2021 and 2022, the FGDR's balance sheet total grew by €835 million from €6.113 billion to €6.948 billion. This increase mainly resulted from the collection of contributions for the various guarantee mechanisms managed by the FGDR.

The contributions collected amounted to €829 million (excluding €12.5 million in contributions for operating expenses) and break down as follows:

- €401 million in member's certificates;
- €178 million in premiums; and
- €250 million in guarantee deposits.

On the asset side, the increase was linked to a rise in transferable securities and cash assets, which were up by €835 million. The account at the Public Treasury and the equities segment increased significantly (up €1.150 billion and €32 million, respectively), while the bond segment decreased by €347 million.

On the liabilities side, in addition to the growth in member's certificates and guarantee deposits mentioned above, the increase was attributed to a €185 million rise in the technical provision for intervention risk (which corresponds to the FGDR's net profit before technical provision for intervention risk).

Deposit guarantee scheme balance sheet

Assets (€ thousand)	31/12/2021	31/12/2022
Non-current assets	**465**	**393**
Net compensation platform assets	465	393
• *Gross amount*	*18,618*	*18,753*
• *Depreciation, amortisation and provisions*	*-18,154*	*-18,359*
Short-term receivables	**2**	**2**
Amounts due from members	0	0
Other receivables (advances made and credit notes received)	2	2
Members - interest receivable	0	0
Net monetary penalties and court costs receivable	0	0
• *Gross amount*	*303*	*303*
• *Depreciation, amortisation and provisions*	*-303*	*-303*
Claim-related receivables	**0**	**0**
Net amount due from Crédit martiniquais	0	0
• *Gross amount*	*178,537*	*178,537*
• *Depreciation, amortisation and provisions*	*-178,537*	*-178,537*
Transferable securities and cash assets	**5,835,504**	**6,656,394**
Receivables related to committed costs	**9,418**	**13,538**
Total assets	**5,845,389**	**6,670,326**

Liabilities (€ thousand)	31/12/2021	31/12/2022
Equity	**3,559,072**	**4,136,407**
Profit/loss	0	0
Technical provision for intervention risk	1,225,987	1,402,465
Member's certificates	2,333,085	2,733,942
Subordinated debt	**2,285,160**	**2,531,859**
Certificates of membership	532,949	532,947
Guarantee deposit	1,752,211	1,998,912
Total equity	**5,844,232**	**6,668,266**
Provisions for claims	**208**	**208**
Current liabilities	**392**	**1,134**
Trade payables	389	1,134
Tax and social security liabilities	3	0
Liabilities to members	**557**	**718**
Members - licence revocations and overpayments	557	389
Liabilities to European DGS	0	329
Breakdown of balance sheet – committed costs	**0**	**0**
Liabilities related to committed costs	0	0
Total liabilities	**5,845,389**	**6,670,326**

Investor compensation scheme balance sheet

Assets (€ thousand)	31/12/2021	31/12/2022
Short-term receivables	**22**	**22**
Net amounts due from members	6	6
• *Gross amount*	*22*	*22*
• *Depreciation, amortisation and provisions*	*-15*	*-15*
Members - interest receivable	0	0
Net monetary penalties and court costs receivable	16	16
• *Gross amount*	*2,070*	*1,070*
• *Depreciation, amortisation and provisions*	*-2,055*	*-1,055*
Claim-related receivables	**0**	**0**
Net amounts due from EGP	0	0
• *Gross amount*	*22,436*	*22,436*
• *Depreciation, amortisation and provisions*	*-22,436*	*-22,436*
Net amounts due from Dubus SA	0	0
• *Gross amount*	*942*	*792*
• *Depreciation, amortisation and provisions*	*-942*	*-792*
Transferable securities and cash assets	**171,239**	**174,060**
Receivables related to committed costs	**0**	**0**
Total assets	**171,261**	**174,082**

Liabilities (€ thousand)	31/12/2021	31/12/2022
Equity	**119,746**	**121,759**
Profit/loss	0	0
Technical provision for intervention risk	119,746	121,759
Subordinated debt	**46,891**	**46,891**
Certificates of membership	9,942	9,941
Guarantee deposit	36,949	36,950
Total equity	**166,636**	**168,651**
Provisions for claims	**0**	**0**
Current liabilities	**70**	**78**
Advances received on monetary penalties	16	16
Trade payables	54	62
Tax and social security liabilities	1	0
Liabilities to members	**157**	**37**
Members - licence revocations	157	37
Breakdown of balance sheet – committed costs	**4,398**	**5,317**
Liabilities related to committed costs	4,398	5,317
Total liabilities	**171,261**	**174,082**

Investor compensation scheme balance sheet

Assets (€ thousand)	31/12/2021	31/12/2022
Short-term receivables	**22**	**22**
Net amounts due from members	6	6
• *Gross amount*	*22*	*22*
• *Depreciation, amortisation and provisions*	*-15*	*-15*
Members - interest receivable	0	0
Net monetary penalties and court costs receivable	16	16
• *Gross amount*	*2,070*	*1,070*
• *Depreciation, amortisation and provisions*	*-2,055*	*-1,055*
Claim-related receivables	**0**	**0**
Net amounts due from EGP	0	0
• *Gross amount*	*22,436*	*22,436*
• *Depreciation, amortisation and provisions*	*-22,436*	*-22,436*
Net amounts due from Dubus SA	0	0
• *Gross amount*	*942*	*792*
• *Depreciation, amortisation and provisions*	*-942*	*-792*
Transferable securities and cash assets	**171,239**	**174,060**
Receivables related to committed costs	**0**	**0**
Total assets	**171,261**	**174,082**

Liabilities (€ thousand)	31/12/2021	31/12/2022
Equity	**119,746**	**121,759**
Profit/loss	0	0
Technical provision for intervention risk	119,746	121,759
Subordinated debt	**46,891**	**46,891**
Certificates of membership	9,942	9,941
Guarantee deposit	36,949	36,950
Total equity	**166,636**	**168,651**
Provisions for claims	**0**	**0**
Current liabilities	**70**	**78**
Advances received on monetary penalties	16	16
Trade payables	54	62
Tax and social security liabilities	1	0
Liabilities to members	**157**	**37**
Members - licence revocations	157	37
Breakdown of balance sheet – committed costs	**4,398**	**5,317**
Liabilities related to committed costs	4,398	5,317
Total liabilities	**171,261**	**174,082**

Performance bonds guarantee balance sheet

Assets (€ thousand)	31/12/2021	31/12/2022
Short-term receivables	**0**	**-10**
Net amounts due from members	0	-10
• *Gross amount*	*4*	*-6*
• *Depreciation, amortisation and provisions*	*-4*	*-4*
Members - interest receivable	0	0
Claim-related receivables	**0**	**0**
Transferable securities and cash assets	**41,085**	**41,731**
Transferable securities and cash assets	41,085	41,731
Breakdown of balance sheet – committed costs	**0**	**0**
Receivables related to committed costs	0	0
Total assets	**41,085**	**41,720**

Liabilities (€ thousand)	31/12/2021	31/12/2022
Equity	**21,092**	**21,446**
Profit/loss	0	0
Technical provision for intervention risk	21,092	21,446
Subordinated debt	**18,357**	**18,360**
Certificates of membership	0	0
Guarantee deposit	18,357	18,360
Total equity	**39,449**	**39,805**
Current liabilities	**0**	**0**
Trade payables	0	0
Liabilities to members	**17**	**9**
Members - licence revocations	17	9
Breakdown of balance sheet – committed costs	**1,619**	**1,906**
Liabilities related to committed costs	1,619	1,906
Total liabilities	**41,085**	**41,720**

National Resolution Fund (NRF) and Single Resolution Fund (SRF) resolution mechanisms balance sheet

Assets (€ thousand)	31/12/2021	31/12/2022
Short-term receivables	**0**	**0**
Net amounts due from members	0	0
• *Gross amount*	*1*	*1*
• *Depreciation, amortisation and provisions*	*-1*	*-1*
Members - penalties receivable	0	0
Members - interest receivable	0	0
Transferable securities and cash assets	**59,323**	**69,004**
Transferable securities and cash assets	59,323	69,004
Breakdown of balance sheet – committed costs	**0**	**0**
Receivables related to committed costs	0	0
Total assets	**59,323**	**69,004**

Liabilities (€ thousand)	31/12/2021	31/12/2022
Equity	**38,503**	**44,798**
Profit/loss	0	0
Technical provision for intervention risk	38,503	44,798
Subordinated debt	**17,644**	**19,267**
Guarantee deposit	17,644	19,267
Total equity	**56,147**	**64,066**
Liabilities to members	**33**	**1,302**
Members – NRF licence revocations	33	1,302
Liabilities to the SRF	**0**	**0**
SRF contributions collected	0	0
SRF guarantee deposits collected	0	0
SRF contributions to be transferred	0	0
SRF guarantee deposits to be repaid	0	0
Breakdown of balance sheet – committed costs	**3,144**	**3,637**
Liabilities related to committed costs	3,144	3,637
Total liabilities	**59,323**	**69,004**

5.1.1. Composition of own funds

Equity (€ thousand)	Deposit guarantee scheme	Investor compensation scheme	Performance bonds guarantee scheme	Resolution mechanisms	Total
Equity	**4,136,407**	**121,759**	**21,446**	**44,798**	**4,324,410**
Technical provision for intervention risk	1,402,465	121,759	21,446	44,798	1,590,468
Member's certificates	2,733,942	0	0	0	2,733,942
Subordinated debt	**2,531,859**	**46,891**	**18,360**	**19,267**	**2,616,377**
Certificates of membership	532,947	9,941	0	0	542,888
Guarantee deposit	1,998,912	36,950	18,360	19,267	2,073,489
Total equity	**6,668,266**	**168,651**	**39,805**	**64,066**	**6,940,787**

Provisions (€ thousand)	31/12/2021	Additions	Reversals	31/12/2022
Technical provision for intervention risk	1,405,328	185,140	0	1,590,468
Total	**1,405,328**	**185,140**	**0**	**1,590,468**

Member's certificates (€ thousand)	31/12/2021	Calls	Repayments	31/12/2022
Member's certificates	2,333,085	401,102	245	2,733,942
Total	**2,333,085**	**401,102**	**245**	**2,733,942**

Subordinated debt (€ thousand)	31/12/2021	Calls	Repayments	31/12/2022
Guarantee deposits	1,825,160	249,815	1,486	2,073,489
Certificates of membership	542,891	40	43	542,888
Total	**2,368,051**	**249,855**	**1,529**	**2,616,377**

5.1.2. Gross non-current assets

Gross non-current assets (€ thousand)	31/12/2021	Acquisitions	Disposals	31/12/2022
Tangible, intangible and financial assets	**2,113**	**123**	**0**	**2,236**
Intangible assets	**1,396**	**99**	**0**	**1,495**
- *Software*	*141*	*1*	*0*	*142*
- *Website*	*428*	*6*	*0*	*434*
- *Member database*	*827*	*91*	*0*	*918*
- *Website - assets under construction*	*0*	*0*	*0*	*0*
- *Software - assets under construction*	*0*	*0*	*0*	*0*
Tangible assets	**645**	**19**	**0**	**664**
- *General facilities and fixtures*	*352*	*0*	*0*	*352*
- *Office and computer equipment*	*68*	*19*	*0*	*87*
- *Furniture*	*225*	*0*	*0*	*225*
Financial assets	**72**	**5**	**0**	**77**
- *Miscellaneous*	*0*	*0*	*0*	*0*
- *Guarantee deposits paid*	*72*	*5*	*0*	*77*
Compensation platform project	**18,603**	**149**	**0**	**18,753**
Compensation platform - operating assets	18,603	149	0	18,753
Compensation platform - construction work in progress	0	0	0	0
Total non-current assets	**20,716**	**272**	**0**	**20,989**

5.1.3. Depreciation and amortisation

Depreciation and amortisation (€ thousand)	31/12/2021	Additions	Reversals	31/12/2022
Tangible and intangible assets	**1,468**	**274**	**0**	**1,742**
Intangible assets	**914**	**218**	**0**	**1,132**
- Software	*122*	*7*	*0*	*129*
- Website	*243*	*48*	*0*	*291*
- Member database	*549*	*163*	*0*	*712*
Tangible assets	**554**	**56**	**0**	**611**
- General facilities and fixtures	*330*	*22*	*0*	*352*
- Office and computer equipment	*14*	*21*	*0*	*35*
- Furniture	*210*	*13*	*0*	*224*
Compensation platform project	**18,139**	**221**	**0**	**18,360**
Compensation platform - operating assets	18,139	221	0	18,360
Total depreciation and amortisation	**19,607**	**495**	**0**	**20,102**

5.1.4. Receivables and debts

Gross receivables (€ thousand)	31/12/2021	31/12/2022
Receivables due in less than one year	2,428	1,373
Receivables due in one year or more	201,915	201,765
Total receivables	**204,343**	**203,138**

Debt (€ thousand)	31/12/2021	31/12/2022
Debt due in less than 1 year	1,810,794	2,056,738
Debt due in 1 to 5 years	0	0
Debt due in more than 5 years	560,535	562,155
Total debt	**2,371,329**	**2,618,893**

Debt due in less than one year consists mainly of guarantee deposits received as collateral for payment commitments made by members. Debt due in more than five years includes certificates of membership issued to members of the deposit guarantee and investor compensation schemes, on the one hand, and guarantee deposits with an indefinite term paid in respect of the NRF, on the other.

5.1.5. Financial investments

Type of investment	Book value (€ thousand)	Total net asset value 31/12/2022 (€ thousand)	Unrealised capital gain (€ thousand)
Equity mutual funds	337,717	432,746	95,029
Bond mutual funds	1,776,544	1,780,084	3,540
Public Treasury account	4,580,000	4,580,000	0
Total investment	**6,694,261**	**6,792,830**	**98,569**

Article 58 of Law No. 2020-734 of 17 June 2020 authorised the government to require by order "legal entities subject to the rules of public accounting" and "public or private bodies, established by law, with a public service mission and whose cash assets mainly come from resources provided for by law [...]", to deposit their cash assets into the account at the Treasury.

Order No. 2020-1496 of 2 December 2020 established the list of public and private bodies concerned, which included the FGDR (Article 1); this article also specifies that such deposit would not give rise to any remuneration.

To comply with these provisions, the FGDR deposited €4.580 billion (i.e. 75% of its resources at the end of 2021) into an account held in its name at the Public Treasury.

Capitalisation contracts - Amount (€ thousand)	31/12/2021	31/12/2022
Capitalisation contracts no. 1	50,000	50,000
Accrued interest on contract no. 1	6,162	7,024
Capitalisation contracts no. 2	50,000	50,000
Accrued interest on contract no. 2	6,405	7,565
Capitalisation contracts no. 3	60,000	60,000
Accrued interest on contract no. 3	1,593	2,109
Capitalisation contracts no. 4	20,000	20,000
Accrued interest on contract no. 4	528	700
Capitalisation contracts no. 5	45,000	45,000
Accrued interest on contract no. 5	1,297	1,893
Total	**240,985**	**244,291**

5.1.6. Revenue accruals

Revenue accruals - Gross amount (€ thousand)	31/12/2021	31/12/2022
Monetary penalties *Autorité des marchés financiers* (AMF)	2,070	1,070
Members - interest receivable	0	0
Repayment of court costs receivable	303	303
Other revenue accruals	53	0
Total	**2,426**	**1,373**

The main category of revenue accruals consists of monetary penalties. The penalties recognised in 2022 concerned two institutions and totalled €1,500,000 (including a penalty of €1,000,000 imposed in 2021 and confirmed on appeal in 2022).

Monetary penalties Amount at 31/12/2021 (€ thousand)	Penalties imposed in 2022	Payments received in 2022	Amount at 31/12/2022
2,070	500	1,500	1,070

Provisions for monetary penalties at 31/12/2021 (€ thousand)	Additions	Reversals	Provision at 31/12/2022
2,055	0	1,000	1,055

5.1.7. Accrued expenses

Liabilities to members correspond to contributions to be repaid following the revocation of their licence.

Accrued expenses (€ thousand)	31/12/2021	31/12/2022
Trade and similar payables	426	322
Tax and social security liabilities	590	567
Liabilities to members	754	2,066
Total	**1,770**	**2,955**

5.1.8. Provisions for risks and charges

Provisions for risks and charges (€ thousand)	31 /12/ 2021	Increases	Decreases	31 /12/ 2022
Retirement and end-of-contract payments	1,521	154	0	1,675
Provision for claims	208	0	0	208
Provisions for risks - capitalisation contracts	1,436	0	936	500
Provisions for risks - litigation	62	0	0	62
Total	**3,227**	**154**	**936**	**2,445**

5.1.9. Off-balance sheet commitments

Financial commitments (€ thousand)	31/12/2022
Total commitments received / Line of credit	1,500,000

The off-balance sheet commitment relates to a €1.5 billion credit line that was renewed in January 2021 and expires in January 2025.

Thanks to this credit line, which has not been drawn to date, the FGDR has an additional liquidity reserve that it can use in connection with the deposit guarantee scheme, in addition to its own resources for this mechanism totalling €6.7 billion. The FGDR thereby complies with the recommendations of the European Banking Authority with regard to available financial resources by securing access to additional financing.

5.2.
Profit and loss statement

Income +; Expenses - (€ thousand)	12 months 31/12/2021	12 months 31/12/2022
Income	**187,473**	**192,124**
Contributions	180,271	190,749
Income on licence revocations and European transfers	-18	-124
Other income	7,220	1,500
Cost of claims	**-90**	**139**
Risk management expenses	-40	-11
Provisions for claims	-50	150
Financial income/expenses	**-1,405**	**829**
Financial income (equity mutual funds)	18,453	12,410
Financial income (capitalisation contract)	2,221	3,306
Reversal of provisions for impairment (capitalisation contract)	0	937
Provision for impairment and capital loss on disposal of bond mutual funds	-3,812	-14,893
Provision for impairment and capital loss on disposal of money market mutual funds	-14,471	1,723
Interest on bank accounts	-213	1,048
Interest receivable from members	63	0
Credit line charges	-3,646	-3,703
Overhead costs	**-8,041**	**-7,951**
Committed costs	-5,600	-5,753
Depreciation and amortisation (computer equipment, furniture)	-121	-112
New credit line set-up costs	0	0
Expense for stock of contributions calculation	-150	-74
Directly assignable expenses	-50	-50
Compensation platform operation and member data-base expenses	-2,119	-1,962
Reversal of provisions for compliance	0	0
Provisions for risks and charges	0	0
Non-recurring items	**0**	**0**
Technical provisions for intervention risk	**-177,937**	**-185,140**
Profit/loss	**0**	**0**

5.2.1. Profit and loss statement by mechanism

Income +; Expenses - (€ thousand)	Deposit guarantee scheme	Investor compensation scheme	Performance bonds guarantee scheme	Resolution mechanisms	Total
Income	**181,908**	**2,767**	**621**	**6,827**	**192,124**
Contributions	171,382	0	0	6,827	178,210
Contributions, operating expenses	10,650	1,267	621	0	12,539
Income on licence revocations and European transfers	-124	0	0	0	-124
Other income	0	1,500	0	0	1,500
Cost of claims	**0**	**138**	**0**	**0**	**139**
Risk management expenses	0	-12	0	0	-12
Provisions for claims	0	150	0	0	150
Claim-related income	0	0	0	0	0
Financial income/expenses	**651**	**110**	**26**	**42**	**829**
Financial income (equity mutual funds)	11,923	302	71	115	12,410
Financial income (capitalisation contract)	3,176	80	19	31	3,306
Reversal of provisions for impairment (capitalisation contract)	900	23	5	9	937
Provision for impairment and capital loss on disposal of bond mutual funds	-14,308	-362	-85	-137	-14,893
Provision for impairment and capital loss on disposal of money market mutual funds	1,655	42	10	16	1,723
Interest on bank accounts	1,007	25	6	10	1,048
Interest receivable from members	0	0	0	0	0
Credit line charges	-3,703	0	0	0	-3,703
Overhead costs	**-6,081**	**-1,002**	**-294**	**-574**	**-7,951**
Committed costs	-4,204	-849	-205	-496	-5,753
Depreciation and amortisation (computer equipment, furniture)	-82	-17	-4	-10	-112
Expense for stock of contributions calculation	0	-37	-37	0	-74
Directly assignable expenses	0	-50	0	0	-50
Compensation platform operation and member database expenses	-1,795	-50	-48	-68	-1,962
Non-recurring items	**0**	**0**	**0**	**0**	**0**
Technical provisions for intervention risk	**176,478**	**2,014**	**354**	**6,295**	**185,140**

5.2.2. Income

Contributions to the deposit guarantee scheme amounted to €182 million and included €171.4 million in regular contributions and €10.6 million in contributions for operating expenses.

The contributions to the other mechanisms were collected on the same basis as in previous years, namely:

- investor compensation scheme: €1.3 million in contributions to cover operating expenses;
- performance bonds guarantee scheme: €0.6 million in contributions to cover operating expenses;
- national resolution mechanism: €6.8 million in contributions.

Other income includes the monetary penalties imposed by the AMF on FGDR members which, as provided by law, are allocated to the investor compensation mechanism. In 2022, two penalties were recorded for an amount of €1.5 million.

5.2.3. Claim-related expenses/income

Mechanism	Claim-related expenses	Expenses	Change in provision	Cost of claims
Deposit guarantee scheme	Crédit martiniquais	0	0	0
Investor compensation scheme	EGP	0	0	0
Investor compensation scheme	Dubus SA	-12	150	138
Total		**-12**	**150**	**138**

5.2.4. Compensation platform expenses

In 2022, the capital expenditure for the compensation platform was €150,000 bringing the total investment to €18,753,000. The share of these investments placed in service was amortised over five years, generating an addition of €220,000 during the year.

The expenditure related to this platform and recognised as an expense was €1,962,000 and corresponded to operating and maintenance expenses (see section 3.2. Changes to the Compensation and Communication System (CCS)).

5.2.5. Financial income/expenses

The FGDR's financial income was €0.8 million. This amount breaks down as follows:

- +€3.3 million in capital gains on the capitalisation contracts;
- +€12.4 million in external capital gains on the equity portfolio;
- +€1.7 reversal of the provision for impairment on the bond portfolio;
- -€14.9 million in external capital losses on the bond portfolio;
- +€0.9 million reversal of the provision for a capitalisation contract for which the early withdrawal penalty can no longer be applied;
- +€1.1 million in interest on a bank account;
- -€3.7 million in credit line commitment fees.

5.2.6. Committed costs

Income +; Expenses - (€ thousand)	Actual 31/12/2021	Actual 31/12/2022
Personnel expenses	**3,679**	**3,617**
Gross salaries	2,086	2,041
Employer's contributions	1,411	1,397
Other (including directors' fees)	183	178
Administrative expenses	**1,557**	**1,664**
Offices	468	450
IT	285	362
Insurance	160	204
Supplies, documentation and telecoms	36	45
Communication, travel and public relations	501	523
Contributions	70	69
Other (general taxes, third-party liability insurance)	37	11
Professional fees and external services	**364**	**373**
Audit, accounting and internal control	177	192
Asset management	65	23
Fees tender invitations public procurement	0	20
Legal fees	37	56
Other	86	83
Prior-year expenses	**0**	**-1**
Total	**5,600**	**5,753**

5.2.7. Breakdown of expenses by mechanism

The breakdown of committed costs and financial income/expenses is based on two separate keys. It remained stable relative to 2021:

- allocation key for committed costs, based on the estimated costing-based management cost of each mechanism (see section 5.3.2.6. Allocation key for committed costs):
  - deposit guarantee: 73.06%,
  - investor compensation: 14.75%,
  - performance bonds guarantee: 3.56%,
  - resolution mechanisms: 8.63%;
- allocation key for financial income (proportional to the managed resources accruing to each mechanism):
  - deposit guarantee: 96.07%,
  - investor compensation: 2.43%,
  - performance bonds guarantee: 0.58%,
  - National Resolution Fund (NRF): 0.92%.

5.2.8. Profit/loss

Profit before the technical provision for intervention risk was €185,140,000. It breaks down as follows:

- +€176,478,000 for the deposit guarantee mechanism;
- +€2,013,000 for the investor compensation mechanism;
- +€354,000 for the performance bonds guarantee mechanism;
- +€6,295,000 for the resolution mechanism (NRF and SRF).

In accordance with the accounting and tax rule established for the FGDR, this entire amount of €185,140,000 will be transferred to the technical provision for intervention in order to set accounting income to zero (see section 1.4.3. Provisions relating to the FGDR's funding).

5.2.9. Number of employees

Number of employees	2021	New hires	Departures	2022
Management staff - permanent contract	13	6	5	14
Non-management staff - permanent contract	1	0	1	0
Fixed-term contract	0	0	0	0
Total	**14**	**6**	**6**	**14**

5.3.
Notes to the financial statements

5.3.1. Accounting rules and methods

General accounting conventions were applied in accordance with the chart of accounts based on the principle of conservatism and the following basic assumptions:
- going concern principle;
- consistency principle;
- time period principle.

Moreover, specific accounting and presentation rules applicable to the financial statements of the FGDR were approved by the Supervisory Board pursuant to Article 2.4 of the Internal Regulations approved by decision No. 2000-01 of the French Banking and Financial Regulation Committee (*Comité de réglementation bancaire et financière*) and approved by order of the Ministry of the Economy on 6 September 2000. These specific rules are described below in the relevant notes.

5.3.2. Profit and loss statement

To best present the FGDR's fund investment activity and operation, the following interim balances and groupings have been used.

5.3.2.1. Income for the year

This includes definitive contributions, monetary penalties imposed by the Financial Markets Authority (AMF) (see section 5.3.2.6. Allocation key for committed costs), European transfers and penalties paid by members (other income).

In accordance with the regulations in force, contributions paid during the last 12 months to a European guarantee scheme by a member whose activities are transferred to another European guarantee scheme must be transferred to the latter. These provisions, which are derived from Article 14.3 of the DGSD2 directive, were transposed into French law by the decree of 27 October 2015 relating to the financial resources of the FGDR.

The following internal procedure is used to record monetary penalties:
- automatic recording of the penalty as soon as notice is given by the AMF, subject to expiration of the appeal period;
- automatic provision in the same amount, unless:
  - there is no appeal before the Council of State (or the appeal is rejected),
  - the debtor's solvency is certain (assessed differently depending on whether the debtor is an individual or a legal entity and, in the latter case, based on its situation);
- reversal of the provision as payments are received.

5.3.2.2. Cost of claims

The following income and expenses specific to each intervention are recorded in separate accounts and assigned directly to the intervention:
- the cost of compensation paid to the beneficiaries of the guarantees;
- the cost of preventative interventions;
- claim-related administrative expenses;
- provisions set up to manage risks or expenses related to a specific claim before their final account assignment;
- deductions from resources intended for the final financing of a claim.

5.3.2.3. Financial income/expenses

This includes income and expenses resulting from asset management, financial provisions and provisions for interest payable on member's certificates, certificates of membership and guarantee deposits. The remuneration principles of these instruments are set out in the decree of 27 October 2015 on the FGDR's financial resources:
- member's certificates are remunerated based on a decision by the Supervisory Board at the Executive Board's proposal;
- certificates of membership are remunerated based on the conditions set by the Supervisory Board;
- guarantee deposits are remunerated based on a decision by the Executive Board.

The FGDR has taken out several capitalisation contracts since 2015. The accrued interest was set aside to cover the contractual withdrawal penalty clause in the event of divestiture before the end of a four-year holding period. This penalty may not exceed the return in the first 12 months of the contract. As the capitalisation contracts have been in place for more than four years since being signed, the income from their first annual performance was released.

5.3.2.4. Overhead costs

These include personnel expenses, external charges that are not directly assignable to a claim or mechanism, depreciation and amortisation and taxes.

5.3.2.5. Technical provision for intervention risk

Excess income is automatically and fully assigned to the technical provision for intervention risk.

5.3.2.6. Allocation key for committed costs

The allocation key for committed costs is based on the number of members per mechanism for personnel directly responsible for member management and on the estimated time spent on each mechanism for other personnel. Except in the event of an intervention, this estimate is comprehensive and fixed. The proportional allocation key that results from the combination of these two factors is then applied to the salaries of personnel and, on a *pro rata* basis, to all the committed costs.

In addition:

- the full amount of the expenses related to the compensation platform is allocated to the deposit guarantee scheme;
- contributions are levied by mechanism and allocated accordingly;
- monetary penalties (other income) imposed by the AMF on a member of the investor compensation scheme and those imposed on one of their managers or employees are allocated to this mechanism, as are the sums (gifts and patronage) deducted by the FGDR from these penalties to finance educational activities in the financial area (section III of Article L. 621-15 of the French Monetary and Financial Code);
- the cost of each claim, including directly assignable administrative expenses, is allocated, per claim, to the respective mechanism, as well as the sums collected by the FGDR;
- the costs for the new member database are allocated in proportion to the number of members (amortisation, maintenance).

Lastly, financial income and financial expenses are allocated in proportion to the balance sheet resources of each mechanism.

5.3.3. Balance sheet

5.3.3.1. Equity

Own funds include:

- under equity:
  - the technical provision for intervention risk,
  - member’s certificates;
- under subordinated debt:
  - certificates of membership,
  - guarantee deposits.

5.3.3.2. Provisions for risks

In accordance with section III of Article L. 312-9 of the French Monetary and Financial Code and the decrees of 27 October 2015, and in the event of losses sustained by the FGDR for any of the guarantee mechanisms as a result of its intervention, the losses will be charged firstly to the member’s certificates and then to the certificates of membership of the member for which the fund intervened, secondly to the member’s certificates and then to the certificates of membership of the other members, and lastly to the reserves.

The commitments undertaken with respect to severance pay are measured based on the acquired rights of all active employees and salaries at 31 December of each year. No discount or employee turnover factors are applied.

5.3.3.3. Tangible and intangible assets

Assets are valued at their acquisition cost (purchase price and incidental costs, excluding asset acquisition costs).

Depreciation of office and computer equipment is calculated using the diminishing balance method. Depreciation of other assets is calculated using the straight-line method based on the probable useful life:

Tangible and intangible assets	Depreciation period
Software	1 year
Member database	5 years
General facilities	8 to 10 years
Office and computer equipment	3 years
Furniture	5 to 10 years
Website	5 years
Compensation platform	5 years

Since 1 January 2005, an impairment test has been performed when there is an indication of a possible significant loss in value of a tangible or intangible asset. The assets held are not suited to a breakdown by component given their lack of complexity, nor to impairment tests given their nature.

5.3.3.4. Equity interests, other long-term investments, transferable securities

The gross value includes the acquisition cost excluding incidental costs. When the inventory value is less than the gross value, a provision for impairment is set up to cover the difference.

The FGDR's resources are managed globally in dedicated mutual funds. Their management is delegated to specialised operators selected via tender procedures that are re-opened at regular intervals. The management objectives are, first and foremost, the liquidity of the resources, followed by the security of the principal amount and, lastly, performance. The mutual funds are divided into three categories, each of which complies with specific and uniform management rules:

- funds invested in equities;
- funds invested in bond products;
- funds invested in money market products.

The inventory value is the net asset value at 31 December. Provisions are set up for any unrealised capital losses on equity, bond and money market funds.

The FGDR also takes out capitalisation contracts in euro funds with insurance companies rated A or higher.

As of 1 January 2019, the FGDR decided to measure transferable securities at their weighted average unit cost.

5.3.3.5. Receivables

Receivables are measured at their face value. A provision for impairment is recorded when the inventory value is less than the face value.

5.4. Subsequent events

Between 31 December 2022 and 22 March 2023, the date on which the accounts were reviewed by the Supervisory Board, there were no events that could have a significant impact on the economic decisions made on the basis of these financial statements.

As of the reporting date, the FGDR had no subsidiaries or branches of Russian or Ukrainian banks among its members and, therefore, did not identify any direct significant exposure to the geopolitical situation in Ukraine and Russia.

5.5. Auditors' reports

See following pages.

FONDS DE GARANTIE DES DÉPÔTS ET DE RÉSOLUTION

**Rapport des commissaires aux comptes
sur les comptes annuels**

(Exercice clos le 31 décembre 2022)

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

MAZARS
61, rue Henri Regnault
92 400 Courbevoie

Rapport des commissaires aux comptes sur les comptes annuels

(Exercice clos le 31 décembre 2022)

FONDS DE GARANTIE DES DÉPÔTS ET DE RÉSOLUTION
65, rue de la Victoire
75009 PARIS

Mesdames, Messieurs,

Opinion

En exécution de la mission qui nous a été confiée par votre conseil de surveillance, nous avons effectué l'audit des comptes annuels du Fonds de Garantie des Dépôts et de Résolution (FGDR) relatifs à l'exercice clos le 31 décembre 2022, tels qu'ils sont joints au présent rapport.

Nous certifions que les comptes annuels sont, au regard des règles et principes comptables français, réguliers et sincères et donnent une image fidèle du résultat des opérations de l'exercice écoulé ainsi que de la situation financière et du patrimoine de la société à la fin de cet exercice.

Fondement de l'opinion

Référentiel d'audit

Nous avons effectué notre audit selon les normes d'exercice professionnel applicables en France. Nous estimons que les éléments que nous avons collectés sont suffisants et appropriés pour fonder notre opinion.

Les responsabilités qui nous incombent en vertu de ces normes sont indiquées dans la partie « Responsabilités des commissaires aux comptes relatives à l'audit des comptes annuels » du présent rapport.

Indépendance

Nous avons réalisé notre mission d'audit dans le respect des règles d'indépendance prévues par le Code de commerce et par le Code de déontologie de la profession de commissaire aux comptes sur la période du 1er janvier 2022 à la date d'émission de notre rapport.

Justification des appréciations

En application des dispositions des articles L. 823-9 et R. 823-7 du Code de commerce relatives à la justification de nos appréciations, nous portons à votre connaissance les appréciations suivantes qui, selon notre jugement professionnel, ont été les plus importantes pour l'audit des comptes annuels de l'exercice.

Les appréciations ainsi portées s'inscrivent dans le contexte de l'audit des comptes annuels pris dans leur ensemble et de la formation de notre opinion exprimée ci-avant. Nous n'exprimons pas d'opinion sur des éléments de ces comptes annuels pris isolément.

Règles et principes comptables

L'annexe expose les règles comptables et de présentation des comptes qui sont spécifiques au FGDR. Ces règles ont été approuvées par le conseil de surveillance en application de l'article 2.4 du Règlement intérieur approuvé par la décision n° 2000-01 du Comité de réglementation bancaire et financière et homologué par arrêté du ministère chargé de l'Économie en date du 6 septembre 2000.

Nous avons examiné la conformité des règles comptables et de présentation suivies par le FGDR avec celles arrêtés par le conseil de surveillance, en particulier pour le point suivant :

Estimations comptables

Comme indiqué, respectivement, en notes 5.3.1 et 5.3.3.2 de l'annexe, le FGDR constitue des dépréciations et des provisions pour couvrir les risques relatifs aux sinistres et le risque de non-recouvrement des sanctions pécuniaires à encaisser.

Dans le cadre de notre appréciation de ces estimations, nous avons examiné les éléments d'information disponibles sur la base desquels ces estimations sont fondées et avons procédé à l'appréciation de leur caractère raisonnable.

Vérifications spécifiques

Nous avons également procédé, conformément aux normes d'exercice professionnel applicables en France, aux vérifications spécifiques prévues par les textes légaux et règlementaires.

Informations données dans le rapport de gestion

Nous n'avons pas d'observation à formuler sur la sincérité et la concordance avec les comptes annuels des informations données dans le rapport de gestion du président et dans les autres documents sur la situation financière et les comptes annuels adressés aux adhérents.

Responsabilités de la direction et des personnes constituant le gouvernement d'entreprise relatives aux comptes annuels

Il appartient à la direction d'établir des comptes annuels présentant une image fidèle conformément aux règles et principes comptables français ainsi que de mettre en place le contrôle interne qu'elle estime nécessaire à l'établissement de comptes annuels ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

Lors de l'établissement des comptes annuels, il incombe à la direction d'évaluer la capacité du FGDR à poursuivre son exploitation, de présenter dans ces comptes, le cas échéant, les informations nécessaires relatives à la continuité d'exploitation et d'appliquer la convention comptable de continuité d'exploitation, sauf s'il est prévu de liquider le FGDR ou de cesser son activité.

Les comptes annuels ont été arrêtés par le conseil de surveillance.

Responsabilités des commissaires aux comptes relatives à l'audit des comptes annuels

Il nous appartient d'établir un rapport sur les comptes annuels. Notre objectif est d'obtenir l'assurance raisonnable que les comptes annuels pris dans leur ensemble ne comportent pas d'anomalies significatives. L'assurance raisonnable correspond à un niveau élevé d'assurance, sans toutefois garantir qu'un audit réalisé conformément aux normes d'exercice professionnel permet de systématiquement détecter toute anomalie significative. Les anomalies peuvent provenir de fraudes ou résulter d'erreurs et sont considérées comme significatives lorsque l'on peut raisonnablement s'attendre à ce qu'elles puissent, prises individuellement ou en cumulé, influencer les décisions économiques que les utilisateurs des comptes prennent en se fondant sur ceux-ci.

Comme précisé par l'article L .823-10-1 du Code de commerce, notre mission de certification des comptes ne consiste pas à garantir la viabilité ou la qualité de la gestion du FGDR.

Dans le cadre d'un audit réalisé conformément aux normes d'exercice professionnel applicables en France, le commissaire aux comptes exerce son jugement professionnel tout au long de cet audit. En outre :

- il identifie et évalue les risques que les comptes annuels comportent des anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, définit et met en œuvre des procédures d'audit face à ces risques, et recueille des éléments qu'il estime suffisants et appropriés pour fonder son opinion. Le risque de non-détection d'une anomalie significative provenant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne ;

- il prend connaissance du contrôle interne pertinent pour l'audit afin de définir des procédures d'audit appropriées en la circonstance, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne ;

- il apprécie le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la direction, ainsi que les informations les concernant fournies dans les comptes annuels ;

- il apprécie le caractère approprié de l'application par la direction de la convention comptable de continuité d'exploitation et, selon les éléments collectés, l'existence ou non d'une incertitude significative liée à des événements ou à des circonstances susceptibles de mettre en cause la capacité du FGDR à poursuivre son exploitation. Cette appréciation s'appuie sur les éléments collectés jusqu'à la date de son rapport, étant toutefois rappelé que des circonstances ou événements ultérieurs pourraient mettre en cause la continuité d'exploitation. S'il conclut à l'existence d'une incertitude significative, il attire l'attention des lecteurs de son rapport sur les informations fournies dans les comptes annuels au sujet de cette incertitude ou, si ces informations ne sont pas fournies ou ne sont pas pertinentes, il formule une certification avec réserve ou un refus de certifier ;

- il apprécie la présentation d'ensemble des comptes annuels et évalue si les comptes annuels reflètent les opérations et évènements sous-jacents de manière à en donner une image fidèle.

Fait à Neuilly-sur-Seine et à Courbevoie, le 23 mars 2023

Les commissaires aux comptes

PricewaterhouseCoopers Audit	MAZARS
Laurent Tavernier	Virginie Chauvin
Laurent Tavernier	Virginie Chauvin

FONDS DE GARANTIE DES DÉPÔTS ET DE RÉSOLUTION
Auditors' report on the year-end financial statements
(Year ended 31 December 2022)

PricewaterhouseCoopers Audit
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FONDS DE GARANTIE DES DÉPÔTS ET DE RÉSOLUTION
65, rue de la Victoire
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France

Ladies and Gentlemen,

Opinion

Pursuant to the mission entrusted to us by your Supervisory Board, we audited the year-end financial statements of the Fonds de Garantie des Dépôts et de Résolution (FGDR) for the year ended 31 December 2022, as appended to this report.

We certify that the year-end financial statements are, based on French accounting rules and principles, true and correct and provide a fair view of the result of the operations of the past financial year and of the financial position and assets of the company at the end of said year.

Basis of the opinion

Audit standards

We conducted our audit in accordance with the professional standards applicable in France. We believe that we collected sufficient and appropriate information on which to base our opinion.

Our responsibilities pursuant to these standards are indicated in the section of this report entitled "Responsibilities of the auditors regarding the audit of the year-end financial statements".

Independence

We conducted our audit in accordance with the rules regarding independence set out in the French Commercial Code and in the code of ethics for auditors for the period from 1 January 2022 to the date of issuance of our report.

Basis of our assessments

Pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the basis of our assessments, we hereby inform you of the following assessments which, in our professional judgment, were the most significant for the audit of the year-end financial statements.

These assessments fall within the scope of the audit of the year-end financial statements taken as a whole and enabled us to form the opinion expressed above. We do not express an opinion on elements of these year-end financial statements taken separately.

Accounting rules and principles

The notes describe the specific accounting and presentation rules applicable to the financial statements of the FGDR. These rules were approved by the Supervisory Board pursuant to Article 2.4 of the Internal Regulations approved by decision No. 2000-01 of the French Banking and Financial Regulation Committee (*Comité de réglementation bancaire et financière*) and approved by order of the Ministry of the Economy on 6 September 2000.

We reviewed whether the accounting and presentation rules applied by the FGDR comply with those adopted by the Supervisory Board, particularly as regards the following:

Accounting estimates

As indicated in notes 5.3.1 and 5.3.3.2, respectively, the FGDR records provisions for impairment to cover risks associated with claims and the risk of non-recovery of monetary penalties receivable.

As part of our assessment of these estimates, we reviewed the available information that led to the determination of these estimates and assessed its reasonableness.

Specific verifications

In accordance with the professional standards applicable in France, we also performed the specific verifications required by laws and regulations.

Information provided in the management report

We have no comment as to the accuracy and consistency with the year-end financial statements of the information provided in the chairman's management report and in the other documents sent to the members regarding the financial position and year-end financial statements.

Responsibilities of management and those charged with corporate governance regarding the year-end financial statements

It is the responsibility of management to prepare year-end financial statements that give a true and fair view in accordance with French accounting rules and principles and to implement internal control as it deems necessary for the preparation of year-end financial statements that contain no material misstatements, whether such misstatements are the result of fraud or errors.

When preparing the year-end financial statements, management must assess the FGDR's ability to continue to operate, present in its financial statements, where applicable, the necessary information regarding its continued operation and apply the going concern accounting convention, unless there are plans to liquidate the FGDR or discontinue its business.

The year-end financial statements were approved by the Supervisory Board.

Responsibilities of the auditors regarding the audit of the year-end financial statements

Our responsibility is to prepare a report regarding the year-end financial statements. Our objective is to obtain reasonable assurance that the year-end financial statements as a whole contain no material misstatements. Reasonable assurance is a high level of assurance, yet without guaranteeing that an audit conducted in accordance with generally accepted professional standards always leads to the detection of all material misstatements. Misstatements may result from fraud or errors and are considered material when there is a reasonable expectation that they can, when taken individually or combined, influence the economic decisions made by users of the financial statements on the basis of these financial statements.

As set out in Article L. 823-10-1 of the French Commercial Code, our task of certifying the financial statements does not entail guaranteeing the viability or quality of the FGDR's management.

When conducting an audit in accordance with professional standards applicable in France, the auditor exercises his/her professional judgement throughout the audit. Moreover, he/she:

- identifies and assesses the risk that the year-end financial statements contain material misstatements, whether such misstatements result from fraud or errors, defines and implements audit procedures to address these risks, and collects information that he/she considers a sufficient and appropriate basis for such opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from an error, as fraud may involve collusion, forgery, deliberate omissions, false statements or the override of internal control;

- reviews internal control relevant to the audit in order to define appropriate audit procedures under the circumstances, and not to express an opinion on the effectiveness of internal control;

- assesses the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as related information provided in the year-end financial statements;

- assesses the appropriateness of management's application of the going concern accounting convention and, based on the information collected, whether or not significant uncertainty exists regarding events or circumstances likely to call into question the FGDR's ability to continue to operate. This assessment is based on information collected up to the date of his/her report, it being noted however that subsequent circumstances or events could call into question the continued operation. If the auditor concludes that significant uncertainty exists, he/she brings the information provided in the year-end financial statements regarding such uncertainty to the attention of readers of his/her report or, if such information is not provided or is not relevant, the auditor issues a qualified opinion or a denial of opinion;

- assesses the overall presentation of the year-end financial statements and determines whether they fairly present the underlying transactions and events.

Neuilly-sur-Seine and Courbevoie, 23 March 2023

The Auditors

PricewaterhouseCoopers Audit

Laurent Tavernier

MAZARS

Virginie Chauvin

Glossary

A	ACPR	*Autorité de contrôle prudentiel et de résolution* – Prudential Supervision and Resolution Authority
	AMAFI	*Association française des marchés financiers* – French Financial Markets Association
	AMF	*Autorité des marchés financiers* – Financial Markets Authority
	ANSSI	*Agence nationale de la sécurité des systèmes d'information* – National Cybersecurity Agency of France
	ASF	*Association française des sociétés financières* – French Financial Companies Association
B	BRRD	Banking Resolution and Recovery Directive
C	CCS	Integrated Compensation and Communication System
	CCM	*Caisse centrale du Crédit Mutuel*
	CNCM	*Confédération nationale du Crédit Mutuel*
	CRBF	*Comité de la réglementation bancaire et financière* – French Banking and Financial Regulations Committee
	CSSF	*Commission de surveillance du secteur financier* – Financial Sector Supervisory Commission – deposit guarantee scheme of Luxembourg
	CSR	Corporate Social Responsibility
D	DAS	Deposit Account Statement
	DGSD2	Deposit Guarantee Schemes Directive 2
	DNB	*De Nederlandsche Bank* – the Netherlands' deposit guarantee scheme
E	EBA	European Banking Authority
	EDIS	European Deposit Insurance Scheme
	EFDI	European Forum of Deposit Insurers
	EGP	*Européenne de gestion privée*
	ESG	Environmental, Social and Governance criteria
	EU	European Union
F	FBF	*Fédération bancaire française* – French Banking Federation
	FCP	*Fonds commun de placement* – Mutual fund
	FGDR	*Fonds de Garantie des Dépôts et de Résolution (France)* – French deposit guarantee and resolution fund
	FITD	*Fondo Interbancario di Tutela dei Depositi* – Italian deposit guarantee schemes
	FSAP	Financial Sector Assessment Program

G	GDPR	General Data Protection Regulation
I	IADI	International Association of Deposit Insurers
	ICSD	Investors Compensation Schemes Directive
L	LDDS	*Livret de développement durable et solidaire* – savings account
	LEP	*Livret d'épargne populaire* – savings account
M	MiFID2	Markets in Financial Instruments Directive 2
	MMF	Money Market Funds
	MREL	Minimum Requirement for own funds and Eligible Liabilities
	MSCI	Morgan Stanley Capital International index
	MTF/SMN	Multilateral Trading Facility or *Système multilatéral de négociation (SMN)*
N	NRF	National Resolution Fund
	NSFR	Net Stable Funding Ratio
O	OCBF	*Office de coordination bancaire et financière*
	OTF/SON	Organised Trading Facility or *Système organisé de négociation (SON)*
P	PEA	*Plan d'épargne en actions* – Equity savings scheme
	PGI	Process global d'indemnisation – Overall compensation process
	PI/EMI	Payment Institution/Electronic Money Institution
	PMC	Portfolio management companies
	PRI	Principles for Responsible Investment
Q	QAFM	Qualified Available Financial Means
S	SCA	Secure Compensation Area
	SCV	Single Customer View
	SEA	Search Engine Advertisement
	SEO	Search Engine Optimisation
	SFDR	Sustainable Finance Disclosure Regulation
	SRF	Single Resolution Fund
	SRI	Socially Responsible Investment
	SRM	Single Resolution Mechanism
T	TFDGS	Task Force Deposit Guarantee Schemes
U	UCI	Undertakings for Collective Investment
	UN	United Nations
V	VaR	Value at Risk

FONDS DE GARANTIE
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DE RÉSOLUTION
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