First Amendment to the 2023 Universal Registration Document

INCLUDING
BFCM'S INTERIM FINANCIAL REPORT AT JUNE 30, 2024

Crédit Mutuel
Alliance Fédérale

BANQUE FÉDÉRATIVE
Crédit Mutuel

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First Amendment to the 2023 Universal Registration Document

including BFCM's Interim financial report at **June 30, 2024**

This overall presentation document was prepared by the Banque Fédérative du Crédit Mutuel (BFCM) in connection with widening its investor base, in order to respond to the specific features of some of the markets in which it operates.

In order to provide the same level of information to all investors on the European continent, in North America and in the Asia-Pacific region, BFCM has decided, for greater clarity and readability, to introduce a single universal registration document containing the financial information of Crédit Mutuel Alliance Fédérale (which offers a complete economic view of the group's activities) and that of the BFCM (the issuer). This document will be useful for all BFCM refinancing programs (Euro Medium-Term Notes Program; U.S. Medium-Term Notes Program; Euro Commercial Paper; Negociable debt securities)

Accounts have not been audited, but are subject to a limited review.
2023 universal registration document filed with the Autorité des marchés financiers (AMF - French Financial Markets Authority) on April 11, 2024, as number D.24-0276.
First amendment to the 2023 universal registration document, filed with the Autorité des marchés financiers on August 13, 2024, as number D.24-0276-A01.

The English language version of this report is a free translation from the original, which was prepared in French. All possible care has been taken, to ensure that the translation is an accurate presentation of the original. However, in all matters of interpretation, views or opinion expressed in the original language version of the document in French take precedence over the translation.

This first amendment to the universal registration document was filed on August 13, 2024, with the AMF, as the competent authority under Regulation (EU) 2017/1129, without prior approval, in accordance with Article 9 of the regulation. The Universal registration document can be used for the purposes of a public offering of securities or for the admission of securities to trading on a regulated market if it is supplemented by a note on the securities and, where relevant, a summary and all amendments to the universal registration document are included. These are approved by the AMF in accordance with Regulation (EU) 2017/1129.

PREAMBLE

"*Crédit Mutuel Alliance Fédérale is an increasingly efficient, innovative and solidarity-based benefit corporation. Our results are solid, confirming **the relevance of our strategic choices and our universal bancassurance model**. They are the foundation on which we are building the future.*"
Daniel Baal, Chairman

"*With our strategic plan, Ensemble Performant Solidaire (Togetherness Performance Solidarity)*, ***we have set a clear course: to conquer all markets and territories to increase our growth in the service of our members, customers and society as a whole.*** *The results for the first half of 2024 are proof of our performance and remarkable collective momentum.*"
Eric Petitgand, Chief Executive Officer

Solid results demonstrating the performance of the diversified bancassurance model

The results for the first half of 2024 testify to the strength of the mutualist group and the relevance of its diversification strategy. Results were driven in particular by insurance, corporate banking and capital markets activities.

Solid commercial and operational performance

Crédit Mutuel Alliance Fédérale demonstrated its dynamism and efficiency in serving its members and customers. **Net revenue of €8.3 billion (+3.4%) and net income of €2.0 billion (+3.5%) remained at a very high level.**

Thanks to its decentralized model, Crédit Mutuel Alliance Fédérale boasts the best operating efficiency in the sector, with a cost/income ratio of 57.1%. General operating expenses were kept under control at €4.7 billion (+1.3%), enabling the group to implement its strategy of investing in technology - particularly in generative AI - and in people, with a strong social contract. They benefited from the low contribution to the SRF in H1 2024 (-€3 million vs. -€217 million in H1 2023).

Winning diversification choices

This diversified mutualist model once again demonstrated its strength and resilience. The activities that were subject to an adverse climate were largely offset by other business lines.

Retail banking posted net income of €857 million (-17%). It was negatively affected by the fall in new loan volume, the squeeze on net interest margins and the increase in the cost of risk.

Drawing on the strength of 4,300 branches (Crédit Mutuel local banks, CIC branches and foreign networks), diversification activities posted very solid performances.

Net insurance income, at €701 million, was up +9.3%, driven by the increase in income from health, protection & creditor insurance and life insurance, as well as the increase in net financial income. Net income from the insurance business came to €483 million (+9.0%). To continue supporting the insurability of as many people as possible, Assurances du Crédit Mutuel recorded buoyant sales in property & casualty insurance (+5.8%) and health, protection & creditor insurance (+4.0%). While the year was marked by a continuing rise in property & casualty insurance claims, our teams made an exceptional effort to help those affected.

Driven by higher margins and a reduction in the cost of risk, net income from corporate banking rose sharply to €156 million (+47.7%). Capital markets activities were buoyant at €120 million (+7.4%), demonstrating their ability to meet the growing hedging needs of corporate customers in a situation of renewed market volatility.

Consumer finance posted net income of €224 million (+10.3%). This momentum was driven by the performance of our German subsidiary TARGOBANK, with a very good first-half net income of €183 million[1], and Cofidis, which posted a sharp rise in net income to €42 million (+85%). Since acquiring a stake in Cofidis Group in 2009, Crédit Mutuel Alliance Fédérale has demonstrated its ability to integrate new business lines into its mutualist bancassurance model, both thanks to its resources (with Euro-Information) and its values. In April 2024, the group became the sole shareholder of Cofidis Group[2].

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[1] *TARGOBANK Retail.*
[2] *See press release dated April 11, 2024.*

Resilience of the diversified model to the rise in the cost of risk

The uncertainty affects the behavior of economic players. For the banking networks in France, savings inflows came to +€4.0 billion, while loan releases fell by €8.3 billion, particularly for home loans (-29.3%) and investment loans (-11.1%).

The cost of risk rose sharply to €957 million (+41.1%), mainly due to a catch-up effect following the discontinuation of government measures to support economic activity.

With an estimated CET1 of 18.5% at June 30, 2024, an average LCR of 170% in the first half of the year and prudent liquidity management, Crédit Mutuel Alliance Fédérale is one of the Eurozone's most solid banks.

Technology and climate at the heart of the mutualist group's strategic plan

At the beginning of the year, Crédit Mutuel Alliance Fédérale launched its 2024-2027 strategic plan *Ensemble Performant Solidaire* (Togetherness Performance Solidarity). With the technological and climate revolution gathering pace, the group is stepping up its investments with strategic technological partnerships in generative AI and the creation of the Mutualist Environmental and Solidarity Institute.

Maintaining the technological lead with the adoption of generative AI

Crédit Mutuel Alliance Fédérale uses **technological innovation to foster close relationships between its members, customers and their dedicated, non-commissioned advisor.**

A technology bank and pioneer in the use of artificial intelligence (AI), Crédit Mutuel Alliance Fédérale has stepped up its investments. **Euro-Information has strengthened its collaboration with IBM - around the watsonx platform - to roll out 35 generative AI use cases in the Crédit Mutuel and CIC networks, with a series available from this summer**.

Technology is put at the service of people, as demonstrated by the adoption of an **AI ethics charter** by the *Chambre Syndicale et Interfédérale* - the mutualist group's parliament. This is a collective decision that strengthens its status as a benefit corporation.

Operating as an industrial bank, Crédit Mutuel Alliance Fédérale stands out for its ability to carry out virtually all its IT processing on its own data centers located in France and Europe, using software over which it has full control. This is a very significant choice that ensures data security and digital privacy for its members and customers.

Generative IA
A strategic partnership with IBM's watsonx.
Crédit Mutuel Alliance Fédérale and Euro-Information have extended their collaboration with IBM, via its watsonx platform, to develop responsible AI. It will speed up and industrialize the rollout of generative AI.

Banks have an important role to play in the ecological transition, as they finance two-thirds of corporate investments and almost all projects for private individuals.

To reduce the carbon footprint of its balance sheet and meet the objectives of the Paris Climate Agreement, Crédit Mutuel Alliance Fédérale launched the Mutualist Environmental and Solidarity Institute. The Institute will provide tools and expertise to support the transitions of customers of the Crédit Mutuel and CIC banking networks. Its priorities are eco-renovation of housing and support for the farming community to help it cope with the consequences of climate change.

The mutualist group has consolidated its position as an environmental pioneer. Since July 1, 2024, it has ceased all involvement[1] with energy companies that continue to develop new oil and gas exploration and production projects. This policy also applies to companies on the NGO Urgewald's Global Oil & Gas Exit List, whose share of unconventional oil and gas production exceeds a certain threshold[2].

This strong decision completes the total withdrawal from coal, which began in 2020, and the cessation of financing for new exploration, production, infrastructure[3] (oil and gas pipelines and storage units) or processing (oil refineries, gas liquefaction terminals) projects in the oil and gas sectors in 2021. This policy is complemented by a reinforced commitment to biodiversity.

[1] *Intervention refers to any new transaction or renewal of a transaction involving a company on the bank's consolidated balance sheet, or any participation in a market transaction aimed at financing that company.*
[2] *See press release dated April 13, 2023.*
[3] *Excluding maritime sector policy.*

The societal dividend in action

Faced with growing social and ecological divides, Crédit Mutuel Alliance Fédérale is stepping up the mobilization of its societal dividend to reduce social inequalities and accelerate the climate transition of its customers and members.

The Environmental and Solidarity Revolution Fund *(Fonds Révolution Environnementale et Solidaire)* to support companies committed to the fight against global warming

To support entrepreneurs developing breakthrough innovations to decarbonize our economy, **Crédit Mutuel Alliance Fédérale launched the Environmental and Solidarity Revolution Fund.** With no target financial return, it operates in key areas with high environmental and social added value: mobility, housing, agriculture, consumption, industry and biodiversity.

Crédit Mutuel Alliance Fédérale has already committed €415 million invested in a number of start-ups. By 2027, the fund will have an allocation of more than €1 billion. A new area in which we use our mutualist approach to help speed up the climate transition towards a more sustainable world.

Innovative offers for the environment, youth and solidarity

Crédit Mutuel Alliance Fédérale launched the Renovation Advance Loan, an advance on government grants, to meet the energy renovation needs of private individuals. This is an interest-free, no-fee loan repayable at maturity, to help households finance their home improvements.

Crédit Mutuel Alliance Fédérale, the second-largest bank for the agricultural sector, is making it easier for farmers to hand over their farms, with the launch of the **Agri Installation Loan at a subsidized rate of 2%. It is aimed at new farmers and winegrowers committed to sustainable farming**.

Crédit Mutuel Alliance Fédérale supports young people. **It launched the Solidarity Student Loan, an interest-free loan with no administration fees, to help them finance their studies.** At the same time, its press subsidiary EBRA - France's leading regional daily press group - **offers under-26s a digital subscription to one of its nine publications to combat misinformation**.

In a gesture of solidarity, **the group has waived bank inheritance fees for assets under €10,000 (more than half of all estates).**

A forerunner in social innovation, Crédit Mutuel Alliance Fédérale offers victims of domestic violence a free personal bank account, domiciled with a member association of *Fédération Nationale Solidarité Femmes* (FNSF), operator of the 3919 domestic violence helpline.

Accelerating sponsorship initiatives for a better sharing of value

Crédit Mutuel Alliance Fédérale is the leading banking partner for the non-profit sector, and also encourages its customers to support it.

The mutualist group is **aiming to distribute €5 million in donations to associations** through the *Livret d'Epargne pour les Autres* (passbook account that benefits humanitarian organizations), with a rate set at 3.5% gross until the end of the year. This is a passbook accounts that combines savings and solidarity, as interest is shared with associations of the saver's choice.

This commitment is in addition to the mutualist group's other sponsorship initiatives. **With a budget of €56 million in 2024, the Crédit Mutuel Alliance Fédérale Foundation has become the largest corporate foundation in France.** Its initiatives complement local sponsorship by the local banks and federations of Crédit Mutuel, CIC regional banks, as well as subsidiaries and specialized business lines.

To facilitate the inclusion of young people with disabilities, **the Foundation has paid out €4 million to the 66 winning associations in its call for disability projects.**

Crédit Mutuel Alliance Fédérale also supports the CRÉSUS foundation in its efforts to prevent over-indebtedness. This assistance complements a partnership to strengthen support for financially vulnerable customers.

Environmental and Solidarity Revolution Fund:
€415m committed to decarbonizing the economy

for Alpinov X to boost the production of industrial refrigeration without fluorinated gas.

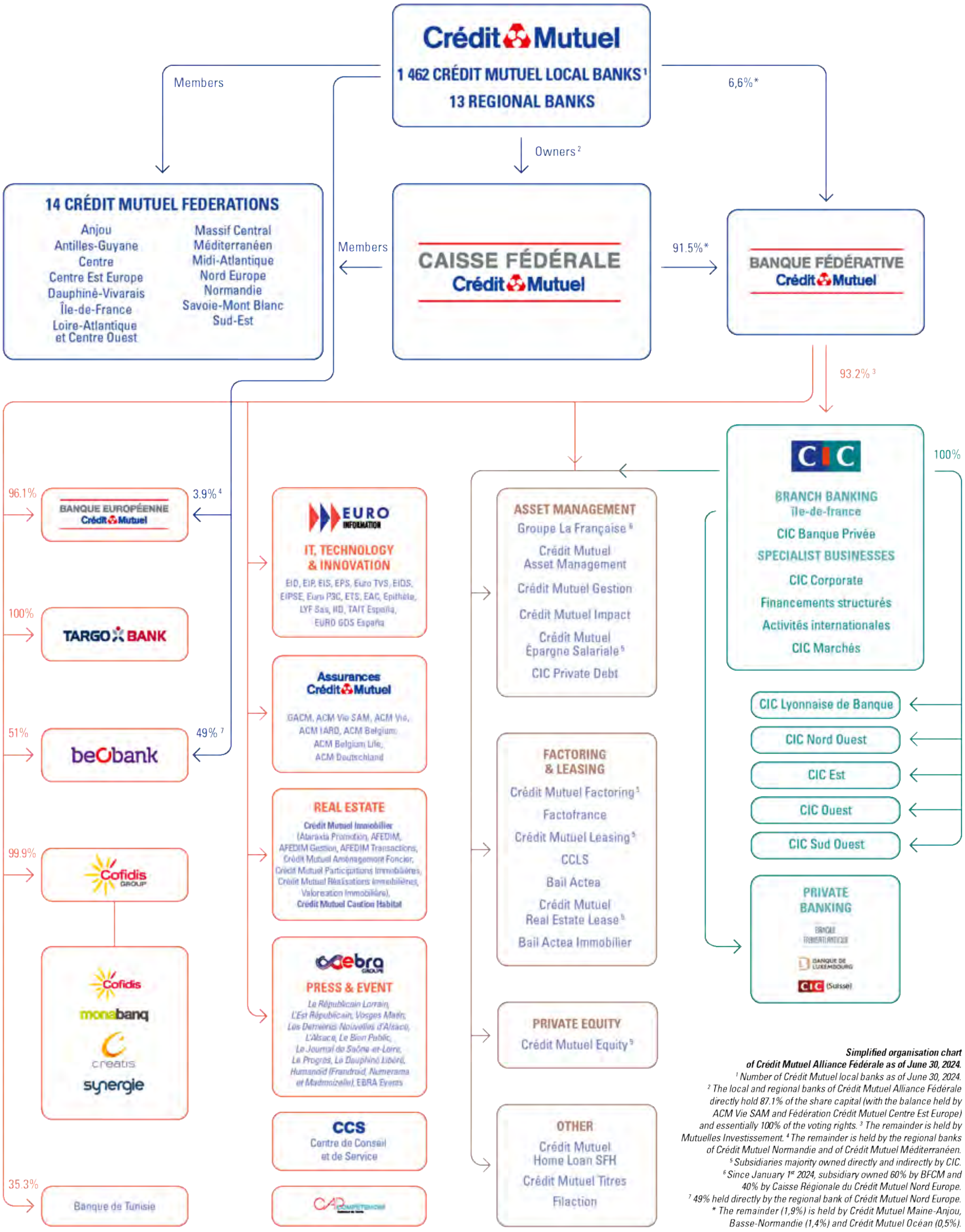
for TOWT to speed up the decarbonization of maritime transport.

for ENERGO for the industrial and commercial rollout of its cold plasma catalytic reactors.

for SUBLIME Energie to deploy biogas liquefaction on farms.

1 PRESENTATION OF CRÉDIT MUTUEL ALLIANCE FÉDÉRALE

1.1 ORGANIZATIONAL STRUCTURE AT JUNE 30, 2024



Simplified organisation chart of Crédit Mutuel Alliance Fédérale as of June 30, 2024.

[1] Number of Crédit Mutuel local banks as of June 30, 2024.
[2] The local and regional banks of Crédit Mutuel Alliance Fédérale directly hold 87.1% of the share capital (with the balance held by ACM Vie SAM and Fédération Crédit Mutuel Centre Est Europe) and essentially 100% of the voting rights. [3] The remainder is held by Mutuelles Investissement. [4] The remainder is held by the regional banks of Crédit Mutuel Normandie and of Crédit Mutuel Méditerranéen.
[5] Subsidiaries majority owned directly and indirectly by CIC.
[6] Since January 1st 2024, subsidiary owned 60% by BFCM and 40% by Caisse Régionale du Crédit Mutuel Nord Europe.
[7] 49% held directly by the regional bank of Crédit Mutuel Nord Europe.
** The remainder (1,9%) is held by Crédit Mutuel Maine-Anjou, Basse-Normandie (1,4%) and Crédit Mutuel Océan (0,5%).*

1.2 RECENT EVENTS

January 2024

CASH SERVICES deploys its first sites

CASH SERVICES, the new local banking services offering common to the four banking brands, BNP Paribas, Crédit Mutuel, CIC and SG, starts the deployment of sites throughout France. This deployment will continue to reach, by 2026, nearly 7,000 CASH SERVICES sites in and outside branches with equipment offering the services adapted to customer needs.

The GENS D'ÉVÉNEMENT agency joins the EBRA Group *via* its subsidiary EBRA Events

The EBRA Group, the media division of Crédit Mutuel Alliance Fédérale, has acquired the GENS D'ÉVÉNEMENT agency based in Paris and Nantes *via* its subsidiary EBRA Events.

This acquisition confirms the diversification strategy undertaken by EBRA, which, in addition to being the leading regional daily press group in France, is a diversified media group with a wealth of complementary expertise.

April 2024

Crédit Mutuel Alliance Fédérale's governance evolves

After seven years spent in the development and transformation department as Chief Executive Officer, Daniel Baal was elected Chairman of Crédit Mutuel Alliance Fédérale in early April. The current Chief Executive Officer takes over from Nicolas Théry. His primary objective is to successfully complete the 2024-2027 *Ensemble Performant Solidaire* (Togetherness Performance Solidarity) strategic plan.

To support Daniel Baal in his responsibilities, and on his proposal, Éric Petitgand – currently Deputy Chief Executive Officer – was appointed as Chief Executive Officer, with Anne Sophie Van Hoove – currently Chief Executive Officer of CIC Nord Ouest – becoming Chief Operating Officer.

Crédit Mutuel Alliance Fédérale becomes the sole shareholder of Cofidis Group

On April 11, Banque Fédérative du Crédit Mutuel acquired an additional 20% stake in Cofidis Group, in which it has been the reference shareholder since 2009.

Crédit Mutuel Alliance Fédérale thus completes its increase in the capital of the European specialist in remote financial services (consumer credit, split payment, insurance), thus confirming its strategic diversification choice.

May 2024

La Française Asset Management and Crédit Mutuel Asset Management merge

The two subsidiaries of the La Française Group, La Française Asset Management and Crédit Mutuel Asset Management, merged with effect from May 1, 2024. The newly formed asset management company now manages €86 billion in assets and has 172 employees based in France and Germany. It becomes a significant player in the French asset management landscape.

This decision marks a major milestone for Crédit Mutuel Alliance Fédérale's asset management ambitions as part of the 2024-2027 *Ensemble Performant Solidaire* (Togetherness Performance Solidarity) strategic plan. Crédit Mutuel Alliance Fédérale intends to strengthen its position in the asset management market by grouping its management companies within a multi-specialist model. This new organization will bring together all the skills of the mutualist group, committed to innovation and customer satisfaction, in order to accelerate its development.

June 2024

Crédit Mutuel Alliance Fédérale accelerates the deployment of generative AI

To maintain its lead in artificial intelligence (AI), Crédit Mutuel Alliance Fédérale and Euro-Information extend their long-term collaboration with IBM *via* its IBM watsonx platform – an AI and data platform designed to help companies develop responsible AI – deployed on Crédit Mutuel's internal computing infrastructure.

In 2016, Crédit Mutuel Alliance Fédérale adopted the AI used every day by its 25,000 advisors. In 2023, AI freed up nearly 1 million hours of administrative work to enable them to continue to best serve their members and customers.

The strengthened collaboration with IBM at the end of June will accelerate and industrialize the deployment of generative AI. Euro-Information will thus develop 35 AI use cases on an industrial scale based on internal developments and on watsonx. The first three generative AI solutions should be deployed during the 3rd quarter of 2024, enabling advisors to respond even more efficiently to the needs of their customers and members.

2 INTERIM BUSINESS REPORT OF CRÉDIT MUTUEL ALLIANCE FÉDÉRALE AND BFCM

2.1 ECONOMIC AND REGULATORY ENVIRONMENT IN THE FIRST HALF OF 2024

2.1.1 Economic environment

First half of 2024: A slight improvement for central banks

The first half of 2024 was marked by the recalibration of investor expectations on central banks' monetary easing this year, leading to an increase in European and US sovereign rates over the half-year. While the inflation reduction momentum continued on both sides of the Atlantic, the path to the 2% target has not been as linear as expected at the end of 2023 due to persistent inflationary pressures. However, the growth and inflation profiles have diverged between the eurozone and the United States, which has led central banks to pursue different monetary policies. The recovery in activity in the eurozone has been taking shape since the beginning of the year in the wake of an upturn in household purchasing power thanks to the rebound in real wages. At the same time, the slowdown in inflation enabled the European Central Bank (ECB) to begin its monetary easing with confidence in June with a 25 bp cut in its key rates. Conversely, in the United States, growth that was still resilient in the first quarter and the gradual slowdown in demand during the second quarter did not allow inflation to slow enough for the Fed to consider it necessary to reduce its key rates. Finally, in China, the growth momentum remained modest and disappointing, despite the fiscal and monetary support measures announced by the authorities.

In the **eurozone**, the ECB began its monetary easing by reducing its key rates by 25 bps (to 3.75% for the deposit rate) following its monetary policy meeting in June. While investors were anticipating a substantial number of rate cuts at the beginning of the year, the slower-than-expected inflation reduction momentum tempered these expectations, in a more cautious sense. This contributed to the upward movement of European sovereign rates over the half-year by nearly 50 bps on 10-year maturities. Inflation continued to slow, but more gradually than in 2023, for both the total and the underlying portion, penalized by the persistence of growth in the price of services. The latter remained at high levels at +4.1% yoy in June, still supported by strong wages (+5.4% yoy in Q1 2024). ECB President, Christine Lagarde, was also more cautious about the trajectory of the upcoming monetary easing (beyond the June meeting). She considered that this could not be linear given the underlying inflationary pressures, particularly in relation to wage momentum. At the same time, much better than expected European growth showed signs of improvement in the first quarter in the sequential pace (+0.3% in Q1 2024 compared to -0.1% in Q4 2023) in the wake of the return of German growth to positive figures. However, this remains penalized by the weaknesses of industry in Germany. The recovery in activity in the eurozone was reflected in the economic statistics during the half-year with the gradual improvement of the PMI service indices, a sign of a recovery in consumption in this sector. Furthermore, thanks to a rise in risk aversion in a context of political uncertainty in France (see above), the French-German ten-year sovereign spread widened sharply at the end of the half year (75 bps). After starting to benefit from the economic improvement in the eurozone, the euro was finally penalized by this loss of visibility on the future of European policy and depreciated against the dollar by -1.5% to 1.08 EUR / USD. Finally, after the European elections, the outgoing coalition retained a large majority (EPP, S&D and Renew).

In **France**, the resurgence of political risk following the dissolution of the National Assembly led to an increase in French sovereign rates at the end of the half-year. In May, the S&P rating agency downgraded France's sovereign rating for the first time since 2013, from AA to AA-. This deterioration is due to growing doubts about the government's ability to bring the public deficit below the threshold of 3% of GDP by the end of the five-year term in 2027. Indeed, the deficit largely exceeded the government target, reaching 5.5% of GDP in 2023 compared to 4.9% provided for in the finance law, and its trajectory for subsequent years was revised upwards. Furthermore, growth recovered in Q1 2024 at a sequential pace of +0.2%. *vs.* +0.1% in Q4 2023, driven by a significant rebound in household consumption, while inflation continued to slow, including in the underlying portion.

In the **United Kingdom**, while the inflation reduction momentum has been more favorable since the beginning of the year (year-on-year of +2% in May for the total and +3.5% for the underlying), the tensions on the employment market continued, along with continued sustained wage growth. The prospect of a more restrictive monetary policy than initially hoped by financial investors contributed to the sharp appreciation of sovereign rates (at 10 years: +60 bps) and that of the pound sterling (+2% against the euro). Activity showed clear signs of improvement, as evidenced by the return to positive figures in Q1 2024 of a sequential pace of +0.7% *vs.* -0.3% in Q4 2023. This trend was also reflected in the improvement of the PMI indices in recent months. Lastly, Rishi Sunak, British Prime Minister, announced the organization of general elections from July 4, which resulted in a large victory for the Labour Party over the Conservative Party, in power since 2010.

In the **United States**, the persistence of inflation at the beginning of the year rekindled investor fears about the Fed's ability to bring inflation back to its target. This contributed to the rise in US sovereign rates over the half-year from +50 bps to 4.36% at 10 years. However, during the second quarter, signs of normalization, both in terms of growth and inflation, have materialized, sending more reassuring signals about the future of monetary policy. The inflation reduction trend reversed significantly, gradually moving in a more favorable direction at +2.6% year-on-year inflation for the PCE price index in May. This occurred alongside a very gradual decline in US activity, with the slowdown in GDP in the first quarter to +1.4% sequential yoy *vs.* +3.4% in Q4 2023, penalized by foreign trade and final consumption. The labor market, a factor in supporting growth, has finally begun to normalize at a very gradual pace with a reduction in job creation and an increase in the unemployment rate. This has enabled wages to grow more modestly in recent months. In this context, the US central bank maintained its target range of key rates at 5.25-5.5% in the first half of the year, while slowing the pace of the decline in the size of its balance at the end of the half year. While the Fed Chairman, Jerome Powell, did not specify his monetary easing schedule, debates about the number of future rate cuts have intensified among the members of the central bank. In June, the latter adjusted their key rate projections (dots) in a more cautious sense by now anticipating only one decrease this year compared to three at the March meeting. The resilience of growth, combined with the momentum linked to artificial intelligence, enabled the equity indices to significantly outperform their peers at +15% for the S&P 500 *vs.* +7% for the Stoxx Europe 600, also benefiting the dollar, up +3% since January.

In **China**, while economic growth in the first quarter exceeded expectations (+1.6% sequentially *vs.* +1.2% in Q4 2023), the momentum showed signs of slowing down, particularly in industry. Activity is undermined by weakened domestic demand, reflecting a deterioration in household confidence. In this context, and given still very low inflation, the People's Bank of China strengthened its monetary support by reducing its key five-year rate at the beginning of the year by 25 bps to 3.95%. The real estate sector is still in crisis despite the latest government measures to support demand by easing loan conditions and supporting demand. The Chinese indices benefited from the resurgence of investor confidence following support from the authorities (Hang Seng at +4%). With regard to other **emerging countries**, the Brazilian central bank put an end to the cycle of lowering the key rate, by maintaining its rate at 10.50% (SELIC) in June, a decision that was expected after six cuts of 50 bps since August 2023 and a decrease of 25 bps in May due to the resilience of domestic activity, the divergence in public finances, the increase in inflation projections and unanchored expectations. In India, the Prime Minister, Narendra Modi, was reappointed for a third term at the end of the general elections with a reduced majority. The central bank maintained its key rates throughout the half-year given the inflationary risks, in particular related to food prices.

With regard to **commodities**, the resurgence of geopolitical risks, with in particular, the worsening of tensions between Israel and Iran, continued to fuel uncertainty and consequently the volatility of the Brent price. The latter has appreciated significantly since the beginning of the year by +13% to $85 / barrel. In addition, OPEC+ countries decided to reduce their production in order to support prices and leave room for maneuver to adapt to supply and demand. The European gas price, which decreased for a time given the favorable weather conditions, finally exceeded €30 / MWh. The prices of industrial metals appreciated due to sustained pressure on supply and continued resilient demand. Sea freight prices have soared, particularly from and to China due to local port congestion and a global lack of capacity.

2.1.2 Regulatory environment

Regulation contributes to market stability, the soundness of institutions, and consumer protection. The environment in which banks operate is experiencing many upheavals: consequences of the rise in interest rates on the economy and the various markets, issues related to data and new technologies, emergence of new risks, particularly in terms of climate, new technologies, etc. The regulatory framework is constantly evolving, and Crédit Mutuel Alliance Fédérale’s teams are highly mobilized to take into account all changes affecting a wide variety of businesses and areas.

Resilience issues are particularly highlighted in the first half of 2024, in a context of political and geopolitical tensions generating uncertainty for banks and markets. The main regulatory news in terms of risk management and compliance is presented below.

Significant changes in the prudential framework

In April 2024, the European Parliament formally adopted the texts amending the regulation and directive on capital requirements (Capital Requirements Regulation III, Capital Requirements Directive VI) in order to transpose, into Community law, the prudential reforms covered by the Basel III agreements. At the end of May 2024, the Council of the European Union (EU) adopted the banking package. Work is continuing within the European Banking Authority (EBA), which is preparing guidelines and recommendations to support the operational implementation of these texts. The application of most of the CRRIII provisions is set at January 1, 2025. The reform will be completed at the end of the deadline, set at January 1, 2026, for the transposition of the CRDVI directive.

The objective of the finalization of the Basel III agreements is to improve the consideration of credit, market and operational risks, and thus to determine more precisely the requirements applicable to banking institutions concerning shareholders' equity. The standard approaches for credit risk, operational risk and market risk have been revised in order to increase their sensitivity to risks (new exposure categories, new more granular weightings). In addition, an output floor has been introduced to limit the benefit that can be derived from the application of internal models, by requiring that the level of shareholders' equity calculated using the internal model is not lower than 72.5% of the level required in accordance with the standardized approach. The latter system will be implemented gradually to eventually reach this level of 72.5%.

In April, the European Parliament voted its report on the update to crisis management (CMDI legislative package – Crisis Management and Deposit Insurance). Amendments to the Bank Recovery and Resolution Directive were adopted, as well as those of the Single Resolution Mechanism Regulation and those of the Deposit Guarantee Schemes Directive. MEPs want to adapt the European resolution framework to include small and medium-sized banks, and thus hope to better protect the money of depositors and taxpayers. This legislative package aims to strengthen the current EU framework for banking crisis management and deposit insurance, allowing authorities to organize the orderly exit from the market of a failing bank, regardless of its size and business model using a wide range of tools. The EU Council, in turn, decided its position on the text in June 2024.

Lastly, the insurance industry, a business that occupies an important place in Crédit Mutuel Alliance Fédérale’s business model, is also experiencing significant regulatory developments in terms of the prudential framework. In particular, they aim to better take into account long-term shareholding, in order to guarantee the solidity of insurance companies while making it possible to invest in the economy. The European Council and Parliament thus reached an agreement on the amendments to the Solvency II Directive, and the Parliament formally adopted this version in April.

Texts promoting the resilience of activities and the management of risks related to certain technologies

The use of information and communication technologies (ICT) is a lever for quality of service and operational efficiency for companies. However, the significance of these technologies and their integration generates specific risks.

The EU has therefore legislated in order to put in place a regulatory framework, making it possible to increase the resilience of the industry to ICT-related risks. Beyond its technical dimension, the Digital Operational Resilience Act aims to put in place a framework for the resilience of financial activities, and in particular the critical functions necessary for the proper execution of the business lines. The implementation of the DORA regulation, adopted at the end of 2022, continues with the publication of several batches of Regulatory Technical Standards (RTS), making it possible to define the obligations relating to the implementation of the text.

These RTS complement the EU regulatory frameworks on cybersecurity for the financial sector by specifying: the rules for classifying cyber incidents, rules aimed at harmonizing tools, methods, processes and security policies for the management of ICT risks for financial entities, the rules to establish the risk elements that financial entities must take into account when developing their policy on the use of ICT services in support of critical or important functions provided by third-party ICT service providers.

In terms of new technologies, artificial intelligence tends to occupy a potentially significant place in the functioning of our societies, our organizations and our businesses. In order to control the risks related to these new technologies, particularly in terms of consumer rights, the EU has adopted the first comprehensive framework to legislate on this subject. Thus, the co-legislators formally adopted the Artificial Intelligence Act at the end of May 2024. The latter provides a definition of artificial intelligence, a concept that concerns complex technologies, capable of autonomy, an inference capacity, and which are distinguished in this respect from the traditional technologies used, among others, in the bancassurance business lines.

Based on this definition, the regulation sets out a risk classification, by use case, of the various artificial intelligence systems and general-purpose artificial intelligence models, according to their purpose. Obligations are defined according to the level of risk recognized for each use case, to ensure that the use of artificial intelligence does not harm consumers, in particular their health, safety and respect of their fundamental rights.

Compliance

Significant changes for distributors

Significant work on the marketing of financial instruments to individuals is currently underway at European level, and will have a major impact on the banking sector. In May 2023, the European Commission adopted a package of measures on retail investment. It consists of an Omnibus amending directive known as the Retail Investment Strategy which revises the existing rules set out in the MiFID II (Market in Financial Instrument Directive), the IDD (Insurance Distribution Directive), the UCITS directive, the AIFM (Alternative Investment Fund Manager) directive, the Solvency II directive supplemented by an amending regulation that revises the PRIIPs (Packaged retail and insurance-based investment products) regulation. In the first half of 2024, the European Parliament and the EU Council each adopted a position on the text, before the start of the trilogue phase.

This legislative package includes a number of measures concerning the financial service, designed to: deepen the information provided to retail investors on investment products and services, make costs more transparent and comparable by imposing a standardized presentation and terminology, protect retail investors from certain business practices, maintain high standards of professional qualification for financial advisors, remedy what authorities identify as potential conflicts of interest in the distribution of investment products, and strengthen product governance obligations. Finally, the regulation of distributors' compensation should be strengthened, supplemented by new tests and additional transparency obligations.

On November 22, 2023, the EU adopted a directive reforming the rules in force on the marketing of financial services contracts concluded remotely (digital market and digital protection). This directive is due to be transposed in France in December 2025 and will come into force on June 19, 2026. The main impacts identified relate to the pre-contractual information sent to the customer and the implementation of a withdrawal request.

A strengthened financial security system

In terms of financial security, Crédit Mutuel Alliance Fédérale's teams have undertaken significant work to strengthen the system, which will also have to integrate the changes resulting from the package on the fight against money laundering and the financing of terrorism in the EU (AML – Anti Money Laundering package) adopted by the Parliament and the Council in the first half of 2024.

The regulation establishing the European Anti-Money Laundering Authority sets out its organization and missions. These include the direct supervision of the most risky financial entities and the indirect supervision of other institutions through the oversight of the national supervisory authorities. This new authority, which will be operational in mid-2025, will also have to ensure the uniform application of regulations while coordinating the exchange of information between the financial intelligence units.

The main purpose of the Sixth Anti-Money Laundering Directive, which must be transposed before July 10, 2027, is to harmonize supervisory activities at the European level and the rules applicable to the national registers of beneficial owners, accounts and buildings.

Finally, the package, which includes the single regulation applicable from July 10, 2027, strengthens the obligations to combat money laundering and the financing of terrorism with regard to the private sector. This text provides for new obligations on activities related to crypto assets and extends its scope to "golden" visa operators and professional football clubs. This regulation also reinforces the duty of care towards customers and beneficial owners, notably by introducing a new category of high-risk customer (high-net-worth individual customer) or by broadening the scope of the definition of politically exposed people.

The war in Ukraine led the EU to adopt new restrictive measures against Russia as part of a fourteenth package of sanctions since February 24, 2022. To reinforce the effectiveness of these measures, the European Commission proposed a directive on the recovery and confiscation of assets (as part of the global fight against organized crime, corruption and money laundering) aimed at ensuring rapid and effective freezing operations throughout the EU, and faster compensation for victims.

2.2 ACTIVITIES AND RESULTS OF CRÉDIT MUTUEL ALLIANCE FÉDÉRALE

2.2.1 Activities and results

2.2.2.1 Change in activity in the first half of 2024

Deposits totaled €477.4 billion at end-June 2024, up 3.7% year-on-year and down slightly by -0.8% compared with December 2023.

Outstanding deposits (in € bilions)	06/30/2024	06/30/2023	Change	12/31/2023
Current accounts	188.3	197.2	-4.5%	191.1
Livrets Bleu & A	55.9	51.4	+8.8%	54.2
Other passbook accounts	69.7	75.2	-7.3%	71.3
Mortgage savings agreements	34.7	39.9	-13.0%	37.7
Brokered deposits (1)	112.1	77.6	+44.4%	107.1
Other	16.8	19.2	-12.7%	19.7
Customer deposits	**477.4**	**460.5**	**+3.7%**	**481.1**

(1) Term deposits and Plan d'Épargne Populaire (PEP).

At June 30, 2024, inflows into *Livret Bleu* and *Livret A* passbook accounts were particularly high, with deposits up 8.8% year on year to more than €55.9 billion. This increase was mainly due to the continuation of favorable regulated savings measures, which resulted in an increase in interest on passbook accounts. Conditions in the financial markets encouraged customers to turn toward products that are both liquid and safe.

Brokered deposits (term deposits and PEPs) grew by more than 44% year on year, totaling €112 billion. Current accounts, by contrast, saw outflows of 4.5%, while home savings account deposits also fell by 13%.

Outstanding loans (in € billions)	06/30/2024	06/30/2023	Change	12/31/2023
Home loans	264.1	258.1	+2.3%	264.9
Consumer credit	55.0	53.5	+2.8%	54.6
Equipment and leasing	142.7	138.0	+3.4%	141.4
Operating loans (1)	49.5	52.1	-5.1%	51.7
Other	11.2	8.3	+34.6%	9.4
Customer loans	**522.5**	**510.1**	**+2.4%**	**522.0**

(1) Current accounts in debit and cash loans.

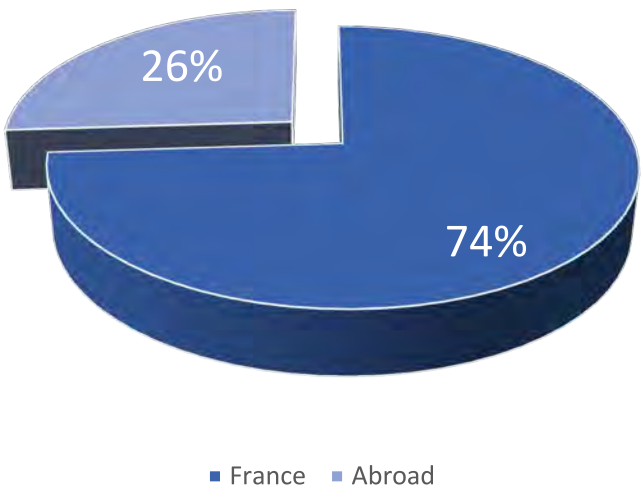
At the end of the first half of 2024, outstanding loans totaled more than €522 billion, an increase of 2.4% year on year. Despite higher interest rates, outstanding loans grew in all the main loan categories:

- home loans rose by +2.3% to €264.1 billion;
- consumer finance rose by +2.8% to €55.0 billion;
- equipment loans and leasing receivables rose by +3.4% to nearly €142.7 billion;

2.2.1.2 Geographical breakdown of revenues

The group's activity in France represents more than three-quarters of the net revenue of the group's commercial business lines[1] (74% in June 2024). Internationally, the group has significant activities in Germany and, to a lesser extent, in the Benelux countries. CIC also has international subsidiaries in London, Brussels, New York, Hong Kong and Singapore, and representative offices in several other countries. These international activities account for nearly a quarter (26%) of the net revenue of the group's commercial business lines.

GEOGRAPHICAL BREAKDOWN OF NET REVENUE AT 06/30/2024



[1] *Excluding Holding company services.*

2.2.1.3 Crédit Mutuel Alliance Fédérale results

(in € millions)	1st half 2024	1st half 2023	Change
Net revenue	**8,257**	**7,984**	**+3.4%**
General operating expenses	-4,712	-4,649	+1.3%
of which contribution to the single resolution fund, supervision costs and contributions to the DGF (1)	*-57*	*-281*	*-79.7%*
Gross operating income/(loss)	**3,545**	**3,335**	**+6.3%**
Cost of risk	-957	-679	+41.1%
cost of proven risk	*-911*	*-653*	*+39.5%*
cost of non-proven risk	*-47*	*-26*	*+81.4%*
Operating income	**2,587**	**2,656**	**-2.6%**
Net gains and losses on other assets and ECC(2)	54	18	x2.9
Income before tax	**2,641**	**2,674**	**-1.2%**
Income tax	-609	-711	-14.4%
Net income	**2,032**	**1,962**	**+3.5%**
Non-controlling interests	93	87	+6.6%
GROUP NET INCOME	**1,939**	**1,875**	**+3.4%**

(1) Deposit guarantee fund (fonds de garantie des dépôts).
(2) ECC = Equity consolidated companies = share of net income of equity consolidated companies.

Net revenue

In the first half of 2024, Crédit Mutuel Alliance Fédérale's net revenue totaled €8.3 billion, up +3.4% compared with the first half of 2023, despite strong pressure on the net interest margin, in line with 2023. This increase in revenues was driven by the good resilience of the business lines: stability of retail banking, strong performance of insurance and growth in revenues of the specialized business lines.

(in € millions)	1st half 2024	1st half 2023	Change
Retail bank	**6,094**	**6,062**	**+0.5%**
Of wich the banking network	*4,096*	*4,194*	*-2.3%*
Of wich the consumer finance	*1,633*	*1,532*	*+6.6%*
Insurance (1)	**701**	**641**	**+9.3%**
Specialized businesses	**1,491**	**1,455**	**+2.4%**
Asset management and private banking	635	646	-1.8%
Corporate banking	335	296	+13.1%
Capital Markets	299	293	+1.9%
Private equity	223	220	+1.3%
Other business lines (1)	**-29**	**-174**	**-83.4%**
TOTAL REVENUE CREDIT MUTUEL ALLIANCE FEDERALE	**8,257**	**7,984**	**+3.4%**

(1) Including reclassification of general operating expenses relating to insurance contracts as expenses relating to insurance contracts classified as net revenue.

In **retail banking**, revenues remained stable in the first half of 2024 at more than €6 billion, thanks in particular to the performance of the consumer finance subsidiaries (+6.6%), while the banking networks (-2.3%) continued to be hard hit by the decrease in margins.

Net **insurance** income was up +9.3%, driven by the increase in income from health, protection & creditor insurance and life insurance, as well as the increase in net financial income.

Net revenue from **asset management and private banking** fell by -1.8%. Asset management revenues rose by +6.2% thanks to growth in assets under management, while private banking saw its net revenue fall by -7.5% due to the decrease in the net interest margin.

Corporate banking posted net revenue growth of +13.1% year on year, fueled mainly by the increase in the net interest margin. Despite geopolitical uncertainty, business volumes remained strong, reflecting good sales momentum in terms of corporate clients and structured financing.

Overall, **capital markets** posted solid performance with net revenue up +1.9% due to a less buoyant market environment than in 2023.

Private equity income remained strong at €223 million, up +1.3% thanks to the capital gains generated by the portfolio and despite an economic environment marked by uncertainty.

The growth in net revenue of the **other business lines** reflects the stronger performance of the media and IT activities and the holding company's revenues than in the first half of 2023.

General operating expenses and gross operating income

General operating expenses rose by +1.3% to €4.7 billion in the first half of 2024. Excluding the contribution to the Single Resolution Fund (SRF), which had added €217 million to general operating expenses in the first half of 2023, the increase was +6.2%.

The rise in general operating expenses mainly included a higher employee benefits expense triggered by a voluntary increase in the payroll expense, further IT investments and the call for contributions to the Crédit Mutuel Alliance Fédérale Foundation for 100% of its budget (€56 million) related to the societal dividend, in addition to the effects of inflation.

At 57.1%, the cost/income ratio improved by 1.2 percentage points (pp); excluding the SRF, the scissors effect was negative by 1.5 pp.

Gross operating income rose by +6.3% to €3.5 billion and would have been stable excluding the SRF expense.

Cost of risk and operating income

The cost of credit risk was -€957 million, which included a provision of -€911 million for proven risk (stage 3) and a provision of -€47 million for performing loans (stages 1 and 2), an increase of +41.1% compared with the first half of 2023.

The cost of proven risk (-€911 million, +39.5%) decreased for the corporate banking activity, but rose significantly for the networks – including an increase in business failures and the transfer to non-performing of several market arrangements in France – with a more moderate increase for the consumer finance subsidiaries (+22.6%). This increase reflects the uncertain economic environment in some sectors and follows the trend already observed in 2023.

The cost of non-proven risk nearly doubled in the first half of the year: -€47 million in 2024 vs. -€26 million in 2023, partly due to downgrades of ratings and the increase in stage 2 loans.

The non-performing loan ratio rose to 3.1% compared with the end of 2023, reaching the level at the end of 2019.

The cost of risk represented 35 basis points of outstanding customer loans.

(in € millions)	06/30/2024	06/30/2023	12/31/2023
Gross loans	533,128	519,956	523,054
Gross non-performing loans	16,307	13,938	15,133
Provisions for loan losses	10,614	9,866	10,103
provisions for losses on non-performing loans (stage 3)	*7,478*	*6,546*	*7,013*
provisions for losses on performing loans (stages 1 and 2)	*3,137*	*3,320*	*3,090*
Non-performing loans as a % of gross loans	3.1%	2.7%	2.8%

At €2.6 billion, operating income fell by -2.6% compared with the first half of 2023.

Other

Net gains and losses on other assets and ECC came to €54 million and consisted of the share of net income of equity consolidated companies and an earn-out related to the performance of Euro-Information Telecom (sold in 2021).

Income before tax

Income before tax was virtually unchanged at €2.6 million (-1.2%) compared with the first half of 2023. Income tax decreased by -14.4% thanks to positive non-recurring effects.

Net income

Buoyed by the operational performance of the business lines, net income in the first half of 2024 was €2 billion, up +3.5% year on year.

2.2.1.4 Crédit Mutuel Alliance Fédérale's results by business line

2.2.2.4.1 Retail banking and consumer finance in France and Europe

In June 2024, retail banking accounted for 42% of the contribution to net income of Crédit Mutuel Alliance Fédérale's operating business lines.

(in € millions)	1st half 2024	1st half 2023	Change
Net revenue	**6,094**	**6,062**	**+0.5%**
General operating expenses	-3,993	-3,962	+0.8%
Gross operating income/(loss)	**2,101**	**2,100**	**+0.0%**
Cost of risk	**-900**	**-614**	**+46.5%**
cost of proven risk	-858	-548	+56.4%
cost of non-proven risk	-42	-66	-36.2%
Operating income	**1,201**	**1,486**	**-19.2%**
Net gains and losses on other assets and ECC(1)	5	2	x2.6
Income before tax	**1,206**	**1,488**	**-19.0%**
Income tax	-349	-456	-23.4%
NET INCOME	**857**	**1,032**	**-17.0%**

(1) ECC = Equity consolidated companies = share of net income of equity consolidated companies.

The retail banking segment comprises three business lines:

- *the branch banking network, comprising the Crédit Mutuel local banks of the 14 federations, the CIC branch network, Banque Européenne du Crédit Mutuel and Beobank;*
- *consumer finance, comprising Cofidis Group and TARGOBANK Germany;*
- *specialized business line subsidiaries whose products are marketed by the branch networks: equipment leasing and hire purchase, real estate leasing, factoring, and real estate sales and management.*

Bank networks

Crédit Mutuel, Beobank and BECM banking and insurance network

Banking and insurance network of Crédit Mutuel and Beobank local banks

The banking and insurance network of Crédit Mutuel and Beobank local banks – Crédit Mutuel Alliance Fédérale's core business – represented more than 25% of total net revenue at the end of the first half of 2024. Its net revenue grew by +3.5% to €2.1 billion, fueled by an increase in the net interest margin (+4.9%) and stable fee and commission income.

General operating expenses rose by +3.8% to €1.6 billion.

The overall cost of risk increased to -€163 million (i.e. an additional provision of €84 million), mainly due to the steep increase in the cost of proven risk, from -€75 million to -€131 million at the end of June 2024.

Business activity: Crédit Mutuel local banks

At end-June 2024, the number of customers in the Crédit Mutuel banking and insurance network was 8.8 million, a +1.2% increase year on year (+109,000 net change). The number of retail customers, who account for 86% of the total customer base, rose by +0.9%. The increase in the number of corporate and business customers was even greater, at +5.3% (+3,200 customers) and +3.8% (26,000 customers), respectively.

Deposits amounted to €186.4 billion at the end of June 2024, up +4.3% year on year.

Driven by the attractive return on term accounts and regulated passbook accounts, total outstandings on term accounts and passbook accounts reached € 103.6 billion (+17.3%) at the end of the first half of 2024.

Generally speaking, inflows continued to benefit from rising interest rates and customer interest in safe, liquid products against a backdrop of unstable financial markets.

However, outflows from current accounts in credit to interest-bearing savings accounts, a trend observed since 2023, decreased at the end of June 2024.

Loans grew slightly to €188.5 billion at June 30, 2024. This year-on-year increase was driven by home loans, which rose by +1.4%. It should be noted that new loan volume has decreased since January 1 as a result of the steep rise in interest rates in the second half of 2023.

The change in the multi-service strategy led to a high volume of products sold to customers:

- property & casualty and health, protection & creditor insurance policies (excluding life assurance and creditor insurance) reached 13.4 million, a rise of +2.8% year on year;
- the number of mobile phone contracts was close to 850,000, down slightly year on year (-0.5%);
- the number of remote home surveillance subscriptions rose by +5.1% to more than 233,000 contracts.

The network of Crédit Mutuel local banks posted an increase in net revenue (+3.8%) to more than €1.9 billion, fueled by an improvement in the net interest margin (+6.2%) coupled with a slight increase in fee and commission income (+0.4%).

General operating expenses were kept under control at nearly €1.5 billion (+3.4%).

The cost/income ratio improved by 0.3 percentage points to 76.7% and gross operating income was up by more than 5% to €451 million.

The overall cost of risk deteriorated to -€159 million compared with -€75 million at the end of the first half of 2023. This increase was driven by the cost of proven risk, which rose by +77% year on year, reflecting further deterioration in non-performing counterparties. An additional provision of €27 million was set up for non-proven risk in the first half of 2024.

Net income was €217 million at the end of June 2024, down -11.7% year on year.

Business activity: Beobank

In the first half of the year, Beobank pursued its growth strategy across all its product lines, despite the high interest rate environment. Gross loans stood at €9.0 billion at June 30, 2024, up +3.5% compared with December 31, 2023, driven mainly by mortgage loans (+4.6%). The quality of the loan and investment portfolio remained stable. The property & casualty insurance portfolio grew by nearly 9%. At the same time, deposits amounted to €8.0 billion (+6.8%) at June 30, 2024.

Net revenue remained stable year on year. The net interest margin was down, impacted by the increase in the cost of customer deposits. However, fee and commission income increased, particularly for financial savings and demand accounts.

Operating expenses increased, mainly due to inflation and the seasonality of certain expenses. The overall cost of risk remained very low (€4.1 million).

Beobank's net income amounted to €19.3 million, down nearly -30% compared with the same period last year, but remains above plan. The cost/income ratio was also up compared with 2023 (80.3% at June 30, 2024) and remains below plan.

Banque Européenne du Crédit Mutuel (BECM)

BECM is the Crédit Mutuel Alliance Fédérale subsidiary that serves regional economies and the market for business and real estate companies. Drawing on the expertise of its employees and all the services provided by Crédit Mutuel Alliance Fédérale's business centers, BECM serves nearly 21,000 customers.

The sales network, which consists of 45 branches, is organized on a market basis, with 31 branches serving the general business market and 14 serving the real estate market.

In the first half of 2024, new investment loans of €733.8 million for businesses and €540.3 million for real estate companies and investors were generated. Short-term lending agreements with real estate professionals totaled €622.8 million.

Customer loans increased over 12 months but decreased by -1.6% compared with end-2023 to €18.4 billion. Deposits rose by 5.8% to €13.6 billion compared with December 2023.

Net revenue fell by -24.7% to €124.9 million and net income was €26.3 million, down by nearly -64% compared with June 2023.

CIC banking and insurance network

With more than 85,000 new customers, CIC's banking network had 5.7 million customers at end-June 2024, a +1.5% increase year on year. The number of business and corporate customers (at nearly 1.2 million) grew by +1.6% and +4.3%, respectively, and the number of retail customers (79% of the total) rose by +1.4%.

Deposits increased by +2.1% to €173.6 billion at the end of the first half of 2024.In line with the trends observed in 2023, term deposits remained very buoyant, reaching €46.5 billion (+42.8%). Inflows to passbook accounts fell year on year, with total balances of nearly €40 billion at end-June 2024.

Outstanding loans and external financing totaled €196.7 billion, an increase of 2.2% year on year.

In the first half of 2024, growth in outstanding loans differed according to loan category:

- outstanding home loans rose by +2.9% to €103.3 billion; the total amount released in the first half of 2024 fell to €5 billion following the slowdown observed since early in the second half of 2023;
- investment loans rose by +4.5% to €55.2 billion;
- consumer finance rose by +3.6% to €6.6 billion.

Loan production has slowed since the second half of the year, amid a sharp rise in interest rates. The multi-service strategy led to an increase in products sold to customers:

- the number of property & casualty and health & protection insurance policies (excluding life insurance and creditor insurance) rose by +3.9% year on year to 6.7 million;
- the number of mobile phone contracts fell slightly year on year to 552,000;
- the number of remote home surveillance subscriptions continued to grow to more than 125,600 contracts (+3.9%).

The CIC banking network recorded a -4.9% drop in net revenue to over €1.8 billion, impacted by a -13.4% decrease in the net interest margin. Fee and commission income was up +2.2% to €1 billion at end-June 2024.

General operating expenses fell by -1.6% to €1.2 billion;

The cost/income ratio worsened by 2.3 percentage points to 67.7% and gross operating income was down -11.3% to €595 million.

The cost of risk deteriorated to -€212 million vs. -€100 million at the end of the first half of 2023. This increase was driven by the cost of proven risk, which doubled and included the transfer to non-performing of several market arrangements in France.

At the end of June 2024, income before tax fell by -32.9% to €383 million.

At the end of the first half of 2024, net income was therefore €281 million, down -30.7% compared with the end of June 2023.

Consumer finance

Cofidis Group

Cofidis Group operates under three brand names: Cofidis, Créatis and Monabanq. With locations in nine European countries (France, Belgium, Spain, Italy, Portugal, Czech Republic, Hungary, Slovakia and Poland), it employs over 5,800 people.

In terms of activity, Cofidis Group had a very good first half of 2024 with €5.1 billion of new business, an increase of €270 million (+6%) compared with the first half of 2023. This good level of activity was visible in the partnership channel (financing made available by third-party Cofidis partners), which increased by +8%, and in the direct channel (financing provided directly by Cofidis), which rose by 5%. Online business increased by 2% compared with June 2023. Outstanding loans grew to €20.2 billion, up 7% vs. June 2023.

Monabanq's strategy of ramping up the development of online banking is yielding results, with deposits and savings up 27% to €1.2 billion.

The highlight of the year was renewed growth in the net interest margin after two straight years of decline. The increase in outstandings and pricing helped the net interest margin grow by more than €6 million compared with June 2023. In addition, higher fee and commission income (+€15 million) helped increase net revenue by €+25 million compared with the first half of 2023.

General operating expenses rose by €25 million and were impacted by an external acquisition, an increase in marketing investments (the first half of 2023 was still marked by a voluntary slowdown in the sales and marketing policy given the high market rates) and the automatic increases linked to business development.
Expenses rose by more than 6%.

The cost of risk was kept under control at 2.2% of outstanding loans. Collection has been more difficult in recent months, but recent production is on a positive track.

At €35.5 million, net income was up by 54% relative to the end of June 2023.

TARGOBANK in Germany

TARGOBANK operates in over 250 German cities, meeting the needs of 3.8 million retail and business customers to whom it provides everyday banking, consumer finance, investment, insurance, factoring and leasing solutions. Since 2022, its offering also includes corporate finance, special financing, commercial real estate financing and payment services.

Net revenue rose by +9.0% at end-June 2024 to €1.043 billion.

At the end of June 2024, TARGOBANK's general operating expenses totaled €486 million, up +5.3% compared with the previous year.

The cost of risk rose by €72.2 million year on year to €247 million. This increase was mainly due to growth in the retail banking portfolio as well as the deterioration of the macroeconomic environment, which led to an increase in defaults and late payments in the retail segment. The recording of specific provisions for some corporate clients also contributed to the increase in the cost of risk in the first half of the year.

New personal amortizing loans came to €3.1 billion in 2024, up slightly relative to the first half of 2023.

In the retail segment, outstanding loans grew by 8.0% compared with end-June 2023 to €22.5 billion, while customer deposit volumes rose by 22% to €31.1 billion.

The retail business contributed €183 million to net income, +0.2% more than during the same period last year. The €76 million increase in net revenue from the retail business was mainly linked to growth in the interest margin.

Business activities (classified under banking network and business subsidiaries) showed a +29.2% increase in investment loans and leasing compared with June 2023, while factoring production decreased by -8.1%.

After raising the capital of its foundation to €10 million at the end of 2023, TARGOBANK strengthened its commitment to sustainable development and announced that it will complete one or two rounds of financing each year on specific topics. The first round of financing, launched in June, involves calls for proposals related to biodiversity preservation and restoration. A panel made up of foundation members, TARGOBANK employees and external experts will select the projects to be subsidized by the foundation. The foundation also continues to finance long-term partnership projects, such as the "Fit für die Wirtschaft" project, which it has supported since its launch in 2003 and which aims to familiarize younger generations with economic and financial issues.

Again this year and for the 18th straight time, TARGOBANK was among the companies named "Best Employer" by the "*Top Employers*" institute. In particular, the panel recognized the bank for the benefits it offers its staff, particularly in terms of social and environmental commitments. For example, in June 2024, the bank offered to subsidize purchases of solar panels by employees for their homes (total budget of more than €1.5 million).

In May, TARGOBANK published its first report on diversity and the initiatives taken in this area. For example, on May 25, 2024, it organized the first "DU_Kulturen_Festival" together with the city of Duisburg. The purpose of this event was to bring together people from different backgrounds and encourage exchanges between different cultures.

Business line subsidiaries

Within retail banking, the support businesses – leasing, factoring and real estate – generated net revenue of €365.2 million (+8.7%) and net income of €87.2 million at the end of the first half of 2024 (vs. €62.4 million at end-June 2023). These figures are net of commissions paid to the network.

2.2.1.4.2 Insurance

At end June 2024, insurance represented 24% of the contribution of Crédit Mutuel Alliance Fédérale's operating business lines.

(in € millions)	1st half 2024	1st half 2023	Change
Net revenue	**701**	**641**	**+9.3%**
General operating expenses	-87	-58	+49.0%
Gross operating income/(loss)	**614**	**583**	**+5.3%**
Net gains and losses on other assets and ECC(1)	-1	-5	-77.8%
Income before tax	**613**	**578**	**+6.1%**
Income tax	-130	-135	-3.6%
NET INCOME	**483**	**443**	**+9.0%**

(1) ECC = Equity consolidated companies = share of the net profit/(loss) from equity consolidated companies.

Groupe des Assurances du Crédit Mutuel (GACM), the insurance subsidiary of Crédit Mutuel Alliance Fédérale, is at the heart of the mutual banking and insurance model and benefits from numerous synergies, including the strength of the local networks and technological integration. The Group's insurance business protects the customer-members through offers based on a broad pooling of risks and useful, solidarity-based and differentiating services.

At €7.6 billion, GACM's written premiums increased by +4.0% at constant scope[1] compared to the first half of 2023.

This growth was driven by the highest level of savings & retirement premiums ever achieved at the end of June, after an already exceptional first half of 2023 (€4.3 billion, +3.6% compared with 2023). Most of these premiums were written in France, where they rose by +4.4%. At 29%, the share of unit-linked (UL) products remained stable. As in 2023, net inflows were positive (€1.2 billion), for both euro funds (€1.0 billion) and in UL funds (€0.2 billion).

Gross written premiums for property and casualty (P&C) and protection insurance totaled €3.3 billion, up by +4.6% compared to the first half of 2023 at constant scope. Property & casualty insurance grew by +5.8% and health, protection & creditor insurance by +4.0%. These increases were driven by the growth of contract portfolios across all business lines and by the tariff changes decided to cope with the sharp inflation in repair costs in P&C insurance and with the rise in health expenses.

However, these price increases will not take full effect until 2025. As a result, the GACM P&C insurance combined ratio under IFRS 17 deteriorated in the first half of 2024. It stood at 101.2%, compared to 96.3%[2] a year earlier. It was also impacted by rising claims expenses due to natural events, which amounted to €129 million before reinsurance in the first half of 2024 due to floods in January and May, compared to €91 million at the end of June 2023. To contain the increase in claims costs while improving the quality of services provided to policyholders, GACM is working on better control of its compensation chain in motor and property damage & liability insurance. The decrease in profit from P&C insurance in the first half of 2024 was offset by the increase in profit from health, protection & creditor insurance and savings & retirement insurance. Net insurance income[3] was therefore €701 million, up by +9.3% compared to June 30, 2023.

The increase in net insurance income is also related to rising GACM's net financial income, mainly due to growth in capital gains.

Lastly, GACM is a major contributor to Crédit Mutuel Alliance Fédérale's societal dividend, both *via* the Environmental and Solidarity Revolution Fund *(Fonds Révolution Environnementale et Solidaire)* and the removal of health questionnaires in creditor insurance. In 2024, GACM's contribution of €19 million to the sponsorship activities carried out by the Crédit Mutuel Alliance Fédérale Foundation will be more than double its 2023 contribution.

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[1] Increase at constant scope, excluding GACM España. As a reminder, GACM España was sold to Axa on July 12, 2023. The increase relative to written premiums reported at the end of June 2023 was 1.4%.
[2] Excluding GACM España, net of reinsurance.
[3] Under IFRS 17, net revenue includes expenses related to insurance contracts, i.e. the vast majority of expenses. Only unrelated expenses are now included in general operating expenses.

At June 30, 2024, GACM's net contribution to overall profits was €483 million, a +9.0% increase relative to June 30, 2023 (€443 million). The insurance business also generated €0.8 billion in commissions in the Crédit Mutuel Alliance Fédérale networks.

At June 30, 2024, GACM's IFRS shareholders' equity totaled €11.1 billion, stable compared to end of 2023. The increase in net income as of June 2024 is compensated by the dividends paid in respect of the 2023 financial year.

2.2.1.4.3 Asset management and private banking

At the end of the first half-year 2024, asset management and private banking represented 5% of the contribution to net income of Crédit Mutuel Alliance Fédérale's operating business lines.

(in € millions)	1st half 2024	1st half 2023	Change
Net revenue	**635**	**646**	**-1.8%**
General operating expenses	-457	-430	+6.3%
Gross operating income/(loss)	**178**	**216**	**-17.8%**
Cost of risk	-21	-2	n.s.
Operating income	**157**	**215**	**-27.1%**
Net gains and losses on other assets and ECC(1)	0	2	-97.9%
Income before tax	**157**	**217**	**-27.7%**
Income tax	-44	-56	-21.4%
NET INCOME	**112**	**161**	**-29.9%**

(1) ECC = Equity consolidated companies = share of the net profit/(loss) from equity consolidated companies.

Crédit Mutuel Alliance Fédérale's asset management and private banking business line encompasses:

- ***the La Française group, which since January 1, 2024 includes: Crédit Mutuel Asset Management, La Française Systematic Asset Management, CIC Private Debt, Crédit Mutuel Gestion, La Française Real Estate Managers, New Alpha, CIC Market Solutions, Crédit Mutuel Impact, Cigogne Management, BLI, Dubly Transatlantique Gestion and the La Française AM Finance Services distribution platform;***
- ***and Banque Transatlantique, Banque de Luxembourg and Banque CIC (Suisse).***

The total **net revenue** of both businesses fell by -1.8% to €635 million, mainly due to the sharp drop in the net interest margin (-12.6%) despite a slight increase in fee and commission income (+3.6%).

The net interest margin of private banking was down -15.2%, while fee and commission income rose by +9.4%.

Asset management's net revenue grew by +6.2% to €284 million, while net revenue from private banking was down -7.5% to €351 million.

Overall, **general operating expenses** were up +6.3%, including +5.8% for private banking and +6.8% for asset management.

The **cost of risk**, which came to €21 million (x13.3, i.e. +€20 million), was mainly concentrated in Banque CIC (Suisse) (+€21.9 million).

Net income fell by -29.9% to €112 million and breaks down as follows:

- -44.2% for private banking to €61 million,
- +1.2% for asset management to €51 million.

Asset Management[1]

Crédit Mutuel Alliance Fédérale has become a major committed and responsible player in asset management in France and Europe by combining, as of January 1, 2024, all third-party asset management structures within a multi-specialist asset management division. The La Française group[2], France's sixth largest asset management division[3], now encompasses 11 asset management companies[4] operating within Crédit Mutuel Alliance Fédérale.

On May 1, 2024, Crédit Mutuel Asset Management absorbed La Française Asset Management. On that same date, La Française AM Finance Services absorbed Crédit Mutuel Investment Managers, thereby becoming the La Française group's sole distribution platform.

The La Française group offers a competitive and diversified product range through exposure to all listed asset classes (over 70% of the asset portfolio) and unlisted valuations (mainly real estate assets) sold by La Française AM Finance Service to a diversified French and international clientele. In addition, as a committed player, the group offers a sustainable investment range based on listed and unlisted assets.

At June 30, 2024, asset management revenues totaled €301.5 million with recurring income of €94 million. All asset management companies had a total of €183.7 billion in assets under management at end-June 2024.

[1] The earnings figures quoted in this section correspond to the parent company results of the entities and not their results contributing to the Crédit Mutuel Alliance Fédérale consolidation.
[2] As of January 1, 2024, BFCM owns 60% of the La Française group and Caisse Régionale du Crédit Mutuel Nord Europe owns 40%.
[3] According to the IPE ranking, IPE "Top 500 Asset Managers" published in June 2023, based on assets under management as of December 2022.
[4] Crédit Mutuel Asset Management, La Française Systematic Asset Management, CIC Private Debt, Crédit Mutuel Gestion, La Française Real Estate Managers, New Alpha, CIC Market Solutions, Crédit Mutuel Impact, Cigogne Management, BLI, Dubly Transatlantique Gestion.

Investors continue to have a strong interest in money market funds. Net inflows at June 30, 2024 totaled nearly €5.2 billion in Crédit Mutuel Asset Management's money market funds for assets under management of €46.4 billion.

Fixed-maturity bond funds, the flagship expertise of Crédit Mutuel Asset Management, benefited from investor enthusiasm, resulting in inflows of nearly €334.8 million for funds maturing after 2025.

Overall, assets managed by **Crédit Mutuel Asset Management** (post-merger with La Française Asset Management) exceeded €94 billion at June 30, 2024.

A key player in the real estate asset class within the La Française Group, **La Française REM** maintained its leading position in the French collective real estate market in a turbulent environment (REIT scope). La Française REM's real estate activity represented €29.2 billion in assets under management and recorded inflows of €470 million at end-June 2024. It is based on a sustainable approach with a focus on CSR issues, as recognized by the Pierres d'Or 2024 Green Innovation/CSR award.

In a volatile environment, structured products – EMTN created by CIC under the **CIC Market Solutions** brand – were a resounding success, with inflows of €1.62 billion, bringing the entity's assets under management to €13.62 billion.

The private debt activity carried out by **CIC Private Debt** represented €3.2 billion in assets under management at June 30, 2024. The first half of 2024 saw the successful fundraising campaign of CIC Mezzanine and Unitranche no. 6 and the launch of new offerings: the CIC European Large Cap Debt Fund 3 fund and the first CLO (Collateralized Loan Obligation) Victory Street. CIC Private Debt was ranked second among private debt funds for direct loans in France in 2023 by *DebtWire*.

Alternative management, offered by **Cigogne Asset Management,** continues to become more accessible through the new Cigogne UCITS Crédit Opportunities fund. At June 30, 2024, this fund had an annual performance that exceeded that at June 30, 2023 by +8.59%, is classified as an SFDR Article 8 fund and has more than €100 million in assets, just a year after its launch. Cigogne Asset Management had over €1.6 billion in assets under management at June 30, 2024.

NewAlpha Asset Management, an open architecture platform that specializes in manager selection across all asset classes, continues to grow. Internationally, NewAlpha rolled out a global equity mandate for the LACERA California public pension fund. In France, it began raising capital for the third year of its sustainability-focused FinTech fund in France. NewAlpha had €3 billion in assets under management at June 30, 2024.

In partnership with Funds For Good, **BLI** manages a range of three impact funds that have retained their *Towards Sustainability* label. The management company has €13.3 billion in assets under management and recorded redemptions of €842 million in the first half of 2024.

In the first half of 2024, assets managed by Crédit Mutuel Impact grew by nearly 27% compared with the first half of 2023, reaching €817 million at June 30, 2024. This significant increase was due to the continued roll-out of the Environmental and Solidarity Revolution fund, financed each year by Crédit Mutuel Alliance Fédérale's societal dividend. This sustainable impact fund seeks to amplify the transformation of production models and operate in key areas of the climate and environmental transition where significant funding is required and not enough players have emerged. The investments made during the first half of 2024 mainly focused on Better Production, Better Housing and Better Preservation of Ecosystems.

Private Banking[1]

For **Banque Transatlantique,[2]** the first half of 2024 was marked by the resilience of its activities in a sluggish economic environment. Banque Transatlantique's business lines posted solid results both in France and abroad.

The buoyant sales activity of the various subsidiaries and business lines helped net revenue reach €108 million at end-June 2024 (€109 million in June 2023).

Relative to the end of June 2023, net interest income, partly limited by the increase in term deposits, was €25.9 million, down -36% and back to its end-June 2022 level (€26.1 million), while fee and commission income rose by +20% to €82.2 million.

Compared with the first half of 2023, general operating expenses increased by +10% to €69.5 million, reflecting the first investments made under the 2024-2027 strategic plan.

Net income fell to €27.3 million (€33.3 million at end-June 2023) and exceeded budget forecasts.

The cost/income ratio was 64.3%, up 6 points compared with the first half of 2023.

Outstanding loans amounted to €5.5 billion at June 30, 2024 (€5.3 billion at end-2023). Home loans provided by Banque Transatlantique France were down -33% compared with June 2023, while the average interest rate of home loans improved by 125 basis points to 3.86%.

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[1] *The earnings figures quoted in this section correspond to the parent company results of the entities and not their results contributing to the Crédit Mutuel Alliance Fédérale consolidation.*
[2] *Banque Transatlantique includes the following subsidiaries: Banque Transatlantique France, Banque Transatlantique London, Banque Transatlantique Belgium, Banque Transatlantique Luxembourg, Dubly Transatlantique Gestion (asset management business), Transatlantique Private Wealth (not consolidated but included in Banque Transatlantique's business revenues).*

Savings increased by +8.5% in the first half to €67.9 billion. All the subsidiaries and business lines posted solid growth in financial savings, which stood at €62 billion at end-June 2024 (€56.5 billion at end-2023).

Banque de Luxembourg[1] generated net revenue of €203.6 million at end-June 2024, down 5% compared with the same period a year earlier.

This change can be attributed to an 8% decrease in the net interest margin to €87.8 million, and to net fee income, which fell by -5% to €110.9 million.

General operating expenses totaled €128.2 million, a level similar to that at end-June 2023.

The cost of risk showed a net reversal of +€2.5 million (-€1.6 million in June 2023), which resulted in a positive change of +€4.1 million compared with June 2023.

Net income came to €58.5 million, down -4% compared with June 2023. Customer outstandings reached €127 billion at end-June 2024, an increase of +6% compared with June 2023.

During the first half of 2024, **Banque CIC (Suisse)** began to implement the measures set out in its ambitious strategic plan to serve the Swiss economy announced in late 2023[2].

Compared with the results at the end of 2023, the volume of customer deposits decreased by -3% to €8.8 billion. Financing activity was down slightly by -0.9% to €10.54 billion.

At the end of June 2024, net revenue was €109.6 million, down -15.2% compared with June 2023, reflecting the reduction in the Swiss National Bank's key interest rate and the increase in financing costs.

General operating expenses totaled €74.4 million, up +7.7% compared with the first half of 2023, mainly due to the expansion of the workforce (17 additional full-time positions for a total of 470 employees at June 30, 2024). Compared with June 30, 2023, the overall cost of risk was €21.90 million due to the increase in provisions for proven and non-proven risks (at June 30, 2023, the cost of non-proven risk showed a net provision reversal of €7.5 million).

All in all, at June 30, 2024, net income was down significantly by -81.0% to €9.7 million, impacted by increases in operating expenses and the cost of risk.

2.2.1.4.4 Corporate banking

At end June 2024, corporate banking represented 8% of the contribution to net income of Crédit Mutuel Alliance Fédérale's operating business lines.

(in € millions)	1st half 2024	1st half 2023	Change
Net revenue	**335**	**296**	**+13.1%**
General operating expenses	-83	-87	-4.7%
Gross operating income/(loss)	**252**	**209**	**+20.5%**
Cost of risk	-40	-64	-36.6%
cost of proven risk	-44	-97	-54.3%
cost of non-proven risk	4	34	-87.9%
Income before tax	**212**	**145**	**+45.5%**
Income tax	-56	-40	+39.8%
NET INCOME	**156**	**105**	**+47.7%**

The corporate banking business line provides services to large corporate and institutional customers, based on a comprehensive approach to their requirements, both in France and at CIC's foreign subsidiaries (London, Brussels, New York, Singapore and Hong Kong). It also assists the "corporate" networks in their dealings with major customers and contributes to the development of international business and the implementation of specialized financing (acquisitions, assets and projects).

Corporate banking commitments remained stable at €65.7 billion, of which €24.5 billion were drawn.

Net revenue rose by +13.1% to €335 million at the end of the first half of 2024, driven mainly by the increase in the net interest margin. Business volumes remained strong, reflecting good sales momentum in terms of corporate clients and structured financing.

The cost of risk decreased, with a net increase in provisions of -€40 million compared with -€64 million at end-June 2023.

Net income therefore grew by +47.7% to €156 million at June 30, 2024 compared with €105 million at June 30, 2023.

[1] Banque de Luxembourg includes Banque de Luxembourg Investments SA (asset management business line).
[2] As announced in the Press Release dated November 28, 2023.

The **structured financing activity** – acquisition finance, project finance, asset finance and securitization – was strong across all its business lines. Overall, loan production in the first half of the year was up compared with the same period in 2023, totaling €2.0 billion.

Net revenue[1] increased by +4.9% to €145.9 million. The cost of proven risk was zero (slight reversal), which helped generate good results across all business lines. Income before tax[1] stood at €110.3 million, up +7% compared with the first half of 2023.

The **large corporates (CIC Corporate)** activity, which provides long-term support for the development of listed and unlisted major French and foreign industrial companies and financial institutions, generated revenues of more than €500 million. Despite the geopolitical context, business volumes remained strong in the first half of 2024. The increase in net interest income and fee and commission income reflect CIC Corporate's strong sales activity, thanks in particular to a bank credit and bond market spurred by first-time loans, refinancing and amendments and extensions.

In an uncertain geopolitical environment, the teams of the **international business department** are focusing their efforts on offering solutions that ensure both the development and security of international operations:

- by providing corporate clients with support for their international development projects. For instance, 131 companies benefited from the services of CIC Aidexport and the representative offices during the first half of the year;
- by guaranteeing that exporters will be paid through confirmed documentary credit. The number of transactions rose by +12.2% during the half-year period vs. June 2023;
- by offering buyer or discount credit solutions without recourse to export supplier credit;
- by allowing companies to interact with their peers through the CIC International Club.

This first half of the year confirms the relevance of the unit made up of the branches in Brussels, London, New York, Singapore and Hong Kong and the 34 representative offices located on all continents.

2.2.1.4.5 Capital Markets

Net income from Capital Markets represents 6% of the contribution of Crédit Mutuel Alliance Fédérale's operating business lines to the first half-year 2024.

(in € millions)	1st half 2024	1st half 2023	Change
Net revenue	**299**	**293**	**+1.9%**
General operating expenses	-142	-139	+2.0%
Gross operating income	**157**	**154**	**+1.8%**
Cost of risk	3	-1	n.s.
Operating income	**159**	**153**	**+4.2%**
Net gains/(losses) on other assets and ECC	-1	-0	n.s.
Income before tax	**159**	**153**	**+3.7%**
Income tax	-39	-41	-6.4%
NET INCOME	**120**	**112**	**+7.4%**

CIC Marchés comprises the commercial capital markets business - under the CIC Market Solutions brand - for corporate customers and financial institutions, investment activity and the post-market services that support these activities.

The investment and commercial business lines continued to grow, with total net revenue up +1.9% to €299 million. **General operating expenses** increased by +2% to €142 million.

Net income, at €120 million, illustrates the good performance of this activity (+7.4%).

CIC Market Solutions continued to grow in the first half of 2024. IFRS net revenue[2] came to €118.9 million compared with €113.7 million at June 30, 2023, an increase of +5% despite a high basis of comparison.

During the first half of the year, the fund administration business joined the scope. Sales momentum remained strong for all activities.

During the first six months of the year, the **Investment business line** – including France and the New York, Singapore and London branches – generated net revenue of €169.1 million compared with €156.6 million in the first half of 2023. The net revenue of the various divisions in France and abroad was largely positive, particularly in New York.

During the first half of the year, the primary market was abundant regardless of the issuers, despite short-lived periods of volatility linked to the global geopolitical or French political environment.

[1] *Management data.*
[2] *Excluding Singapore.*

2.2.1.4.6 Private equity

At end June 2024, private equity represented 9% of the contribution to net income of Crédit Mutuel Alliance Fédérale's operating business lines.

(in € millions)	1st half 2024	1st half 2023	Change
Net revenue	**223**	**220**	**+1.3%**
General operating expenses	-45	-40	+13.4%
Gross operating income/(loss)	**177**	**180**	**-1.4%**
Income before tax	**177**	**180**	**-1.3%**
Income tax	-2	1	n.s.
NET INCOME	**175**	**181**	**-3.1%**

Crédit Mutuel Equity encompasses the group's equity financing businesses, from innovation capital, growth capital and buyout capital to infrastructure investments and M&A advisory services. Crédit Mutuel Equity finances development projects, mainly in France via eight regional offices in Paris, Lyon, Nantes, Bordeaux, Lille, Strasbourg, Marseille and Toulouse but also abroad through subsidiaries in Germany, Belgium, Switzerland and Canada.

Crédit Mutuel Equity invests Crédit Mutuel Alliance Fédérale's shareholders' equity in the capital of growth companies and makes commitments alongside management to promote innovation, growth and employment, thereby enabling them to complete the necessary transformation of their business models, create financial and non-financial value, and progress through the key stages of their development.

By providing companies with long-term financial resources adapted to the timing of their projects, Crédit Mutuel Equity strengthens their balance sheet to enable them to better withstand crises and pursue their development. Investing its own capital also allows it to align interests and share risks, challenges and strategic ambitions with management. The objective is to create lasting value, both economic and environmental and societal. Crédit Mutuel Equity emphasizes balanced financial arrangements to always ensure a fair redistribution of the value created from its transactions among all stakeholders: shareholders, managers and employees of the companies supported.

Of the 328 equity interests in the portfolio, one in three has been held for more than 10 years, demonstrating the relevance of its long-term commitment. However, the renewal of the companies supported is very dynamic and indicative of the organization's effectiveness: over the last three years, nearly €2.3 billion has been sold and a comparable amount has been invested in new transactions or reinvested in the portfolio companies to help them move through new growth stages.

In financial terms, more than €194 million was invested in the first half of 2024. Meanwhile, the investment portfolio now stands at €3.8 billion, demonstrating the strong momentum of these business lines in all segments, from venture capital to buyouts.

With €223 million in the first half of 2024, total income, three-fourths of which consists of capital gains generated by the portfolio, also remained strong, demonstrating the sound management of the portfolio companies in an uncertain economic environment.

After two years of very buoyant activity, CIC Conseil, which opened a new office in Marseille in April, finalized six transactions representing gross fee and commission income of €2.3 million in the first half of 2024.

Its contribution to net income was €175 million, close to that of the first half of 2023.

2.2.1.4.7 Other business lines: IT, logistics, press & others

At the end of the first half-year 2024, entities in the "other business lines" represented 6% of the contribution to net income of Crédit Mutuel Alliance Fédérale's operating business lines.

This segment mainly comprises:

- *the "technology" business line, which includes the Group's IT companies;*
- *the "logistics" business line, including the logistics entities;*
- *the "media" business line with the EBRA group (Crédit Mutuel Alliance Fédérale's regional daily press group), which has nine regional daily newspapers and more than 1,400 journalists: Le Dauphiné Libéré, Le Progrès, Le Bien Public, Le Journal de Saône et Loire, Le Républicain Lorrain, L'Est Républicain, Vosges Matin, Les Dernières Nouvelles d'Alsace and L'Alsace. The nine publications have strong local roots and cover a total of 23 departments across the entire eastern part of France. The EBRA group operates various print and digital brands as well as an event offering with its subsidiary EBRA Events and video expertise via its subsidiaries EBRA Studios and EBRA Productions;*
- *holding company services*
- *since January 1, 2023, this segment has included a restatement related to the application of IFRS 17: the reclassification as net revenue of expenses incurred by the network for the distribution of insurance policies under "other business lines" to avoid skewing the analysis of the businesses' performance.*

(in € millions)	1st half 2024	1st half 2023
Net revenue	**-29**	**-174**
General operating expenses	95	67
Gross operating income/(loss)	**66**	**-107**
Cost of risk	1	1
Operating income	**67**	**-106**
Net gains and losses on other assets and ECC[(1)]	51	19
Income before tax	**118**	**-86**
Income tax	11	16
NET INCOME	**129**	**-70**

(1) ECC = Equity consolidated companies = share of the net profit/(loss) from equity consolidated companies.

Net revenue for the “Other business lines” segment was -€29 million compared with -€174 million at the end of the first half of 2023.

Gross operating income was positive (€66 million) and up relative to the end of the June 2023. This resulted from:
- a reduction in the net expense of holding company services;
- improvement the “media” business;
- an increase in income for technology related to higher prices and volumes as well as the deferral of certain expenses.

Focus on the media business

During the half-year period, the EBRA group continued to develop its digital subscriber portfolio, which was up 21% compared with the same period in 2023. Thanks to the support of Crédit Mutuel Alliance Fédérale, the introduction of the offering for young people as part of the societal dividend has already brought in 10,000 new subscribers between the ages of 18 and 25.

Revenues continue to be impacted by the structural decline in newspaper copy sales and the difficult advertising market. However, the roll-out of new communication products and services has offset a portion of this decline. This is the case for the “***trading desk***” advertising offering, which grew by 42% in one year.

The editorial offering of the EBRA group’s newspapers also continues to evolve to meet the new expectations of readers thanks to the roll-out of several channels and formats on social networks. Along these lines, “Mission Europe”, a multimedia editorial platform developed for the European elections, aimed to provide high-quality, verified, pluralistic and non-partisan information on all our media and social networks (WhatsApp, TikTok, Twitch, etc.).

A communication campaign that demonstrates the EBRA group’s CSR commitments via a series of five 30-second episodes, called “La presse en circuit court”, was launched on June 5, 2024. It highlights all the CSR initiatives that have been taken and whose benefits are visible and measurable (local distribution, eco-design, sustainable resource management, paper savings, waste management and reverse logistics, data and server security in France).

Lastly, efforts to diversify revenues continued with the acquisition in January 2024 of Gens d’Evénements, an agency that focuses on events as a tool to support transitions, with locations in Paris and Nantes.

Digital transformation and diversification do not yet fully offset the erosion of revenues from sales of printed newspapers. Nevertheless, efforts to control operating expenses have helped to reduce the impact of the decline in revenues on the Group's net income, which improved significantly compared with June 2023.

2.2.1.5 Financial position of Crédit Mutuel Alliance Fédérale

2.2.1.5.1 Balance sheet

The structure of the balance sheet is the reflection of Commercial banking of Crédit Mutuel Alliance Fédérale and the measures taken by the group to strengthen its financial structure in order to meet the new regulatory requirements that will be applicable in the forthcoming years. In particular:

- Crédit Mutuel Alliance Fédérale finances a greater proportion of customer loans through deposits. This change is an extension of the strategy rolled out in recent years. The loan/deposit ratio improved: it stood at 109.4% at June 30, 2024 compared to 110.8% one year earlier;
- Crédit Mutuel Alliance Fédérale’s liquidity risk was strictly managed under a system controlled by BFCM based on a centralized risk management system, described in amendment 2 to the 2023 URD, “Risks and Capital adequacy – Pillar 3”. In this way, significant progress was made in terms of Basel III liquidity ratios, which now exceed the 100% threshold; the LCR amounted to 170% on average in the first half of the year (*vs.* 163% in 2023).

At end June 2024, shareholders’ equity came to €64.1 billion and Common Equity Tier 1 to €57.2 billion. The ratio of Common Equity Tier 1 stood at 18.5%, one of the best at the European level. The overall ratio stood at 20.9% and the leverage ratio at 7.3 % compared to 7.1% at end June 2023.

Assets

Summary. The group's consolidated assets stood at €921.9 billion at June 30, 2024, compared to €913.5 billion at December 31, 2023 (+0.9%).

This +0.9% increase in total assets (+€8.4 billion) was mainly due to the increase in financial assets at fair value through profit or loss (+€7.1 billion or +20.8%) and the increase in assets at fair value through shareholders’ equity (+€3.8 billion or +10.3%).

Financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss include financial instruments held for trading (including derivative instruments) and certain financial assets designated by the group at fair value through profit or loss on the date of their acquisition (including securities held by private equity). These assets are revalued at their fair value during each closure.

The total amount of financial assets at fair value through profit or loss was €40.9 billion at June 30, 2024 compared to €37.1 billion at December 31, 2023. Financial assets at fair value through profit or loss represented over 4% of the total assets of the group at end June 2024.

Financial assets at fair value through shareholders' equity. Financial assets at fair value through shareholders' equity mainly include bonds and other debt securities of €26.9 billion and government securities of €13.2 billion.

Loans and receivables due from credit institutions. Loans and receivables due from credit institutions are composed of demand deposits, inter-bank loans and securities subject to repurchase agreements. Loans and receivables due from credit institutions reached €68.3 billion at the end of the first half year, compared to €66.8 billion at December 31, 2023.

Loans and receivables due from customers. Loans and receivables due from customers stood at €522.5 billion at June 30, 2024, versus €522.0 billion at end December 2023.

Financial investments of insurance activities. Financial investments of insurance activities amounted to €133.5 billion at end June 2024, compared with €131.0 billion at December 31, 2023.

Liabilities (excluding shareholders' equity)

Summary. The Group's consolidated liabilities excluding shareholders' equity amounted to €857.9 billion compared to €851.2 billion at December 31, 2023 (+0.8%). These liabilities include subordinated debt amounting to €12.2 billion as of June 30, 2024 versus €11.5 billion as of December 31, 2023.The increase in liabilities excluding shareholders' equity recorded over the first half-year 2024 is mainly due to the increase in financial liabilities at fair value through profit or loss of €7.0 billion (+39.2%) and debt securities of €10.7 billion.

Financial liabilities at fair value through profit or loss. The total amount of financial liabilities at fair value through profit or loss (held for trading) was €25 billion, compared to €17.9 billion at December 31, 2023.

Debts due to credit institutions. Debts due to credit institutions decreased by €15.2 billion (-30.4%), to €34.8 billion, at June 30, 2024.

Debts due to customers. Debts due to customers are mainly composed of demand deposits, term deposits, regulated savings accounts and securities subject to repurchase agreements. Debts due to customers amounted to €477.4 billion, versus €481.1 billion at December 31, 2023. This decrease is mainly due to the decrease in special regime demand savings accounts and term deposits and loans.

Debt securities at amortized cost. Debt securities are composed of negotiable certificates of deposit and bond issues. Debt securities stood at €161.4 billion, an increase of +7.1% compared to December 31, 2023.

Liabilities related to contracts of Insurance. At end June 2024, liabilities related to insurance contracts stood at €121.0 billion, compared to €119.2 billion at December 31, 2023.

Consolidated equity

The consolidated shareholders' equity attributable to the group stood at €62.0 billion at June 30, 2024, versus €60.4 billion at December 31, 2023, with most of the increase corresponding to the net income carried forward.

Non-controlling interests went to €2,057 million at end June 2024 from €2,015 million at December 31, 2023.

2.2.1.5.2 Liquidity and refinancing

The 2023 year-end projections of a rapid and steep drop in interest rates in the euro zone and the US have been reduced significantly since the beginning of 2024. Given persistent inflationary pressures, short-term rates remained higher than expected with a long-term "inverted" yield curve.

However, inflation in Europe gradually improved over the months and the ECB was finally able to start its monetary easing cycle in June with a 25 basis point (bp) cut in its key rates (its first since 2019). This easing is expected to be gradual, however, with a single additional rate cut between now and the end of the year, based on some scenarios (still subject to a decision by the ECB).

This new phased, gradual downward trend in interest rates led to a rise in yields on the 10-year French treasury bond (OAT) of around 70bp in the first half of the year, recouping a portion of the sharp decline in 2023.

Since June 7, the surprise dissolution of the National Assembly has significantly increased political risk in France and volatility in the financial markets. The 10-year OAT continued to rise and the *OAT/Bund spread* rose from 48bp to over 80bp the day after the dissolution, demonstrating the idiosyncratic risk for France. The OAT/Bund spread dropped back to 65bp at the end of June 2024. This political crisis will make the much-needed improvement in French public finances more difficult.

As in 2023, the bond market continued to be very active with high and sustained demand from investors, enabling debt issuers to achieve their refinancing plans quickly. At the end of the first half of the year, Crédit Mutuel Alliance Fédérale met 72% of its requirements with €12.1 billion in bond issues.

In line with the trends observed last year, the high yields offered and the prospect of a rate cut fueled investor appetite in the first half of the year with a preference for long maturities.

Following the slight imbalance between supply and demand, the secondary market saw a tightening of spreads, barely impeded by the political crisis in June.

These political uncertainties complicate liquidity management, an issue that is again a major concern for banks. The Group will therefore need to seize on these quiet periods to quickly secure its refinancing in the second half of 2024.

In total, external funding obtained by Crédit Mutuel Alliance Fédérale in the markets stood at €161.7 billion at the end of June 2024, a +4.2% increase relative to end-December 2023.

Short-term money market funding (less than one year) totaled €57.7 billion at the end of June 2024, an increase of +9.8% compared with December 2023. It accounted for 36% of all market funding raised, two percentage points more than at the end of 2023.

Medium and long-term (MLT) funding totaled €104 billion at the end of June 2024, an increase of €1.3 billion (+1.3%) compared with the end of 2023. In the period to June 30, 2024, Crédit Mutuel Alliance Fédérale raised €12.1 billion in MLT funding (of which €1.25 billion in prefunding for 2023), primarily under the BFCM name but also under Crédit Mutuel Home Loan SFH, the covered bond issuing entity with the best agency ratings. 78% of this MLT funding was raised in euros and the balance in foreign currencies (US dollar, pound sterling, Swiss franc and Australian dollar), thereby demonstrating the good diversification of the investor base.

Public issues and private placements represented 80% and 20% of the total respectively. The average length of medium and long-term funding raised as of June 30, 2024 was 6.7 years.

June 30, 2024 refinancing program

Public issues in the period to June 30, 2024 had a total value of €9.7 billion and were made up as follows:

- BFCM in an EMTN senior format:
  - EUR 1.75 billion in senior format in a 7- and 10- year issue in May and January,
  - GBP 600 million in a 5-year issue in March,
  - CHF 310 million in an 8-year issue in January,
  - USD 1 billion in a 3-year issue in January in US144A format,
  - AUD 750 million in a 3-year issue in May in Kangaroo format;
- BFCM non-preferred senior EMTNs: €1.25 billion in an 8-year issue in November 2023 as part of the 2024 prefunding;
- BFCM Tier2 EMTNs: €1.5 billion in a 10-year issue in January;
- Crédit Mutuel Home Loan SFH: €2.75 billion in a 7-year issue in January and March.

LCR and liquidity buffer

For the consolidated group, Crédit Mutuel Alliance Fédérale's liquidity position is as follows:

- an average LCR of 170% in the first half of 2024 (vs. 162.8% in 2023);
- average HQLA (high quality liquid assets) of €123.7 billion, 77.2% of which is deposited at central banks (mainly the ECB).

The total liquidity reserves for the consolidated group break down as follows:

Crédit Mutuel Alliance Fédérale *(in € billions)*	**06/30/2024**
Cash deposited in central banks	84.8
LCR securities (after LCR haircut)	30.1
O/w HQLA Level 1 securities	*24.6*
Other eligible assets, central banks (after ECB haircut)	51.3
TOTAL LIQUIDITY RESERVES	**166.2**

The liquidity reserve covers the vast majority of market funding due over 12 months.

Planned refinancing operations

The various amounts allocated by the EIB continued to be passed on to the final beneficiaries of the Crédit Mutuel Alliance Fédérale network in the first half of 2024. The allocation of the "EIB SME & Midcap III" package was finalized.

In addition, the "EIB Young Farmers & Climate Action II" and "EIB Medical Professions" packages are still in progress, enabling the relevant customers to receive support accordingly.

Lastly, following the signing of a new contract with the EIB in late 2023 dedicated exclusively to financing small and medium-sized renewable energy projects, a first drawdown of €60 million was made in early January 2024, followed by a second drawdown of €120 million in June 2024.

2.2.1.5.3 Solvency

At June 30, 2024, Crédit Mutuel Alliance Fédérale's shareholders' equity amounted to €64.1 billion, compared to €62.4 billion at the end of December 2023, an increase of €1.7 billion due to carryforwards.

Crédit Mutuel Alliance Fédérale reported very solid solvency with a Common Equity Tier 1 (CET1) ratio of 18.5%, stable compared to December 31, 2023. The Tier 1 ratio stood at 18.5% as of June 30, 2024, a level almost equivalent to that at the end of 2023 and the overall solvency ratio amounted to 20.9%, up 20 basis points compared to the end of 2023.

CET1 regulatory capital amounted to €57.3 billion, a +2.9% increase compared to December 31, 2023 as a result of retained earnings.

Risk-weighted assets (RWA) stood at €309.7 billion on June 30, 2024 (compared to €300.7 billion at the end of December 2023, a +3% increase). RWAs in terms of credit risk accounted for 90% of the total, at €280.1 billion.

2.2.1.5.4 External ratings

The three rating agencies that issue ratings for Crédit Mutuel Alliance Fédérale and the Crédit Mutuel group all recognize their financial stability and the validity of the business model:

	LT/ST Counterparty**	Issuer/LT Preferred senior debt	Outlook	ST preferred senior debt	Stand-alone rating****	Date of last publication
Standard & Poor's [(1)]	AA-/A-1+	A+	Stable	A-1	a	11/22/2023
Moody's [(2)]	Aa2/P-1	Aa3	Stable	P-1	a3	07/25/2024
*Fitch Ratings** [(3)]	AA-	AA-	Stable	F1+	a+	01/19/2024

**The "Issuer Default Rating" is stable at A+*

***The counterparty ratings correspond to the following agency ratings: Resolution Counterparty for Standard & Poor's, Counterparty Risk Rating for Moody's and Derivative Counterparty Rating for Fitch Ratings.*

****The stand-alone rating corresponds to the Stand Alone Credit Profile (SACP) rating from Standard & Poor's, the Adjusted Baseline Credit Assessment (Adj. BCA) rating from Moody's, and the Viability Rating from Fitch Ratings.*

(1) Standard & Poor's: Crédit Mutuel group rating.

(2) Moody's: Crédit Mutuel Alliance Fédérale/BFCM and CIC ratings.

(3) Fitch Ratings: Crédit Mutuel Alliance Fédérale rating (as the leading entity of the Crédit Mutuel group).

The external ratings and stable outlook assigned to Crédit Mutuel Alliance Fédérale and the Crédit Mutuel group were confirmed by the three main financial rating agencies in late 2023 and early 2024, reflecting the recurrence of their results and the solidity of their financial fundamentals.

2.2.1.6 Alternative performance indicators

ALTERNATIVE PERFORMANCE INDICATORS (API) – ARTICLE 223-1 OF THE AMF GENERAL REGULATION/ESMA GUIDANCE (ESMA/20151415)

Name	Definition/calculation method	For the ratios, justification of use
Cost/income ratio	Ratio calculated from items of the consolidated income statement: ratio of general operating expenses (sum of "employee benefit expense", "other operating expenses" and "movements in depreciation, amortization and provisions for property, plant and equipment and intangible assets") and the "net revenue"	Measure of the bank's operational efficiency
Overall cost of customer risk related to outstanding loans (expressed in % or basis points)	Cost of customer risk from the notes to the consolidated financial statements related to gross outstanding loans at the end of the period	Enables assessment of the level of risk as a percentage of credit commitments on the balance sheet
Cost of risk	The "cost of counterparty risk" item on the publishable consolidated income statement	Measurement of the level of risk
Customer loans	The "loans and receivables due from customers at amortized cost" item in consolidated balance sheet assets	Measurement of customer loan activity
Cost of proven risk	Impaired assets (S3): see note on "cost of counterparty risk"	Measurement of the level of proven risk (non-performing loans)
Cost of non-proven risk	12-month expected losses (S1) + expected losses at maturity (S2): see note on "cost of counterparty risk." Application of IFRS 9	Measures the level of non-proven risk
Customer deposits; deposit accounting	The "amounts due to customers at amortized cost" item in consolidated balance sheet liabilities	Measurement of customer activity in terms of balance sheet resources
Insurance savings	Life insurance-products held by our customers ■ management data (insurance company)	Measurement of customer activity in matters of life insurance
Financial savings; managed savings held in custody	Off-balance sheet savings outstandings held by our customers or held in custody (securities accounts, UCITS, etc.) ■ management data (group entities)	Representative measurement of activity in terms of off-balance- sheet funds (excluding life-insurance)
Total savings	Sum of accounting deposits, insurance savings and bank financial savings	Measure of customer activity in terms of savings
General operating expenses; General operating expenses; management fees	Sum of the lines "employee benefit expense", "other general operating expenses" and "allocations/reversals of depreciation, amortization and provisions for property, plant and equipment and intangible assets" in the publishable consolidated income statement	Measurement of the level of general operating expenses
Net interest margin; Net interest revenue; Net interest income	Calculated from the items on the consolidated income statement: difference between interest received and interest paid: ■ interest received = item "interest and similar income" in the publishable consolidated income statement ■ interest paid = item "interest and similar expenses" in the publishable consolidated income statement	Representative measurement of profitability
Loan/deposit ratio; commitment coefficient	Ratio calculated on the basis of consolidated balance sheet items: ratio expressed as a percentage between total customer loans and customer deposits	Measurement of dependence on external refinancing
Return on assets (ROA)	The average return on total assets ratio is calculated by dividing net income by average total assets over two years	The ROA is a performance indicator of the bank. It measures income in relation to assets employed
Total coverage ratio	Determined by calculating the ratio of provisions for credit risk (S1, S2 and S3 impairment) to the gross outstandings identified as in default in accordance with regulations (gross receivables subject to individual impairment S3)	This coverage ratio measures the maximum residual risk associated with total outstandings
Coverage ratio of non-performing loans	Determined by calculating the ratio of provisions for credit risk (S3 impairment) to the gross outstandings identified as in default in accordance with regulations (gross receivables subject to individual impairment S3)	This hedge rate measures the maximum residual risk associated with loans in default ("non-performing")
Non-performing loan ratio; doubtful and disputed debts - CDL rate	Ratio between gross outstanding receivables subject to individual impairment (S3) and gross customer loans (calculated from the notes "Loans and receivables to customers" to the consolidated financial statements: gross receivables + finance leases)	Indicator of asset quality

ALTERNATIVE PERFORMANCE INDICATORS (API): RECONCILIATION WITH THE FINANCIAL STATEMENTS *(in € millions)*

Cost/income ratio	1st half 2024	1st half 2023
General operating expenses	-4,712	-4,649
Net revenue	8,257	7,984
COST/INCOME RATIO	**57.1%**	**58.2%**

Loan-to-deposit ratio	06/30/2024	06/30/2023
Net customer loans	522,513	510,090
Customer deposits	477,910	460,487
LOANS/DEPOSITS	**109.4%**	**110.8%**

Coverage ratio of non-performing loans	06/30/2024	06/30/2023
Provisions for impairment on non-performing loans (S3)	-7,478	-6,546
Gross receivables subject to individual impairment (S3)	16,307	13,938
COVERAGE RATIO OF NON-PERFORMING LOANS	**45.9%**	**47.0%**

Total coverage ratio	06/30/2024	06/30/2023
Provisions for impairment of non-performing (S3) and performing (S1 and S2) loans	-10,614	-9,866
Gross receivables subject to individual impairment (S3)	16,307	13,938
TOTAL COVERAGE RATIO	**65.1%**	**70.8%**

Non-performing loan ratio	06/30/2024	06/30/2023
Gross receivables subject to individual impairment (S3)	16,307	13,938
Gross customer loans	533,128	519,956
NON-PERFORMING LOAN RATIO	**3.1%**	**2.7%**

Cost of customer risk as a ratio of outstanding loans - annualized	1st half 2024	1st half 2023
Cost of customer risk	-929	-632
Average gross loans to customers	526,542	515,812
COST OF CUSTOMER RISK RELATED TO OUTSTANDING LOANS (IN BP) - ANNUALIZED	**35**	**24**

Return on assets (ROA) - annualized	1st half 2024	1st half 2023
Net income	2,032	1,962*
Average assets	911,896	884,345
RETURN ON ASSETS (ROA) - ANNUALIZED	**0.45%**	**0.44%**

** This data is corrected compared to the First amendment to the 2023 universal registration document published in French on August 13, 2024*

2.2.2 Recent developments and outlook

Crédit Mutuel Alliance Fédérale achieved solid half-year results for 2024 in a period of economic, political and geopolitical uncertainties. As a benefit corporation, Crédit Mutuel Alliance Fédérale will continue to place its performance at the serve of its customers and society in all markets and regions in the second half of the year.

Crédit Mutuel Alliance Fédérale launched its 2024-2027 Togetherness Performance Solidarity strategic plan at the start of the year, and continues to implement its guidelines.

2.3 BFCM ACTIVITIES AND CONSOLIDATED EARNINGS

2.3.1 BFCM activities and earnings – consolidated scope

BFCM's net profit over the consolidated scope for the first half of 2024 was sustained by the same factors that impacted the results of Crédit Mutuel Alliance Fédérale.

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(in € millions)	1st half 2024	1st half 2023	Change
Net revenue	**6,178**	**5,947**	**+3.9%**
General operating expenses	-3,208	-3,096	+3.6%
of which contribution to the single resolution fund, supervision costs and contributions to the DGF(1)	*-59*	*-246*	*-76.2%*
Gross operating income/(loss)	**2,970**	**2,851**	**+4.2%**
Cost of risk	-799	-603	+32.4%
cost of proven risk	*-782*	*-580*	*+34.7%*
cost of non-proven risk	*-17*	*-23*	*-27.3%*
Operating income	**2,171**	**2,248**	**-3.4%**
Net gains and losses on other assets and ECC (2)	39	25	+55.3%
Income before tax	**2,210**	**2,273**	**-2.8%**
Income tax	-496	-595	-16.6%
Net income	**1,714**	**1,678**	**+2.1%**
Non-controlling interests	189	180	+5.2%
GROUP NET INCOME	**1,524**	**1,498**	**+1.8%**

(1) DGF = Deposit Guarantee Fund (Fonds de Garantie des Dépôts).
(2) ECC = Equity consolidated companies = share of the net profit/(loss) from equity consolidated companies.

Net revenue

In the first half of 2024, Banque Fédérative du Crédit Mutuel's net revenue totaled €6.2 billion, up +3.9% compared with the first half of 2023. This increase in revenues was driven by the good resilience of the business lines: stability of retail banking, strong performance of insurance and growth in revenues of the specialized business lines.

In **retail banking**, revenues remained stable in the first half of 2024 at close to €4.2 billion, thanks in particular to the performance of the consumer finance subsidiaries (+6.6%) and the business subsidiaries (+8.7%), while the banking networks (-7.2%) continued to be hard hit by the decrease in margins.

Net **insurance** income was up +9.4%, driven by the increase in income from health, protection & creditor insurance and life insurance, as well as the increase in net financial income.

Net revenue from **asset management and private banking** grew by +11.5%. Asset management revenues include the addition of La Française Group to the consolidation scope as of January 1, 2024. Private banking saw its net revenue fall by -7.6% due to the decrease in the net interest margin.

Corporate banking posted net revenue growth of +13.1% year on year, fueled mainly by the increase in the net interest margin. Despite geopolitical uncertainty, business volumes remained strong, reflecting good sales momentum in terms of corporate clients and structured financing.

Overall, **capital markets** posted solid performance with net revenue up +1.9% in a less volatile market environment.

Private equity revenue remained at a high level of €223 million, up +1.3%, thanks to capital gains generated by the portfolio and despite an uncertain economic environment.

The growth in net revenue of the **other business lines** reflects the stronger performance of the media and IT activities and the holding company's revenues than in the first half of 2023.

General operating expenses and gross operating income

General operating expenses rose by +3.6% to €3.2 billion in the first half of 2024. Excluding the contribution to the Single Resolution Fund (SRF), which had added €198 million to general operating expenses in the first half of 2023, the increase was +10.5%.

The rise in general operating expenses mainly included a higher employee benefits expense triggered by a voluntary increase in the payroll expense, further IT investments and the call for contributions to the Crédit Mutuel Alliance Fédérale Foundation for 100% of its budget related to the societal dividend, in addition to the effects of inflation.

At 51.9%, the cost/income ratio improved by 0.13 percentage points (pp).

Gross operating income rose by +4.2% to nearly €3 billion.

Cost of risk and non-performing loans

The cost of credit risk was -€799 million, which included a provision of -€782 million for proven risk (stage 3) and a provision of -€17 million for performing loans (stages 1 and 2), an increase of +32.4% compared with the first half of 2023.

In line with the trend already seen in 2023, the cost of proven risk increased (-€782 million, +34.7%) in an uncertain economic environment in certain sectors. It rose sharply for the networks - reflecting a rise in business failures and the transition to default of a number of market files in France - and to a lesser extent for the consumer finance subsidiaries (+22.6%). However, there was a decline in the corporate banking business.

The cost of non-proven risk fell by -27.3% in the first half of the year: -€17 million in 2024 vs. -€23 million in 2023, partly due to the downgrade to stage 3 of performing counterparties (stage 1 and stage 2).

At €2.2 billion, operating income fell by -3.4% compared with the first half of 2023.

Other

Net gains and losses on other assets and ECC came to €39 million and consisted of the share of net income of equity consolidated companies.

Income before tax

Income before tax was down by a modest -2.8% to €2.2 billion compared with the first half of 2023. Income tax decreased by -16.6% thanks to positive non-recurring effects.

Net income

Buoyed by the operational performance of the business lines, net income in the first half of 2024 was €1.7 billion, up +2.1% year on year.

Analysis of results by business line

Retail banking

Net revenue from retail banking remained stable at €4.2 billion (-0.9%). General operating expenses were kept under control at €2.5 billion (-0.7%). The cost of risk was up +37.6% (+€202 million) to -€741 million, of which -€729 million for the cost of proven risk (up +53.3%). The cost of non-proven risk fell to -€12 million (-81.2%).
Retail banking posted net income of €640 million (-18.5%).

Insurance

Net insurance income was up +9.4%, driven by the increase in income from health, protection & creditor insurance and life insurance, as well as the increase in net financial income.
General operating expenses of €87 million correspond solely to expenses not attributed to contracts.
The net income contribution was €493 million, up +8.8% compared with end-June 2023.

Asset management and private banking

The total net revenue of both businesses increased by +11.5% to €635 million thanks to the consolidation of the La Française Group entities.

Net revenue from private banking fell by -7.6% to €351 million due to the decrease in the net interest margin (-15.2%), while fee and commission income increased by +9.4%.

Net revenue from asset management was €284 million in the first half of 2024. Overall, general operating expenses increased by +28.4%. The cost of risk was €21 million.

Net income totaled €112 million, down -30% compared with the first half of 2023.

Corporate banking

Net revenue rose by +13.1% to €335 million at the end of the first half of 2024, driven mainly by the increase in the net interest margin. Business volumes remained buoyant, reflecting the strong sales momentum in the corporate and structured finance segments.

The cost of risk decreased, with a net provision of -€40 million compared with -€64 million at end-June 2023.

Net income therefore grew by +47.7% to €156 million at June 30, 2024 compared with €105 million at June 30, 2023.

Capital markets

The investment and commercial business lines continued to grow, with total net revenue up +1.9% to €299 million. General operating expenses increased by +2% to €142 million.

Net income, at €120 million, illustrates the good performance of this activity (+7.4%).

Private equity

More than €194 million was invested in the first half of 2024. The portfolio now stands at €3.8 billion in invested assets, demonstrating the strong momentum of these businesses across all segments: from venture capital to buyouts.
At €223 million in the first half of 2024, total income also remained solid, three-quarters of which was made up of capital gains generated by the portfolio, demonstrating the quality of our investment management in an economic climate marked by uncertainty.

The contribution to net income was €175 million, close to that of the first half of 2023.

2.3.2 Change in activity in the first half of 2024

Outstandings amounted to €290.9 billion at the end of June 2024, up by 3.1% year-on-year.

At June 30, 2024, inflows into Livret Bleu and Livret A passbook accounts were particularly high, with outstandings up 11.0% year-on-year to more than €16.1 billion. This increase was mainly due to the continuation of favorable regulated savings measures, which resulted in an increase in interest on passbook accounts. Conditions in the financial markets encouraged customers to turn toward products that are both liquid and safe.

Thus, brokered deposits (term deposits and PEPs) grew by nearly 36% year-on-year, amounting to €83.9 billion. However, deposits on current accounts fell by -4.2%, as did deposits on mortgage savings agreements, which were down 12.3%.

At the end of the first half of 2024, loan outstandings amounted to €337.8 billion, up +3.0% year-on-year. Despite the rise in interest rates, the growth in outstanding loans remained favorable in all of the main loan categories:

- +2.8% for home outstanding loans, amounting to €120.4 billion;
- +2.9% for consumer loans, representing €46.1 billion;
- +4.2% for equipment loans and leasing, amounting to €115.2 billion.

2.3.3 Transactions with Crédit Mutuel Alliance Fédérale entities

At June 30, 2024, BFCM's consolidated gross operating income included -€675 million from transactions with Crédit Mutuel Alliance Fédérale entities not included in BFCM's consolidated scope (mainly the local banks and CFCM). Net interest expense on these transactions amounted to -€201 million in the first half of 2024, compared to -€75 million a year earlier. Net commissions fell to -€12 million. Net expenses from other activities recorded by these entities amounted to -€371 million as of June 30, 2024, compared to net expenses of -€366 million in the first half of 2023. General operating expenses amounted to -€92 million as of June 30, 2024 compared to -€85 million at the end of June 2023 on a *pro forma* basis. As of the end of the first half of 2024, outstanding loans granted to Crédit Mutuel Alliance Fédérale entities that are not part of the BFCM consolidated scope amounted to €34.4 billion.

2.3.4 Recent developments and prospects

Banque Fédérative de Crédit Mutuel (BFCM) achieved solid 2024 half-year results during a period of economic, political and geopolitical uncertainties. Crédit Mutuel Alliance Fédérale, whose main subsidiaries are owned by BFCM, launched its 2024-2027 *Togetherness Performance Solidarity* strategic plan at the start of the year, and continues to implement its guidelines.

3 CORPORATE GOVERNANCE

3.1 CAISSE FÉDÉRALE DE CRÉDIT MUTUEL – CORPORATE GOVERNANCE REPORT

3.1.1 Introduction

The provisions of Article L.225-37 of the French Commercial Code state that the Board of Directors shall present to the Ordinary Shareholders' Meeting a corporate governance report alongside the management report.
In accordance with Articles L.225-37-4 and L.22-10-10 of the French Commercial Code, this report shall include:

- a list of all of the terms and duties exercised in any company by each corporate officer during the fiscal year;
- the composition of the Board and the conditions for the preparation and organization of its work;
- agreements entered into, directly or through an intermediary, between, on the one hand, one of the corporate officers or one of the shareholders holding more than 10% of the voting rights of a company and, on the other hand, another company controlled by the former within the meaning of Article L.233-3, with the exception of agreements relating to current transactions and entered into under normal conditions;
- a summary table of the current delegations of authority granted by the Shareholders' Meeting in respect of capital increases, pursuant to Articles L.225-129-1 and L.225-129-2, showing the use made of these delegations during the fiscal year;
- at the time of the first report or in the event of any change, the method elected between the two options for Executive Management provided for in Article L.225-51-1;
- a description of the diversity policy applied to the members of the Board of Directors with regard to criteria such as age, gender or qualifications and professional experience, and a description of the objectives of such a policy, its implementation procedures and the results obtained during the past fiscal year. This description shall be supplemented by information on the manner in which the company seeks a balanced representation of women and men within the committee established, if any, by Executive Management to assist it regularly in the performance of its general duties and on the results in terms of gender balance; in the 10% of positions with the highest level of responsibility. If the company does not apply such a policy, the report shall include an explanation of the reasons for not doing so;
- any restrictions that the Board of Directors may impose on the powers of the Chief Executive Officer;
- where a company voluntarily refers to a Corporate Governance Code drawn up by a professional organization, the provisions that have been disregarded and the reasons why, as well as the place where this code can be consulted, or, in the absence of such a reference to a code, the reasons why the company has decided not to refer to it, as well as, where applicable, the rules adopted in addition to the requirements laid down by law.

As it is not a company whose shares are admitted to trading on a regulated market, Caisse Fédérale de Crédit Mutuel does not refer to the Afep-Medef Code.

Caisse Fédérale de Crédit Mutuel complies with the corporate governance regulations applicable to credit institutions. In this respect, it is recalled that the European Banking Authority (EBA) has issued guidance on internal governance (EBA/GL/2021/05) as well as guidance on the assessment of the suitability of members of the management body and holders of key positions (EBA/GL/2021/06) dated July 2, 2021. In its compliance notices of December 7, 2021, the ACPR declared itself compliant with the guidance on internal governance and partially compliant with the guidance on suitability assessment.
An excerpt from the ACPR's compliance notice on how to apply the suitability assessment guidelines is reproduced below:
"This notice specifies the paragraphs of the EBA guidelines EBA/GL/2021/06 with which the ACPR (i) intends to comply: i.e. paragraphs 1 to 162; 164 to 171; 174 to 176; 178 to 207 of the guidelines and (ii) therefore expects the aforementioned institutions to comply with these paragraphs.

Indeed, the ACPR does not intend to comply with the provisions of paragraphs 172 and 173 (assessment of the suitability of the heads of internal control functions and of the Chief Financial Officer by the competent authority) as well as paragraphs 163 and 177 (transmission to the competent authority of the results and documentation relating to the internal assessment of the heads of internal control functions and the Chief Financial Officer). This statement does not call into question the procedures already in place, which will continue to apply for the assessment of persons responsible for internal control at approval and in the event of a change of control.

In addition, the ACPR intends to apply the guidelines relating to attendance and the definition of independent members with two interpretative qualifications:

- *the formal independence of the members of the management body and of the members of the Risk Committee and the Appointments Committee does not constitute a criterion of suitability under current French laws and regulations, which would be enforceable in the context of the examination of an individual application. Under French law, the implementation of the guidelines cannot therefore lead to the refusal of an individual application on this ground alone under the "fit and proper" principle. […] The ACPR considers the presence of independent members on supervisory bodies and other specialized committees to be good practice and not a legal or regulatory requirement;*
- *as a matter of law, failure to meet one or more of the criteria listed in the guidelines (paragraph 89) does not constitute a presumption that a member is not independent. Non-compliance with these criteria does not exhaust the notion of independence and the analysis of this quality must also take into account other measures, in particular those developed by French institutions*

within the framework of the laws and regulations in force and which could make it possible to achieve the same objective of independence.

Pursuant to paragraph (88)(b) of the suitability assessment guidance, the ACPR also intends not to require independent members in relevant institutions that are wholly owned by a relevant institution, and in investment firms that meet the criteria set out in Article 32(4)(a) of Directive 2019/2034/EU or other criteria laid down by a relevant Member State in accordance with Article 32(5) and (6) of Directive No 2019/2034/EU."

At the Board of Directors' meeting of June 26, 2024, Caisse Fédérale de Crédit Mutuel decided to appoint two independent directors in order to comply with the best practices of the EBA guidelines mentioned above.

This corporate governance report explains how Caisse Fédérale de Crédit Mutuel has implemented the guidelines in accordance with the ACPR Notice and its own interpretation.

The report was also prepared in accordance with Annex I of Delegated Regulation 2019/980 of March 14, 2019.

3.1.2 Composition of the management bodies as of June 30, 2024

Presentation of the Board of Directors as of June 30, 2024

COMPOSITION OF THE BOARD OF DIRECTORS

	Age(1)	Gender	Date of 1st term	End of term of office	Committees(2)	Attendance at board
Daniel BAAL *Chairman*	66	M	2024	2025	GAAC GRMC	100%
Marie JOSSO *Vice-Chairwoman*	45	F	2022	2025	Compensation	100%
Gérard CORMORECHE	66	M	1995	2025	GAAC	71%
Bernard DALBIEZ	65	M	2019	2025	Appointments	100%
Bich Van NGO	67	F	2023	2026	**GAAC**	100%
Thierry REBOULET	61	M	2024	2025	**Appointments**	71%
Daniel SCHOEPF	69	M	2018	2026	**GRMC**	100%
Jacques SIMON	67	M	2022	2026	-	100%
Brigitte STEIN	69	F	2024	2026	Compensation	100%
Annie VIROT	69	F	2017	2026	**Compensation**	86%
Luc WYNANT	58	M	2022	2025	**GAAC**	86%
Jeanne LAZARUS *Independent director*	53	F	2024	2026	Compensation	NC*
Nadia MAIZI *Independent director*	59	F	2024	2026	**GRMC**	NC*
Audrey HAMMERER *Director representing employees*	46	F	2016	2025	Compensation	43%
Laurent TORRE *Director representing employees*	56	M	2020	2025	-	43%

In the Committees column, the Committee Chairmen are shown in bold in blue.

(1) Age at 06/30/2024.

(2) GRMC: Group Risk Monitoring Committee – GAAC: Group Auditing and Accounting Committee – Compensation: Compensation Committee – Appointments: Appointments Committee.

** The terms of office of Ms. Lazarus and Ms. Maïzi began at the end of the last Board of Directors meeting of the first half of 2024.*

CENSORS

	Age[(1)]	Gender	Start of term of office	End of term of office	Committees[(2)]	Attendance at board
Joël DERVIN	64	M	2024	2027	-	100%
Charles GERBER	67	M	2020	2026	-	71%
Patrick HOCHE	57	M	2024	2027	-	NC
Edwige SCHMITT-BORTOT	65	F	2022	2025	-	100%

In the Committees column, the Committee Chairmen are shown in bold in blue.

(1) Age at 06/30/2024.

(2) GRMC: Group Risk Monitoring Committee – GAAC: Group Auditing and Accounting Committee – Compensation: Compensation Committee – Appointments: Appointments Committee.

Crédit Mutuel Alliance Fédérale's head company, Caisse Fédérale de Crédit Mutuel, decided, at its Board of Directors meeting on July 27, 2023, to reduce the size of the boards of Caisse Fédérale de Crédit Mutuel and Banque Fédérative du Crédit Mutuel. This has resulted in a number of proposals to ensure that federation and district chairmen, with a few exceptions, have only one mandate within the Crédit Mutuel Alliance Fédérale umbrella structures. Following this decision, the Board of Directors of Caisse Fédérale de Crédit Mutuel, on November 23, 2023, made the following changes to its directors and non-voting directors with effect from January 1, 2024: Ms. Brigitte Stein and Mr. Thierry Reboulet joined the Board of Directors as directors on January 1, 2024. Mr. Joël Dervin and Mr. Alex Weimert joined the Board of Directors as non-voting directors on January 1, 2024.

Change of Chairman in 2024

On February 27, 2024, Mr. Nicolas Théry, Chairman of Crédit Mutuel Alliance Fédérale, announced his decision to step down as Chairman of Confédération Nationale du Crédit Mutuel, Caisse Fédérale de Crédit Mutuel and Fédération du Crédit Mutuel Centre Est Europe. The changes related to this decision took place during the first half of 2024. With regard to Caisse Fédérale de Crédit Mutuel, the Board of Directors of April 4, 2024 appointed Mr. Daniel Baal as Chairman to replace Mr. Nicolas Théry with effect from April 5, 2024 at midnight.

Appointments of independent directors

On June 26, 2024, the Board of Directors of Caisse Fédérale de Crédit Mutuel appointed two independent directors within the meaning of the guidelines of the European Banking Authority, Ms. Jeanne Lazarus and Ms. Nadia Maïzi.

THE FOUR SPECIALIZED COMMITTEES OF THE BOARD OF DIRECTORS

Compensation Committee		Appointments Committee		Group Auditing and Accounting Committee		Group Risk Monitoring Committee	
6 members		6 members		6 members and 11 guests representing the federations		5 members and 10 guests representing the federations	
2 meetings	100% attendance	8 meetings	95% attendance	3 meetings	93.2% attendance	3 meetings	91.75% attendance

Attendance rate applies to members.

Other participants

- In accordance with Article L.2312-72 of the French Labor Code, two representatives of the Social and Economic Committee attend the meetings of the Board of Directors in an advisory capacity;
- The articles of association of Caisse Fédérale de Crédit Mutuel also state that up to three representatives of representative trade union organizations, other than those that have appointed directors representing the employees, shall attend the meetings of the Board of Directors in an advisory capacity.

COMPOSITION OF EXECUTIVE MANAGEMENT

The Executive Management of Caisse Fédérale de Crédit Mutuel is composed of:

- Mr. Éric Petitgand, Chief Executive Officer and effective manager;
- Mrs Anne Sophie Van Hoove, Chief Operating Officer and effective manager;
- Mr. Laurent Métral, Deputy Chief Executive Officer;
- Mr. Frantz Rublé, Deputy Chief Executive Officer.

In line with the announcement by the Chairman of Crédit Mutuel Alliance Fédérale, Crédit Mutuel Alliance Fédérale's Executive Management was expected to change during the meetings of the first half of 2024. On April 4, 2024, the Board of Directors of Caisse Fédérale de Crédit Mutuel appointed Mr. Eric Petitgand as Chief Executive Officer – effective manager replacing Mr. Daniel Baal with effect from April 5, at midnight. At the same meeting, Ms. Anne-Sophie Van Hoove was appointed Chief Operating Officer, effective from June 1, 2024.
The Executive Management is also composed of two Deputy Chief Executive Officers, Mr. Laurent Métral, appointed at the Board of Directors of March 5, 2024, and Mr. Frantz Rublé, appointed at the Board of Directors of April 6, 2017.

3.1.3 Positions and functions held by the members of the management bodies

Directors

Daniel Baal

Born on December 27, 1957
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Daniel Baal began his career in 1979 as a credit records manager at the head office of Banque Fédérative du Crédit Mutuel in Strasbourg and went on to hold various head office and network positions in Strasbourg, Colmar and Mulhouse. In 1995, he became director of commitments at the Southern Regional Division of Caisse Fédérale du Crédit Mutuel Centre Est Europe, then director of Caisse de Crédit Mutuel Mulhouse-Europe in 1999. He was Deputy Chief Executive Officer of Société du Tour de France and director of “cycling” activities for Sport Amaury Organisation from 2001 to 2004. In 2004, he became manager of Caisse Fédérale de Crédit Mutuel Centre Est Europe before being appointed Chief Executive Officer of Fédération and Caisse Régionale du Crédit Mutuel Île-de-France. Then, in 2010, he was appointed Deputy Chief Executive Officer of Confédération Nationale du Crédit Mutuel, then Deputy Chief Executive Officer of Crédit Industriel et Commercial in 2014 and Chief Executive Officer of Caisse Centrale de Crédit Mutuel in 2015.

Between 2017 and 2024, he was Chief Executive Officer of Caisse Fédérale de Crédit Mutuel, Chief Executive Officer of Banque Fédérative du Crédit Mutuel, Chief Executive Officer of Crédit Industriel et Commercial, Chief Executive Officer of Fédération du Crédit Mutuel Centre Est Europe and a member of the Executive Board of Groupe des Assurances du Crédit Mutuel. In 2024, he was appointed Chairman of Caisse Fédérale de Crédit Mutuel, Banque Fédérative du Crédit Mutuel, Crédit Industriel et Commercial and Confédération Nationale du Crédit Mutuel.

Daniel Baal is a graduate of EDC Paris Business School, majoring in Financial Management.

Chairman of the Board Directors
Member of the Group Auditing and Accounting Committee and member of the Group Risk Monitoring Committee
First appointed to the Board: 2024
Term expires: 2025

Other mandates and functions as at June 30, 2024

Chairman of the Board Directors
Caisse Centrale Crédit Mutuel
Confédération Nationale du Crédit Mutuel
Fédération du Crédit Mutuel Centre Est Europe
Banque Fédérative du Crédit Mutuel
Crédit Industriel et Commercial
Crédit Mutuel Impact
Chairman of the Supervisory Board
Cofidis
Cofidis Group
Euro-Information Production
Vice-Chairman of the Board of Directors
Banque de Luxembourg
Member of the Supervisory Board
TARGOBANK AG
Permanent representative of Caisse Fédérale de Crédit Mutuel, member of Supervisoryt Board
Groupe des Assurances du Crédit Mutuel
Permanent representative of Fédération du Crédit Mutuel Centre Est Europe, director
Fonds de dotation pour un sport propre

Terms of office expired over the past five fiscal years

Chief Executive Officer
Fédération du Crédit Mutuel Centre Est Europe
Caisse Fédérale de Crédit Mutuel
Banque Fédérative du Crédit Mutuel
Crédit Industriel et Commercial
Member of the Executive Board
Groupe des Assurances du Crédit Mutuel
Director
Crédit Mutuel Impact
Chairman of the Board Directors
CIC Sud Ouest
CIC Ouest
Chairman of the Supervisory Board
CIC Iberbanco
Vice-Chairman of the Supervisory Board
TARGO Deutschland GmbH
TARGOBANK AG
TARGO Management AG
Director
Fivory SA
Fivory SAS
Permanent representative of Caisse Régionale du Crédit Mutuel Île-de-France, member of the Management Board
Euro-Information

Marie Josso

Born on December 29, 1978
Nationality: French

Business address:
275, Boulevard Marcel Paul Exapole
44800 Saint-Herblain

Summary of main areas of expertise and experience

Holder of a Master's degree in Occupational Psychology, Marie Josso founded and since 2013 chairs the company Ad Potentiel, which provides psychosocial audit, managerial support and recruitment services. In 2012, she became a Director of Caisse de Crédit Mutuel Isac Saint Gildas des Bois. Since 2018, she has been Chairwoman of the Board of Directors of the social landlord Atlantique Habitations and the Maison Familiale de Loire-Atlantique home ownership cooperative. In 2020, she became Vice-Chairwoman of Fédération and Caisse Régionale du Crédit Mutuel Loire Atlantique Centre-Ouest. In 2022, she became a Director of Caisse Fédérale de Crédit Mutuel, and has been Vice-Chairwoman since 2024.

Vice-Chairwoman of the Board of Directors
Member of the Compensation Committee
First appointed to the Board: 2022
Term expires: 2025

Other mandates and functions as at June 30, 2024

Chairwoman of the Board of Directors
Atlantique Habitations
La Maison Familiale de Loire-Atlantique
Demeures et traditions
Chairwoman of the Supervisory Board
Société de coordination Uniter
Chairwoman
Ad Potentiel
Vice-Chairwoman of the Board of Directors
Fédération du Crédit Mutuel Loire-Atlantique Centre-Ouest
Caisse Régionale du Crédit Mutuel Loire-Atlantique Centre-Ouest
Director
Caisse de Crédit Mutuel Isac Saint Gildas des Bois
Livie
Member of the Supervisory Board
Batigere en Île de France

Terms of office expired over the past five fiscal years

Nil

Gérard Cormorèche

Born on July 3, 1957
Nationality: French

Business address:
8 rue Rhin et Danube
69009 Lyon

Summary of main areas of expertise and experience

Holder of an Engineering degree from the *École Supérieure d'Agriculture d'Angers*, Gérard Cormorèche is the managing partner of a cereal and vegetable farm and of CORMORÈCHE SARL, specializing in the processing of red beetroot. He was awarded the insignia of *Chevalier du mérite agricole* in 1999. In 1993, he was elected Chairman of a Crédit Mutuel local bank. He holds offices within Crédit Mutuel at local, regional and national levels. Since 1995, he has been Chairman of Fédération and Caisse de Crédit Mutuel du Sud-Est. He was Chairman of the Board of Directors of Caisse Agricole du Crédit Mutuel from 2004 to 2024.

Director
Member of the Group Auditing and Accounting Committee
First appointed to the Board: 1995
Term expires: 2025

Other mandates and functions as at June 30, 2024

Chairman of the Board Directors
Fédération du Crédit Mutuel du Sud-Est
Caisse de Crédit Mutuel du Sud-Est
Caisse Agricole Crédit Mutuel (CACM)
CECAMUSE
Caisse de Crédit Mutuel Neuville-sur-Saône
Vice-Chairman of the Board of Directors
Fédération du Crédit Mutuel Agricole et Rural
MTRL
Assurances du Crédit Mutuel pour l'éducation et la prévention en santé
Director
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Permanent representative of Caisse de Crédit Mutuel du Sud-Est, director
SICA d'habitat Rural du Rhône et de la Loire
Censor
CIC Lyonnaise de Banque

Terms of office expired over the past five fiscal years

Vice-Chairman of the Board of Directors
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Censor
Crédit Industriel et Commercial
Managing Partner
SARL CORMORECHE
SCEA CORMORECHE Jean-Gérard
Director
Banque Fédérative du Crédit Mutuel
Crédit Industriel et Commercial
Permanent representative of Caisse de Crédit Mutuel du Sud-Est, director
Assurance du Crédit Mutuel Vie SAM

Bernard Dalbiez

Born August 7, 1958 Nationality: French *Business address:* 494 avenue du Prado 13008 Marseille	**Summary of main areas of expertise and experience** High school graduate, Bernard Dalbiez was a train engineer and instructor for SNCF before retiring in 2008. Alongside his primary employment, he was an officer in the French air force reserves, serving until June 2019. In 2010, he was elected Chairman of the Crédit Mutuel de Marseille Pelletan local bank. In 2018, he became District Chairman and Vice-Chairman of Fédération du Crédit Mutuel Méditerranéen. Since 2021, he has been Chairman of Fédération et Caisse Régionale de Crédit Mutuel Méditerranéen and Chairman of the Supervisory Board of Centre de Conseil et de Service.

Director
Member of the Appointments Committee
First appointed to the Board: 2019
Term expires: 2025

Other mandates and functions as at June 30, 2024
Chairman of the Board Directors
Fédération du Crédit Mutuel Méditerranéen
Caisse Régionale du Crédit Mutuel Méditerranéen
Caisse de Crédit Mutuel Marseille Pelletan
Centre de Conseil et de Service
Vice-Chairman of the Board of Directors
Caisse de Crédit Mutuel Ghisonaccia
Director
Caisse Centrale du Crédit Mutuel
Confédération Nationale du Crédit Mutuel
Caisse Méditerranéen de Financement (CAMEFI)
Caisse de Crédit Mutuel de Lozere
Representative of Fédération du Crédit Mutuel Méditerranéen, Chairman of the Supervisory Board
IMMO CMM

Terms of office expired over the past five fiscal years
Chairman of the Supervisory Board
Société Actimut
Chairman of the Board Directors
Caisse de Crédit Mutuel Saint Laurent du Var
Caisse de Crédit Mutuel de Saint Cyr sur Mer
Caisse de Crédit Mutuel de Sainte Maxime – Cogolin
Vice-Chairman of the Board of Directors
Caisse de Crédit Mutuel de Nice Saint Isidore
Member of the Supervisory Board
Banque Européenne du Crédit Mutuel
Censor
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Representative of Caisse Régionale du Crédit Mutuel Méditerranéen, director
Assurance du Crédit Mutuel Vie SAM
Director
Caisse de Crédit Mutuel de Lunel
Caisse de Crédit Mutuel de Sainte Maxime – Cogolin
Permanent representative of Sofinaction, director
Banque Fédérative du Crédit Mutuel

Bich Van Ngo

Born on July 21, 1956
Nationality: French

Business address:
18 rue de la Rochefoucauld
75009 Paris

Summary of main areas of expertise and experience

A chartered accountant, with a Master's degree in Economics from the University of Paris Dauphine and corporate director certification from *Sciences-Po Paris*, Bich Van Ngo has been Chairwoman and Chief Executive Officer of NGO Audit et Conseil since 2018. She began her career in 1979 and worked in various groups as Chief Financial Officer, before becoming Chairwoman and Chief Executive Officer in 2018. In 2013, she was appointed to the Board of Directors of Caisse de Crédit Mutuel de Verrières le Buisson before becoming its Chairwoman in 2015. She has been a member of the Board of Directors of Fédération du Crédit Mutuel Ile-de-France since 2018, of the Group Auditing and Accounting Committee of Crédit Mutuel Alliance Fédérale since 2020, of which she became Chairwoman in 2023. She was a member of the Board of Directors of Banque Fédérative du Crédit Mutuel until 2023.

Director
Chairwoman of the Group Auditing and Accounting Committee
First appointed to the Board: 2023
Term expires: 2027

Other mandates and functions as at June 30, 2024

Chairwoman of the Board of Directors
Caisse de Crédit Mutuel de Verrières le Buisson
Director
Fédération du Crédit Mutuel Ile-de-France
Independent Director
Haffner Energy
Banque de Luxembourg
Chairwoman – Chief Executive Officer
NGO Audit et conseil
Chairwoman
Association mouvement des citoyens français d'origine vietnamienne

Terms of office expired over the past five fiscal years

Director
Banque Fédérative du Crédit Mutuel

Thierry Reboulet

Born on August 3, 1962
Nationality: French

Business address:
130-132 avenue Victor-Hugo
26009 Valence Cedex

Summary of main areas of expertise and experience

Holder of a Technology University Degree in Business Management and Administration, Thierry Reboulet served as General Manager of Services at the town hall of Tain l'Hermitage for 17 years (36 years of service). In 1998 he was appointed Chairman of a Crédit Mutuel local bank. In 2001, he became a director of Fédération du Crédit Mutuel Dauphiné-Vivarais. He was appointed Chairman of Caisse de Crédit Mutuel de Tain l'Hermitage in 2014. Since 2021, he has chaired the Fédération and Caisse Régionale du Crédit Mutuel Dauphiné-Vivarais and has been Chairman of the Appointments Committee of Caisse Fédérale de Crédit Mutuel since 2022.

Director
Chairman of the Appointments Committee
First appointed to the Board: Co-opted by the Board of Directors on November 23, 2023 with effect from January 1, 2024
Term expires: 2025

Other mandates and functions as at June 30, 2024

Chairman of the Board Directors
Fédération du Crédit Mutuel Dauphiné-Vivarais
Caisse Régionale du Crédit Mutuel Dauphiné-Vivarais
Caisse de Crédit Mutuel Vallée du Rhône
Caisse de Crédit Mutuel Tain l'Hermitage
Censor
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel

Terms of office expired over the past five fiscal years

Director
Banque Fédérative du Crédit Mutuel
Censor
Caisse Fédérale de Crédit Mutuel
Permanent representative of Caisse Régionale du Crédit Mutuel Dauphine-Vivarais, director
Assurances du Crédit Mutuel Vie SAM

Daniel Schoepf

Born on March 9, 1955
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Recipient of a BTS in Commercial Operations and of multiple training courses in IT and management, Daniel Schoepf made his career in the IT sector for nearly 40 years before his retirement in 2015.
In 1996 he was elected Chairman of the Union des Caisses de Crédit Mutuel du District de Saverne de la Fédération du Crédit Mutuel Centre Est Europe. In 2014, he was elected Chairman of Caisse de Crédit Mutuel Dettwiller. He has been Chairman of the Group Risk Monitoring Committee since 2016.

Director
Chairman of the Group Risk Monitoring Committee
First appointed to the Board: 2018
Term expires: 2026

Other mandates and functions as at June 30, 2024

Chairman of the Board Directors
Caisse de Crédit Mutuel Dettwiller
Director and Chairman of the Saverne District
Fédération du Crédit Mutuel Centre Est Europe
Director
Éditions des Dernières Nouvelles d'Alsace
SAP L'Alsace

Terms of office expired over the past five fiscal years

Member of the Supervisory Board
Banque Européenne du Crédit Mutuel
Permanent representative of BFCM, director
Assurance du Crédit Mutuel Vie SAM

Jacques Simon

Born August 16, 1956
Nationality: French

Business address:
26 rue de France
88300 Neufchateau

Summary of main areas of expertise and experience

Holder of a technical certificate from the Ecole Supérieure d'Application de Bourges, Jacques Simon worked as a non-commissioned officer in the French Army while completing his training. He then served for 18 years as an executive director of a medical-social institution, before moving on in 2010 as a director of medical-social institutions before retiring on May 1, 2017. A track and field coach and former top athlete, he is also president of a sports association since 2012.Since 2002, he has been a member of the board of the Caisse de Crédit Mutuel de la Plaine des Vosges, becoming its Chairman in 2013. In 2018, he became Chairman of the Vosges district, director at Fédération du Crédit Mutuel Centre Est Europe and then censor at the Banque Fédérative du Crédit Mutuel. Since 2019, he has chaired the Board of Directors of Cautionnement Mutuel de l'Habitat.

Director
First appointed to the Board: 2022
Term expires: 2027

Other mandates and functions as at June 30, 2024

Chairman
La Tricolore Néocastrienne
Chairman of the Board Directors
Caisse de Crédit Mutuel la Plaine des Vosges
Cautionnement Mutuel de l'Habitat
Director and Chairman of the District of Epinal
Fédération du Crédit Mutuel Centre Est Europe
Permanent representative of Cautionnement Mutuel de l'Habitat, Managing Partner
SCI Quai de Paris

Terms of office expired over the past five fiscal years

Nil

Brigitte Stein

Born January 10, 1955
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Holder of a Higher Technician's Certificate in Computer Science, Brigitte Stein was a Programmer and Analyst Project Manager at Charbonnages de France from 1975 to 2004. She is Vice-Chairwoman of Caisse de Crédit Mutuel de Saint-Avold and a member of the Board of Directors of Fédération du Crédit Mutuel Centre Est Europe. Since 2024, she has been a director of Caisse Fédérale de Crédit Mutuel, notably chairing the federal commission and the inter-federal commission for the training of elected representatives.

Director
Member of the Compensation Committee
First appointed to the Board: 2024
Term expires: 2026

Other mandates and functions as at June 30, 2024

Director
Caisse de Crédit Mutuel Saint Avold
Permanent representative of BFCM, Director
Fédération du Crédit Mutuel Centre Est Europe

Terms of office expired over the past five fiscal years

Member of the Supervisory Board
Banque Européenne du Crédit Mutuel

Annie Virot

Born on March 6, 1955
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Holder of a CAPES in Mathematics from the Université de Reims, Annie Virot taught mathematics for some 20 years before working as a consultant and then as a trainer.
In 2007, she was elected Chairwoman of Caisse de Crédit Mutuel de Dijon Darcy. She has been Chairwoman of the District of Bourgogne-Champagne of Fédération du Crédit Mutuel Centre Est Europe since 2018. She has been Chairwoman of the Compensation Committee of Caisse Fédérale de Crédit Mutuel since 2020. In 2021, she became a director and member of the Compensation Committee of Confédération Nationale du Crédit Mutuel.

Director
Chairwoman of the Compensation Committee
First appointed to the Board: 2017
Term expires: 2026

Other mandates and functions as at June 30, 2024

Chairwoman of the Board of Directors
Caisse de Crédit Mutuel de Dijon Darcy
Vice-Chairwoman of the Board of Directors and Chairwoman of the District of Bourgogne-Champagne
Fédération du Crédit Mutuel Centre Est Europe
Director
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel

Terms of office expired over the past five fiscal years

Nil

Luc Wynant

Born on February 19, 1966
Nationality: Belgian

Business address:
4 place Richebé
59000 Lille

Summary of main areas of expertise and experience

Holder of a Law degree from the University of KU Leuven and an MBA from Vlerick Business School, Luc Wynant has been a founding partner of the law firm Van Olmen & Wynant in Brussels since 1993 and Head of the Corporate Law Department. For several years, he was a university assistant and lecturer at KU Leuven Faculty of Law.
In 2012, he was appointed member of the Board of Directors of Beobank NV/SA, before joining the Fédération and Caisse Régionale du Crédit Mutuel Nord Europe in 2019 as a director. He became Chairman of the Board of Directors in 2024.

Director
Member of the Group Auditing and Accounting Committee
First appointed to the Board: 2022
Term expires: 2025

Other mandates and functions as at June 30, 2024

Chairman of the Board of Directors
Fédération du Crédit Mutuel Nord Europe
Caisse Régionale du Crédit Mutuel Nord Europe
Vice-Chairman of the Board of Directors
CCM Lille Liberté
Director
Beobank NV/SA
ACM Belgium Life (Bruxelles)
Member
Belgian Venture Capital and Private Equity Association
European Private Equity and Venture Capital Association
Founding partner
Val Olmen & Wynant

Terms of office expired over the past five fiscal years

Director
Fédération du Crédit Mutuel Nord Europe
Caisse Régionale du Crédit Mutuel Nord Europe

Jeanne Lazarus

Born on March 17, 1978
Nationality: French

Business address:
Sciences Po
27 rue Saint Guillaume
75007 Paris

Summary of main areas of expertise and experience

A graduate of the Institut d’études politiques de Paris, an associate in economics and social sciences and holder of a doctorate in sociology from the École des Hautes Études en Sciences Sociales and an accreditation to supervise research, Jeanne Lazarus is Director of Research at the National Center for Scientific Research, member of the Scientific Council of the National Council on Policies for Combating Poverty and Social Exclusion and Dean of Sciences Po University College.

Independent Director
Member of the Compensation Committee
First appointed to the Board: 2024
Term expires: 2026

Other mandates and functions as at June 30, 2024

Nil

Terms of office expired over the past five fiscal years

Nil

Nadia Maïzi

Born on February 19, 1965
Nationality: French and Algerian

Business address:
Mines Paris - PSL - CMA
1 rue Claude Daunesse BP 207
06904 Sophia Antipolis Cedex

Summary of main areas of expertise and experience

A professor at the École des Mines de Paris, Nadia Maïzi is an engineer and holds a doctorate from MINES Paris – PSL. She did her post-doctorate at Stanford University. A member of the IPCC, she is director of the research laboratory at the École des Mines de Paris, holder of the Chair of Prospective Modeling for Sustainable Development and director of the TTI.5 Institute. She is a Knight of the Academic Palms and the Legion of Honor and an Officer of the National Order of Merit.

Independent Director
Member of the Group Risk Monitoring Committee
Lead Director Climate & Environment
First appointed to the Board: 2024
Term expires: 2026

Other mandates and functions as at June 30, 2024

Director

Fondation Worldline

Terms of office expired over the past five fiscal years

Nil

Directors representing employees

Audrey Hammerer

Born on January 8, 1978
Nationality: French

Business address:
55 rue du Général de Gaulle
38210 Tullins

Summary of main areas of expertise and experience

Holder of a Bachelor's in History & Geography and in Insurance, Banking & Finance, Audrey Hammerer joined Crédit Mutuel in 2002 as an advisor before being appointed customer relationship manager in the Grenoble professional division of Crédit Mutuel Dauphiné-Vivarais.
Since 2016, she has been a director representing the employees of Caisse Fédérale de Crédit Mutuel on the Board. Since 2022, she has been a member of the Mission Committee of Crédit Mutuel Alliance Fédérale. She is the Director of Caisse de Crédit Mutuel de Vizille.

Director representing employees
Member of the Compensation Committee
First appointed to the Board: 2016
Term expires: 2025

Other mandates and functions as at June 30, 2024

Director representing employees

Fédération du Crédit Mutuel Dauphiné-Vivarais

Terms of office expired over the past five fiscal years

Nil

Laurent Torre

Born on August 5, 1967
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Holder of a Master's degree in Private Law, Laurent Torre is head of legal affairs at Caisse Fédérale de Crédit Mutuel. He began his career in 1995 as a lawyer at Assurances du Crédit Mutuel before joining Caisse Fédérale de Crédit Mutuel in 2000.
Since January 2020, he has been a director representing the employees of Caisse Fédérale de Crédit Mutuel on the board. Since 2022, he has been a member of the Mission Committee of Crédit Mutuel Alliance Fédérale.

Director representing employees
First appointed: 2020
Term expires: 2025

Other mandates and functions as at June 30, 2024

Nil

Terms of office expired over the past five fiscal years

Nil

Directors whose terms of office expired during the first half of 2024

Nicolas Théry

Born on December 22, 1965
Nationality: French
Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 STRASBOURG

Summary of main areas of expertise and experience

Nicolas Théry began his career in the financial inspection department in 1989 before joining the treasury department in 1993. From 1997 to 2000, he was an adviser in the office of the Minister of the Economy and Finance in charge of monetary and financial topics and then international and European topics. In 2000, he became director of the Private Office of Florence Parly, Secretary of State for the Budget. From 2000 to 2002, he was Confederal Secretary of the CFDT in charge of economic issues. He participated in the creation of the Comité intersyndical de l'épargne salariale and of the social and environmental rating agency Vigeo, directed by Nicole Notat. From 2002 to 2009, he worked at the European Commission as director of cabinet of Pascal Lamy, Commissioner for International Trade, before joining the directorate general for Enterprise and becoming director in the directorate general for the Environment where he worked on climate change. In 2009, he joined Crédit Mutuel. He was Chairman and Chief Executive Officer of CIC Est from 2012 to 2016. Fom 2014 to 2016, he has been Chairman of Caisse Fédérale de Crédit Mutuel, Banque Fédérative du Crédit Mutuel and Crédit Industriel et Commercial. From 2016 to 2024, he has been Chairman of Confédération Nationale du Crédit Mutuel and Fédération du Crédit Mutuel Centre Est Europe. He also chaired the Supervisory Board of Groupe des Assurances du Crédit Mutuel. He was Chairman of the Fédération bancaire française – French Banking Federation from September 1, 2021 to September 2022.
Nicolas Théry is a graduate of Science Po Paris and of the École Nationale d'Administration (ENA) – top of the "Liberty, Equality, Fraternity" class – and holds a Master's degree in Law, Economics, Management with a specialization in Business Law.

Chairman of the Board Directors
First appointed to the Board: 2014
Term expires: 2024

Other mandates and functions as at June 30, 2024

Chairman
Fondation Crédit Mutuel Alliance Fédérale
Fondation du Crédit Mutuel pour la lecture
Director
Caisse de Crédit Mutuel Strasbourg Vosges
Musée Rodin
Member
Comité d'éthique de la Défense

Terms of office expired over the past five fiscal years

Chairman
Fédération bancaire française
Member of the Management Board
Euro-Information
Chairman of the Board Directors
Banque CIC Nord Ouest
Dialogues
Confédération Nationale du Crédit Mutuel
Caisse Centrale Crédit Mutuel
Fédération du Crédit Mutuel Centre Est Europe
Banque Fédérative du Crédit Mutuel
Caisse Fédérale de Crédit Mutuel
Crédit Industriel et Commercial
Crédit Mutuel Impact
Banque CIC Est
Assurances du Crédut Mutuel Vie SA
Assurances du Crédut Mutuel Vie SAM
ACM IARD SA
Chairman of the Supervisory Board
Groupe des Assurances du Crédit Mutuel
Banque Européenne du Crédit Mutuel
Permanent representative of Groupe des Assurances du Crédit Mutuel, director
ACM GIE
Permanent representative of Fédération du Crédit Mutuel Centre Est Europe, member of the Management Board
Euro-Information

Hélène Dumas

Born on September 9, 1957
Nationality: French

Business address:
Place de l'Europe –
105 rue du Faubourg Madeleine
45920 Orléans

Summary of main areas of expertise and experience

Holder of a Bachelor's degree in Economics and Management and a *Diplôme d'Études Comptables Supérieures* (DECS), Hélène Dumas has held various positions including Assistant Director and then Deputy Director in charge of support functions such as Human Resources, IT and Logistics within Mutualité Sociale Agricole, before retiring in 2013. In 1998, she became a Director of Caisse de Crédit Mutuel d'Orléans Châtelet, which she has chaired since 2017. Since 2020, she has been a Director of Fédération and Caisse Régionale de Crédit Mutuel du Centre.

Vice-Chairwoman of the Board of Directors
Member of the Appointments Committee
First appointed to the Board: 2022
Term expires: 2024

Other mandates and functions as at June 30, 2024

Chairwoman of the Board of Directors
Caisse de Crédit Mutuel d'Orléans Châtelet
Vice-Chairwoman of the Board of Directors
Fédération Régionale des Caisses de Crédit Mutuel du Centre
Crédit Industriel et Commercial
Director
Caisse Régionale de Crédit Mutuel du Centre

Terms of office expired over the past five fiscal years

Vice-Chairwoman of the Board of Directors
Caisse Fédérale de Crédit Mutuel

Marie-Jean Boog

Born on August 30, 1961
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

After obtaining her State diploma in 1982, Marie-Jean Boog began her career as a nurse, which she continued until 1988. During the same year, she joined the Association Saint Christophe Walscheid as a healthcare manager. In 1991, she obtained a university degree in Gerontology and then trained as a nursing manager in 1992. In 1998, she trained as a director of a healthcare institution and an ESMS, enabling her to become Head of Institutions for the Association Saint Christophe Walscheid.

In 2000, she became a member of Caisse de Crédit Mutuel Bièvre et Vosges and took over as its Chairwoman in 2010. In 2018, she was appointed member of the Supervisory Board of Banque Européenne du Crédit Mutuel and Director of Fédération du Crédit Mutuel Centre Est Europe, Chairwoman of the District of Sarrebourg. Since 2022, she has been a member of the Mission Committee of Crédit Mutuel Alliance Fédérale.

Director
First appointed to the Board: 2022
Term expires: 2024

Other mandates and functions as at June 30, 2024

Director
Banque Fédérative du Crédit Mutuel
Director and Chairwoman of the District of Sarrebourg
Fédération du Crédit Mutuel Centre Est Europe
Chairwoman of the Board of Directors
Caisse de Crédit Mutuel Bièvre et Vosges
Head of Institutions
Association Saint Christophe Walscheid

Terms of office expired over the past five fiscal years

Member of the Supervisory Board
Banque Européenne du Crédit Mutuel

Monique Boughelilba

Born on October 19, 1965
Nationality: French

Business address:
130-132 avenue Victor-Hugo
26009 Valence cedex

Summary of main areas of expertise and experience

Monique Boughelilba began her career as an administrative assistant. With a Baccalauréat G1 diploma, she joined the local civil service. She then graduated as a copywriter at the Centre National de la Fonction Publique Territoriale. In 1997, she joined Grenoble Alpes Métropole as head of development for the public transport network, then as head of administrative and financial monitoring of investment operations, before becoming project manager.
In 2016, she was elected Chairwoman of the Board of Directors of Caisse de Crédit Mutuel Fontaine, she then became Vice-Chairwoman of the Board of Directors of the Fédération and Caisse Régionale du Crédit Mutuel Dauphiné Vivarais, of Caisse de Crédit Mutuel Vallée du Rhône and a member of the Supervisory Board of Cautionnement Mutuel de l'Habitat.

Director
First appointed to the Board: 2023
Term expires: 2026

Other mandates and functions as at June 30, 2024

Chairwoman of the Board of Directors
Caisse de Crédit Mutuel Fontaine
Vice-Chairwoman of the Board of Directors
Fédération du Crédit Mutuel Dauphiné-Vivarais
Caisse Régionale du Crédit Mutuel Dauphiné-Vivarais
Caisse de Crédit Mutuel de la Vallée du Rhône
Director
Crédit Industriel et Commercial
Member of the Supervisory Board
Cautionnement Mutuel de l'Habitat

Terms of office expired over the past five fiscal years

Director
Caisse Fédérale de Crédit Mutuel

Nicolas Habert

Born on April 27, 1962
Nationality: French

Business address:
6 rue de la Tuilerie
31130 Balma

Summary of main areas of expertise and experience

A graduate of ISEP and ESSEC and holder of an Actuarial degree, Nicolas Habert has been an independent consultant with NH Consulting since 2007. He began his career in 1987 at the Banque Nationale de Paris as customer relationship manager before joining Caisse des Dépôts et Consignations in 1989 and then Caisse Centrale de Crédit Mutuel in 1993. From 1988 to 2012 he worked as a part-time trainer for various entities at the training center for the banking profession and the Purpan engineering school from 1996 to 2007, where he taught management, finance and international commerce.
In 2001, he became a director of a new Crédit Mutuel local bank and was appointed Chairman in 2010. Since 2017, he has been a federal director. From 2017 to 2023, he was Chairman of the Supervisory Board of Cautionnement Mutuel de l'Habitat. In May 2020, he was appointed Chairman of Caisse Régionale and Fédération du Crédit Mutuel Midi-Atlantique.

Director
Member of the Group Risk Monitoring Committee
First appointed to the Board: 2020
Term expires: 2024

Other mandates and functions as at June 30, 2024

Chairman of the Board Directors
Fédération du Crédit Mutuel Midi Atlantique
Caisse Régionale du Crédit Mutuel Midi Atlantique
Caisse du Crédit Mutuel de Toulouse Purpan
Director
Banque Fédérative du Crédit Mutuel
Permanent representative of Caisse Régionale du Crédit Mutuel Midi-Atlantique, director
Assurance du Crédit Mutuel Vie SAM
Permanent representative of Marsovalor, director
Banque CIC Sud Ouest
Censor
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel

Terms of office expired over the past five fiscal years

Chairman of the Supervisory Board
Cautionnement Mutuel de l'Habitat

Christine Leenders

Born on February 21, 1956
Nationality: French

Business address:
1 place Molière
49000 Angers

Summary of main areas of expertise and experience

With a BTS degree in Tourism and completion of courses in Coaching and Mentoring, Christine Leenders is a senior manager of *Haras des Landes.*
In 2001, she was appointed a director of Caisse de Crédit Mutuel de Durtal-Seiches-sur-le-Loir, before being elected Chairwoman of that local bank in 2003.
Since 2006, she has been a director of Caisse de Crédit Mutuel Agricole et Rurale de l'Anjou and of Fédération and Caisse Régionale du Crédit Mutuel Anjou since 2010. From 2017 to 2024, she was member of the board of Caisse Fédérale de Crédit Mutuel.

Director
First appointed to the Board: 2017
Term expires: 2024

Other mandates and functions as at June 30, 2024
Chairwoman of the Board of Directors
Caisse de Crédit Mutuel de Durtal-Seiches-sur-le-Loir
Director
Fédération du Crédit Mutuel Anjou
Caisse Régionale du Crédit Mutuel d'Anjou
Caisse de Crédit Mutuel Agricole et Rural de l'Anjou
Managing Partner
Les Landes
Terms of office expired over the past five fiscal years
Chairwoman
Le pied à l'étrier
Écurie le mors aux dents
Director
Caiss Fédérale de Crédit Mutuel

Frédéric Ranchon

Born on June 22, 1966
Nationality: French

Business address:
61 rue Blatin
63000 Clermont-Ferrand

Summary of main areas of expertise and experience

A graduate of the pharmacy school of Chatenay-Malabry, Frédéric Ranchon began his career as a pharmaceutical salesman in 1988 before receiving training in entrepreneurship at the ESC of Clermont Ferrand and ESSEC Paris and taking over management of a shop, Orchestra, in 2003.
From 2005 to 2019, Frédéric Ranchon was key accounts manager for ABBOT/ABBVIE Laboratories (large hospital accounts).
He has been Chairman of Fédération du Crédit Mutuel Massif Central since 2017 as well as Chairman of Caisse Régionale du Crédit Mutuel Massif Central since 2016.

Director
First appointed to the Board: 2018
Term expires: 2024

Other mandates and functions as at June 30, 2024
Chairman of the Board Directors
Fédération du Crédit Mutuel Massif Central
Caisse Régionale du Crédit Mutuel Massif Central
Director
Caisse de Crédit Mutuel Chamalières
Permanent representative of Caisse Régionale du Crédit Mutuel Massif Central, director
Assurances du Crédit Mutuel Vie SAM
Censor
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Member
CCI du Puy-de-Dôme
Terms of office expired over the past five fiscal years
Managing Partner
SAXO
SAXO MOD
Director
Caisse de Crédit Mutuel Clermont les 9 Soleils
Caisse de Crédit Mutuel Cebazat
Member of the Supervisory Board
Groupe ESC Clermont Auvergne Developpement

Agnès Rouxel

Born on April 20, 1958
Nationality: French

Business address:
17 rue du 11 novembre
14052 Caen

Summary of main areas of expertise and experience

Agnès Rouxel has a university degree in Adult Education. She is Managing Partner of JP2A and GENÈSE, two international consulting and human performance training firms.
Together with her main occupation, she chairs the Commission of Elected Representatives of the Seine Estuary Chamber of Commerce and Industry (la Chambre de Commerce et d'Industrie Seine Estuaire), is a member of the Seine Estuary MEDEF and the European Council of Business and Commercial Women (Seine Estuaire et du Conseil Européen Femmes Entreprises et Commerce).
Since 2018 she has been Chairwoman of Caisse de Crédit Mutuel Sainte-Adresse and member of the Board of Directors of Caisse Régionale du Crédit Mutuel Normandie.

Director
First appointed to the Board: 2017
Term expires: 2024

Other mandates and functions as at June 30, 2024

Chairwoman of the Board of Directors
Caisse de Crédit Mutuel Sainte-Adresse
Permanent representative of Caisse de Crédit Mutuel de Sainte-Adresse, director
Caisse Régionale du Crédit Mutuel de Normandie
Technical advisor
Chambre de Commerce et d'Industrie Seine Estuaire
Member of the board
Conseil européen des entreprises et commerce – Conseil du commerce de France
Managing Partner
JP2A
Genèse

Terms of office expired over the past five fiscal years

Director
MEDEF Seine Estuaire
Caisse Fédérale de Crédit Mutuel
Member and Chairwoman of the Commission of Elected Representatives
Chambre de Commerce et d'Industrie Seine Estuaire

Jean-Louis Maître

Born on February 26, 1957
Nationality: French

Business address:
99 avenue de Genève
74054 Annecy

Summary of main areas of expertise and experience

Trained as an independent accountant, Jean-Louis Maître had a career in public accountancy for 39 years, including 26 years as director of a ten-person firm, before retiring on March 1, 2017.
Elected to the Board of Directors of the Crédit Mutuel de Bourg Saint Maurice local bank on March 15, 1989, as Vice-Chairman of the Board of Directors of that same local bank on March 16, 1994 and then as Chairman on March 16, 2000. In 2000, he became a director of Fédération du Crédit Mutuel Savoie-Mont Blanc. Censor of Confédération Nationale and Caisse Centrale du Crédit Mutuel since 2018, he became a director in 2022. He has also been a director of Caisse Fédérale de Crédit Mutuel since May 10, 2019. In 2020, he was appointed Chairman of Fédération and Caisse Régionale du Crédit Mutuel Savoie-Mont Blanc. Since 2022, he has been a member of the Mission Committee of Crédit Mutuel Alliance Fédérale.

Director
First appointed to the Board: 2019
Term expires: 2024

Other mandates and functions as at June 30, 2024

Chairman of the Board Directors
Fédération du Crédit Mutuel Savoie-Mont Blanc
Caisse Régionale du Crédit Mutuel Savoie-Mont Blanc
Caisse de Crédit Mutuel de Bourg Saint-Maurice
Director
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Permanent representative of Caisse Régionale du Crédit Mutuel Savoie-Mont Blanc, director
Assurances du Crédit Mutuel Vie SAM
ALPES HABITAT

Terms of office expired over the past five fiscal years

Director
Caisse Fédérale du Crédit Mutuel
Censor
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel

Alex Weimert

Born on May 23, 1954
Nationality: French

Business address:
Rue du Prof Raymond Garcin
97201 Fort de France

Summary of main areas of expertise and experience

Holder of a diploma in Agro-economics and a post-graduate degree in Advanced Studies, Alex Weimert began his career as director of Coopérative Fruitière de Guyane before becoming a technical and educational adviser at the Ministry of Youth and Sports. In 1984 he founded IFODES, a vocational training organization and then in 1988, he founded Guyane Technologies Systèmes, an IT services company. Mr. Alex Weimert is now retired.
In 1992, he became Chairman of the Crédit Mutuel de Guyane local bank before becoming Chairman of Crédit Mutuel Antilles-Guyane in October 2016. In 2021, he joined Confédération Nationale du Crédit Mutuel as a director and member of the Appointments Committee.

Director
First appointed to the Board: 2020
Term expires: 2024

Other mandates and functions as at June 30, 2024
Director
Fédération du Crédit Mutuel Agricole et Rural
Managing Partner
Guyane Technologie Systèmes
Terms of office expired over the past five fiscal years
Censor
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Chairman of the Board Directors
Fédération du Crédit Mutuel Antilles-Guyane
Caisse Régionale du Crédit Mutuel Antilles-Guyane
Caisse de Crédit Mutuel Le Crédit Populaire Guyanais
Director
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Permanent representative of Caisse Régionale du Crédit Mutuel Antilles-Guyane, director
Assurances du Crédit Mutuel VIE SAM
Managing Partner
Ifodes

Group's key executives

Éric Petitgand

Born February 4, 1964
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Éric Petitgand began his career in 1987 as a back-office manager of cash operations at BTP and later Renault Crédit International. In 1992, he joined Caisse Centrale du Crédit Mutuel as back-office manager of markets. In 1996, he was a special assistant to the Chief Executive Officer and sale director at Crédit Mutuel Centre Est Europe. In 1999, he was named regional executive of Fédération du Crédit Mutuel Centre Est Europe before being named Chief Executive Officer of the Fédération and the Caisse Fédérale de Crédit Mutuel Savoie-Mont Blanc in 2003, then Vice-Chairman and head of operations of the shared services center of the Desjardins network of local banks in 2013.
From 2016 to 2024, he has been Deputy Chief Executive Officer of Caisse Fédérale de Crédit Mutuel and Deputy Chief Executive Officer of Fédération du Crédit Mutuel Centre Est Europe. From 201 to 2024, he has also been Chief Executive Officer of Caisse Fédérale de Crédit Mutuel Antilles-Guyane and Fédération du Crédit Mutuel Antilles-Guyane. Since 2022, he has been Chief Executive Officer of Caisse Agricole Crédit Mutuel and sole Director of CCS since January 1, 2023.
Éric Petitgand holds a DESS in management control and auditing from the IAE of the Université Paris 1 Panthéon – Sorbonne.

Chief Executive Officer and effective manager
First appointed: 2024
Term of office with unlimited term

Other mandates and functions as at June 30, 2024

Chairman and permanent representative of Banque Fédérative du Crédit Mutuel
Bischenberg
Chief Executive Officer
Caisse Régionale du Crédit Mutuel Antilles-Guyane
Fédération du Crédit Mutuel Antilles-Guyane
Caisse Agricole Crédit Mutuel
Member of the Executive Board
Groupe des Assurances du Crédit Mutuel
Chairman of the Board Directors
CIC Sud Ouest
Permanent representative of Caisse Fédérale de Crédit Mutuel, member of the Management Board
Euro-Information
Permanent representative of Caisse Fédérale de Crédit Mutuel, member of the Board of Directors
Fédération du Crédit Mutuel Centre Est Europe

Terms of office expired over the past five fiscal years

Chairman of the Board Directors
LYF
Vice-Chairman
Monetico International
Director
Cautionnement Mutuel de l'Habitat
Fédération du Crédit Mutuel Agricole et Rural
Member of the Supervisory Board
Euro-Information Production
Centre de Conseil et de Service - CCS
Member of the Management Board
Euro-Information Direct Services
Euro-Information Télécom
Permanent representative of Placinvest, director
Crédit Mutuel Investment Managers
Permanent representative of Caisse Fédérale de Crédit Mutuel, member of the Management Board
Euro-TVS
Euro-Information Épithète
Permanent representative of CIC Associés, director
Crédit Mutuel Asset Management
Sole director
Centre de Conseil et de Service - CCS
Deputy Chief Executive Officer
Caisse Fédérale de Crédit Mutuel
Fédération du Crédit Mutuel Centre Est Europe
Director
2SF - Société des services fiduciaires
Permanent representative of Caisse Fédérale de Crédit Mutuel, member of the Supervisory Board
Groupe des Assurances du Crédit Mutuel

Anne Sophie Van Hoove

Born November 13, 1973
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Holder of a master's degree in business law and a postgraduate (DESS) degree in law and economics of banking and financial markets, Anne Sophie Van Hoove began her career in 1999 as a specialist in CIC's specialized financing department. She held various positions at CIC throughout her career: in 2000, she became Head of Syndications in the Specialized Financing department; in 2010, she held the position of Senior Banker in the Large corporates department; in 2015, she became Director of Development in the Large corporates department, and she became Deputy Director of this department in 2017. In 2019, she was appointed Chief Executive Officer – effective manager of Banque CIC Nord Ouest. Since 2024, she has been Chief Operating Officer – effective manager of Caisse Fédérale de Crédit Mutuel and Chief Executive Officer of CCS.

Chief Operating Officer and effective manager
First appointed: 2024
Term expires: 2027

Other mandates and functions as at June 30, 2024

Chief Executive Officer
Banque CIC Nord Ouest
Centre de Conseil et de Service – CCS
Chairwoman
Fonds de dotation SOLFA
Vice-Chairwoman
Arpège
Comité régional Haut de France de la Fédération Bancaire Française
Fondation de Lille
Vice-Chairwoman of the Supervisory Board
Crédit Mutuel Real Estate Lease
Director
Factofrance
Beobank
2SF – CASH SERVICES
Member of the Management Committee
Cap Compétences – activateur de talents
Permanent representative of Crédit Industriel et Commercial, member of the Management Board
Euro-Information Epithete
Permanent representative of Banque CIC Nord Ouest, member of the Board of Directors
Crédit Mutuel Factoring
Member
Fonds de dotation entreprise et cité
Censor
Société Publique Locale Euralille

Terms of office expired over the past five fiscal years

Nil

3.1.4 Preparation and organization of the work of the corporate bodies

3.1.4.1 Operation of the Board of Directors

Composition of the Board of Directors

The Company is administered by a Board of Directors composed of a minimum of three and a maximum of 18 members, natural persons or legal entities, of which two of its members may be independent directors. The Board of Directors also includes two directors representing employees in accordance with the French Commercial Code.
The term of office of directors is three years.
The Board of Directors may appoint censors for three-year terms. They participate in the deliberations of the Board of Directors in an advisory capacity. They may, by a decision of the majority of censors present or represented, request a second deliberation by the board.

Conflicts of interest concerning the administrative, management and supervisory bodies

To date, there has been no mention of potential conflicts of interest between the duties of any of the members of the Board of Directors and Executive Management with respect to Caisse Fédérale de Crédit Mutuel and its private interests and/or other duties.

Members of the board and Executive Management are subject to the legal and regulatory obligations applicable to conflicts of interest. Each of the senior managers, directors and non-voting members of Caisse Fédérale de Crédit Mutuel adhere to the values and commitments of Crédit Mutuel Alliance Fédérale described in its code of conduct (*recueil de déontologie*). The purpose of this code is to prevent and, where necessary, manage conflict of interest cases.

In addition, the functioning of the board is governed by its internal rules, which state that “the board members shall endeavor to avoid any conflict that may exist between their moral and material interests and those of Caisse Fédérale de Crédit Mutuel and Crédit Mutuel Alliance Fédérale. Accordingly, they undertake not to directly or indirectly favor their personal or professional interests or those of a related person to the detriment of the interests of Crédit Mutuel as a whole or of one of its entities. They shall inform the Board of any conflict of interest, including potential, in which they may be directly or indirectly involved and, in this case, they shall refrain from participating in discussions and decision-making on the subjects concerned.” In addition, the Board of Directors of Caisse Fédérale de Crédit Mutuel has amended its internal rules of the Board of Directors, which now provide that the Vice-Chairman of the Board of Directors shall act as Lead Director with regard to the list of potential conflicts of interest of the Chairman.

Independence of directors

In accordance with the guidelines of the European Banking Authority

Article 13 of the articles of association of Caisse Fédérale de Crédit Mutuel provides that within the composition of the Board, two directors may be independent. The definition of independence of members is that provided for in the guidelines of the European Banking Authority on the assessment of the suitability of members of the supervisory body and holders of key positions.

Thus, the directors are deemed to be independent if they do not meet the eleven cumulative criteria defined below:

a) The member holds or has held a directorship as a member of the management body in his/her management function within an institution within the scope of prudential consolidation, unless he/she has not held such a position over the last five years;
b) The member is a shareholder who controls the relevant institution or represents the interests of a shareholder who controls the institution, including where the owner is a Member State or another public body;
c) The member has a significant financial or commercial relationship with the relevant institution;
d) The member is an employee of a shareholder who controls the relevant institution or is otherwise associated with a shareholder who controls the relevant institution;
e) The member is employed by an entity within the scope of consolidation, except when the following two conditions are met cumulatively:
   - the member does not belong to the highest hierarchical level of the institution, which reports directly to the management body,
   - the member has been elected to the supervisory function under a system of employee representation and national legislation provides adequate protection against unfair dismissal and other forms of unfair treatment;
f) The member was previously employed in a senior position in the relevant institution or another entity within its prudential scope of consolidation, reporting directly only to the management body, and for the period elapsed between the end of this employment and the term of office on the management body is less than three years;
g) The member has been, during a period of three years, the principal of a significant professional adviser, an external auditor or a significant consultant of the institution concerned or of another entity within its prudential scope of consolidation, or an employee significantly associated with the service provided;
h) The member is or has been, during the past year, a significant supplier or customer of the relevant institution or of another entity within the prudential scope of consolidation or had another significant commercial relationship, or is a senior executive of a significant supplier, business entity or customer with a significant business relationship, or is directly or indirectly associated in any other way with such supplier, customer or business entity;
i) The member receives, in addition to the compensation related to his position and the compensation received in the course of his employment, fees or other significant services from the institution concerned or from another entity within its prudential scope of consolidation;
j) The member has been a member of the entity's management body for 12 consecutive years or more;
k) The member is a close family member of a member of the management body in his or her management function of the institution in question or of another entity within the prudential scope of consolidation, or a person subject to a situation referred to above (points a) to h)).

At its meeting of June 24, 2024, the Appointments Committee reviewed the independence of Jeanne Lazarus and Nadia Maïzi, in accordance with the criteria detailed above, and confirmed their independence.

Independent mutualist directors

Certain members of the Board of Directors may qualify as independent mutualist directors, following a review of their situation by Caisse Fédérale de Crédit Mutuel's Appointments Committee. At its meeting on February 4, 2022, the Appointments Committee adopted the criteria for independent mutualist directors set out in the internal rules of Caisse Fédérale de Crédit Mutuel, and extended them to Banque Fédérative du Crédit Mutuel and CIC. The criteria were specified at the Caisse Fédérale de Crédit Mutuel Board meeting on November 23, 2023.

This review must verify that there is no relationship between the director and Caisse Fédérale de Crédit Mutuel, whether financial, family or personal. In particular, a director can only be qualified as an independent mutualist director if he or she satisfies the following conditions:

- is not an employee or former employee of the group;
- must not have been a director of a Crédit Mutuel Alliance Fédérale umbrella banking entity (CFCM, BFCM, BECM, CIC) or of the Confederation for more than 12 years;
- does not have any financial ties considered significant;
- he or she has not received an indemnity or compensation, in any form whatsoever (excluding reimbursement of expenses), within the Crédit Mutuel group in excess of an annual amount set in the charter governing the exercise of office of members of the Boards of Crédit Mutuel Alliance Fédérale and in the provisions set forth by Confédération Nationale du Crédit Mutuel.

Caisse Fédérale de Crédit Mutuel has determined the proportion of independent members in accordance with EBA guidelines, which considers the presence of independent members to be good practice and therefore does not impose a number of independent directors.
In the light of these rules, of the 18 directors of Caisse Fédérale de Crédit Mutuel at December 31, 2023, 13 directors, *i.e.* 72% of the directors (excluding directors representing employees), are considered to be independent mutualist directors.

3.1.4.2 Work of the board during the first half-year 2024

The Board of Directors meets at least four times a year according to a pre-established schedule.
Each item on the agenda has its own separate file or presentation, depending on its size, to better inform the members of the board. The minutes give a detailed record of deliberations, decisions and votes.

Meeting of January 8, 2024

The Board of Directors meeting of January 8, 2024 focused on the following topics in particular:

- summary of relations with regulators;
- 2024 review of Crédit Mutuel Alliance Fédérale’s risk appetite framework;
- modification to the procedure for preparing Crédit Mutuel Alliance Fédérale’s risk appetite framework;
- modification to Crédit Mutuel Alliance Fédérale’s overrun management procedure;
- formalization of the procedure for developing subsidiaries' risk appetite framework;
- formalization of subsidiaries' overrun management procedure.

Meeting of February 5 and 6, 2024

The Board of Directors meeting of February 5 and 6, 2024 focused on the following topics in particular:

- news, challenges and outlook;
- Caisse Fédérale de Crédit Mutuel's missions;
- progress report on the establishment of the Mutualist Institute for the Environment and Solidarity;
- presentation of the balance sheet and consolidated financial statements as of December 31, 2023;
- Group Auditing and Accounting Committee report of December 7, 2023, January 18 and February 5, 2024;
- observation of the statutory auditors;
- regulated agreements;
- approval of the annual, global and consolidated financial statements at December 31, 2023;
- summary of the GRMC meetings of December 18, 2023 and January 31, 2024;
- summary of relations with regulators;
- review of the Group treasury rules and CIC Marchés rules;
- breaches of the risk appetite framework;
- update on risk monitoring and ALM;
- update on the preventive recovery and resolution plan;
- 2023 activity of the compliance function;
- savings, loans, insurance, services;
- development plan;
- Interest Rate and Financial Policy Committee;
- five-year authorization to issue B shares;
- accreditation, municipal loans and special credits;
- evolution of the DELEG tool and update of the Crédit Mutuel Alliance Fédérale commitments reference framework;
- review of Crédit Mutuel Alliance Fédérale’s commitments framework;
- report of the Compensation Committee of January 29, 2024;
- report of the Appointments Committee of January 31, 2024;
- update on the CACM transaction;
- approval to be given by the Board to two appointments at CCS;
- adoption of internal rules for the General Policy and Reflection Board;
- update of the charter for members of the supervisory bodies – Ethics, conflicts of interest and personal declarations;
- adoption of the charter on the means of exercising the terms of office of the members of the Boards of Directors or Supervisory Boards;

- CODA project: sale of the last tranche of Cofidis Groupe held by Argosyn.

Meeting of March 5, 2024

The Board of Directors meeting of March 5, 2024 focused on the following topics in particular:

- approval related to governance movements;
- approval of the revision of the internal rules of the Board of Directors and presentation of the role of the Vice-Chairman as Lead Director on the subject of potential conflicts of interest that may concern the Chairman.

Meeting of March 25, 2024

The Board of Directors meeting of March 25, 2024 focused on the following topics in particular:

- presentation of the 2024 ICAAP;
- presentation of the 2024 ICAAP;
- Total Energies.

Meeting of Avril 4, 2024

The Board of Directors meeting of Avril 4, 2024 focused on the following topics in particular:

- Group Auditing and Accounting Committee report of March 27, 2024;
- presentation and review of the annual internal control report;
- approval of the AML/CFT annual internal control report;
- appointment of the Head of permanent control of the AML/CFT system;
- appointment of a new head of the risk management function, director of the risk, permanent control and compliance department of Crédit Mutuel Alliance Fédérale with effect from April 15;
- summary of the Group Risk Monitoring Committee report of March 18, 2024;
- summary of relations with regulators;
- update on breaches of the risk appetite framework at 12/31/2023;
- update on risk monitoring;
- buyback of Cofidis Group shares held by Argosyn;
- report of the Compensation Committee of April 2, 2024 and report on the compensation policy and practices for 2023;
- review of executive compensation;
- approval of the list of risk-takers and the overall compensation package paid to regulated persons covered by the regulations;
- breakdown of the overall compensation package under the charter governing the exercise of offices of members of the Boards of Directors;
- resolution on the amount of the variable portion of the total compensation submitted to the Shareholders' Meeting;
- report of the Appointments Committee of February 23, February 29, March 14 and March 27, 2024;
- update on the Caisse Agricole Crédit Mutuel project for the universal transfer of assets;
- adoption of the draft internal rules of the Crédit Mutuel Agriculture Commission and its budget;
- information on the disaffiliation of Caisse Agricole Crédit Mutuel from the Fédération Crédit Mutuel Agricole et Rural (CMAR) and consequently the affiliation of Caisse Fédérale de Crédit Mutuel to the Fédération du CMAR;
- cooperative review;
- Mission Committee report and reasoned opinion of the ITO;
- annual societal dividend report;
- regulated agreements;
- management reports and corporate governance reports;
- preparation and convening of the Ordinary Shareholders’ Meeting of May 14, 2024;
- changes in governance at Executive Management;
- changes in governance within the Chair of the Board of Directors;
- approval to be given by the Board to an appointment.

Meeting of My 7, 2024

The Board of Directors meeting of May 7, 2024 focused on the following topics in particular:

- terms of office of Crédit Mutuel Alliance Fédérale representatives at CNCM expiring at the Shareholders' Meeting of May 30, 2024;
- appointment of Mr. Daniel BAAL as a member of the Group Accounts Audit Committee and member of the Group Risk Monitoring Committee;
- Crédit Mutuel Alliance Fédérale results for the first quarter 2024.

Meeting of June 26, 2024

The Board of Directors meeting of June 26, 2024 focused on the following topics in particular:

- introduction of the Chairman and Executive Management;
- presentation of conflicting decisions of the Chairman within the meaning of the ECB;
- discussions and decisions to be taken within the framework of a project;
- Group Risk Monitoring Committee report of June 21, 2024;
- Risk, Permanent Control and Compliance department news;
- update of the risk mapping;
- setting the compensation package for the Chief Executive Officer of Caisse Fédérale de Crédit Mutuel;
- representation of Crédit Mutuel Alliance Fédérale at the Confederation;
- approval of the Artificial Intelligence Trust Charter;
- report of the Appointments Committee of May 22, June 5 and June 24;
- co-opting of directors;
- appointment of a Climate & Environment Lead Director;
- appointments within regulatory committees;
- resignation and appointment of non-voting director.

3.1.4.3 Committees of the Board of Directors

The Board of Directors has set up four specialized committees within the scope of Crédit Mutuel Alliance Fédérale: the Compensation Committee, the Appointments Committee, the Group Auditing and Accounting Committee and the Group Risk Monitoring Committee. The provisions which define the composition, functioning, regulatory framework and duties of the regulatory committees of Crédit Mutuel Alliance Fédérale are set out in the internal rules of the Board of Directors updated on November 23, 2023.

The Committees are composed of three to eight members of the Board of Directors of CFCM and its main subsidiaries, BFCM, BECM and CIC, appointed by the Board of Directors on the proposal of the Chairman of the Board for the duration of their term of office as director. In addition to these members, guests may be censors of CFCM, BFCM or BECM or only directors of Crédit Mutuel Alliance Fédérale federations. For the GRMC and the GAAC, these guests, from the federations that are members of Caisse Fédérale de Crédit Mutuel, allow all federations to be represented. One of the members of the Compensation Committee must be an employee director.

Compensation Committee

Composition of the Compensation Committee in the first half-year 2024 (1)

As of June 30, 2024, the Comensation Committee was composed of a Chairman and five members including one employee director.

Members	Status	Attendance rate during the first half-year 2024
Annie Virot	Chairwoman	100%
Philippe Gallienne	Member	100%
Audrey Hammerer	Member	100%
Marie Josso	Member	100%
Jeanne Lazarus	Member	NC
Brigitte Stein	Member	100%

(1) In the first half of 2024, Christine Leenders's term of office ended.

Appointments Committee

Composition of the Appointments Committee in the first half-year 2024 (1)

As of June 30, 2024 the Appointments Committee was composed of a Chairman and five members.

Members	Status	Attendance rate during the first half-year 2024
Thierry Reboulet	Chairman	100%
Nathalie Boy de la Tour	Member	NC
Bernard Dalbiez	Member	87.5%
Pascal David	Member	100%
Hélène Dumas	Member	87.5%
Simone Muller	Member	100%

(1) In the first half of 2024, Agnès Rouxel's term of office ended.

Group Auditing and Accounting Committee

Composition of the Group Auditing and Accounting Committee in the first half-year 2024 (1)

As of June 30, 2024, the Auditing and Accounting Committee was composed of a Chairman, six members and nine guests.

Members	Status	Attendance rate during the first half-year 2024
Bich Van Ngo	Chairman	100%
Daniel Baal	Member	NC
Gérard Cormorèche	Member	66%
Albert Mayer	Member	100%
René Schwartz	Member	100%
Luc Wynant	Member	100%

(1) In the first half of 2024, Charles Gerber and Jean-Frrançois Parra's term of office ended.

Group Risk Monitoring Committee

Composition of the Group Risk Monitoring Committee in the first half-year 2024 (1)

As of June 30, 2024, the Risk Monitoring Committee was composed of a Chairman, five members and ten guests

Members	Status	Attendance rate during the first half-year 2024
Daniel Schoepf	Chairman	100%
Pierre Bertholier	Member	67%
Nicolas Habert	Member	100%
Catherine Lamblin-Messien	Member	100%
Nadia Maïzi	Member	NC

(1) In the first half of 2024, Christine Leenders and Nicolas Théry's term of office ended.

3.1.5 Compensation principles and rules for the identified individuals (Articles L.511-71 *et seq.* of the French Monetary and Financial Code)

The compensation policy of Crédit Mutuel Alliance Fédérale is above all reasoned and responsible and gives priority to aligning the interests of Crédit Mutuel Alliance Fédérale with those of its employees and to protecting the interests of its members and customers. It therefore takes its duty to advise very seriously.
Crédit Mutuel Alliance Fédérale believes that a company's compensation policy is an important aspect of consistency in its strategy and risk management. In this context, Crédit Mutuel Alliance Fédérale, faithful to its mutualist values, has defined a policy that aims to:

- comply with regulatory requirements and market practices;
- promote its mutualist values with respect for all stakeholders: members, customers and employees;
- promote career advancement through internal training and encourage employees' long-term commitment;
- not encourage excessive risk-taking, avoid the introduction of incentives that could lead to conflicts of interest and not encourage or induce unauthorized activities;
- ensure consistency between employee behavior and Crédit Mutuel Alliance Fédérale's long-term objectives, in particular with respect to risk management control;
- ensure fair compensation and retain talented employees by offering them appropriate compensation that takes into consideration the competitive environment and is based on their level of seniority, expertise and professional experience,

- ensure equal pay for men and women, based on classification, and more broadly fight all forms of discrimination;
- make sure that the capital base is regularly strengthened.

The compensation policy builds on Crédit Mutuel Alliance Fédérale risk appetite framework, which states that the compensation of employees must not encourage excessive risk-taking and aims to avoid all conflicts of interest.
In that context, the overall compensation policy does not encourage risk-taking in excess of the level of risk defined by Crédit Mutuel Alliance Fédérale. It is, therefore, guided by the principles of restraint and prudence implemented by Crédit Mutuel Alliance Fédérale, including for risk-takers.

Variable compensation is strictly limited to a few business lines and functions and is not an incentive for employees to take risks that would not be in line with the guidelines from Executive Management and the Board of Directors, in particular for those employees whose activities are likely to have a significant impact on the institution's risk exposure.

The Board of Directors of Caisse Fédérale de Crédit Mutuel approved Crédit Mutuel Alliance Fédérale compensation policy, including the overall compensation policy for staff whose professional activities are likely to have a significant impact on the institution's risk profile.

This general policy takes account of the Order of November 3, 2014, Articles L.511-71 *et seq.* of the French Monetary and Financial Code, and Commission Delegated Regulation (EU) No. 2021/923 of March 25, 2021, which sets out the appropriate qualitative and quantitative criteria for identifying these categories of staff.

The latest version of the note on the compensation policy for risk takers was approved by the Board of Directors on November 23, 2023.

The federations to which Caisse Fédérale de Crédit Mutuel belongs are committed to the principle of voluntary directorship within the various bodies that make up Crédit Mutuel Alliance Fédérale. The corollary of this principle is to ensure that the directors have the necessary resources to perform their responsibilities, with the sole aim of ensuring the development, durability and respect of the values of Crédit Mutuel. A charter governing the exercise of offices of the members of the Boards of Directors or Supervisory Boards has been in place since January 1, 2019 and was revised on February 9, 2022. It sets the terms and conditions for the application of the principle of voluntary work by the elected representatives of Crédit Mutuel Alliance Fédérale, in particular by strictly defining the terms and conditions under which indemnities are allocated to ensure the exercise of certain strategic functions in the federations and umbrella entities of Crédit Mutuel Alliance Fédérale. It supplements the code of conduct that applies to all elected officials.

For all persons at Crédit Mutuel Alliance Fédérale who meet the above criteria, the overall amount of compensation for 2023 as set out in the aforementioned Article L.511-73 was €170,589,000.

The report on the compensation policies and practices referred to in Article 266 of the Order of November 3, 2014 concerning the internal controls of companies in the banking, payment services and investment services sector is published every year.

It gathers the approved quantitative information mentioned in Article 450 h) and 450 g) of Regulation (EU) 575/2013.

A strict limit for fixed compensation, with variable compensation to a few specialized activities

Crédit Mutuel Alliance Fédérale has decided to prioritize fixed compensation in keeping with its mutualist values and its responsibilities toward its customers and members. It incorporates its constant concern for sustainable development and employee career advancement into its policy.

For most of Crédit Mutuel Alliance Fédérale's employees, in particular all those who work for the networks, Crédit Mutuel Alliance Fédérale has decided[1] not to set individual targets for customer sales that might generate variable compensation.

Generally speaking, the components of additional compensation (benefits in kind, variable compensation, etc.) are subject to restrictions and concern only specific situations in certain business lines or functions when justified by particular considerations. The variable compensation practices for specialized business lines are therefore generally consistent with those of other banking groups: trading floor, specialized financing, asset management, private equity, private banking and consumer credit.

Organization of the Compensation Committee within Crédit Mutuel Alliance Fédérale

At its meeting of February 21, 2018, the Board of Directors of Caisse Fédérale de Crédit Mutuel approved the integration into its scope, as of fiscal year 2018, of the entities covered by the AIFM and UCITS V Directives as well as those subject to the Solvency II Directive.

Article L.511-91 of the French Monetary and Financial Code, established by Article 3 of Order No. 2014-158 of February 20, 2014, states that when a credit institution is part of a group subject to supervision by the ACPR on a consolidated basis, the Board of Directors of such institution may decide that the functions assigned to the regulatory committees (Risk, Appointments, Compensation) be performed by the Committee of the credit institution at which level supervision is exercised on a consolidated or sub-consolidated basis.

[1] *With a few exceptions abroad.*

Within Crédit Mutuel Alliance Fédérale, all Boards of Directors of the entities – regardless of their activities and the applicable regulations, in France and abroad – delegate their authority related to compensation matters to the “umbrella” committee (Caisse Fédérale de Crédit Mutuel). This includes the federations and regional banks (which “control” Caisse Fédérale), the consumer credit activity, the asset management activity and the insurance entities (which are in the consolidated accounting scope), the private equity, services and/or IT activities, the economic interest groups and the international private banking and subsidiary activities (including Banque Transatlantique, Banque de Luxembourg, Banque CIC Suisse, TARGOBANK in Germany).

The scope therefore goes beyond just the regulatory monitoring scope of the banking activity.

The “umbrella” committee reports on its work to the Board of Directors of Caisse Fédérale de Crédit Mutuel, and to the Boards of Directors of the entities for the information that is relevant to them.

Coordination process for changes in the compensation of Crédit Mutuel Alliance Fédérale’s Executive Management

To ensure consistency, in the absence of a mechanism for the subject, a coordination process for changes in the compensation of Executive Management/Chief Executive Officers of the entities was adopted at the Board of Directors meeting of February 26, 2016. For the Chief Executive Officers of the federations, the Chairmen of the federations are involved in this process and give their opinion in an advisory capacity. This system involves the Chairman of Caisse Fédérale de Crédit Mutuel, the Chief Executive Officer of Caisse Fédérale de Crédit Mutuel and the Director of Human Resources.

The Compensation Committee gives its opinion on a proposal for the coordination process. The Compensation Committee reports to the Board of Directors.

3.1.6 Principles for determining the compensation granted to corporate officers

Guiding principles

Caisse Fédérale de Crédit Mutuel does not refer to the Afep-Medef Code, which is unsuitable in its case for a certain number of recommendations, given the structure of the shareholder base, which is made up entirely of Crédit Mutuel Alliance Fédérale entities. Crédit Mutuel Alliance Fédérale is not affected by the Say on pay system.

Implementation

The officers concerned are the Chairman of the Board of Directors and the Chief Executive Officer.

On February 7, 2023, the Board of Directors of Caisse Fédérale du Crédit Mutuel decided, on the proposal of the Compensation Committee of February 1, 2023, to allocate:

- for Mr. Nicolas Théry, as compensation for his appointment as Chairman of the Board of Directors, an annual compensation of €950,000 starting June 1, 2023. Said compensation shall be paid by Caisse Fédérale de Crédit Mutuel.

It should be noted that Nicolas Théry has been an employee of the group since September 1, 2009 and that his employment contract was suspended with effect from November 14, 2014.

For the record, at the July 25, 2022 meeting of the Board of Directors of Caisse Fédérale de Crédit Mutuel, the Chairman of the Board of Directors announced his decision to voluntarily waive the termination benefits, in view of the complicated legal nature of the existence of these benefits and the numerous complexities that interact between the various regulations.

On April 5, 2024, the Board of Directors of Caisse Fédérale de Crédit Mutuel noted the end of the term of office as Chairman of the Board of Directors of Nicolas Théry and the end of the suspension of the employment contract on November 14, 2014 (and its amendment of May 31, 2023).

- for Mr. Daniel Baal, as compensation for his appointment as Chief Executive Officer, an annual compensation of €950,000 starting June 1, 2023. Said compensation shall be paid by Caisse Fédérale de Crédit Mutuel.

On April 5, 2024, the Board of Directors of Caisse Fédérale de Crédit Mutuel noted the end of the term of office of Daniel Baal as Chief Executive Officer and the appointment as Chairman of the Board of Directors. The same Board decided, on the proposal of the Compensation Committee of April 2, 2024, to grant:

- in respect of the end of the term of office as Chief Executive Officer, a termination benefit of €1,852,500 according to the rules and criteria defined at the meeting of the Board of Directors on April 6, 2023. The Board of Directors' meeting of June 26, 2024 approved the payment of the compensation, payable from July 1, 2024 according to the schedule and terms provided for by banking regulations;

- as compensation for his corporate office as Chairman of the Board of Directors, an annual compensation of €950,000 from April 5, 2024. Said compensation shall be paid by Caisse Fédérale de Crédit Mutuel.

It should be noted that Daniel Baal was an employee of Caisse Fédérale du Crédit Mutuel from July 1, 1979 to September 30, 2001, then from February 2, 2004 to this day, and that his employment contract was suspended effective June 1, 2017.

On April 5, 2024, the Board of Directors of Caisse Fédérale de Crédit Mutuel also decided, on the proposal of the Compensation Committee of April 2, 2024, to award the new Chief Executive Officer, Eric Petitgand, as compensation for his corporate office as Chief Executive Officer, annual compensation of €870,000 from April 5, 2024. Said compensation shall be paid by Caisse Fédérale de Crédit Mutuel.

The Chief Executive Officer also benefits from termination benefits corresponding to two years of fixed compensation as a corporate officer. The terms of exercise of this benefit were set following a decision by the Board of Directors of Caisse Fédérale de Crédit Mutuel on April 5, 2024. The criteria are broken down as follows:

- Economic criteria -50%:
  - yield on gross assets (net income on average risk-weighted assets) higher than the average of the other French banks of a comparable size;
  - cost/income ratio below 62% and below the average of the other French banks of a comparable size;
  - solvency ratio (CET1) higher than the average of the other French banks of a comparable size.

Calculations are based on the last calendar years and published results over the term of office. Each criterion accounts for one-third. The non-achievement of one of the objectives reduces the portion in part or in full at the discretion of the Compensation Committee according to the gap to the objective.

- ESG criteria -50%:
  - the rate of achievement of the objectives set as part of the commitments made as a benefit corporation (30%),
  - risk management (10%),
  - the implementation of the group's strategic ambitions (10%).

Assessments are made by the supervisory bodies on the basis of documentation independent of Executive Management, i.e. the benefit corporation's monitoring committee, internal audit, and the achievements of the strategic plan presented to the governance bodies. The non-achievement of one of the objectives reduces the portion in part or in full at the discretion of the Compensation Committee according to the gap to the objective.

None of these criteria may give rise to outperformance.

The other positions and functions of the Chairman of the Board of Directors and the Chief Executive Officer within the entities of Crédit Mutuel Alliance Fédérale are exercised on a voluntary basis.

The Chairman of the Board of Directors and the Chief Executive Officer are assessed by the Appointments and Compensation Committees, which meet annually for this purpose. This assessment must cover all aspects of the business and in particular verify that the social and environmental objectives assigned to Crédit Mutuel Alliance Fédérale have been achieved. Failing this, the committees may propose to the Board of Directors to reduce the compensation or to revoke the term of office.

The compensation received by both corporate officers is detailed in the tables below.

During the fiscal year, they also benefited from the group's collective insurance and supplementary pension plans.

However, the two corporate officers of Caisse Fédérale de Crédit Mutuel did not receive any other specific benefits or arrangements other than the benefits in kind described below.

The group's key executives may hold assets or loans with the group's banks, under the conditions offered to all employees.

COMPENSATION RECEIVED BY THE GROUP'S KEY EXECUTIVES FROM JANUARY 1 TO JUNE 30, 2024

2024 *(in euros)*[(a)]	Origin[(b)]	Fixed portion	Variable portion	Benefits in kind[(c)]	Employer contributions for supplementary benefits	Total
Nicolas Théry – *Chairman until April 5, 2024*	Caisse Fédérale de Crédit Mutuel	248,055.57		3,085.50		251,141.07
Daniel Baal - *Chief Executive Officer until April 5, 2024 - Chairman since April 5, 2024*	Caisse Fédérale de Crédit Mutuel	475,000.02		2,384.70		477,384.72
Eric Petitgand – *Chief Executive Officer since April 5, 2024*	Caisse Fédérale de Crédit Mutuel	207,833.33		1,210.02		209,043.35

(a) These are gross amounts corresponding to amounts paid during the fiscal year.

(b) The Chairman of the Board of Directors and the Chief Executive Officer are paid in respect of their corporate offices within Caisse Fédérale de Crédit Mutuel. The other positions and functions of the Chairman of the Board of Directors and the Chief Executive Officer within the entities of Crédit Mutuel Alliance Fédérale are exercised on a voluntary basis.

(c) Company cars and/or senior executive insurance policy (GSC).

COMPENSATION RECEIVED BY THE GROUP'S KEY EXECUTIVES FROM JANUARY 1 TO DECEMBER 31, 2023

2023 *(in euros)*[(a)]	Origin[(b)]	Fixed portion	Variable portion	Benefits in kind[(c)]	Employer contributions for supplementary benefits	Total
Nicolas Théry	Caisse Fédérale de Crédit Mutuel	901,277.87		12,342.00	9,427.04	923,046.91
Daniel Baal	Caisse Fédérale de Crédit Mutuel	920,833.39		4,769.40	9,427.04	935,029.83

(a) These are gross amounts corresponding to amounts paid during the fiscal year.

(b) The Chairman of the Board of Directors and the Chief Executive Officer are paid in respect of their corporate offices within Caisse Fédérale de Crédit Mutuel. The other positions and functions of the Chairman of the Board of Directors and the Chief Executive Officer within the entities of Crédit Mutuel Alliance Fédérale are exercised on a voluntary basis.

(c) Company cars and/or senior executive insurance policy (GSC).

3.2 BFCM – CORPORATE GOVERNANCE REPORT

3.2.1 Introduction

The provisions of Article L.225-37 of the French Commercial Code state that the Board of Directors shall present to the Ordinary Shareholders' Meeting a corporate governance report alongside the management report.
In accordance with Articles L.225-37-4 and L.22-10-10 of the French Commercial Code, this report shall include:

- a list of all of the terms and duties exercised in any company by each corporate officer during the fiscal year;
- the composition of the Board and the conditions for the preparation and organization of its work;
- agreements entered into, directly or through an intermediary, between, on the one hand, one of the corporate officers or one of the shareholders holding more than 10% of the voting rights of a company and, on the other hand, another company controlled by the former within the meaning of Article L.233-3, with the exception of agreements relating to current transactions and entered into under normal conditions;
- a summary table of the current delegations of authority granted by the Shareholders' Meeting in respect of capital increases, pursuant to Articles L.225-129-1 and L.225-129-2, showing the use made of these delegations during the fiscal year;
- at the time of the first report or in the event of any change, the method elected between the two options for Executive Management provided for in Article L.225-51-1;
- a description of the diversity policy applied to the members of the Board of Directors with regard to criteria such as age, gender or qualifications and professional experience, and a description of the objectives of such a policy, its implementation procedures and the results obtained during the past fiscal year. This description shall be supplemented by information on the manner in which the company seeks a balanced representation of women and men within the committee established, if any, by Executive Management to assist it regularly in the performance of its general duties and on the results in terms of gender balance; in the 10% of positions with the highest level of responsibility. If the company does not apply such a policy, the report shall include an explanation of the reasons for not doing so;
- any restrictions that the Board of Directors may impose on the powers of the Chief Executive Officer;
- where a company voluntarily refers to a Corporate Governance Code drawn up by a professional organization, the provisions that have been disregarded and the reasons why, as well as the place where this code can be consulted, or, in the absence of such a reference to a code, the reasons why the company has decided not to refer to it, as well as, where applicable, the rules adopted in addition to the requirements laid down by law.

As it is not a company whose shares are admitted to trading on a regulated market, Banque Fédérative du Crédit Mutuel does not refer to the Afep-Medef Code.

Banque Fédérative du Crédit Mutuel complies with the corporate governance regulations applicable to credit institutions. In this respect, it is recalled that the European Banking Authority (EBA) has issued guidance on internal governance (EBA/GL/2021/05) as well as guidance on the assessment of the suitability of members of the management body and holders of key positions (EBA/GL/2021/06) dated July 2, 2021. In its compliance notices of December 7, 2021, the ACPR declared itself compliant with the guidance on internal governance and partially compliant with the guidance on suitability assessment.

An excerpt from the ACPR's compliance notice on how to apply the suitability assessment guidelines is reproduced below:
"This notice specifies the paragraphs of the EBA guidelines EBA/GL/2021/06 with which the ACPR (i) intends to comply: i.e. paragraphs 1 to 162; 164 to 171; 174 to 176; 178 to 207 of the guidelines and (ii) therefore expects the aforementioned institutions to comply with these paragraphs.

Indeed, the ACPR does not intend to comply with the provisions of paragraphs 172 and 173 (assessment of the suitability of the heads of internal control functions and of the Chief Financial Officer by the competent authority) as well as paragraphs 163 and 177 (transmission to the competent authority of the results and documentation relating to the internal assessment of the heads of internal control functions and the Chief Financial Officer). This statement does not call into question the procedures already in place, which will continue to apply for the assessment of persons responsible for internal control at approval and in the event of a change of control.

In addition, the ACPR intends to apply the guidelines relating to attendance and the definition of independent members with two interpretative qualifications:

- *the formal independence of the members of the management body and of the members of the Risk Committee and the Appointments Committee does not constitute a criterion of suitability under current French laws and regulations, which would be enforceable in the context of the examination of an individual application. Under French law, the implementation of the guidelines cannot therefore lead to the refusal of an individual application on this ground alone under the "fit and proper" principle. […] The ACPR considers the presence of independent members on supervisory bodies and other specialized committees to be good practice and not a legal or regulatory requirement;*
- *as a matter of law, failure to meet one or more of the criteria listed in the guidelines (paragraph 89) does not constitute a presumption that a member is not independent. Non-compliance with these criteria does not exhaust the notion of independence and the analysis of this quality must also take into account other measures, in particular those developed by French institutions within the framework of the laws and regulations in force and which could make it possible to achieve the same objective of independence.*

Pursuant to paragraph (88)(b) of the suitability assessment guidance, the ACPR also intends not to require independent members in relevant institutions that are wholly owned by a relevant institution, and in investment firms that meet the criteria set out in Article 32(4)(a) of Directive 2019/2034/EU or other criteria laid down by a relevant Member State in accordance with Article 32(5) and (6) of Directive No 2019/2034/EU."

At the Board of Directors' meeting of June 26, 2024, Banque Fédérative du Crédit Mutuel decided to appoint two independent directors in order to comply with the best practices of the EBA guidelines mentioned above.

This corporate governance report explains how Banque Fédérative du Crédit Mutuel has implemented the guidelines in accordance with the ACPR Notice and its own interpretation.

The report was also prepared in accordance with Annex I of Delegated Regulation 2019/980 of March 14, 2019.

3.2.2 Composition of the management bodies as of June 30, 2024

Presentation of the Board of Directors

	Age[1]	Gender	Date of 1st term	End of term of office	Committees[2]	Attendance at Board
Daniel BAAL *Chairman*	66	M	2024	2026	GAAC GRMC	100%
Philippe TUFFREAU *Vice-Chairman*	68	M	2021	2024	/	100%
Jean-Marc BUSNEL *Permanent representative of Caisse Fédérale de Crédit Mutuel de Maine-Anjou et Basse-Normandie, director*	65	M	2018	2027	/	66.66%
Marie Jean BOOG *Director*	62	F	2024	2027	/	66.66%
Nathalie BOY de la TOUR *Independent Director*	55	F	2024	2027	/	NA[3]
René CAREL Director	65	M	2024	2025	GRMC	100%
Hélène DUMAS *Director*	66	F	2024	2026	Appointments	100%
Philippe GALLIENNE *Director*	68	M	2019	2025	Compensation	100%
Nicolas HABERT *Director*	62	M	2020	2027	GRMC	100%
Caroline KALTENBACH *Director*	55	F	2024	2027	/	100%
Catherine LAMBLIN-MESSIEN *Director*	59	F	2022	2025	GRMC	100%
Simone MULLER *Director*	59	F	2024	2026	Appointments	100%
Frédéric RANCHON Director	58	M	2024	2027	/	100%
Thierry REBOULET *Représentant permanent de PLACINVEST, Director*	61	M	2024	2027	**Appointments**	100%
Michel KOCHER *Censor*	65	M	2022	2025	/	100%
Philippe LEPLAIDEUR *Censor*	60	M	2024	2027	/	100%

	Age(1)	Gender	Date of 1st term	End of term of office	Committees(2)	Attendance at Board
André LORIEU *Censor*	62	M	2024	2027	/	66.66%
Jean-Louis MAITRE *Censor*	67	M	2024	2027	/	100%
Jean-François PARRA *Censor*	68	M	2024	2027	/	100%
Jean-Michel PFINDEL *Censor*	69	M	2022	2025	/	100%

(1) Age at 06/30/2024.

(2) GRMC: Group Risk Monitoring Committee – GAAC: Group Auditing and Accounting Committee – Compensation: Compensation Committee – Appointments: Appointments Committee.

In the Committees column, the Committee Chairmen are shown in bold in blue.

(3) Nathalie BOY de la TOUR was appointed at the last Board meeting of the first half of 2024.

Other participants

- In accordance with Article L.2312-72 of the French Labor Code, two representatives of the Social and Economic Committee attend the meetings of the Board of Directors in an advisory capacity.

Composition of Executive Management

The Executive Management of Banque Fédérative du Crédit Mutuel is composed of:

- Mr. Éric Charpentier, Chief Executive Officer and effective manager;
- Mr. Alexandre Saada, Deputy Chief Executive Officer and effective manager.

3.2.3 Positions and functions held by the members of the management bodies

Directors

Daniel Baal

Born on December 27, 1957
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Daniel Baal began his career in 1979 as a credit records manager at the head office of Banque Fédérative du Crédit Mutuel in Strasbourg and went on to hold various head office and network positions in Strasbourg, Colmar and Mulhouse. In 1995, he became director of commitments at the Southern Regional Division of Caisse Fédérale du Crédit Mutuel Centre Est Europe, then director of Caisse de Crédit Mutuel Mulhouse-Europe in 1999. He was Deputy Chief Executive Officer of Société du Tour de France and director of "cycling" activities for Sport Amaury Organisation from 2001 to 2004. In 2004, he became manager of Caisse Fédérale de Crédit Mutuel Centre Est Europe before being appointed Chief Executive Officer of Fédération and Caisse Régionale du Crédit Mutuel Île-de-France. Then, in 2010, he was appointed Deputy Chief Executive Officer of Confédération Nationale du Crédit Mutuel, then Deputy Chief Executive Officer of Crédit Industriel et Commercial in 2014 and Chief Executive Officer of Caisse Centrale de Crédit Mutuel in 2015.
Between 2017 and 2024, he was Chief Executive Officer of Caisse Fédérale de Crédit Mutuel, Chief Executive Officer of Banque Fédérative du Crédit Mutuel, Chief Executive Officer of Crédit Industriel et Commercial, Chief Executive Officer of Fédération du Crédit Mutuel Centre Est Europe and a member of the Executive Board of Groupe des Assurances du Crédit Mutuel. In 2024, he was appointed Chairman of Caisse Fédérale de Crédit Mutuel, Banque Fédérative du Crédit Mutuel, Crédit Industriel et Commercial and Confédération Nationale du Crédit Mutuel.

Chairman of the Board Directors
Member of the Group Auditing and Accounting Committee and the Group Risk Monitoring Committee of Caisse Fédérale de Crédit Mutuel
First appointed to the Board: co-opted by the Board of Directors on November 23, 2023 with effect from January 1, 2024
Term expires: 2026

Other mandates and functions as at June 30, 2024
Chairman of the Board of Directors
Caisse Centrale Crédit Mutuel
Confédération Nationale du Crédit Mutuel
Fédération du Crédit Mutuel Centre Est Europe
Caisse Fédérale de Crédit Mutuel
Crédit Industriel et Commercial
Crédit Mutuel Impact
Chairman of the Supervisory Board
Cofidis
Cofidis Group
Euro-Information Production
Vice-Chairman of the Board of Directors
Banque de Luxembourg
Member of the Supervisory Board
TARGOBANK AG
Permanent representative of Caisse Fédérale de Crédit Mutuel, member of the Supervisory Board
Groupe des Assurances du Crédit Mutuel
Permanent representative of Fédération du Crédit Mutuel Centre Est Europe, director
Fonds de dotation pour un sport propre
Terms of office expired over the past five fiscal years
Chief Executive Officer
Fédération du Crédit Mutuel Centre Est Europe
Caisse Fédérale de Crédit Mutuel
Banque Fédérative du Crédit Mutuel
Crédit Industriel et Commercial
Member of the Executive Board
Groupe des Assurances du Crédit Mutuel
Director
Crédit Mutuel Impact
Chairman of the Board Directors
CIC Sud Ouest
CIC Ouest
Chairman of the Supervisory Board
CIC Iberbanco
Vice-Chairman of the Supervisory Board
TARGO Deutschland GmbH
TARGOBANK AG
TARGO Management AG
Director
Fivory SA
Fivory SAS
Permanent representative of Caisse Régionale du Crédit Mutuel Île-de-France, member of the Management Board
Euro-Information

Philippe Tuffreau

Born on May 24, 1955
Nationality: French

Business address:
1, place Molière
49006 Angers

Summary of main areas of expertise and experience

Holder of a Master's degree in Private Law, a post-graduate Degree (DESS) in Juridical Sciences and professional lawyer accreditation, Philippe Tuffreau is Chairman of the Fédération and Caisse Régionale du Crédit Mutuel d'Anjou. In 1995, he founded Exaequo, a firm specializing in business law. At the same time, he is involved in life at the bar. In 1998, he was elected president of the Bar of Angers for two years. In 2003, he became a member of the French National Bar Council. He was Vice-Chairman of this institution from 2006 to 2008, and became the Chancery's regular contact. Then he was promoted Knight of the National Order of Merit and Knight of the Order of the Legion of Honor. From 1995 to 2017, he was Vice-Chairman of the law firm Oratio.
In 1991, he became Chairman of a Crédit Mutuel local bank and held various offices before terminating his office due to his other activities. In 2014, he was appointed Chairman of a Crédit Mutuel local bank before becoming federal director of Crédit Mutuel d'Anjou in 2015 of which he became Chairman in 2017. He has been a confederal director since 2020.

Vice-Chairman of the Board of Directors
First appointed to the Board: 2021
Term expires: 2027

Other mandates and functions as at June 30, 2024

Chairman of the Board Directors
Fédération du Crédit Mutuel Anjou
Caisse Régionale du Crédit Mutuel Anjou
Créavenir Anjou (association)

Chairman of the Supervisory Board
SODEREC

Vice-Chairman of the Board of Directors
Caisse de Crédit Mutuel Angers Saint Laud

Director
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel

Permanent representative of Caisse Régionale du Crédit Mutuel d'Anjou, managing partner
SNC Thiers Immobilier

Terms of office expired over the past five fiscal years

Member of the Supervisory Board
Banque Européenne du Crédit Mutuel

Permanent representative of Caisse Régionale du Crédit Mutuel d'Anjou, director
Assurances du Crédit Mutuel Vie SAM

Censor
Caisse Fédérale de Crédit Mutuel

Director
GIEMAT
SPL ALTEC

Censor
Banque Fédérative du Crédit Mutuel
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel

Jean-Marc Busnel

Born on April 25, 1959
Nationality: French
Business address:
43 boulevard Volney
53083 Laval

Summary of main areas of expertise and experience

Jean-Marc Busnel holds a Post-graduate Degree (DESS) in Business Administration and Management. He began his, career with ACOME as a technician and then as a senior manager in 1980. He then held various positions from operations director (2002) to industry, purchasing and supply chain director (2008) before becoming branch director (2015) and the industrial director (2018) before retiring in 2021.
In 1994, he was elected director of the Crédit Mutuel de Saint Hilaire du Harcouët local bank. Today, he holds offices at the local level as well as at the federal and confederal levels. Since 2018, he has been Chairman of Caisse Fédérale and Fédération du Crédit Mutuel de Maine-Anjou Basse-Normandie.

Director
Permanent representative of Caisse Fédérale de Crédit Mutuel de Maine-Anjou et Basse-Normandie, director
First appointed to the Board: 2018
Term expires: 2027

Other mandates and functions as at June 30, 2024

Chairman of the Board Directors
Caisse de Crédit Mutuel Solidaire
Résidence foyer les hirondelles
Fondation d'entreprise du Crédit Mutuel de Maine-Anjou et Basse-Normandie
Vice-Chairman of the Supervisory Board
SODEREC
Director
Caisse de Crédit Mutuel de Saint-Hilaire du Harcouet
Permanent representative of Caisse Fédérale de Crédit Mutuel de Maine-Anjou et Basse-Normandie, director
Assurances du Crédit Mutuel Vie SAM
ACM IARD SA
Permanent representative of the Fondation d'entreprise du Crédit Mutuel de Maine-Anjou et Basse-Normandie, director
Association des résidences Escalys
Censor
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel

Terms of office expired over the past five fiscal years

Chairman of the Board Directors
IDEA OPTICAL
Fédération du Crédit Mutuel de Maine-Anjou et Basse-Normandie
Caisse Fédérale de Crédit Mutuel de Maine-Anjou et Basse-Normandie
Creavenir
Caisse de Crédit Mutuel de Saint-Hilaire du Harcouet
Vice-Chairman
Union régionale des Scop de l'Ouest
Director
ACOME SA
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel

Marie-Jean Boog

Born on August 30, 1961
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

After obtaining her State diploma in 1982, Marie-Jean Boog began her career as a nurse, which she continued until 1988. During the same year, she joined the Association Saint Christophe Walscheid as a healthcare manager. In 1991, she obtained a university degree in Gerontology and then trained as a nursing manager in 1992. In 1998, she trained as a director of a healthcare institution and an ESMS, enabling her to become Head of Institutions for the Association Saint Christophe Walscheid.
In 2000, she became a member of Caisse de Crédit Mutuel Bièvre et Vosges and took over as its Chairwoman in 2010. In 2018, she was appointed member of the Supervisory Board of Banque Européenne du Crédit Mutuel and Director of Fédération du Crédit Mutuel Centre Est Europe, Chairwoman of the District of Sarrebourg. She holds offices within Crédit Mutuel at local, regional and national levels.

Director
First appointed to the Board: co-opted by the Board of Directors on November 23, 2023 with effect from January 1, 2024
Term expires: 2027

Other mandates and functions as at June 30, 2024

Vice-Chairwoman of the Board of Directors *(chairwoman of the Sarrebourg District)*
Fédération du Crédit Mutuel Centre Est Europe
Chairwoman of the Board of Directors
Caisse de Crédit Mutuel Bièvre et Vosges
Director
Banque Fédérative du Crédit Mutuel
Head of Institutions
Association Saint Christophe Walscheid

Terms of office expired over the past five fiscal years

Director
Caisse Fédérale de Crédit Mutuel
Member of the Supervisory Board
Banque Européenne du Crédit Mutuel

Nathalie Boy de la Tour

Born on August 19, 1968
Nationality: French

Business address:
5, rue Henri de Bornier
75116 Paris

Summary of main areas of expertise and experience

Holder of a master's degree in business administration from ESLSCA Business School Paris and a master's degree in social management of organizations from ESCP Business School, Nathalie Boy de la Tour began her career at Cap Gemini Invent (formerly Bossard Consultants) in 1992. In 2000, she was appointed Chief Executive Officer of B2L – BBDO, a digital communications company with around 150 employees. In 2004, she became CEO of Galaxy Organization, which organized the first general public football fair. In 2008, she became CEO of the FondaCtion du Football, comprising more than 4,500 volunteers. In 2016, she was the first woman elected President of the Professional Football League. Today, Nathalie Boy de la Tour is the manager of her consulting firm, GYPSOFIL.

Independent Director
Member of the Appointments Committee of Caisse Fédérale de Crédit Mutuel
First appointed to the Board: 2024
Term expires: 2026

Other mandates and functions as at June 30, 2024

Director
FondaCtion du Football
Racing Club de Lens

Managing Partner
GYPSOFIL (EURL)

Member of the Supervisory Board
SPORTS SOLUTIONS MAKERS

Terms of office expired over the past five fiscal years

Chairwoman
Ligue de Football Professionnel
BLIMLI

René Carel

Born on March 21,1959
Nationality: French

Business address:
18, rue de La Rochefoucauld
75439 PARIS Cedex 09

Summary of main areas of expertise and experience

Holder of a university degree in technology with the option of business management and financial and accounting management, René Carel began his career as an accountant and then as chief accountant at the THOMSON Group in 1977. In 1990, he became a consultant and engineer in charge of accounting software implementation at TELESYSTEMES before becoming responsible for accounting and consolidation services for Société des Tuyaux BONNA until 2011. From 2011 to 2020, he held the position of administrative and financial manager at the VEOLIA Environnement Campus. He is now retired.
He has been Chairman of a local Crédit Mutuel bank since 2012 and Chairman of the Board of Directors of Caisse Régionale and Fédération du Crédit Mutuel Ile de France since 2023.

Director
Member of the Group Risk Monitoring Committee of Caisse Fédérale de Crédit Mutuel
First appointed to the Board: co-opted by the Board of Directors on November 23, 2023 with effect from January 1, 2024
Term expires: 2025

Other mandates and functions as at June 30, 2024

Chairman of the Board Directors
Caisse Régionale du Crédit Mutuel Ile de France
Fédération du Crédit Mutuel Ile de France
Caisse de Crédit Mutuel Conflans Ste Honorine

Director
ACM IARD

Censor
Caisse Centrale du Crédit Mutuel
Confédération Nationale du Crédit Mutuel

Terms of office expired over the past five fiscal years

Member of the Supervisory Board
Banque Européenne du Crédit Mutuel

Director
Caisse Régionale du Crédit Mutuel Ile de France
Fédération du Crédit Mutuel Ile de France

Censor
Caisse Fédérale de Crédit Mutuel

Hélène Dumas

Born on September 9, 1957
Nationality: French

Business address:
Place de l'Europe –
105 rue du Faubourg Madeleine
45920 Orléans

Summary of main areas of expertise and experience

Holder of a Bachelor's degree in Economics and Management and a *Diplôme d'Études Comptables Supérieures* (DECS), Hélène Dumas has held various positions including Assistant Director and then Deputy Director in charge of support functions such as Human Resources, IT and Logistics within Mutualité Sociale Agricole, before retiring in 2013. In 1998, she became a Director of Caisse de Crédit Mutuel d'Orléans Châtelet, which she has chaired since 2017. Since 2020, she has been a Director of Fédération and Caisse Régionale de Crédit Mutuel du Centre.

Director
Member of the Appointments Committee of Caisse Fédérale de Crédit Mutuel
First appointed to the Board: co-opted by the Board of Directors on November 23, 2023 with effect from January 1, 2024
Term expires: 2026

Other mandates and functions as at June 30, 2024

Chairwoman of the Board of Directors

Caisse de Crédit Mutuel d'Orléans Châtelet

Vice-Chairwoman of the Board of Directors

Fédération Régionale des Caisses de Crédit Mutuel du Centre
Crédit Industriel et Commercial

Director

Caisse Régionale de Crédit Mutuel du Centre

Terms of office expired over the past five fiscal years

Vice-Chairwoman of the Board of Directors

Caisse Fédérale de Crédit Mutuel

Philippe Gallienne

Born on June 17, 1956
Nationality: French

Business address:
17 rue du 11 novembre
14052 Caen

Summary of main areas of expertise and experience

A graduate of the École de Management de Normandie, Philippe Gallienne was partner in charge of the association and social management sector of the Le Havre office of Mazars from 1990 to April 2019. In 1995, he was elected founding Chairman of Caisse de Crédit Mutuel du Havre Sanvic. In 1998, he became Chairman of Caisse de Crédit Mutuel du Havre Hôtel de Ville and was elected federal director the same year. He was appointed Vice-Chairman of Fédération du Crédit Mutuel de Normandie in 2003 before being appointed Chairman of Fédération and Caisse Régionale du Crédit Mutuel de Normandie in 2019.

Director
Member of the Compensation Committee of Caisse Fédérale de Crédit Mutuel
First appointed to the Board: 2019
Term expires: 2025

Other mandates and functions as at June 30, 2024

Chairman of the Board Directors

Fédération du Crédit Mutuel Normandie
Caisse Régionale du Crédit Mutuel Normandie
Caisse de Crédit Mutuel Le Havre Hôtel de Ville

Director

Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel

Terms of office expired over the past five fiscal years

Censor

Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Caisse Fédérale de Crédit Mutuel

Member of the Supervisory Board

Banque Européenne du Crédit Mutuel

Permanent representative of Caisse Régionale de Crédit Mutuel de Normandie, director

Assurances du Crédit Mutuel Vie SAM

Nicolas Habert

Born on April 27, 1962
Nationality: French

Business address:
6 rue de la Tuilerie
31130 Balma

Summary of main areas of expertise and experience

A graduate of ISEP and ESSEC and holder of an Actuarial degree, Nicolas Habert has been an independent consultant with NH Consulting since 2007. He began his career in 1987 at the Banque Nationale de Paris as customer relationship manager before joining Caisse des Dépôts et Consignations in 1989 and then Caisse Centrale de Crédit Mutuel in 1993. From 1988 to 2012 he worked as a part-time trainer for various entities at the training center for the banking profession and the Purpan engineering school from 1996 to 2007, where he taught management, finance and international commerce.
In 2001, he became a director of a new Crédit Mutuel local bank and was appointed Chairman in 2010. Since 2017, he has been a federal director and Chairman of the Supervisory Board of Cautionnement Mutuel de l'Habitat. In May 2020, he was appointed Chairman of Caisse Régionale and Fédération du Crédit Mutuel Midi-Atlantique.

Director
Member of the Group Risk Monitoring Committee of Caisse Fédérale de Crédit Mutuel
First appointed to the Board: 2020
Term expires: 2027

Other mandates and functions as at June 30, 2024

Chairman of the Board Directors
Fédération du Crédit Mutuel Midi Atlantique
Caisse Régionale du Crédit Mutuel Midi Atlantique
Caisse du Crédit Mutuel de Toulouse Purpan
Permanent representative of Caisse Régionale du Crédit Mutuel Midi-Atlantique, member of the Supervisory Board
GACM
Permanent representative of Marsovalor, director
Banque CIC Sud Ouest
Censor
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel

Terms of office expired over the past five fiscal years

Chairman of the Supervisory Board
Cautionnement Mutuel de l'Habitat
Director
Caisse Fédérale de Crédit Mutuel
Permanent representative of Caisse Régionale du Crédit Mutuel Midi-Atlantique, director
Assurances du Crédit Mutuel Vie SAM

Caroline Kaltenbach

Born on July 31, 1968
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Caroline KALTENBACH holds a master's degree in business from Sup de Co Bordeaux (now KEDGE Business School) and a DEUG in applied foreign languages with a major in economics. She started out as a product manager at Jungbunzlauer in 1993. In 2015, she was elected to APEL académique d'Alsace, where she was appointed academic vice-president in 2018. Today, she works as a secretary in a medical practice and as an assistant to APEL académique d'Alsace.
She has been the Chairwoman of a Crédit Mutuel local bank since 2020 and a Director of Fédération du Crédit Mutuel Centre Est Europe since 2022.

Director
First appointed to the Board: co-opted by the Board of Directors on November 23, 2023 with effect from January 1, 2024
Term expires: 2027

Other mandates and functions as at June 30, 2024

Chairman of the Board Directors
Caisse de Crédit Mutuel Vauban
Director
Fédération du Crédit Mutuel Centre Est Europe

Terms of office expired over the past five fiscal years

Permanent representative of GACM, director
ACM Vie SA
Censor
Banque Fédérative du Crédit Mutuel

Catherine Lamblin Messien

Born on August 17, 1964
Nationality: French

Business address:
Crédit Mutuel Nord Europe
4 place Richebé
59011 Lille

Summary of main areas of expertise and experience

After preparing for and obtaining her diploma in accounting and financial studies (DESCF) at the Institut d'expertise comptable of La Catho Lille in 1987, Catherine Lamblin Messien began her career at Cabinet Lecat as an accountant. In 1990, she joined Declercq before obtaining her diploma as a chartered accountant (DEC) in 1992. In the same year, she joined Cofidine - Conseil Fiduciaire, Audit & Finance, as a chartered accountant. Since 1995, she has held managerial positions within the same firm, which has 15 employees.

In 2015, she was elected Chairwoman of a Crédit Mutuel local bank. She holds offices within Crédit Mutuel at local, regional and national levels.

Director
Member of the Group Risk Monitoring Committee of Caisse Fédérale de Crédit Mutuel
First appointed to the Board: 2022
Term expires: 2025

Other mandates and functions as at June 30, 2024

Chairman of the Board Directors
Caisse de Crédit Mutuel de Cambrai
Vice-Chairwoman of the Board of Directors
Caisse Fédérale du Crédit Mutuel Nord-Europe
Fédération du Crédit Mutuel Nord-Europe
Director
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Cautionnement Mutuel de l'Habitat
Chief Executive Officer
Cofidine Conseil Fiduciaire Audit & Finance
Managing Partner
Groupement forestier du bois de la Chassagne

Terms of office expired over the past five fiscal years

Director
Crédit Industriel et Commercial
Treasurer
Association Femmes Chefs d'entreprise (FCE)
Managing Partner
Cofidine Conseil Fiduciaire Audit & Finance

Simone Muller

Born on October 7, 1964
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Simone Muller holds a G2 degree specializing in accounting management and began her career as a manager at TRYBA SA in 1982. In 1994, she became Executive Assistant at HILZINGER SA before becoming Manager of PASSIMAT SARL from 1998 to 2015.

She has been Chairwoman of a local Crédit Mutuel bank since 2014 and Vice-Chairwoman of Fédération du Crédit Mutuel Centre Est Europe since 2022.

Director
Member of the Appointments Committee of Caisse Fédérale de Crédit Mutuel
First appointed to the Board: co-opted by the Board of Directors on November 23, 2023 with effect from January 1, 2024
Term expires: 2026

Other mandates and functions as at June 30, 2024

Chairman of the Board Directors
Caisse de Crédit Mutuel Avenir
Vice-Chairwoman of the Board of Directors
Fédération du Crédit Mutuel Centre Est Europe
Cautionnement Mutuel de l'Habitat
Director
ACM IARD
Managing Partner
SCI HOERDT 2000

Terms of office expired over the past five fiscal years

Member of the Board Directors
Banque Européenne du Crédit Mutuel
Vice-Chairwoman of the Board of Directors
Cautionnement Mutuel de l'Habitat
Director
Fédération du Crédit Mutuel Centre Est Europe

Frédéric Ranchon

Born on June 22, 1966
Nationality: French

Business address:
61 rue Blatin
63000 Clermont-Ferrand

Summary of main areas of expertise and experience

A graduate of the pharmacy school of Chatenay-Malabry, Frédéric Ranchon began his career as a pharmaceutical salesman in 1988 before receiving training in entrepreneurship at the ESC of Clermont Ferrand and ESSEC Paris and taking over management of a shop, Orchestra, in 2003.
From 2005 to 2019, Frédéric Ranchon was key accounts manager for ABBOT/ABBVIE Laboratories (large hospital accounts). He has been Chairman of Fédération du Crédit Mutuel Massif Central since 2017 as well as Chairman of Caisse Régionale du Crédit Mutuel Massif Central since 2016.

Director
First appointed to the Board: co-opted by the Board of Directors on November 23, 2023 with effect from January 1, 2024
Term expires: 2027

Other mandates and functions as at June 30, 2024

Chairman of the Board Directors
Fédération du Crédit Mutuel Massif Central
Caisse Régionale du Crédit Mutuel Massif Central

Director
Caisse de Crédit Mutuel Chamalières

Censor
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel

Member
CCI du Puy-de-Dôme

Terms of office expired over the past five fiscal years

Managing Partner
SAXO
SAXO MOD

Permanent representative of Caisse Régionale du Crédit Mutuel Massif Central, director
Assurances du Crédit Mutuel Vie SAM

Director
Caisse Fédérale de Crédit Mutuel
Caisse de Crédit Mutuel Clermont les 9 Soleils
Caisse de Crédit Mutuel Cebazat

Member of the Supervisory Board
Groupe ESC Clermont Auvergne Developpement

Thierry Reboulet

Born on August 3, 1962
Nationality: French

Business address:
130-132 avenue Victor-Hugo
26009 Valence Cedex

Summary of main areas of expertise and experience

Holder of a Technology University Degree in Business Management and Administration, Thierry Reboulet served as General Manager of Services at the town hall of Tain l'Hermitage for 17 years (36 years of service).
In 1998 he was appointed Chairman of a Crédit Mutuel local bank. In 2001, he became a director of Fédération du Crédit Mutuel Dauphiné-Vivarais. He was appointed Chairman of Caisse de Crédit Mutuel de Tain l'Hermitage in 2014. Since 2021, he has chaired the Fédération and Caisse Régionale du Crédit Mutuel Dauphiné-Vivarais and has been Chairman of the Appointments Committee of Caisse Fédérale de Crédit Mutuel since 2022.

Permanent representative of PLACINVEST, director
Chairman of the Appointments Committee of Caisse Fédérale de Crédit Mutuel
First appointed to the Board: 2024
Term expires: 2027

Other mandates and functions as at June 30, 2024

Chairman of the Board Directors
Fédération du Crédit Mutuel Dauphiné-Vivarais
Caisse Régionale du Crédit Mutuel Dauphiné-Vivarais
Caisse de Crédit Mutuel Vallée du Rhône
Caisse de Crédit Mutuel Tain l'Hermitage

Director
Caisse Fédérale de Crédit Mutuel

Censor
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel

Terms of office expired over the past five fiscal years

Administrateur
Banque Fédérative du Crédit Mutuel

Censeur
Caisse Fédérale de Crédit Mutuel

Permanent representative of Caisse Régionale du Crédit Mutuel Dauphine-Vivarais, director
Assurances du Crédit Mutuel Vie SAM

Directors whose terms of office expired during the first half of 2024

Nicolas Théry

Born on December 22, 1965
Nationality: French

Business address:
Crédit Industriel et Commercial
6 avenue de Provence
75009 Paris

Summary of main areas of expertise and experience

Nicolas Théry began his career in the financial inspection department in 1989 before joining the treasury department in 1993. From 1997 to 2000, he was an adviser in the office of the Minister of the Economy and Finance in charge of monetary and financial topics and then international and European topics. In 2000, he became director of the Private Office of Florence Parly, Secretary of State for the Budget. From 2000 to 2002, he was Confederal Secretary of the CFDT in charge of economic issues. He participated in the creation of the Comité intersyndical de l'épargne salariale and of the social and environmental rating agency Vigeo, directed by Nicole Notat. From 2002 to 2009, he worked at the European Commission as director of cabinet of Pascal Lamy, Commissioner for International Trade, before joining the directorate general for Enterprise and becoming director in the directorate general for the Environment where he worked on climate change. In 2009, he joined Crédit Mutuel. He was Chairman and Chief Executive Officer of CIC Est from 2012 to 2016. Since 2014, he has been Chairman of Caisse Fédérale de Crédit Mutuel, Banque Fédérative du Crédit Mutuel and Crédit Industriel et Commercial. Since 2016, he has been Chairman of Confédération Nationale du Crédit Mutuel and Fédération du Crédit Mutuel Centre Est Europe. He also chairs the Supervisory Board of Groupe des Assurances du Crédit Mutuel. He was Chairman of the Fédération bancaire française – French Banking Federation from September 1, 2021 to September 2022.
Nicolas Théry is a graduate of Science Po Paris and of the École Nationale d'Administration (ENA) – top of the "Liberty, Equality, Fraternity" class – and holds a Master's degree in Law, Economics, Management with a specialization in Business Law.

Chairman of the Board Directors
Member of the Group Risk Monitoring Committee of Caisse Fédérale de Crédit Mutuel
First appointed to the Board: 2014
Term expires: 2024

Other mandates and functions as at June 30, 2024

Chairman
Fondation Crédit Mutuel Alliance Fédérale
Fondation du Crédit Mutuel pour la lecture
Director
Caisse de Crédit Mutuel Strasbourg Vosges
Musée Rodin
Member
Comité d'éthique de la Défense

Terms of office expired over the past five fiscal years

Chairman
Fédération bancaire française
Member of the Management Board
Euro-Information
Chairman of the Board Directors
Banque CIC Nord Ouest
Dialogues
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Fédération du Crédit Mutuel Centre Est Europe
Caisse Fédérale de Crédit Mutuel
Banque Fédérative du Crédit Mutuel
Crédit Industriel et Commercial
Banque CIC Est
Assurances du Crédit Mutuel Vie SA
Assurances du Crédit Mutuel Vie SAM
ACM IARD SA
Crédit Mutuel Impact
Chairman of the Supervisory Board
Groupe des Assurances du Crédit Mutuel
Banque Européenne du Crédit Mutuel
Director
Caisse de Crédit Mutuel Strasbourg Vosges
Permanent representative of Groupe des Assurances du Crédit Mutuel, director
ACM GIE
Permanent representative of Fédération du Crédit Mutuel Centre Est Europe, member of the Management Board
Euro-Information

Chantal Cettour Meunier

Born on September 15, 1955
Nationality: French

Business address:
99, Avenue de Genève
74000 Annecy

Summary of main areas of expertise and experience

Holder of a professional certificate in transport and a professional certificate in accountancy and mechanography, Chantal Cettour Meunier was a managing partner of Transport Avocat Maulaz from 1984 to 2006. In 2006, she joined the Chatel town council as a local authority official before retiring in 2016.

She has been Chairwoman of a Crédit Mutuel local bank since 2015 and a member of Fédération du Crédit Mutuel Savoie-Mont Blanc since 2020.

Director
First appointed to the Board: 2023
Term expires: 2024

Other mandates and functions as at June 30, 2024

Chairman of the Board Directors
Caisse de Crédit Mutuel Val d'Abondance
Director
Fédération du Crédit Mutuel Savoie-Mont Blanc
Censor
Caisse Fédérale de Crédit Mutuel

Terms of office expired over the past five fiscal years

Censor
Caisse Fédérale de Crédit Mutuel

Gérard Cormorèche

Born on July 3, 1957
Nationality: French

Business address:
8 rue Rhin et Danube
69009 Lyon

Summary of main areas of expertise and experience

Holder of an Engineering Degree from the École Supérieure d'Agricultures d'Angers, Gérard Cormorèche is the managing partner of a cereal and vegetable farm and of the Cormorèche SARL specializing in the processing of red beetroot. He was awarded the insignia of Chevalier du mérite agricole in 1999.

In 1993, he was elected Chairman of a Crédit Mutuel local bank. He holds offices within Crédit Mutuel at local, regional and national levels. Since 1995, he has been Chairman of Fédération and Caisse de Crédit Mutuel du Sud-Est. He has also been Chairman of the Board of Directors of Caisse Agricole du Crédit Mutuel since 2004 and Vice-Chairman of CNCM (Confédération Nationale du Crédit Mutuel).

Director
Member of the Group Auditing and Accounting Committee of Caisse Fédérale de Crédit Mutuel
First appointed to the Board: 2001
Term expires: 2024

Other mandates and functions as at June 30, 2024

Chairman of the Board Directors
Fédération du Crédit Mutuel du Sud-Est
Caisse de Crédit Mutuel du Sud-Est
Caisse Agricole Crédit Mutuel (CACM)
CECAMUSE
Caisse de Crédit Mutuel Neuville-sur-Saône
Vice-Chairman of the Board of Directors
Fédération du Crédit Mutuel Agricole et Rural
MTRL
Assurances du Crédit Mutuel pour l'éducation et la prévention en santé
Director
Caisse Centrale du Crédit Mutuel
Confédération Nationale du Crédit Mutuel
Caisse Fédérale de Crédit Mutuel
Crédit Industriel et Commercial
Permanent representative of Caisse de Crédit Mutuel du Sud-Est, director
Assurances du Crédit Mutuel Vie SAM
SICA d'habitat Rural du Rhône et de la Loire
Censor
CIC Lyonnaise de Banque

Terms of office expired over the past five fiscal years

Vice-Chairman of the Board of Directors
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Managing Partner
SCEA CORMORECHE JEAN-GÉRARD
SARL CORMORECHE
Censor
Crédit Industriel et Commercial

Claude Courtois

Born on January 6, 1954
Nationality: French

Business address:
494 avenue du Prado
13008 Marseille

Summary of main areas of expertise and experience

A graduate of the École Nationale de Police de Cannes-Ecluse, Claude Courtois has worked as a police inspector in two active services of the French National Police.
In 1998, he was elected member of the Supervisory Board of a Crédit Mutuel local bank. In 2014, he became federal director and Chairman of the Western District of Fédération du Crédit Mutuel Méditerranéen.

Director
First appointed to the Board: 2019
Term expires: 2024

Other mandates and functions as at June 30, 2024

Chairman of the Board Directors
Caisse de Crédit Mutuel de Montpellier Antigone
Caisse de Crédit Mutuel de Lunel
Vice-Chairman of the Board of Directors
Fédération du Crédit Mutuel Méditerranéen
Director
Caisse Méditerranéenne Financement

Terms of office expired over the past five fiscal years

Chairman of the Board Directors
Caisse de Crédit Mutuel Bassin de Thau
Vice-Chairman of the Board of Directors
Caisse de Crédit Mutuel Frontignan
Director
Caisse de Crédit Mutuel Bassin de Thau
Caisse de Crédit Mutuel de Perpignan Kennedy
Caisse de Crédit Mutuel de Montpellier Alco
Censor
Banque Fédérative du Crédit Mutuel

Sandrine Crestois-Cognard

Born on November 8, 1984
Nationality: French

Business address:
18, rue de La Rochefoucauld
75 009 Paris

Summary of main areas of expertise and experience

With a master's degree in strategic and legal management of companies and an MBA in audit, consulting and management control, Sandrine Crestois-Cognard began her career as a senior consulting appr at PwC. She joined Axens France in 2021 as an international management controller.
In 2017, she joined the national bank of URSAFF as an accounting and financial auditor. Since 2022, she has acted as head of audit mission.
She has been Chairwoman of a Crédit Mutuel local bank since 2022 and a member of Fédération du Crédit Mutuel Ile-de-France since 2022. In 2023, Sandrine Crestois-Cognard was appointed Vice-Chairwoman of the Lions Club de la Défense.

Director
First appointed to the Board: 2023
Term expires: 2024

Other mandates and functions as at June 30, 2024

Chairwoman of the Board Directors
Caisse de Crédit Mutuel Rueil
Director
Fédération du Crédit Mutuel Île-de-France
Secretary and Vice-Chairwoman
Lions Club de la Défense

Terms of office expired over the past five fiscal years

Nil

Bernard Dalbiez

Born August 7, 1958
Nationality: French

Business address:
494 avenue du Prado
13008 Marseille

Summary of main areas of expertise and experience

High school graduate, Bernard Dalbiez was a train engineer and instructor for SNCF before retiring in 2008. Alongside his primary employment, he was an officer in the French air force reserves, serving until June 2019. In 2010, he was elected Chairman of the Crédit Mutuel de Marseille Pelletan local bank. In 2018, he became District Chairman and Vice-Chairman of Fédération du Crédit Mutuel Méditerranéen. Since 2021, he has been Chairman of Fédération et Caisse Régionale de Crédit Mutuel Méditerranéen and Chairman of the Supervisory Board of Centre de Conseil et de Service.

Permanent representative of SOFINACTION, director
Member of the Appointments Committee of Caisse Fédérale de Crédit Mutuel
First appointed to the Board: 2024
Term expires: 2024

Other mandates and functions as at June 30, 2024

Chairman of the Board Directors
Fédération du Crédit Mutuel Méditerranéen
Caisse Régionale du Crédit Mutuel Méditerranéen
Caisse de Crédit Mutuel Marseille Pelletan

Chairman of the Supervisory Board
Société Actimut
Centre de Conseil et de Service

Vice-Chairman of the Board of Directors
Caisse de Crédit Mutuel Ghisonaccia

Director
Caisse Centrale du Crédit Mutuel
Confédération Nationale du Crédit Mutuel
Caisse de Crédit Mutuel de Lunel
Caisse de Crédit Mutuel de Sainte-Maxime - Cogolin
Caisse Méditerranéenne de Financement (CAMEFI)

Representative of Fédération du Crédit Mutuel Méditerranéen, Chairman of the Supervisory Board
IMMO CMM

Terms of office expired over the past five fiscal years

Chairman of the Board Directors
Caisse de Crédit Mutuel Saint Laurent du Var
Caisse de Crédit Mutuel de Saint Cyr sur Mer
Caisse de Crédit Mutuel de Sainte Maxime – Cogolin

Vice-Chairman of the Board of Directors
Caisse de Crédit Mutuel de Nice Saint Isidore

Representative of Caisse Régionale du Crédit Mutuel Méditerranéen, director
Assurance du Crédit Mutuel Vie SAM

Member of the Supervisory Board
Banque Européenne du Crédit Mutuel

Censor
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel

Charles Gerber

Born on June 3, 1954
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Holder of a technical proficiency certificate degree in General Mechanics and a diploma in Management and Recruitment from the Comité d'Action Économique du Haut-Rhin, Charles Gerber began his career as a master sergeant in the French army. He then worked for ten years in the mechanical field, for 20 years as manager of a production site and for ten years as manager of high volume purchasing at the same company before retiring in 2009.
In 1991 he was first appointed member of the Board of Directors of a Crédit Mutuel local bank, before being appointed Chairman of the Board of Directors in 2012.

Director
First appointed to the Board: 2020
Term expires: 2024

Other mandates and functions as at June 30, 2024

Chairman of the Board Directors
Caisse de Crédit Mutuel de la Largue

Director and Chairman of the District of Altkirch-St-Louis
Fédération du Crédit Mutuel Centre Est Europe

Director
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel

Censor
Caisse Fédérale de Crédit Mutuel

Terms of office expired over the past five fiscal years

Director
Caisse Fédérale de Crédit Mutuel

Olivier Guiot

Born on July 21, 1967
Nationality: French

Business address:
61 rue Blatin
63000 Clermont-Ferrand

Summary of main areas of expertise and experience

Holder of a technical proficiency certificate in Accounting, Olivier Guiot worked as a logistics technician before he was elected mayor of the municipality of Saint-Hilaire in the Allier department in 2001.
In 1999, he became a director of Fédération du Crédit Mutuel Massif Central. From 2018 to 2020, he was a director on several provisional Boards of Directors (CCM Montferrand, CCM Cebazat, Vice-Chairman of CCM Yzeure). In 2020, he became Chairman of Caisse de Crédit Mutuel d'Yzeure.

Director
First appointed to the Board: 2020
Term expires: 2024

Other mandates and functions as at June 30, 2024

Chairman of the Board Directors
Caisse de Crédit Mutuel d'Yzeure
Director
Fédération du Crédit Mutuel Massif Central
Caisse Régionale du Crédit Mutuel Massif Central

Terms of office expired over the past five fiscal years

Vice-Chairman of the Board of Directors
Caisse de Crédit Mutuel de Moulins
Director
Caisse de Crédit Mutuel de Cebazat
Caisse de Crédit Mutuel de Montferrand

Albert Mayer

Born on September 17, 1955
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Albert Mayer holds certificates of Higher Accounting Studies and has been the Chairman of the firm Albert Mayer Expertise et Audit Comptable since 2009. Albert Mayer has also been a member of the Metz Association of Statutory Auditors since 1994 and is a legal expert with the Metz Court of Appeal.
In 1993 he was appointed Chairman of a Crédit Mutuel local bank. Since 2018, he has been Chairman of the Saint-Avold District of Fédération du Crédit Mutuel Centre Est Europe.

Director
Member of the Group Auditing and Accounting Committee of Caisse Fédérale de Crédit Mutuel
First appointed to the Board: 2018
Term expires: 2024

Other mandates and functions as at June 30, 2024

Chairman of the Board Directors
Caisse de Crédit Mutuel Freyming Hombourg-Haut
Chairman
Mayer Albert Expertise et Audit Comptable
Director and Chairman of the Saint Avold District
Fédération du Crédit Mutuel Centre Est Europe
Director
Crédit Indutriel et Commerciale
Managing Partner
Secogem expertise comptable
Pôle d'expertise comptable

Terms of office expired over the past five fiscal years

Nil

Franck Mogade

Born August 13, 1973
Nationality: French

Business address:
Rue Professeur Raymond Garcin
97200 Fort-de-France

Summary of main areas of expertise and experience

Graduated in business activities and accounting, Franck Mogade has been managing a public works company since 2002. In 2022, he was elected deputy mayor in charge of development, urban planning and technical services in the commune of Sainte-Marie.
He has been president of a Crédit Mutuel local bank since 2019 and a member of the Fédération and Caisse Régionale de Crédit Mutuel Antilles Guyane since 2020.

Director
First appointed to the Board: 2023
Term expires: 2024

Other mandates and functions as at June 30, 2024

Chairman of the Board Directors
Caisse de Crédit Mutuel Nord Atlantique
Director
Fédération du Crédit Mutuel Antilles Guyane
Caisse Régionale du Crédit Mutuel Antilles Guyane
Managing Partner
FY TP FOR YOU TRAVAUX PUBLICS
SOC TERRASSEMENT TRAV PUBLICS

Terms of office expired over the past five fiscal years

Nil

Thierry Reboulet

Born on August 3, 1962
Nationality: French

Business address:
130-132 avenue Victor-Hugo
26009 Valence Cedex

Summary of main areas of expertise and experience

Holder of a Technology University Degree in Business Management and Administration, Thierry Reboulet served as General Manager of Services at the town hall of Tain l'Hermitage for 17 years (36 years of service). In 1998 he was appointed Chairman of a Crédit Mutuel local bank. In 2001, he became a director of Fédération du Crédit Mutuel Dauphiné-Vivarais. He was appointed Chairman of Caisse de Crédit Mutuel de Tain l'Hermitage in 2014. Since 2021, he has chaired the Fédération and Caisse Régionale du Crédit Mutuel Dauphiné-Vivarais and has been Chairman of the Appointments Committee of Caisse Fédérale de Crédit Mutuel since 2022.

Director
Chairman of the Appointments Committee of Caisse Fédérale de Crédit Mutuel
First appointed to the Board: 2021
Term expires: 2024

Other mandates and functions as at June 30, 2024

Chairman of the Board Directors
Fédération du Crédit Mutuel Dauphiné-Vivarais
Caisse Régionale du Crédit Mutuel Dauphiné-Vivarais
Caisse de Crédit Mutuel Vallée du Rhône
Caisse de Crédit Mutuel Tain l'Hermitage
Censor
Confédération Nationale du Crédit Mutuel
Caisse Centrale de Crédit Mutuel

Terms of office expired over the past five fiscal years

Censor
Caisse Fédérale de Crédit Mutuel
Permanent representative of Caisse Régionale du Crédit Mutuel Dauphine-Vivarais, director
Assurances du Crédit Mutuel Vie SAM

René Schwartz

Born on January 14, 1957
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Holder of a Master's degree in Law and a DESS in Business Administration, René Schwartz, until his retirement as of June 30, 2019, worked as a lawyer specializing in tax law at the Société Fiduciaire d'Alsace et de Lorraine in Mulhouse.
From 1992 onward, he was elected Chairman of Caisse de Crédit Mutuel du Nouveau Monde in Bollwiller.
Since the end of 2018, he has been Chairman of the Union des Caisses de Crédit Mutuel of the Mulhouse District and a director of Fédération Centre Est Europe and Banque Fédérative du Crédit Mutuel.

Director
Member of the Group Auditing and Accounting Committee of Caisse Fédérale de Crédit Mutuel
First appointed to the Board: 2018
Term expires: 2024

Other mandates and functions as at June 30, 2024

Chairman of the Board Directors
Caisse de Crédit Mutuel du Nouveau Monde
Director and Chairman of the Mulhouse District
Fédération du Crédit Mutuel Centre Est Europe
Director
Crédit Industriel et Commercial

Terms of office expired over the past five fiscal years

Director
CARPA Mulhouse

Francis Singler

Born on July 18, 1956
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Holder of an Industrial Methods Technician degree, Francis Singler is retired. He spent his career with APF Entreprises Alsace, holding positions as production manager and then IT manager before retiring in 2018.
In 2001, he was appointed director of a Crédit Mutuel local bank. He was Chairman of the training commission for elected representatives of the Sélestat District from 2006 to 2018. Since 2018, he has been Chairman of the Sélestat district of Fédération du Crédit Mutuel Centre Est Europe and Chairman of the Board of Directors of the Ried Centre Alsace bank.

Director
First appointed to the Board: 2018
Term expires: 2024

Other mandates and functions as at June 30, 2024

Chairman of the Board Directors
Caisse de Crédit Mutuel Ried Centre Alsace
Member of the Supervisory Board
Euro-Information Production
Director and Chairman of the Sélestat District
Fédération du Crédit Mutuel Centre Est Europe
Censor
Crédit Industriel et Commercial

Terms of office expired over the past financial fiscal years

Nil

Alain Têtedoie

Born on May 16, 1964
Nationality: French

Business address:
10 rue de Rieux
44040 Nantes

Summary of main areas of expertise and experience

A graduate in Horticulture, Alain Têtedoie is Chairman and Chief Executive Officer in the agri-food sector.
In 1991, he became a director of a Crédit Mutuel local bank. He has been Chairman of Fédération and Caisse Régionale du Crédit Mutuel Loire-Atlantique et Centre-Ouest since 2006 and has also been a confederal director since 2004.

Director
First appointed to the Board: 2007
Term expires: 2024

Other mandates and functions as at June 30, 2024

Chairman
Thalie Holding
Chairman of the Board Directors
Fédération du Crédit Mutuel de Loire-Atlantique et du Centre Ouest
Caisse Régionale du Crédit Mutuel de Loire-Atlantique et du Centre Ouest
Chairman of the Supervisory Board
Crédit Mutuel Immobilier
Vice-Chairman of the Supervisory Board
Banque Européenne du Crédit Mutuel
Permanent representative of Fédération du Crédit Mutuel Loire-Atlantique et Centre-Ouest, Chairman
Investlaco
Fondation Cemavie
Director
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Caisse de Crédit Mutuel de Loire Divatte
Permanent representative of EFSA, director
Banque CIC Ouest
Permanent representative of Caisse Régionale du Crédit Mutuel Loire-Atlantique et Centre-Ouest, director
SODEREC
Representative of Thalie Holding, Chairman
La Fraiseraie SAS
Representing Thalie Holding, managing partner
SCEA La Fraiseraie
Managing Partner
GFA La Fraiseraie
Censor
Caisse Fédérale de Crédit Mutuel

Terms of office expired over the past five fiscal years

Chairman of the Supervisory Board
Centre de Conseil et de Service (CCS)
Director
Caisse Fédérale de Crédit Mutuel
Permanent representative of Caisse Régionale du Crédit Mutuel Loire-Atlantique et Centre-Ouest, director
Assurances du Crédit Mutuel Vie SAM

Group's key executives

Éric Charpentier

Born on October 6, 1960
Nationality: French

Business address:
6 avenue de Provence
75009 Paris

Summary of main areas of expertise and experience

Éric Charpentier is a graduate of the École Normale Supérieure with an agrégation in Mathematics, a DEA in Operational Research and a specialized Master's degree in Financial Techniques from the ESSEC business school. He began his career in 1987 with the Société Financière des Sociétés de Développement Régional – Finansder, of which he became Chief Executive Officer. He joined Crédit Mutuel Nord Europe in 1998 as Deputy Chief Executive Officer in charge of the finance and corporate division, then became Chief Executive Officer of Crédit Mutuel Nord Europe in 2006.
Between 2021 and 2024, Éric Charpentier was Deputy Chief Executive Officer of Crédit Industriel et Commercial and Chief Operating Officer, effective manager of Banque Fédérative du Crédit Mutuel since 2022. In 2024, he was appointed Chief Executive Officer – effective manager of Banque Fédérative du Crédit Mutuel and Crédit Industriel et Commercial. He serves as Chairman of the Board of Directors in several Crédit Mutuel Alliance Fédérale bodies in France and abroad.

Chief Operating Officer, effective manager
First appointed to the Board: 2023, effective January 1, 2024
Term expires: 2027

Other mandates and functions as at June 30, 2024
Chief Executive Officer
Caisse Régionale and Fédération du Crédit Mutuel Nord Europe
Crédit Industriel et Commerciael
Chairman of the Board Directors
Beobank
Banque de Tunisie
CIC (Suisse)
Banque de Luxembourg
Crédit Mutuel Investment Managers
Chairman of the Supervisory Board
Crédit Mutuel Equity
Member of the Supervisory Board
Groupe La Française
Euratechnologies
Director
UFR3S (Faculté de sport et Santé de l'université de Lille)
Crédit Mutuel Impact
Representative of VTP - 1 Investissements, member of the Supervisory Board
Banque Transatlantique
Representative of VTP - 1 Investissements, director
Crédit Mutuel Asset Management

Terms of office expired over the past five fiscal years
Chief Operating Officer
Banque Fédérative du Crédit Mutuel
Deputy Chief Executive Officer
Crédit Industriel et Commercial
Director
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Crédit Mutuel Nord Europe Belgium
Société Foncière et Immobilière Nord Europe
Crédit Industriel et Commercial
Chairman of the Board Directors
Sciences Po Lille
Representative of CFCM Nord Europe, member of the Supervisory Board
Groupe des Assurances du Crédit Mutuel
Representative of CFCM Nord Europe, member of the Management Board
Euro-Information
Permanent representative of BFCM, director
Astree Assurances

Alexandre Saada

Born on September 5, 1965 Nationality: French *Business address:* 4 rue Frédéric-Guillaume Raiffeisen 67000 Strasbourg	**Summary of main areas of expertise and experience** Alexandre Saada began his career in London in 1992 at SG Warburg (merged into UBS Investment Bank in 1995) in the corporate finance department, specialized in the financial institutions sector before working as a managing partner at S Capital from 2002 to 2010. In 2010, he joined Société Générale as head of Mergers & Acquisitions for the financial institutions sector for France and Benelux. In 2015, he became executive management advisor and then Chief Financial Officer of Crédit Mutuel Nord Europe. Since June 2017, he has been Deputy Chief Executive Officer of Banque Fédérative du Crédit Mutuel and Chairman of the Board of Directors of Crédit Mutuel Home Loan SFH. He has also been Chairman of the Board of Directors of CIC Ouest since 2018 and director of the "Finance Division" of Crédit Mutuel Alliance Fédérale since 2021. Alexandre Saada is a graduate of Sciences Po Paris (1988 – Economics and Finance section), holds a Master of Science in Management (1987), a DEA in International Economics and Finance (1988) from Université Paris Dauphine and a Master of Science in Finance (1989 – Jean Monnet scholarship) from Lancaster University (UK).

Deputy Chief Executive Officer – effective manager **First appointed: 2018** **Term of office with unlimited term**
Other mandates and functions as at June 30, 2024
Director, Finance Division
Caisse Fédérale de Crédit Mutuel
Chairman of the Board Directors
Crédit Mutuel Home Loan SFH
Vice-Chairman of the Supervisory Board
Cofidis
Cofidis Group
Permanent representative of Banque Fédérative du Crédit Mutuel, director
Groupe des Assurances du Crédit Mutuel
Banque de Tunisie
Member of the Supervisory Board
TARGOBANK AG
TARGO Deutschland GmbH
Terms of office expired over the past five fiscal years
Chairman of the Board Directors
CIC Ouest
Permanent representative of Marsovalor, director
Crédit Mutuel Investment Managers
Permanent representative of BFCM, director
Assurances du Credit Mutuel IARD SA
Opuntia (LUXE TV) SA
Censor
Cofidis
Cofidis Group

3.2.4 Preparation and organization of the work of the corporate bodies

3.2.4.1 Procedures for holding the Shareholders' Meeting

Conflicts of interest concerning the administrative, management and supervisory bodies

For Banque Fédérative de Crédit Mutuel, there has been to date, no mention of potential conflicts of interest between the duties of any of the members of the Board of Directors and Executive Management with respect to Banque Fédérative du Crédit Mutuel and its private interests and/or other duties.

Members of the Board of Directors and Executive Management are subject to the legal and regulatory obligations applicable to conflicts of interest. All Banque Fédérative du Crédit Mutuel officers, directors and censors adhere to the values and commitments of Crédit Mutuel Alliance Fédérale described in its code of conduct.
The purpose of this code is to prevent and, where necessary, manage conflict of interest cases. In addition, the Board of Directors of the Banque Fédérative du Crédit Mutuel adopted a charter for members of the supervisory bodies - ethics, conflicts of interest and personal declarations in 2022. This charter aims to prevent conflicts of interest by implementing measures. For example, the member of the Board of Directors shall inform the Board of any conflict of interest, including potential, in which they may be directly or indirectly involved and, in this case, they shall refrain from participating in discussions and decision-making on the subjects concerned. In addition, the Board of Directors of Banque Fédérative du Crédit Mutuel has amended its internal rules of the Board of Directors, which provide that the Vice-Chairman of the Board of Directors shall act as Lead Director with regard to the list of potential conflicts of interest of the Chairman.

Independence of directors

In accordance with the guidelines of the European Banking Authority

The definition of the independence of members is that provided for by the guidelines of the European Banking Authority on the assessment of the suitability of members of the supervisory body and holders of key positions.

Thus, the directors are deemed to be independent if they do not meet the eleven cumulative criteria defined below:

a) The member holds or has held a directorship as a member of the management body in his/her management function within an institution within the scope of prudential consolidation, unless he/she has not held such a position over the last five years;
b) The member is a shareholder who controls the relevant institution or represents the interests of a shareholder who controls the institution, including where the owner is a Member State or another public body;
c) The member has a significant financial or commercial relationship with the relevant institution;
d) The member is an employee of a shareholder who controls the relevant institution or is otherwise associated with a shareholder who controls the relevant institution;
e) The member is employed by an entity within the scope of consolidation, except when the following two conditions are met cumulatively:
   - the member does not belong to the highest hierarchical level of the institution, which reports directly to the management body,
   - the member has been elected to the supervisory function under a system of employee representation and national legislation provides adequate protection against unfair dismissal and other forms of unfair treatment;
f) The member was previously employed in a senior position in the relevant institution or in another entity within its prudential scope of consolidation, reporting directly only to the management body, and for the period elapsed between the end of this employment and the term of office on the management body is less than three years;
g) The member has been, during a period of three years, the principal of a significant professional advisor, an external auditor or a significant consultant of the institution concerned or of another entity involved its prudential consolidation scope, or an employee significantly associated with the service provided;
h) The member is or has been, during the past year, a significant supplier or customer of the relevant institution or of another entity within the prudential scope of consolidation or had another significant commercial relationship, or is a senior executive of a significant supplier, business entity or customer with a significant business relationship, or is directly or indirectly associated in any other way with such supplier, customer or business entity;
i) The member receives, in addition to the compensation related to his position and the compensation received in the course of his employment, fees or other significant services from the institution concerned or from another entity within its prudential scope of consolidation;
j) The member has been a member of the entity’s management body for 12 consecutive years or more;
k) The member is a close family member of a member of the management body in his or her management function of the institution in question or of another entity within the prudential scope of consolidation, or a person subject to a situation referred to above (points a) to h)).

The Appointments Committee of Caisse Fédérale de Crédit Mutuel, at its meeting of June 24, 2024, examined, according to the criteria detailed above, the independence of Nathalie BOY de la TOUR and confirmed her independence.

Independent cooperative directors

Certain members of the Board of Directors may qualify as independent mutualist directors, following a review of their situation by Caisse Fédérale de Crédit Mutuel's Appointments Committee. At its meeting on February 4, 2022, the Appointments Committee adopted the criteria for independent mutualist directors set out in the internal rules of Caisse Fédérale de Crédit Mutuel, and extended them to Banque Fédérative du Crédit Mutuel and CIC. The criteria were specified at the Caisse Fédérale de Crédit Mutuel Board meeting on November 23, 2023.

This review must verify that there is no relationship between the director and BFCM, whether financial, family or personal. In particular, a director can only be qualified as independent if he or she satisfies the following conditions:

- is not an employee or former employee of the group;
- must not have been a director of a Crédit Mutuel Alliance Fédérale umbrella banking entity (CFCM, BFCM, BECM, CIC) or of the Confederation for more than 12 years;
- does not have any financial ties considered significant;
- he or she has not received an indemnity or compensation, in any form whatsoever (excluding reimbursement of expenses), within the Crédit Mutuel group in excess of an annual amount set in the charter governing the exercise of office of members of the Boards of Crédit Mutuel Alliance Fédérale and in the provisions set forth by Confédération Nationale du Crédit Mutuel.

BFCM has determined the proportion of independent members in accordance with the guidelines of the EBA, which considers the presence of independent members as a good practice and therefore does not impose a number of independent directors.

In the light of these rules, of the 18 directors of BFCM as of December 31, 2023, 14 directors, or 77%, are considered independent mutualist directors.

3.2.4.2 Work of the board during the first half-year 2024

The Board of Directors meets at least four times a year according to a pre-established schedule.

Each item on the agenda has its own separate file or presentation, depending on its size, to better inform the members of the board. The minutes give a detailed record of deliberations, decisions and votes.

Meeting of February 6-7, 2024

The Board of Directors meeting of February 6-7, 2024 focused on the following topics in particular:

- presentation of BFCM's annual and consolidated financial statements at December 31, 2023;
- Group Auditing and Accounting Committee report of December 7, 2023, January 18, 2024 and February 5, 2024;
- observation of the statutory auditors;
- approval of the annual and consolidated financial statements at December 31, 2023;
- regulated agreements;
- performance report – update on the current study;
- update of issuance authorizations;
- update on the Group's cash position;
- presentation of an activity: the refinancing activity;
- summary of the GRMC meetings of December 18, 2023 and January 31, 2024;
- summary of relations with regulators;
- review of the Group treasury rules;
- breaches of the risk appetite framework;
- update on risk monitoring;
- update on the preventive recovery and resolution plan;
- 2023 activity of the compliance function;
- report of the Compensation Committee of January 29, 2024;
- report of the Appointments Committee of January 31, 2024;
- update of the charter for members of the supervisory bodies – Ethics, conflicts of interest and personal declarations;
- adoption of the charter on the means of exercising the terms of office of the members of the Boards of Directors or Supervisory Boards.

Meeting of April 5, 2024

The Board of Directors meeting of April 5, 2024 focused on the following topics in particular:

- Group Auditing and Accounting Committee report of March 27, 2024;
- presentation and review of the annual internal control report;
- approval of the AML/CFT annual internal control report;
- appointment of the new head of BFCM's custodian function;
- appointment of a new head of the risk management function, director of the risk, permanent control and compliance department of Crédit Mutuel Alliance Fédérale with effect from April 15;
- summary of the Group Risk Monitoring Committee report of March 18, 2024;
- summary of relations with regulators;
- update on risk monitoring;
- buyback of Cofidis Group shares held by Argosyn;
- report of the Compensation Committee of April 2, 2024 and report of the compensation policy and practices for 2023;
- review of executive compensation;
- approval of the list of risk-takers and the overall compensation package paid to regulated persons covered by the regulations;
- breakdown of the overall compensation package under the charter governing the exercise of offices of members of the Boards of Directors;
- report of the Appointments Committee of February 23, February 29, March 14 and March 27, 2024;
- approval of the revision of the internal rules of the Board of Directors and presentation of the role of the Vice-Chairman as Lead Director on the subject of potential conflicts of interest that may concern the Chairman;
- Total Energies;
- management reports and corporate governance reports;
- preparation and convening of the Ordinary Shareholders' Meeting of May 14, 2024.

Meeting of July 26, 2024

The Board of Directors meeting of July 26, 2024 focused on the following topics in particular:

- conditions for the Fit & Proper approval of Daniel BAAL as Chairman of the Board of Directors;
- presentation of conflicting decisions within the meaning of the ECB;
- discussions and decisions to be taken within the framework of a project;
- information on a procedure;
- Group Risk Monitoring Committee report of June 21, 2024;
- Risk, Permanent Control and Compliance department news;
- report of the Appointments Committee of May 22, June 5 and June 24;
- co-opting of a director.

3.2.5 Compensation principles and rules for the identified individuals (Articles L.511-71 *et seq.* of the French Monetary and Financial Code)

Banque Fédérative du Crédit Mutuel applies the principles and rules of compensation for identified individuals decided by Caisse Fédérale de Crédit Mutuel, which are presented in its report on corporate governance.

3.2.6 Principles for determining the compensation granted to corporate officers

As part of the implementation of a compensation and termination benefit system within Caisse Fédérale de Crédit Mutuel for the Chairman and Chief Executive Officer, as of June 1, 2019, the Board of Directors of BFCM on February 20, 2019 decided that the terms of office of Chairman of the Board of Directors and Chief Executive Officer would no longer be remunerated as of June 1, 2019.

For the guiding principles, implementation and compensation received, see paragraph 3.1.6 of the Caisse Fédérale de Crédit Mutuel's corporate governance report on the principles for determining the compensation paid to corporate officers.

COMPENSATION RECEIVED BY THE GROUP'S KEY EXECUTIVES FROM JANUARY 1 TO JUNE 30, 2024

2024 *(in euros)*[(a)]	Origin[(b)]	Fixed portion	Variable portion	Benefits in kind[(c)]	Employer contributions for supplementary benefits	Total[(d)]
Daniel Baal – *Chairman as of January 1, 2024*	Caisse Fédérale de Crédit Mutuel	475,000.02		2,384.70		477,384.72
Éric Charpentier – *Chief Executive Officer as of January 1, 2024*	Crédit Mutuel Nord Europe	441,100.02	44,310.00	1,414.56		486,824.58

(a) *These are gross amounts corresponding to amounts paid during the fiscal year.*

(b) *The Chairman of the Board of Directors and the Chief Executive Officer are paid in respect of their corporate offices within Caisse Fédérale de Crédit Mutuel. The other positions and functions of the Chairman of the Board of Directors and the Chief Executive Officer within the entities of Crédit Mutuel Alliance Fédérale are exercised on a voluntary basis.*

(c) *Company cars and/or senior executive insurance policy (GSC).*

(d) *Eric Charpentier, benefits from a specific supplementary pension plan (defined-benefit pension plan).*

COMPENSATION RECEIVED BY THE GROUP'S KEY EXECUTIVES FROM JANUARY 1 TO DECEMBER 31, 2023

2023 *(in euros)*[(a)]	**Origin**[(b)]	**Fixed portion**	**Variable portion**	**Benefits in kind**[(c)]	**Employer contributions for supplementary benefits**	**Total**[(d)]
Nicolas Théry – *Chairman*	Caisse Fédérale de Crédit Mutuel	901,277.87		12,342.00	9,427.04	923,046.91
Daniel Baal – *Chief Executive Officer*	Caisse Fédérale de Crédit Mutuel	920,833.39		4,769.40	9,427.04	935,029.83
Éric Charpentier – *Chief Operating Officer*	Crédit Mutuel Nord Europe	884,997.54		2,829.12	9,427.04	897,253.70

(a) These are gross amounts corresponding to amounts paid during the fiscal year.

(b) The Chairman of the Board of Directors and the Chief Executive Officer are paid in respect of their corporate offices within Caisse Fédérale de Crédit Mutuel. The other positions and functions of the Chairman of the Board of Directors and the Chief Executive Officer within the entities of Crédit Mutuel Alliance Fédérale are exercised on a voluntary basis.

(c) Company cars and/or senior executive insurance policy (GSC).

(d) Eric Charpentier, benefits from a specific supplementary pension plan (defined-benefit pension plan).

4 RISKS AND CAPITAL ADEQUACY – PILLAR 3

4.1 KEY FIGURES

The Pillar 3 report, including all the required interim tables, will be published as part of a second amendment scheduled for September 2024.In anticipation of this publication, the main ratios at June 30, 2024 are shown in the table below (EBA EU KM1 model):

(in € millions or as a percentage)	06/30/2024	03/31/2024	12/31/2023	09/30/2023	06/30/2023
AVAILABLE CAPITAL					
1 - Common Equity Tier 1 (CET1) capital	57,295	55,484	55,747	54,019	54,289
2 - Tier 1 capital	57,356	55,548	55,809	54,072	54,340
3 - Total equity	64,759	63,180	62,274	60,819	61,452
RISK-WEIGHTED ASSETS					
4 - Total amount of risk-weighted assets	309,746	305,553	300,652	298,478	294,236
CAPITAL RATIOS (AS A PERCENTAGE OF THE RISK-WEIGHTED EXPOSURE AMOUNT)					
5 - Common Equity Tier 1 capital ratio	18.5%	18.2%	18.5%	18.1%	18.5%
6 - Tier 1 capital ratio	18.5%	18.2%	18.6%	18.1%	18.5%
7 - Total equity ratio	20.9%	20.7%	20.7%	20.4%	20.9%
ADDITIONAL SREP CAPITAL REQUIREMENTS (PILLAR 2 REQUIREMENTS AS A PERCENTAGE OF RISK-WEIGHTED ASSETS)					
EU 7a – Pillar 2 capital requirements	1.5%	1.5%	1.5%	1.5%	1.5%
EU 7b – of which: to be met with CET1 capital	0.8%	0.8%	0.8%	0.8%	0.8%
EU 7c – of which: to be met with Tier 1 capital	1.1%	1.1%	1.1%	1.1%	1.1%
EU 7d – Total SREP capital requirements	9.5%	9.5%	9.5%	9.5%	9.5%
TOTAL BUFFER REQUIREMENT AND TOTAL CAPITAL REQUIREMENT (AS A PERCENTAGE OF THE RISK-WEIGHTED ASSETS)					
8 - Capital conservation buffer	2.5%	2.5 %	2.5%	2.5%	2.5%
EU 8a – Conservation buffer resulting from the macroprudential or systemic risk observed at the level of a Member State ***(as a %)***	n/a	n/a	n/a	n/a	n/a
9 - Countercyclical capital buffer	0.9%	0.8%	0.5%	0.5%	0.5%
EU 9a – Systemic risk buffer ***(as a %)***	n/a	n/a	n/a	n/a	n/a
10 - Buffer for global systemically important institutions ***(as a %)***	n/a	n/a	n/a	n/a	n/a
EU 10a – Buffer for other systemically important institutions ***(as a %)***	n/a	n/a	n/a	n/a	n/a
11 - Total buffer requirement	3.4%	3.3%	3.0%	3.0%	3.0%
EU 11a – Total capital requirements	12.9%	12.8%	12.5%	12.5%	12.5%
12 - CET1 capital available after compliance with the total SREP capital requirements	5.6%	5.3%	6.1%	5.7%	6.0%
LEVERAGE RATIO					
13 - Total exposure measurement	790,706	791,741	781,535	788,980	782,862
14 - Leverage ratio	7.3%	7.0%	7.1%	6.9%	6.9%
ADDITIONAL CAPITAL REQUIREMENTS TO ADDRESS THE RISK OF EXCESSIVE LEVERAGE (AS A PERCENTAGE OF THE MEASUREMENT OF EXPOSURE FOR LEVERAGE PURPOSES)					
EU 14a – Additional capital requirements to address the risk of excessive leverage	n/a	n/a	n/a	n/a	n/a
EU 14b – of which: to be met with CET1 capital (percentage points)	n/a	n/a	n/a	n/a	n/a
EU 14c – Total SREP leverage ratio requirements	3.0%	3.0%	3.0%	3.0%	3.0%
LEVERAGE RATIO BUFFER REQUIREMENT AND TOTAL LEVERAGE RATIO REQUIREMENT (AS A PERCENTAGE OF THE MEASUREMENT OF THE EXPOSURE FOR LEVERAGE RATIO PURPOSES)					
EU 14d – Leverage ratio buffer requirement	0.0%	0.0%	0.0%	0.0%	0.0%
EU 14e – Total leverage ratio requirement	3.0%	3.0%	3.0%	3.0%	3.0%
LIQUIDITY COVERAGE RATIO (LCR)[(1)]					
15 - Total liquid assets (HQLA)	123,376	125,672	125,578	125,100	125,796
EU 16a – Cash outflows	95,481	97,918	99,999	102,313	105,694
EU 16b – Cash inflows	22,396	22,619	22,763	22,748	22,482
16 - Total net cash outflows	73,085	75,299	77,236	79,565	83,212
17 - Liquidity coverage ratio (LCR)	169.6%	167.2%	162.8%	157.9%	152.1%
NET STABLE FUNDING RATIO (NSFR)					
18 - Total available stable funding	527,133	523,470	512,279	516,941	511,461
19 - Total required stable funding	440,843	442,687	445,207	440,386	435,748
20 - Net stable funding ratio (NSFR)	119.6%	118.2%	115.1%	117.4%	117.4%

(1) Number of dates used in the calculation of averages: 12.

4.2 RISK FACTORS (EU OVA)

Crédit Mutuel Alliance Fédérale (hereinafter referred to as "the group") includes all entities in the "regulatory perimeter", comprising the Crédit Mutuel banks, the federations and Caisse Fédérale de Crédit Mutuel, and the "BFCM consolidated scope", consisting of Banque Fédérative du Crédit Mutuel and all its subsidiaries.

Crédit Mutuel Alliance Fédérale is exposed to multiple risks associated with its Retail Banking, Insurance, Corporate Banking and Capital Markets, Private Banking and Private Equity. The group has set up a process to identify and measure risks related to its activities which enables it, at least once a year, to prepare the map of its most significant risks. The risk mapping is submitted for approval by the group's Board of Directors.

The main factors that may have a significant impact on the Group's risks are described below. Major risks are addressed first within each category.

4.2.1 Risks related to the group's banking and insurance activities

4.2.1.1 Credit risks

Crédit Mutuel Alliance Fédérale's primary risk is credit risk, because of its business model. Gross exposures – on-balance sheet, off-balance sheet, derivatives and repurchase agreements – which are almost exclusively subject to credit risk represented, as of June 30, 2024, €932 billion and mobilized, as of December 31, 2023, 90% of the group's Pillar 1 capital requirements pursuant to the Basel III regulations.
Details of exposures by type of counterparty are available in Pillar 3 of the 2023 Universal Registration Document, tables 32 "Performing and non-performing exposures and related provisions – EU CR1" and 28 "Credit quality of loans and advances to non-financial corporations by industry – EU CQ5".

Given the structure of Crédit Mutuel Alliance Fédérale's exposures, a stronger-than-expected deterioration in the economic environment could have four types of significant impacts on the group's credit risk exposures:

a. **An increase in defaults due** to the inability of counterparties to meet their contractual obligations, **which would require a significant increase in the provisioning effort in the income statement.** The succession of crises experienced since 2020 (Covid, the Russia-Ukraine conflict, the energy crisis, the climate crisis, the political crisis) has led to massive recourse to debt, both to cover business losses (State-guaranteed loans of which €7.8 billion remained outstanding at the end of June 2024) and to adapt production facilities to the rising cost of commodities and the challenges of climate risk. All of the group's counterparties may be affected. As of June 30, 2024, Crédit Mutuel Alliance Fédérale's rate of non-performing and disputed loans reached 3.1%, up from December 31, 2023 (2.8%).
As a percentage of gross outstanding loans, the cost of customer risk was 0.35% in the first half of 2024, compared with 0.23% at the end of 2023 (and 0.16% at the end of 2022). As of June 30, 2024, the group had a buffer of provisions on sound or defaulted outstandings in the amount of €10.6 billion (€10.1 billion at the end of 2023 and €9.6 billion at the end of 2022), which could prove insufficient.
b. **A sharp drop in real estate prices, resulting in a significant decrease in the value of the assets pledged as collateral.** Real estate loans represented 51% of net customer loans, *i.e.* €264.1 billion as of June 30, 2024, mainly in France. The value of the assets given as collateral could in this case be largely insufficient to cover the amount of the principal and interest due on the loans in difficulty and require significant additional provisions. While the cost of risk on the network's home loans was not significant in 2022, it rose to 0.01% in 2023, then to 0.03% in June 2024, and reached up to 0.10% of outstandings during previous crises.
c. **The default of one or more of the group's largest customers could degrade its profitability**. Crédit Mutuel Alliance Fédérale has a relatively high unitary exposure to certain States, banking counterparties or large groups, mainly French, some of which have benefited from support measures implemented by public authorities (*i.e.* State-guaranteed loans). Among States and similar entities, representing €178 billion of gross exposures as of end-June 2024, the group is principally exposed on France to the tune of €140 billion, mainly on the Banque de France (€73 billion), which is a member of the Eurosystem, and on the Caisse des dépôts et consignations (nearly €50 billion, which is considered to be a sovereign risk in France due to the centralization mechanism for deposits from regulated savings accounts). Other than States, as of December 31, 2023, single on- and off-balance sheet exposures exceeding €300 million, *i.e.* less than 10% of net income, represented €6 billion on banks for six counterparties and €44 billion on companies for 67 counterparties. The probability of several of these counterparties being downgraded or even defaulting simultaneously cannot be ruled out and would affect the profitability of the group.
d. An increase in **risk-weighted assets making up the denominator of the solvency ratio.** As of December 31, 2023, 65% of Crédit Mutuel Alliance Fédérale's total credit risk exposures are dependent on internal ratings, the quality of which determines the calculation of capital requirements for credit risk under Basel III and therefore the group's solvency ratio. A deterioration in the ratings of all or part of the portfolio, due to a sharp deterioration in the economic situation, could therefore lead to a reduction in the group's solvency ratios.

4.2.1.2 Risks related to insurance activities

As a bancassurer, Crédit Mutuel Alliance Fédérale is subject to supplementary supervision under Directive 2002/87/EC on the supervision of financial conglomerates, known as FICOD.

Groupe des Assurances du Crédit Mutuel (GACM), the group's insurance subsidiary, distributes its life and non-life products mainly through the group's banking networks to which it pays fees.

The weight of insurance activities within the group is likely, in the event of a sharp deterioration, to affect the profitability and solvency of Crédit Mutuel Alliance Fédérale. As of December 31, 2023, GACM's solvency ratio was 226%.

The main risks related to insurance activities are as follows:

a. Underwriting risk

Underwriting risk concerns savings, retirement, borrower insurance, protection, non-life insurance and health. Depending on the activity, it may cover various risks:

- life underwriting risks: mortality, surrenders, longevity, catastrophe, expenses, revision and incapacity/disability;
- non-life underwriting risks: undervaluation of claims, catastrophe and surrenders;
- health underwriting risks: incapacity/disability, longevity, medical expenses/hospitalization, surrender, mortality, catastrophe expenses, revision.

The risk concentration is low for GACM, which manages a portfolio mainly composed of individuals.

All of these risks are carefully managed through pricing and provisioning risk management processes, as well as a reinsurance program designed to protect the earnings and solvency of GACM entities by limiting the impact of any underwriting losses on shareholders' equity.

The underwriting risks described above are monitored by entity and by business segment.

The level of claims for each business line is monitored, as are various technical indicators (new business production, churn rate, claims to premium ratio, claims frequency, etc.).

The savings portfolio of GACM's life entities is also regularly monitored, both in terms of the breakdown of its outstandings and of incoming and outgoing flows.

b. Market risk

Market risk is the risk of loss that may result from fluctuations in the prices and yields of the financial instruments making up a portfolio.

Insurance market risks are made up of a variety of risks: falling equity markets, spreads, rising or falling interest rates, liquidity, real estate, inflation, concentration and currency.

This market risk is carefully managed by means of limits and asset dispersion rules. The risk management policy also includes:

- individual control of certain financial risks deemed major (interest rate risk, equity risk, credit risk, etc.);
- an overall risk analysis aimed at protecting the GACM entities against the simultaneous occurrence of several of these risks.

The main market risks weighing on GACM are as follows:

Equity risk

The impairment of shares and similar may impact the financial statements, balance sheet and solvency of the insurance company.

The equity risk is monitored through various indicators, such as equity breakeven points.

Interest rate risk

For life insurance, interest rate risk is an upside risk – the inertia of interest rates can cause the rate paid by the insurer to fall below market levels, leading to surrender situations – or a downside risk – the insurer may no longer be able to pay the guaranteed minimum rates due to falling asset yields.

The high level of the provision for participation in surplus earnings (PPE) reduces exposure to the risk of rising interest rates.

Spread risk

Spread risk is the risk of an issuer defaulting on its debt. This risk remains limited thanks to the good diversification of the bond portfolio between public and private issuers, as well as its good credit quality.

Spread risk is managed by limit systems and a set of rules governing the selection of counterparties (or reinsurers).

c. Operational risks

Operational risks are the risks of losses resulting from an inadequacy or failure attributable to:

- non-compliance with internal procedures;
- human factors;
- IT systems failures;
- external events including legal risk.

Operational risks include cybersecurity, data quality, non-compliance and legal risks.

A business continuity policy has been drawn up. It describes the strategy adopted by GACM, as well as the crisis management system put in place in the event of a major incident.

GACM has a business continuity plan (BCP), as well as a disaster recovery plan (DRP) tested by Euro-Information.

Risk mapping makes it possible to identify, assess and measure the risks incurred.

With regard to cybersecurity risk, GACM benefits from the resources of Crédit Mutuel Alliance Fédérale and has implemented governance and risk reduction measures that are ISMS (information security management system) certified.

With regard to data quality, GACM has put in place a stringent policy, defining governance, flow mapping and a dictionary, as well as a control and reporting system.

Lastly, in order to manage the risk of non-compliance, an organization has been set up around the key compliance function, in liaison with Crédit Mutuel Alliance Fédérale's compliance department and with partner subsidiaries, and has a network of correspondents within the business lines.

d. Sustainability risk

Sustainability risk refers to an environmental, social or governance (ESG) event or situation which, if it occurs, could have a material adverse effect, actual or potential, on GACM's performance or reputation.

GACM is exposed to sustainability risk notably through its property & casualty insurance business and its asset portfolio.

GACM has a regularly updated ESG policy, enabling it to take into account sustainability risks on its assets as well as the environmental or social impacts of its investments.

In order to limit its exposure to and support for certain activities with a high environmental or social impact, GACM applies ambitious sectoral policies, in line with Crédit Mutuel Alliance Fédérale.

In addition, GACM SA has set itself a target: the carbon footprint of investments in shares and corporate bonds held directly by 2030 must decrease by at least 33% compared to the end of 2018.

Finally, GACM's shareholder engagement policy sets out how GACM intends to exercise its shareholder rights in the companies in which it invests.

4.2.2 Financial risks related to the group's activities and macroeconomic conditions

Financial risks are those related to the impact of changes in market conditions on liquidity risk, interest rate risk and market risk.

4.2.2.1 Liquidity risk

Liquidity risk means the capacity for a bank to find the funds necessary for financing its commitments at a reasonable price at any time. Thus, a credit institution which is unable to honor its net outflows of cash because of a scarcity of its financial resources in the short-, medium- and long-term has a liquidity risk.

Liquidity risk can occur over different time periods and respond to multiple factors, which requires appropriate and differentiated management. The factors can be internal or external.

The main risk factors associated with liquidity risk are:

a. A sudden and massive outflow of liquidity

The group must be able to deal with sudden and significant liquidity leaks, whether in connection with customers (leakage of deposits, off-balance sheet drawdowns) or Capital Markets (margin calls related to changes in valuation, additional collateral requirement, etc.). In order to cover this risk, the group has a liquidity reserve made up of deposits with central banks, mainly the European Central Bank, securities and available receivables eligible for central bank refinancing. This reserve amounted to €166.2 billion at June 30, 2024. This short-term risk is managed using the LCR ratio, whose average level for the first half year of 2024 is 170%, which represents an average surplus of €54 billion over the minimum regulatory requirements.

b. An unbalanced change in the commercial gap

As a universal bank, the group is active in both the loan and savings markets. With a loan-to deposit ratio of more than 100%, Crédit Mutuel Alliance Fédérale is structurally a borrower and uses market financing to balance its balance sheet. An increase in the ratio, and therefore an increase in the commercial gap, increases the dependence on external refinancing and consequently the exposure to liquidity risk.

By controlling the loan to deposit ratio, the group limits this risk. The actions taken since 2023 to defend deposits in a context of strong competition enabled the group to maintain the ratio at around its management threshold.

c. The effects of a change in interest rates on the balance sheet structure

Between 2020 and 2022, in a context of accommodating central bank policies and low interest rates, the health crisis had the effect of maintaining current accounts at an exceptionally high level, benefiting the group's liquidity position.

The rapid and massive rise in rates operated by the ECB since July 2022 demonstrated that the bank was exposed to a risk of distortion of its liabilities. The defense of bank deposits was carried out, in particular, by a strong change in the pricing of term deposits, and the arbitration between current accounts and term deposits increased the transformation of the balance sheet into liquidity.

As the main source of balance sheet financing, bank deposits have been closely monitored since the end of 2022 and pricing adjustments according to changes in market rates or their expectations are supported by close monitoring of outstandings.

d. More difficult access to market refinancing

A tense geopolitical or political context (including political tensions in France), or uncertainty in the financial sector, may lead to the closure of the medium- and long-term refinancing market . This was the case in early 2023 with the difficulties of certain American regional banks or Crédit Suisse, or in June 2024, after the announcement of the dissolution of the National Assembly. These situations may also result in a widening of spreads and an increase in the relative cost of refinancing.

With the end of the accommodating policies of central banks, we are witnessing a withdrawal of liquidity from the market, which could constitute an adverse environment for raising resources. This risk of attrition of market refinancing did not materialize, however, and investors took advantage of the rise in interest rates to rebuild their portfolios.

e. Excessive transformation to liquidity

In order to avoid excessive sensitivity to the risks mentioned above, it is necessary to ensure a good match between the maturities of the liabilities and the assets to be refinanced and to limit the transformation of the balance sheet. The Net Stable Funding Ratio (NSFR) secures this balance over a one-year horizon. At March 31, 2024, Crédit Mutuel Alliance Fédérale's NSFR amounted to 118,2% with a stable surplus of resources of €80,8 billion.

f. A significant deterioration in the ratings of BFCM

BFCM is the main issuer of Crédit Mutuel Alliance Fédérale, and as such carries the ratings on behalf of the group. BFCM's long-term ratings (Senior Preferred) as of June 30, 2024 are AA- stable for Fitch Ratings (rating of January 19, 2024), Aa3 stable for Moody's (rating of July 25, 2024) and A+ stable for Standard & Poor's (rating of November 22, 2023). The latter agency rates the Crédit Mutuel group and its major issuers.

A decrease in these credit ratings (y compris potentiellement corrélé à la baisse de notation en France) pourrait avoir un impact négatif on the refinancing of Crédit Mutuel Alliance Fédérale. Le coût relatif du refinancement s'en trouverait augmenté et cette dégradation pourrait également se traduire par une exigence de collatéral accru dans certaines activités ou certains contrats bilatéraux.

g. An unfavorable change in collateral

Many Capital Markets require the mobilization of collateral, either on a permanent basis (guarantee deposits, initial margins) or according to changes in valuations. An unfavorable change in the markets, a downgrade in the rating (see above), or a tightening of the constraints imposed by certain market participants may generate an increase in the liquidity mobilized, either temporarily or permanently.

The collateral constituting **t**he liquidity reserve and eligible at the central bank may be affected by changes in the implementation of monetary policy: increase in discounts, end of eligibility of certain assets. The year 2023 saw the end of the eligibility of residential loans (ACC-resid), which resulted in a decrease in the reserve as well as the full restoration of the level of discounts before the health crisis.

4.2.2.2 Interest rate risk

Interest rate risk is defined as the difference in the profit/(loss) of a bank when interest rates vary upwards or downwards. As the value of an institution is directly related to its earnings, changes in interest rates also mean changes in its asset value with an impact on the balance of on- and off-balance-sheet items. This risk is measured on the banking book and excludes the trading book.

The main risk factors associated with interest rate risks are:

a. A conversion rate that is too high

Crédit Mutuel Alliance Fédérale's business with its clients generates a risk of an increase in interest rates through the granting of long-term fixed-rate loans that cannot be offset by the client's resources. This risk is controlled by the measures taken by asset-liability management, which calibrate the hedging transactions required to maintain the exposure within the approved framework.

The net present value (or "NPV") sensitivity of Crédit Mutuel Alliance Fédérale's balance sheet, determined according to six regulatory scenarios, is below the 15% threshold for Common Equity Tier 1 capital. Crédit Mutuel Alliance Fédérale is sensitive to an increase in the entire 200 bp yield curve, with an NPV sensitivity of -8.04% relative to Common Equity (Tier 1) capital as of March 31, 2024. The sensitivity of the net interest margin at one and two years is determined according to several scenarios (increase and decrease of rates by 100 bp, increase and decrease of rates by 200 bps with a floor) and stress scenarios (flattening/inversion of the yield curve, short term stagnation/inflation shock with gradual increase in long rates and inflation). The scenario of a "200 bp decrease with floor" is the most unfavorable scenario for Crédit Mutuel Alliance Fédérale with an impact of -27.77% over two years, *i.e.* -€2.4 billion at March 31, 2024. The sensitivity of Crédit Mutuel Alliance Fédérale's balance sheet net interest margin determined according to the two prudential shock scenarios (SOT NIM over a one-year horizon at constant balance sheet) is below the threshold of 5% of Common Equity (Tier 1).

b. A sharp rise in interest rates

A sharp rise in interest rates such as that experienced in Europe throughout 2023 highlighted the risk of an uneven spread of interest rate movements in the bank's balance sheet. On the loan side, only production passes on the increase in interest rates, while early repayments on transactions in stock decrease. In terms of deposits, products such as passbook accounts have been revalued across the entire stock and interest on term deposits is becoming more attractive; there is a massive arbitration from low-interest or non-interest-bearing deposits to more attractive vehicles. This results in a tightening of the net interest margin while the overall structure of rates is balanced in this new context.

c. Barriers to the diffusion of market rates: administered rates and usury rates

In addition to the risk of changes in market rates mentioned in the previous two points, there is another factor that slows the distribution of market rates to the customer sector. On the loan side, the constraints related to usury rates and the frequency of discounting have created a distortion between the market and customer pricing, weighing on loan production.

As for deposits, it should be noted that negative rates were not generally applied to customer conditions, which benefited from a *de facto* floor of 0. In addition, although its formula refers to market indices, the passbook rate also depends on the level of inflation and the final decision lies with the Ministry of Finance.

While the latest decision on the passbook rate seems rather favorable for banks' margins with a rate set until February 1, 2025, the previous period illustrated the risk related to the decorrelation of administered rates with market rates, with a decrease in loan rates greater than that observed on deposits (including the floor at 0 on current accounts).

4.2.2.3 Market risks

This is the risk of loss of value caused by any unfavorable change in market parameters such as interest rates, the prices of securities, exchange rates or commodities prices. Market risk concerns activities of several business lines of the bank, including the Capital Markets of CIC Marchés subsidiary, the asset-liability management activity and the asset management business of the group's management companies. The impact of market risk on insurance activities is described in the "Risks related to insurance activities" section 4.2.1.2 above.

The potential impact of market risk on the ALM business is described above. The risk involving asset management is due to the fact that the fees received by this business line vary with the valuation of the funds under management, which is set by markets.

The group's Capital Markets are subject to several types of risk:

a. **A worsening of economic prospects** would negatively affect the financial markets, which are supposed to reflect the health of issuers of the capital and debt securities that are traded in them. The valuation of transferable securities would decline, the volatility of valuations would increase and liquidity could be reduced in certain markets. A long period of fluctuation, in particular a fall in asset prices, could expose the activities of CIC Marchés to a risk of significant losses, particularly when faced with difficulties in selling positions in a context of declining market liquidity.

   The volatility of financial markets may have an unfavorable effect and lead to corrections on risky assets and generate losses for the group. In particular, an increase in volatility levels could make it difficult or costly for the group to hedge certain positions.

   The investment business line would suffer from adverse financial market conditions to the extent that this business line, particularly in anticipation of an improving economy, takes a position on increasing stock market valuations and on a better rating quality of debt issuers.

   The results of the commercial business line would also be negatively impacted by poor market conditions. Fees from the brokerage business would drop in proportion to the decline in transaction valuations. Similarly, the number of transactions on the primary market (initial public offers, capital increases and debt issues) would drop, which would translate directly into less fees.

   If funds managed on behalf of third parties within Crédit Mutuel Alliance Fédérale were to perform below those of market competitors, customer withdrawals could increase, which would affect the revenues of this activity.

b. **The fight against persistent core inflation continued in the 2024 fiscal year,** prompting many central banks to continue tightening their monetary policies. Thus, the European Central Bank carried out successive increases of its deposit rate, which rose from 0% to 4% between July 2022 and September 2023, reaching its highest level since 2008. On June 6, the ECB lowered its key rate by 25 bps, thus ending the period of increase. However, the speed at which rates will fall remains uncertain and depends mainly on the various indicators monitored by the ECB.

   On the other side of the Atlantic, after eleven consecutive rate increases, the Federal Reserve left its key rate unchanged since July 2023 at 5.5%, with a view to better assessing the impact of previous increases in order to obtain further confirmation of a potential disinflationary trend.

   The end of the half year was marked by the dissolution of the National Assembly in France. This event led to a marked spread between the OAT and the Bund. In this context, sovereign securities experienced a negative change in value. At the level of the Group, OATs are exclusively in the hold-to-collect and sell model (variation by equity).

   CIC Marchés ended the half year with net revenue of +€299 million and income before tax of +€159 million compared to, respectively, +€293 million and +€153 million a year earlier.

   The market risk to which CIC Marchés division is exposed is weak. The capital allocated to CIC Marchés is €660 million, which represents 1% of Crédit Mutuel Alliance Fédérale's overall regulatory capital (€62.3 billion at December 31, 2023). At June 30, 2024, this amount had been used in the amount of €548 million.

During the first half of 2024, the historical VaR (one-day, 99%) of the trading book amounted to €4.88 million on average for the group.

The Group Treasury business line also has a total capital of €140 million for the 2024 fiscal year. Lastly, Crédit Mutuel Alliance Fédérale has a total capital of €245 million for all other proprietary trading activities, mainly including UCIs in the context of support operations for the development of certain group subsidiaries.

4.2.3 Risks related to the group's regulatory environment

4.2.3.1 Risks related to the regulatory and prudential environment

The regulatory environment in which Crédit Mutuel Alliance Fédérale operates is described in the dedicated section 2.1.2 "Regulatory environment".

The events at the beginning of 2024 illustrate **a context marked by uncertainty**. Testing and adapting to growing economic and financial uncertainties is one of the key topics identified by the European Banking Authority in its prudential supervision program for 2025, published in July. Several factors could lead to a destabilization of the markets and a surge in inflation, including the upturn in inflation, geopolitical tensions (continued war in Ukraine, risk of regionalization of the conflict in the Middle East, etc.). The result of the US elections could have an impact on global trade. Lastly, there is also the risk of political disruption following the dissolution of the National Assembly in France.

At the continental level, to **boost the competitiveness of the European market**, the European Union (EU) launched discussions on the Capital Markets Union following the publication of the Letta report, "Much more than a market". The latter recommends extending the scope of the single market, in particular to the finance, energy and electronic communications sectors, with numerous proposals to support investment. Legislative initiatives at European level may, therefore, be taken on these subjects.

In this context of uncertainty, regulatory requirements contribute to the strength of the market. **Solvency risk** was impacted by the finalization of the implementation of Basel III and its regulatory transposition in Europe. The implementation of Basel III aims to deepen the risk assessment tools of banking institutions, and could lead to additional capital requirements being applied to the sector. Numerous guidelines are expected from the European Banking Authority in order to complete the operational implementation of this text.

With regard to **credit risk**, the adoption of Basel III in Community law comes in a context of high rates and uncertainty, which has led to a deterioration in loan production and an acceleration in corporate failures. The real estate sector (residential and especially commercial) is currently experiencing a sharp contraction in volumes and prices, and is still subject to increased monitoring, in a deteriorated context since the rise in interest rates, to avoid any economic and financial risk. The finalization of Basel III aims to further regulate the calculation of risk-weighted assets, in particular by taking into account the value of guarantees on financed assets, which may be affected by market trends. In addition, this framework provides for a significant measure, the output floor, aimed at limiting the benefit that institutions may derive from the use of internal models compared to the standardized approach.

With regard to **market risks**, political and geopolitical tensions, as well as the possibility of maintaining high interest rates, pose a significant risk of a correction in the financial markets. The *Autorité des marchés financiers* (AMF – French Financial Markets Authority) notes in its 2024 market and risks mapping that, despite the favorable outlook at the end of 2023 which continued at the beginning of 2024, a new phase of correction of asset prices could open in the event of a later and/or more moderate monetary easing, if inflationary pressures were to persist. From a regulatory standpoint, the finalization of Basel III, and more specifically the Fundamental Review of the Trading Book (FRTB) is postponed to January 2026, following a decision by the European Union. This aims to align with the timetable followed by the United States. The FRTB involves significant changes in the management of market risks, particularly in terms of governance, risk modeling and IT infrastructure.

Regulations applicable to **IT and data risks** are being reinforced, in a context of increasing cyber threat. The group is organizing itself and is gradually bringing itself into compliance with the new requirements of the Digital Operational Resilience Act (DORA), the sectoral regulation for financial entities, applicable in early 2025, which creates a regulatory framework for digital operational resilience.

Artificial intelligence (AI) is an important subject for the group, which aspires to put technology at the service of people. Indeed, an internal charter on the ethics of AI has been adopted, in order to determine clear guidelines on the use of these new technologies, in the interest of member customers and employees. The adoption of the Artificial Intelligence Act, in the first half of 2024, establishes a definition of the technologies that fall within the scope of AI, leading to better control of the risks related to these new technologies, in particular in terms of consumer protection, by implementing common requirements for all players. This regulation establishes a definition of what falls within the scope of AI, and is based on a classification of activities by level of risk, in order to determine proportionate obligations in terms of transparency, robustness and monitoring of tools using artificial intelligence.

Risks on means of payment are also closely monitored as part of the group's compliance with the regulation on instant euro payments, adopted in early 2024. Possible developments in the draft Financial Data Access (FIDA) regulation are being closely monitored. This draft regulation could pave the way for companies in the financial sector to share a certain amount of data resulting from the use of their services by customers. The group is particularly attentive to this draft regulation, which could have a significant impact on the sector.

Non-compliance risks are also closely monitored, in order to implement the measures taken in terms of customer protection on schedule. The group has also undertaken work to strengthen its financial security system and is continuing it with the future integration of the changes resulting from the package on combating money laundering and the financing of terrorism in the EU ("AML package" – adopted in the first half of 2024).

With regard to **insurance risks**, the group is continuing its work to meet the new standards imposed by management on financial conglomerates, and to anticipate the consequences of the overhaul of the Solvency II directive applicable to insurance companies. The group is also monitoring the discussions on the **subject of regional insurability**. They resulted in the publication of the report "Adapting the French insurance system to changes in climate risks", in April 2024. It aims to identify solutions to maintain the pooling of risks in the regions, including those marked by a high level of climate claims. It could give rise to actions by the State to adapt existing systems to these new challenges raised by climate change.

Finally, **resolution risks** are monitored as part of compliance with the operational guidelines of the Single Resolution Board (SRB) and the draft "package" on the banking crisis management and deposit insurance (CMDI) framework.

4.2.3.2 Risks related to the implementation of a resolution system

The regulations give the resolution authority the power to open insolvency proceedings for the Crédit Mutuel group if, after applying the measures referred to in Article L.511-31, CNCM, the central body of the group and all its affiliates, is failing, or is likely to fail, with the objective of ensuring critical function continuity, avoiding risks of contagion, recapitalizing or restoring the institution's viability. These powers must be implemented in such a way so that losses, subject to certain exceptions, are borne first by the impairment or conversion of capital instruments, then by holders of Additional Tier 1 and Tier 2 capital instruments, holders or subordinated receivables other than those referred to as Additional Tier 1 or Tier 2 capital instruments in paragraph 5 of Article L.613-30-3 of the French Monetary and Financial Code, then by holders of senior non-preferred bonds and finally by holders of senior preferred bonds in accordance with the priority order of their claims.

The resolution authority has extensive powers to implement the resolution tools for the issuer, or the Crédit Mutuel group, which may include the total or partial transfer of business to a third party or to a bridge institution, the hive-off of the institution's assets, the suspension of the listing or admission to trading of debt instruments, the total or partial impairment of regulatory capital instruments, the dilution of regulatory capital instruments through the issuance of new equity securities, the total or partial impairment or conversion of debt instruments into equity securities, the modification of the terms of debt instruments (including the modification of the maturity and/or the amount of interest payable and/or the temporary suspension of payments), the suspension of the listing and admission to trading of financial instruments, the dismissal of executives or the appointment of a special director.

The issuer is covered by the Crédit Mutuel group's internal financial solidarity mechanism. Repayment, in full, of creditors' loans is subject to the risk of the implementation of said financial solidarity mechanism.

Where the emergency plan or the solidarity measures taken are not sufficient to facilitate the recovery of the central body's affiliates, including the issuer, or if objective evidence suggests in advance that the implementation of such a contingency plan or measures that may be taken by CNCM would prove insufficient to restore compliance with prudential requirements, the resolution of the Crédit Mutuel group will be determined on a collective basis. In fact, the implementation of the solidarity mechanism is accompanied by the merger of Crédit Mutuel group affiliates.

During periods of proven financial difficulty, *i.e.* when the European Central Bank alerts the Single Resolution Board of the risk of failure ("Failing Or Likely To Fail," or FOLTF principle), of the Crédit Mutuel group determined on a consolidated basis, where the Single Resolution Board declares the Crédit Mutuel group FOLTF, on a consolidated basis, in accordance with Article 18.1 of Regulation (EU) 806/2014, known as the SRMR or, as provided for in the national solidarity mechanism, when the emergency plan or the measures taken by CNCM within the context of this mechanism are not sufficient to facilitate the recovery of a failing group, or if objective evidence suggests in advance that the implementation of any such emergency plan or measures that may be taken by the Confédération would prove insufficient to restore compliance with prudential requirements, CNCM, at the request of the supervisory or resolution authorities, as appropriate, is fully authorized to fulfill the objectives and principles followed by these authorities in relation to solidarity.

During periods of proven financial difficulty or during the resolution phase, there is unlimited solidarity between CNCM affiliates.

The implementation of these means and powers with regard to the issuer, or the Crédit Mutuel group, may give rise to significant structural modifications.

Should CNCM be required to merge all its affiliates, creditors could find themselves competing with creditors of the same ranking, of other CNCM affiliates. After the transfer of a portion of its activities, the creditors (even without any impairment or conversion of their loans) would hold loans in an institution whose remaining businesses or assets may be insufficient to satisfy the claims held by all or some of its creditors.

If CNCM has not merged all its affiliates upon commencement of resolution, the resolution authority may consider other resolution strategies (transfer of business, bridge institution, separation of assets, or coordinated "bail-in" of all CNCM affiliates). Should the resolution authority apply a coordinated "bail-in", the liquidity of CNCM affiliates and all capital instruments and eligible liabilities may be used to help offset losses and recapitalize CNCM affiliates. In this event, value reduction measures or the conversion of eligible liabilities would follow the ranking of creditors in a judicial liquidation. The "bail-in" would be based on capital requirements at consolidated level but would be applied on a pro rata basis by entity, *i.e.* the same impairment or conversion rate will be applied to all shareholders and creditors of the same class, regardless of the issuing legal entity within the network.

Exercising the powers described above may result in losses for investors.

4.2.4 Risks related to the group's business operations

4.2.4.1 Strategic and business risk

At the beginning of 2024, Crédit Mutuel Alliance Fédérale announced its strategic plan for 2027, Togetherness, Performance, Solidarity. This includes financial targets related to revenues, expenses and profitability. These objectives were decided as internal objectives; they are based on assumptions, particularly in relation to the economic and commercial context. These objectives should not be considered as earnings forecasts. The group is likely to deviate from these objectives, particularly in the event of the occurrence of one or more of the risk factors defined in this section. For example, the strategic plan sets a target cost/income ratio of 54% in 2027. However, while the level of the latter depends in part on the group's ability to innovate and carry out actions consistent with the defined objective, it also depends on factors external to the group, such as changes in inflation, impacting that of general operating expenses, or the economic context, impacting the group's ability to increase its net revenue. Failure to achieve the objectives defined in the 2024-2027 strategic plan could significantly affect Crédit Mutuel Alliance Fédérale's results and financial position.

4.2.4.2 Operational risks

In accordance with point 52, Article 4 of Regulation (EU) No. 575/2013, operational risk is defined as the risk of loss or gain resulting from inadequate or failed internal processes, people and systems or from external events, and includes legal risk. The Order of November 3, 2014 states that operational risk includes risks from events with a low probability of occurrence but a high impact, risks of internal and external fraud as defined in Article 324 of Regulation (EU) No. 575/2013 cited above, and model risks.

The Order of November 3, 2014 describes model risk as the risk of the potential loss an institution may incur as a consequence of decisions that could be principally based on the output of internal models, due to errors in the development, implementation or use of such models.

Operational risk, thus defined, excludes strategic and reputational risks (image).

The main risk factors associated with operational risks are:

a. **Internal and external fraud** organized by people inside and outside the group in order to misappropriate funds or data. External fraud represents the greater risks for the group, notably fraud involving means of payment.

b. **Legal risks** to which the group is exposed and which could have an adverse effect on its financial situation and its profit/loss.

c. **Shortcomings or delays by the group in the full compliance** of its activities with the rules related to financial or banking activities, whether they are of a legislative or regulatory nature, professional and ethical standards, instructions or ethics in professional behavior. The adoption by different countries of multiple and sometimes divergent legal or regulatory requirements exacerbates this risk.

d. **Any failure of, or attack against, the IT systems of the group**, which could cause lost earnings, losses and sporadically weaken the customer protection system.

At June 30, 2024, €2 billion of shareholders' equity was allocated to cover the losses generated by this risk (amount stable compared to September 30). The main risks of potential claims are (i) external and internal fraud and (ii) business interruption and system malfunction.

Crédit Mutuel Alliance Fédérale's overall proven claims, excluding any insurance recoveries, where applicable, represented about 0.61% of the group's net revenue in the first half of 2024, *i.e.* €50.1 million.

The risks with the greatest impact on the proven claims for the first half of 2024 were: (i) fraud, (ii) employment and occupational safety practices, and (iii) the execution, delivery and management of processes.

Fraud accounted for 53% of Crédit Mutuel Alliance Fédérale's proven claims (of which 51% for external fraud) and 38% of potential claims (the portion relative to capital requirements for operational risks).

4.2.4.3 Business interruption risk

As part of its operational risk management program, Crédit Mutuel Alliance Fédérale has implemented Emergency and Business Continuity Plans (EBCPs) which provide protection actions and which limit the severity of an emergency. In line with the regulations in force (Order of November 3, 2014, amended by the Order of February 25, 2021), an EBCP can be defined as the description of the actions to be carried out to ensure the continuity of the business processes considered essential and the resources just necessary to be implemented in the event of a disaster resulting in the unavailability or serious disruption of human resources, premises, IT and telecommunications and CIF (Critical or Important Functions – Providers of outsourced essential services and critical functions within the meaning of the Single Resolution Board).

The unavailabilities above may lead to a partial or total suspension shutdown of Crédit Mutuel Alliance Fédérale's activity, resulting in a decline in its earnings depending on the extent of the shutdown. Similarly, the inability of customers to have access to the services offered by Crédit Mutuel Alliance Fédérale would be detrimental to its financial position. Such circumstances would give rise to direct costs, and beyond this, necessarily entail adjustments to the arrangements for continuation of activity, with resulting additional costs.

During the first half of 2024, the highlights were as follows:

- in the context of the Russia-Ukraine conflict and tensions in the Middle East, the risk of a cyberattack that could threat all or part of CIC's activities continued to be monitored and reinforced by dedicated teams. No partial or complete shutdown of activity has been noted in any area;
- following the particularly severe bad weather at the beginning of the year, the interruption of activity was above all concentrated in the branch networks with floods and water damage located mainly in the North, West and East of France. These led to significant damage, including the closure of certain branches, and required the launch of crisis management plans adapted to each situation.

4.2.4.4 Climate risks

The risks associated with climate change represent additional consequences of existing risks, such as credit risk, operational risk and financial (market and liquidity) risks. These may also be associated with reputational or liability risks. Climate change exposes Crédit Mutuel Alliance Fédérale to:

- physical risk, referring to the financial impacts caused by climate change (including the increase in extreme weather events and gradual changes in climate) and environmental degradation (such as air, water and soil pollution, water stress, biodiversity loss and deforestation);
- transition risk, referring to the financial losses that an institution may incur, directly or indirectly, as a result of the process of adapting to a low-carbon and more environmentally sustainable economy. It may arise, for example, from the relatively sudden adoption of climate and environmental policies, technological progress or changes in market behavior and preferences.

a. Crédit Mutuel Alliance Fédérale's business model could be impacted by physical risks resulting in particular in:

- direct physical consequences (damage/destruction of assets, deterioration of working conditions) and indirect consequences (damage/destruction of infrastructure, disruption of production chains, etc.) for the counterparties, generating economic impacts (repair costs, drop in productivity, production, income, etc.) and therefore a loss of added value and/or wealth, a risk of an increase in their probability of default and bankruptcy, increasing credit risk, including for individuals, in particular in connection with to a depreciation of the real estate collateral;
- an increase in claims on the group's infrastructures and/or employees, increasing operational risks;
- reversals in market expectations (sudden revaluations due to high sensitivity of securities, increased volatility, capital losses), accentuating market risk;
- an increase in claims and associated insurance compensation (decrease in profitability for the insurer), an increase in the cost of reinsurance as well as indirect impacts on the company's asset portfolios, increasing the risk related to insurance activities.

b. Crédit Mutuel Alliance Fédérale's business model could be impacted by transition risks resulting in:

- the need to adapt models and products, the change in customer and investor feelings towards companies, the disruption of the production chain, the modification of the production conditions of the offer, generating losses of market share, a decrease in financing capacities, a change in the prices of inputs and production tools, a decrease in production, a change in demand for finished products or services and therefore an increase in costs, a decrease in revenues and added value for companies that could result in an increase in the probability of default and weigh on the risk of corporate default;
- impacts on the real estate sector (increase in the carbon tax leading to an increase in the cost of energy, implementation of new standards concerning low-energy efficient buildings requiring renovation work, etc.) that may lead to an increase in the probability default by creditors and weighing on the risk of default of individuals (depreciation of collateral);
- a liability risk in the event of a serious dispute with the client financed by the bank or the non-compliance with a commitment, as well as a risk of damage to reputation (also linked to a growing awareness of climate risks, new regulations and voluntary commitments made by the bank);
- the loss of customers if they consider that Crédit Mutuel Alliance Fédérale is not taking sufficient action on environmental/climate policies;
- devaluations of assets that are not low-carbon compatible, which would then make the assets obsolete (stranded assets), changes in borrowing costs and a sudden revaluation of financial assets;
- an increase in liquidity risk related to:
  - the deterioration in the quality of customer loan portfolios (this deterioration could in the long term negatively impact profitability and financial strength and, ultimately, affect the ability to refinance under good conditions),
  - investor pressure on investment portfolios,
  - the impairment of corporate or government debt securities held (and not complying with certain climate-related commitments),
  - the withdrawal of customer deposits (in the event of an unfavorable image);
- a loss of income from insurers due to a depreciation of financial securities held;
- risks weighing on solvency (increase in risk-weighted assets) and operating profitability (decrease in the net interest margin).

As part of its new 2024-2027 strategic plan, Togetherness Performance Solidarity, Crédit Mutuel Alliance Fédérale aims to become the benchmark bank for the ecological and societal transition. The deployment of this ambition to our customers and the management of ESG risks are therefore some of the success factors to achieve the commitments and strategic objectives set. The implementation of an adapted system will require the continuation of the changes initiated in the processes, the development of proprietary IT tools and the enhancement of dedicated monitoring indicators based on internal and external quality data.

The enhancement of ESG risk monitoring will continue during the next strategic plan period, relying, in particular, on Crédit Mutuel Alliance Fédérale's risk management system, described in Chapter 5.3 of the Pillar 3 report of the 2023 Universal Registration Document. If the group fails to achieve the defined objectives, its reputation could be adversely affected.

Moreover, Crédit Mutuel Alliance Fédérale's sectoral policies make it possible to define a scope of intervention and to set criteria for conducting business in areas where the social, governance and environmental impacts, including climate risks, are the most significant. Monitoring of exposures eligible for sectoral policies, for all corporate, investment and insurance portfolios, provides an initial measurement of the exposures potentially most affected by climate risks. Crédit Mutuel Alliance Fédérale has eight sectoral policies: coal, mining, hydrocarbons, civil nuclear energy, defense and security, mobility in the air, maritime and road sectors, agricultural and residential real estate (assets located in France); the latter, approved in December 2023, came into force in April 2024. Crédit Mutuel Alliance Fédérale's direct carbon footprint in France, related to the group's energy consumption, refrigerants, vehicle fleet and business travel, increased by 1% between 2023 and 2022 (after a 30.4% decrease between 2018 and 2022). The indirect carbon footprint of corporate portfolio financing measured in tons of CO_2 per million euros loaned decreased by 58% between 2018 and 2023 (-55% between 2018 and 2022), a figure higher than the target set by Crédit Mutuel Alliance Fédérale in its strategic plan *ensemble#nouveau monde, plus vite, plus loin ! (together#today's world, faster, further!)* (objective of -15%). More information concerning the non-financial performance and climate commitments of Crédit Mutuel Alliance Fédérale is available in Crédit Mutuel Alliance Fédérale universal registration document in Chapter 3 "Social and mutualist responsibility".

4.3 LEGAL AND ARBITRATION PROCEEDINGS

There are no ongoing administrative, legal or arbitration proceedings, or any risk or threat of proceedings of which the issuer is aware, which could have, or would have had during the last 12 months, significant effects on the company's and/or the group's financial position or profitability.

5 CONSOLIDATED FINANCIAL STATEMENTS OF CRÉDIT MUTUEL ALLIANCE FÉDÉRALE

5.1 CONSOLIDATED FINANCIAL STATEMENTS OF CRÉDIT MUTUEL ALLIANCE FÉDÉRALE

5.1.1 Balance sheet

Balance sheet (assets)

(in € millions)	06/30/2024	12/31/2023	Notes
Cash and central banks	89,979	97,504	4
Financial assets at fair value through profit or loss	40,945	33,892	5a
Hedging derivatives	2,371	1,525	6a
Financial assets at fair value through equity	40,955	37,147	7
Securities at amortized cost	4,137	3,825	10a
Loans and receivables to credit institutions and similar at amortized cost	68,272	66,843	10b
Loans and receivables due from customers at amortized cost	522,513	521,951	10c
Revaluation adjustment on rate-hedged books	-3,857	-2,086	6b
Financial investments of insurance activities	133,513	130,997	13a, 13b
Insurance contracts issued – Assets	15	15	13a, 13b
Reinsurance contracts held – Assets	313	312	13a, 13b
Current tax assets	1,525	1,662	14a
Deferred tax assets	1,220	1,131	14b
Accruals and other assets	11,505	10,530	15a
Non-current assets held for sale	0	0	3c
Investments in equity consolidated companies	792	798	16
Investment property	305	311	17
Property, plant and equipment	4,379	4,131	18a
Intangible assets	698	690	18b
Goodwill	2,360	2,351	19
TOTAL ASSETS	**921,939**	**913,530**	**-**

Balance sheet (liabilities)

(in € millions)	06/30/2024	12/31/2023	Notes
Central banks	31	31	4
Financial liabilities at fair value through profit or loss	24,964	17,940	5b
Hedging derivatives	1,852	2,003	6a
Debt securities at amortized cost	161,405	150,692	11a
Due to credit and similar institutions at amortized cost	34,848	50,034	11b
Due to customers at amortized cost	477,410	481,095	11c
Revaluation adjustment on rate-hedged books	-28	-27	6b
Current tax liabilities	581	759	14a
Deferred tax liabilities	495	501	14b
Deferred income, accrued charges and other liabilities	19,531	13,958	15b
Debt related to non-current assets held for sale	0	0	3c
Insurance contracts issued – liabilities	121,044	119,184	13c, 13d
Reinsurance contracts held – liabilities	0	0	13c, 13d
Provisions	3,556	3,477	20
Subordinated debt at amortized cost	12,165	11,502	21
Total shareholders' equity	**64,086**	**62,379**	**-**
Shareholders' equity – Attributable to the group	**62,029**	**60,364**	**-**
Capital and related reserves	8,082	8,063	22a
Consolidated reserves	51,900	48,172	22a
Gains and losses recognized directly in equity	108	188	22b
Profit (loss) for the period	1,939	3,942	-
Shareholders' equity – Non-controlling interests	**2,057**	**2,015**	**-**
TOTAL LIABILITIES	**921,939**	**913,530**	**-**

5.1.2 Income statement

Income statement

(in € millions)	06/30/2024	06/30/2023	Notes
Interest and similar income	18,679	14,693	24
Interest and similar expenses	-14,279	-10,564	24
Commissions (income)	3,157	3,053	25
Commissions (expenses)	-827	-777	25
Net gains on financial instruments at fair value through profit or loss	284	483	26
Net gains or losses on financial assets at fair value through shareholders' equity	-13	-90	27
Net gains or losses resulting from derecognition of financial assets at amortized cost	0	0	28
Income from insurance contracts issued	3,658	3,580	29, 29a
Expenses related to insurance contracts issued	-2,892	-2,873	29, 29a
Income and expenses related to reinsurance contracts held	-51	-42	29
Financial income or financial expenses from insurance contracts issued	-3,073	-4,329	29
Financial income or expenses related to reinsurance contracts held	4	2	29
Net income from financial investments related to insurance activities	3,178	4,405	29b
Income from other activities	783	765	30
Expenses on other activities	-351	-322	30
Net revenue	**8,257**	**7,984**	**-**
General operating expenses	-4,346	-4,286	31, 31a, 31b, 31d
Movements in depreciation, amortization and provisions for property, plant and equipment and intangible assets	-366	-364	31, 31c
Gross operating income	**3,545**	**3,335**	**-**
Cost of counterparty risk	-957	-679	32
Operating income	**2,587**	**2,656**	**-**
Share of net income of equity consolidated companies	13	14	16
Net gains and losses on other assets	41	4	33
Changes in the value of goodwill	0	0	34
Income before tax	**2,641**	**2,674**	**-**
Income tax	-609	-711	35
Net income	**2,032**	**1,962**	**-**
Net profit/(loss) – Non-controlling interests	93	87	-
GROUP NET INCOME	**1,939**	**1,875**	**-**

Statement of net income and profit and loss recognized directly in equity

(in € millions)	06/30/2024	06/30/2023
Net income	**2,032**	**1,962**
Items recyclable to net income:		
Translation adjustments	23	-9
Revaluation of recyclable financial assets at fair value through equity – equity instruments	-39	12
Remeasurement of recyclable hedging derivatives	-1,280	419
Revaluation of recyclable equity instruments recognized at fair value through equity of insurance activities	1,060	-520
Remeasurement of hedging derivatives	1	0
Share of unrealized or deferred gains and losses of associates	1	-3
Total recyclable gains and losses recognized directly in equity	**-231**	**-103**
Items not recyclable to net income:		
Revaluation of financial assets at fair value through equity – equity instruments at closing	-33	3
Revaluation of financial assets at fair value through equity – equity instruments sold during the year	0	0
Revaluation of equity instruments recognized at fair value through equity of insurance activities	130	414
Impact of revaluation of VFA insurance contracts – non-recyclable	-4	1
Revaluation differences related to own credit risk on financial liabilities under FVO	-	0
Revaluation of non-current assets	-	-
Actuarial gains and losses on defined benefit plans	50	28
Share of non-recyclable gains and losses of equity consolidated companies	0	0
Total non-recyclable gains and losses recognized directly in equity	**143**	**446**
Net profit/(loss) and gains and losses recognized directly in equity	**1,943**	**2,305**
o/w attributable to the group	1,859	*2,179*
o/w percentage of non-controlling interests	85	*126*

The terms net to gains and losses recognized directly in equity are presented for the amount net of tax.

5.1.3 Changes in shareholders' equity

(in € millions)	Capital	Premiums	Reserves(1)	Gains and losses recognized directly in equity				Group net income	Shareholders' equity attributable to the group	Non-controlling interests	Total consolidated shareholders' equity
				Translation adjustments	Assets at fair value through equity	Hedging derivatives	Actuarial gains and losses				
Shareholders' equity at December 31, 2022	**8,366**	**0**	**44,882**	**118**	**-123**	**19**	**-95**	**3,315**	**56,483**	**1,925**	**58,408**
Appropriation of earnings from previous year	-	-	3,315	-	-	-	-	-3,315	0	-	0
Capital increase	-74	-	-	-	-	-	-	-	-74	-	-74
Distribution of dividends	-	-	-161	-	-	-	-	-	-161	-58	-218
Acquisitions of additional shareholdings or partial disposals	-	-	-	-	-	-	-	-	0	-	0
Subtotal of movements related to relations with shareholders	**-74**	**0**	**3,154**	**0**	**0**	**0**	**0**	**-3,315**	**-235**	**-58**	**-292**
Consolidated income for the period	-	-	-	-	-	-	-	1,875	1,875	87	1,962
Changes in gains and (losses) recognized directly in equity	-	-	0	-17	297	-2	27	-	304	39	343
Subtotal	**0**	**0**	**0**	**-17**	**297**	**-2**	**27**	**1,875**	**2,179**	**126**	**2,305**
Impact of acquisitions and disposals on non-controlling interests	-	-	-3	-	-	-	-	-	-3	-4	-7
Other change	-	0	1	-	-	-	-	-	1	-3	-2
Shareholders' equity at June 30, 2023	**8,292**	**0**	**48,034**	**101**	**174**	**16**	**-68**	**1,875**	**58,425**	**1,986**	**60,411**
Appropriation of earnings from previous year	-	-	0	-	-	-	-	0	0	-	0
Capital increase	-229	-	-	-	-	-	-	-	-229	-	-229
Distribution of dividends	-	-	0	-	-	-	-	-	0	-64	-64
Acquisitions of additional shareholdings or partial disposals	-	-	-	-	-	-	-	-	0		0
Subtotal of movements related to relations with shareholders	-229	0	0	0	0	0	0	0	-229	-64	-293
Consolidated income for the period	-	-	-	-	-	-	-	2,067	2,067	86	4,115
Changes in gains and (losses) recognized directly in equity	-	-	0	3	100	-17	-122	-	-36	13	320
Subtotal	**0**	**0**	**0**	**3**	**100**	**-17**	**-122**	**0**	**2,030**	**100**	**4,435**
Impact of acquisitions and disposals on non-controlling interests(2)	-	-	136	-	-	-	-	-	136	-15	118
Other change	-	0	2	-	-	-	-	-	2	1	3
Shareholders' equity at December 31, 2023	**8,063**	**0**	**48,172**	**105**	**274**	**-1**	**-189**	**3,942**	**60,364**	**2,015**	**62,379**
Appropriation of earnings from previous year	-	-	3,942	-	-	-	-	-3,942	0	-	0
Capital increase	20	-	-	-	-	-	-	-	20	-	20
Distribution of dividends	-	-	-246	-	-	-	-	-	-246	-40	-287
Acquisitions of additional shareholdings or partial disposals	-	-	-	-	-	-	-	-	0	-	0
Subtotal of movements related to relations with shareholders	**20**	**0**	**3,695**	**0**	**0**	**0**	**0**	**-3,942**	**-227**	**-40**	**-267**
Consolidated income for the period	-	-	-	-	-	-	-	1,939	1,939	93	2,032
Changes in gains and (losses) recognized directly in equity	-	-	0	23	-154	3	48	-	-80	-8	-89
Subtotal	**0**	**0**	**0**	**23**	**-154**	**3**	**48**	**1,939**	**1,858**	**85**	**1,943**
Effects of acquisitions and disposals on non-controlling interests(2)	-	-	35	-	-	-	-	-	35	-1	34
Other change	-	0	-2	-	-	-	-	-	-2	-2	-4
SHAREHOLDERS' EQUITY AT JUNE 30, 2024	**8,082**	**0**	**51,900**	**128**	**120**	**1**	**-141**	**1,939**	**62,029**	**2,056**	**64,085**

(1) Total reserves at June 30, 2024 amounted to €51,900 million and comprise the legal reserve for €535 million, statutory reserves for €9,879 million, and other reserves for €41,486 million.

(2) Concerns the unwinding of the debt relating to the Cofidis put, the recognition of a put at the level of the Press division and the disposal of Caroline 13, 65 and 71.

5.1.4 Statement of cash flows

(in € millions)	06/30/2024	06/30/2023
Net income	2,032	1,962
Taxes	609	711
Income before tax	**2,641**	**2,673**
+/- Net depreciation and amortization of property, plant and equipment and intangible assets	371	359
- Impairment of goodwill and other fixed assets	-2	1
+/- Net provisions and impairments	587	257
+/- Share of income from companies consolidated using the equity method	-13	-15
+/- Net loss/gain from investing activities	-62	-57
+/- (Income)/expenses from financing activities	-	-
+/- Other movements	5,108	8,617
= Total non-monetary items included in net income before tax and other adjustments	**5,989**	**9,162**
+/- Flows related to transactions with credit institutions	-15,616	-19,665
+/- Flows related to client transactions	-7,070	-7,132
+/- Flows related to other transactions affecting financial assets or liabilities	1,347	492
+/- Flows related to other transactions affecting non-financial assets or liabilities	5,671	2,939
+ Dividends received from equity consolidated companies	26	18
- Taxes paid	-626	-538
= Net decrease/(increase) in assets and liabilities from operating activities	**-16,268**	**-23,886**
TOTAL NET CASH FLOW GENERATED BY OPERATING ACTIVITIES (A)	**-7,638**	**-12,051**
+/- Flows related to financial assets and investments	-369	4
+/- Flows related to investment property	61	53
+/- Flows related to property, plant and equipment and intangible assets	-314	-259
TOTAL NET CASH FLOW RELATED TO INVESTING ACTIVITIES (B)	**-622**	**-202**
+/- Cash flow to or from shareholders	-260	-275
+/- Other net cash flows from financing activities	3,618	7,804
TOTAL NET CASH FLOW RELATED TO FINANCING TRANSACTIONS (C)	**3,358**	**7,529**
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS (D)	**-29**	**-77**
Net increase/(decrease) in cash and cash equivalents (A + B + C + D)	**-4,931**	**-4,801**
Net cash flow generated from operating activities (A)	-7,638	-12,051
Net cash flow related to investing activities (B)	-622	-202
Net cash flow related to financing transactions (C)	3,358	7,529
Effect of foreign exchange rate changes on cash and cash equivalents (D)	-29	-77
Cash and cash equivalents at opening	**93,351**	**108,291**
Cash, central banks (assets and liabilities)	97,444	111,875
Accounts (assets and liabilities) and demand loans/borrowings from credit institutions	-4,093	-3,584
Cash and cash equivalents at closing	**88,420**	**103,490**
Cash, central banks (assets and liabilities)	89,926	105,889
Accounts (assets and liabilities) and demand loans/borrowings from credit institutions	-1,506	-2,399
CHANGE IN NET CASH POSITION	**-4,931**	**-4,801**

5.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF CRÉDIT MUTUEL ALLIANCE FÉDÉRALE

Figures in the notes are presented in millions of euros.

Note 1 Accounting policies and principles

Pursuant to Regulation (EC) 1606/2002 on the application of international accounting standards and Regulation (EC) 1126/2008 on their adoption of said standards, the consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union at June 30, 2024.

This standard is available on the European Commission website: *https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en#ifrs-financial-statements*

These condensed interim consolidated financial statements were prepared pursuant to IAS 34 “Interim Financial Reporting”.

The notes to the interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the fiscal year ended December 31, 2023 as they appear in the 2023 Universal Registration Document.

The financial statements are presented in the format recommended by the *Autorité des normes comptables* (ANC – French Accounting Standards Authority) Recommendation No. 2022-01 on IFRS Summary Financial Statements[1]. They comply with international accounting standards as adopted by the European Union.

Information on risk management is included in the group’s management report.

Amendments applicable from January 1, 2024

The group has applied, since January 1, 2024, the amendment to IFRS 16 on lease liabilities in a sale-leaseback transaction. It clarifies the subsequent treatment of the liability arising from such a transaction when the initial sale of the underlying asset meets the criteria of IFRS 15. The impact assessment related to this amendment is ongoing.

The group does not anticipate any significant impact in relation to this amendment.

Macroeconomic and geopolitical context

Crédit Mutuel Alliance Fédérale remains fully mobilized to deal with the impacts of the Ukraine crisis, geopolitical tensions in the Middle East and political uncertainties.

It should be recalled that, as Crédit Mutuel Alliance Fédérale does not operate in Ukraine or Russia, direct exposures in these two countries as well as in Belarus are not significant. However, it remains vigilant about the indirect consequences of these crises.

In addition, the legislative elections following the dissolution of the National Assembly in France, and the results, have led to an ongoing uncertain political and economic environment in 2024.

The group has a robust governance and risk management system in place.

In this context, it continually monitors the status of its credit commitments, the value of its portfolios, the management of its interest rate risk and its liquidity. Moreover, the group’s solidity will make it possible to cope with this situation thanks to its level of shareholders’ equity and the ratios stemming from it.

Credit risk

As part of the provisioning of performing loans (in stage 1 & 2), Crédit Mutuel Alliance Fédérale takes into account the impacts of successive crises, as well as the macroeconomic outlook.

The level of provisioning is the result of a case-by-case analysis, carried out in order to monitor any potential increase in the credit risk of professional customers or companies in difficulty, and individual customers, who would be affected, directly or indirectly, in an economic context that remains severely deteriorated.

Since 2023, in line with the recommendations issued by the European Banking Authority and the European Central Bank, the group has undertaken work to overhaul the multi-scenario approach and *de facto* the methodology for calculating the probability of default used to measure the significant increase in credit risk and the assessment of expected credit losses.

Macroeconomic scenarios

As at June 30, 2024, the group has selected three macro-economic scenarios, which make it possible to take account of the uncertainties associated with the current macro-economic context:

- the central scenario forecasts that with the absorption of the impacts of the COVID-19 crisis, and the lesser pressure on wage negotiations following a slight increase in unemployment, the inflation rate will be halved in 2024, to 2.5%, and will trend towards the target (2%) as of 2025. GDP growth would be expected to be low in the second half of 2024 and in 2025, but the prospect of recession is ruled out. The first key rate cut in June 2024 (-0.25 points) would be followed by further slight declines through to the first quarter of 2026 to reach 2.25%. Short-term interest rates would follow the trajectory of ECB rates, while long-term

[1] *It should be noted that the group has chosen to group the financial instruments carried by its insurance divisions, in a different way from that proposed by the Recommendation. See Section 2.2 “Insurance activities”.*

rates would be more stable. The yield curve would remain inverted until 2025, normalizing in 2026. The Livret A passbook account rate is fixed at 3% until January 31, 2025, before the calculation formula is applied again;

- the optimistic scenario foresees a faster-than-expected fall in inflation, thanks to the decline in commodity prices. Less restrictive financing conditions, linked to the reduction in key rates, will promote economic growth, which will be stronger than that of the central scenario, with the yield curve expected to normalize from 2025;
- the pessimistic scenario anticipates a sharp price-wage spiral and an acceleration in inflation at the end of 2024, as well as the continuation of the ECB's key rate hike in 2024. This would lead to an economic recession (-1.0%) in 2024. The ECB would lower its key rates and the effects of this monetary policy would be felt from mid-2025, with a return to growth.

MACROECONOMIC VARIABLES AND PROJECTIONS USED IN THE CENTRAL SCENARIO

The main variables used to determine expected credit losses in the central scenario are detailed below:

Macroeconomic assumptions France	2024 average	2025 average	2026 average	2027 average
Inflation rate excluding tobacco	2.5%	2.0%	2.0%	2.0%
Oil price (in $)	90	90	90	90
GDP growth rate	0.6%	1.1%	1.2%	1.2%
Unemployment rate (end of period)	7.8%	7.8%	7.7%	7.6%
Eurozone	**-**	**-**	**-**	-
EURIBOR 3 months	3.89%	2.95%	2.39%	2.35%
France	**-**	**-**	**-**	-
TEC 10 years	2.98%	2.81%	2.80%	2.80%

Weighting of macroeconomic scenarios

The weightings reflect the economic cycle forecast by the Crédit Mutuel group's economists.

Changes in weightings result from the methodological changes described above:

	Central scenario	Pessimistic scenario	Optimistic scenario
At June 30, 2023	19%	80%	1%
At December 31, 2023	60%	30%	10%
At June 30, 2024	60%	30%	10%

The restructuring work carried out during 2023 has made it possible to better understand the prospective dimension of the expected credit loss calculation. Expected credit losses at June 30, 2024 amounted to €3,158 million, varying by €45 million compared to December 31, 2023.

Since December 31, 2023, however, the group has deployed specific post-model adjustments:

- the first reinforces the model's forward-looking dimension, given the strong macroeconomic uncertainties arising from the current economic climate;
- the second is a sectoral adjustment. It is used to supplement the level of provisioning for those sectors most exposed to the risks of climate transition and/or the effects of current crises, and which represent material exposures in terms of the group's business model.

At June 30, 2024, these two post-model adjustments amounted to €173 million and €101 million respectively. They represent 8.7% of total expected credit losses (compared to 11.5% at December 31, 2023).

Sensitivity analysis

The group assesses the sensitivity of the amount of expected credit losses (including post-model adjustments). These analyses show that a 100% weighting of the:

- pessimistic scenario would imply an additional provision for expected credit losses of 8%, or €251 million;
- optimistic scenario would, on the other hand, lead to a 25% reduction in expected credit losses, or €788 million;
- central scenario would lead to a decrease in expected credit losses of 18%, or €565 million.

Risk management information

Presented in Chapter 5 of the 2023 Universal Registration Document.

1. Scope and methods of consolidation

1.1 Consolidating entity

At June 30, 2024, Crédit Mutuel Alliance Fédérale comprised 14 Crédit Mutuel federations: Centre Est Europe, Sud-Est, Île-de-France, Savoie-Mont Blanc, Midi-Atlantique, Loire-Atlantique Centre-Ouest, Centre, Normandie, Dauphiné-Vivarais, Méditerranéen, Anjou, Antilles-Guyane, Massif Central and Nord Europe.

Crédit Mutuel Alliance Fédérale is a mutualist group belonging to a central body, within the meaning of Articles L.511-30 *et seq.* of the French Monetary and Financial Code. Crédit Mutuel's local banks, which are wholly owned by the members, form the basis of the group, according to a "reverse pyramid" capital control structure.

In order to show the community of interest of our members in consolidation as accurately as possible, the "consolidating" entity is defined in such a way as to reflect the common bonds of operation, financial solidarity and governance.

To this end, the "consolidating entity" at the head of the group is made up of the companies placed under the same collective accreditation to carry out banking activity, issued by the *Autorité de contrôle prudentiel et de résolution* (ACPR – French Prudential Supervisory and Resolution Authority).

As such, the "consolidating" entity is made up of the following federations:

- Fédération du Crédit Mutuel Centre Est Europe (FCMCEE), Fédération du Crédit Mutuel du Sud-Est (FCMSE), Fédération du Crédit Mutuel Île-de-France (FCMIDF), Fédération du Crédit Mutuel Savoie-Mont Blanc (FCMSMB), Fédération du Crédit Mutuel Midi Atlantique (FCMMA), Fédération du Crédit Mutuel Loire-Atlantique Centre-Ouest (FCMLACO), Fédération du Crédit Mutuel du Centre (FCMC), Fédération du Crédit Mutuel de Normandie (FCMN), Fédération du Crédit Mutuel Dauphiné-Vivarais (FCMDV), Fédération du Crédit Mutuel Méditerranéen (FCMM), Fédération du Crédit Mutuel d'Anjou (FCMA), Fédération du Crédit Mutuel Antilles-Guyane (FCMAG), Fédération du Crédit Mutuel Massif Central (FCMMC) and Fédération du Crédit Mutuel Nord Europe (FCMNE). These political bodies of the groups determine the main strategic orientations, decide on their strategy and organize the representation of the banks;
- Caisse Fédérale de Crédit Mutuel (CF de CM), Caisse Régionale du Crédit Mutuel du Sud-Est (CRCMSE), Caisse Régionale du Crédit Mutuel d'Île-de-France (CRCMIDF), Caisse Régionale du Crédit Mutuel Savoie-Mont Blanc (CRCMSMB), Caisse Régionale du Crédit Mutuel Midi Atlantique (CRCMMA), Caisse Régionale du Crédit Mutuel Loire Atlantique Centre Ouest (CRCMLACO), Caisse Régionale du Crédit Mutuel du Centre (CRCMC), Caisse Régionale du Crédit Mutuel de Normandie (CRCMN), Caisse Régionale du Crédit Mutuel Dauphiné-Vivarais (CRCMDV), Caisse Régionale du Crédit Mutuel Méditerranéen (CRCMM), Caisse Régionale du Crédit Mutuel d'Anjou (CRCMA), Caisse Régionale du Crédit Mutuel Antilles-Guyane (CRCMAG), Caisse Régionale du Crédit Mutuel Massif Central (CRCMMC) and Caisse Régionale du Crédit Mutuel Nord Europe (CRCMNE). CF de CM, which is at the service of the local banks, is responsible for joint services across the network, ensures its smooth running and supports the group's logistics. It centralizes all the banks' deposits and in parallel ensures their refinancing, while fulfilling regulatory requirements on their behalf (compulsory reserves, allocated deposits, deposits at Caisse Centrale du Crédit Mutuel, etc.);
- the Crédit Mutuel banks that are members of FCMCEE, FCMSE, FCMIDF, FCMSMB, FCMMA, FCMLACO, FCMC, FCMN, FCMDV, FCMM, FCMA, FCMAG, FCMMC and FCMNE: these form the basis of the group's banking network.

1.2. Consolidation scope

The general principles for determining whether an entity is included in the consolidation scope are defined by IFRS 10, IFRS 11 and IAS 28R.

Entities that are controlled or under significant influence that do not have a significant character in relation to the consolidated financial statements are excluded from the consolidation scope. This situation is assumed when the balance sheet total or the profit or loss of a company has no impact greater than 1% of the consolidated or sub-consolidated equivalent (in the case of consolidation by level). This quantitative criterion is but relative; an entity may be included within the scope of consolidation regardless of this threshold when its business or its expected development gives it the status of a strategic investment.

The consolidation scope comprises:

Controlled entities: control exists when the group has power over the entity, is exposed to or is entitled to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the returns it obtains. The financial statements of controlled entities are fully consolidated.

Entities under joint control: joint control is the contractually-agreed sharing of control over an entity, which exists only in the case where decisions concerning key activities require the unanimous consent of the parties sharing control. Two or more parties that exercise joint control constitute a partnership, which is either a jointly controlled operation or a joint venture:

- a jointly controlled operation is a partnership in which the parties exercising joint control have rights over the assets and obligations pursuant to liabilities relative to the entity: this involves recognizing the assets, liabilities, income and expenses relative to interests held in the entity;
- a joint venture is a partnership in which the parties who exercise joint control have rights over the net assets of the entity: the joint venture is accounted for according to the equity method.

All entities under joint control of the group are joint ventures according to the meaning of IFRS 11.

Entities over which the group has significant influence: these are entities that are not controlled by the "consolidating" entity, which may, however, participate in these entities' financial and operating policy decisions. Shareholdings in entities over which the group has significant influence are accounted for using the equity method.

Investments held by private equity companies and over which joint control or significant influence is exercised are recognized at fair value through profit or loss.

1.3 Consolidation methods

The consolidation methods used are the following:

1.3.1 Full consolidation

This method involves replacing the value of the shares held in the subsidiary concerned with each of the assets and liabilities of said subsidiary and showing separately the value of non-controlling interests in equity and net income. This is the method used for all controlled entities, including those with a different account structure, regardless of whether the business concerned is an extension of that of the consolidating entity.

1.3.2 Consolidation using the equity method

This method involves replacing the value of the shares held with the equity attributable to the group and net income of the entities concerned. It is applied to all entities under joint control, classified as joint ventures or for all entities under significant influence.

1.4 Non-controlling interests

Non-controlling interests correspond to interests that do not confer control as defined by IFRS 10 and include partnership interests that entitle their holders to a share in net assets in the event of liquidation and other equity instruments issued by subsidiaries that are not held by the group.

Consolidated UCITS, particularly those representing unit-linked policies of insurance entities, are recognized at fair value through profit or loss. The amounts corresponding to non-controlling interests are shown under “Other liabilities”.

In accordance with IAS 32, the group recognized a liability for the commitment to increase its stake in Cofidis Participation to 100%. The counterparty was recorded as a reduction of minority interests and a reduction of the group’s share for the excess amount.

1.5 Reporting date

The reporting date for all of the group’s consolidated companies is December 31.

1.6 Elimination of intercompany transactions and balances

Intercompany transactions and balances, as well as gains or losses on intercompany sales that have a material impact on the consolidated financial statements, are eliminated.

1.7 Foreign currency translation

The balance sheets of foreign subsidiaries are translated into euros at the official reporting date exchange rate. Differences arising from exchange rate fluctuations impacting the share capital, reserves and retained earnings are recorded as a separate component of equity, under “Cumulative translation adjustments”. The income statement is translated at the average exchange rate for the fiscal year, which is an acceptable proxy given the absence of significant exchange rate fluctuations during the period. The resulting translation differences are recorded under “Cumulative translation adjustments”. On liquidation or disposal of some or all of the interests held in a foreign entity, these amounts are recognized through the income statement.

1.8 Goodwill

1.8.1 Fair value adjustments

At the date of acquisition of a controlling interest in a new entity, said entity’s assets, liabilities and contingent liabilities are measured at their fair value. Fair value adjustments correspond to the difference between the carrying amount and fair value.

1.8.2 Goodwill

In accordance with IFRS 3, at the date of acquisition of a controlling interest in a new entity, said entity’s identifiable assets, liabilities and contingent liabilities that meet the criteria for recognition under IFRS are measured at their fair values at the acquisition date, with the exception of non-current assets classified as assets held for sale under IFRS 5, which are recognized either at the fair value net of selling costs or their net carrying amount, whichever is the lowest. Goodwill corresponds to the sum of the consideration transferred and non-controlling interests, less the net amount recognized (generally at fair value) as identifiable assets acquired and liabilities assumed. IFRS 3R allows the recognition of full goodwill or partial goodwill and the choice of method is made separately for each business combination. In the case of full goodwill, non-controlling interests are measured at fair value, whereas in the case of partial goodwill, they are measured based on their share of the values attributed to the assets and liabilities of the acquired entity. If the goodwill is positive, it is recognized as an asset and, if negative, it is recognized immediately in the income statement under “Changes in the value of goodwill”.

If the group’s stake in an entity it already controls increases/decreases, the difference between the share acquisition cost/selling price and the portion of consolidated equity that said shares represent on the acquisition/sale date is recognized within equity.

Goodwill is presented on a separate line in the balance sheet for fully consolidated companies and under “investments in equity consolidated companies” when the entities are consolidated using this method.

Goodwill does not include direct costs related to acquisitions, which according to IFRS 3R, are recognized in profit or loss.

Goodwill is tested for impairment regularly by the group (at least once a year). The tests are designed to identify whether the goodwill has suffered a decline in value. Goodwill from a business combination is allocated to cash-generating units (CGUs) or groups of CGUs likely to benefit from the synergies generated by the business combination. The recoverable amount from a CGU or group of CGUs is the value in use or the fair value less selling costs, whichever is the highest. The value in use is measured in relation to estimated future cash flows, discounted at the interest rate that reflects the current market assessments of the time value of money and specific risks to the asset of the CGU. If the recoverable amount of the cash-generating unit (CGU) to which the goodwill has been allocated is less than its carrying amount, an impairment loss is recognized for the amount of the difference. This impairment, which is recognized in the income statement, is irreversible. In practice, cash-generating units are defined on the basis of the group’s business lines.

When goodwill concerns a related company or a joint venture, it is included in the carrying amount of the value of consolidation using the equity method. In this case, it is not subject to impairment testing separately from the value of consolidation using the equity method. When the recoverable amount of this (namely the higher of the values between the value in use and the fair value less selling costs) is less than its carrying amount, a loss in value is recognized and not allocated to a specific asset. Any reversal of this impairment loss is recognized to the extent that the recoverable amount of consolidation using the equity method increases at a later date.

2. Accounting policies and principles

2.1 Financial instruments under IFRS 9

2.1.1 Classification and measurement of financial assets

Under IFRS 9, the classification and measurement of financial instruments depend on the business model and contractual terms of the financial instruments.

2.1.1.1 Loans, receivables and debt securities acquired

The asset is classified:

- at amortized cost, if it is held in order to collect contractual cash flows and if its characteristics are similar to those of a “basic” contract, see the Section below “Cash flow characteristics” (“hold-to-collect” model);
- at fair value through equity if the instrument is held to collect the contractual cash flows and to sell them when the opportunity arises, yet without holding it for trading, and if its characteristics are similar to those of a basic contract implicitly entailing a high predictability of associated cash flows (“hold-to-collect and sell” model);
- at fair value through profit or loss if:
  - it is not eligible for the two aforementioned categories (as it does not meet the “basic” criterion and/or is managed in accordance with the “other” business model), or
  - the group initially opts to classify it as such, in an irrevocable way. This option is used to reduce accounting mismatch in relation to another associated instrument.

Cash flow characteristics

Contractual cash flows which solely represent repayments of principal and the payment of interest on outstanding principal are compatible with a “basic” contract.

In a basic contract, interest mainly represents the consideration for the time value of money (including in the event of negative interest) and credit risk. Interest may also include the liquidity risk, administrative fees to manage the asset and a profit margin.

All contractual clauses must be analyzed, in particular those that could alter the timing or amount of contractual cash flows. The option, under the agreement, for the borrower or lender to repay the financial instrument early is compatible with the SPPI[1] criterion for contractual cash flows, provided that the amount repaid essentially represents the outstanding principal and accrued interest, as well as, where applicable, early repayment compensation of a reasonable amount.

The compensation for early repayment is deemed reasonable if, for example:

- it is expressed as a percentage of the principal repaid and is below 10% of the nominal amount repaid; or
- it is determined according to a formula aimed at compensating the difference in the benchmark interest rate between the date on which the loan was granted and its early repayment date.

The analysis of contractual cash flows may also require their comparison with those of a reference instrument when the time value of money included in the interest is likely to change due to the contractual clauses of the instrument. This is the case, for example, when the interest rate of the financial instrument is revised periodically, but the frequency of such revisions is unrelated to the period for which the interest rate was established (*e.g.* monthly revision of an annual interest rate), or when the interest rate of the financial instrument is revised periodically based on an average interest rate.

If the difference between the undiscounted contractual cash flows of the financial asset and those of the reference instrument is significant, or may become so, the financial asset cannot be considered as basic.

[1]SPPI: Solely Payments of Principal and Interest.

Depending on the case, the analysis is either qualitative or quantitative. The materiality or immateriality of the difference is assessed for each fiscal year and cumulatively over the life of the instrument. The quantitative analysis takes into account a range of reasonably possible scenarios. To this effect, the group has used yield curves dating back to the year 2000.

Moreover, a specific analysis is conducted in the case of securitization where there is priority of payment among holders and credit risk concentrations in the form of tranches. In that case, the analysis requires the examination of the contractual characteristics of the tranches in which the group has invested and of the underlying financial instruments, as well as the credit risk of the tranches in relation to the credit risk of the underlying financial instruments.

Note that:

- embedded derivatives in financial assets are no longer accounted for separately, which implies that the entire hybrid instrument is then considered as non-basic and recorded at fair value through profit or loss;
- units in UCITS or real estate UCI (OPCI) are not basic instruments and are recognized at fair value through profit or loss.

Business models

The business model represents the way in which the instruments are managed to generate cash flows and revenues. It is based on observable facts and not simply on management's intention. It is not assessed at the entity level, or on an instrument-by-instrument basis, but rather at a higher level of aggregation which reflects the way in which groups of financial assets are managed collectively. It is determined at initial recognition and may be reassessed in the event of a change in model (exceptional cases).

To determine the business model, it is necessary to consider all available information, including the following:

- how the activity's performance is reported to decision-makers;
- how managers are compensated;
- the frequency, timing and volumes of sales in previous periods;
- the reasons for the sales;
- future sales forecasts;
- the way in which risk is assessed.

For the "hold-to-collect" business model, certain examples of authorized sales are explicitly set out in the standard:

- in response to an increase in credit risk;
- close to maturity and that the proceeds from these sales correspond approximately to the contractual cash flows still to be received;
- exceptional (*e.g.* linked to a liquidity stress).

Frequent disposals (of insignificant unit value) or infrequent disposals (even if of significant unit value) are compatible with the hold-to-collect model.

These "authorized" disposals are not taken into account in the analysis of the significant and frequent nature of sales made from a portfolio. Disposals linked to changes in the regulatory or tax framework will be documented on a case-by-case basis in order to demonstrate the "infrequent" nature of such disposals.

For other disposals, thresholds have been defined according to the maturity of the securities portfolio, *e.g.* 2% of annual disposals on outstandings in the portfolio with an average maturity of eight years (the group does not sell its loans accounted for in a hold-to-collect model).

The group has mainly developed a model based on the collection of contractual cash flows from financial assets, which applies in particular to the customer financing activities.

It also manages financial assets according to a model based on the collection of contractual cash flows from financial assets and the sale of these assets, as well as a model for other financial assets, in particular financial assets held for trading.

Within the group, the "hold-to-collect-and-sell" model applies primarily to proprietary cash management and liquidity portfolio management activities.

Financial assets held for trading consist of securities originally acquired with the intention of reselling them in the near future, as well as securities that are part of a portfolio of securities that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

Financial assets at amortized cost

These mainly include:

- cash and cash equivalents, which comprise cash accounts, deposits, and demand loans and borrowings with central banks and credit institutions;
- other loans to credit institutions and loans to customers (granted directly, or the share in syndicated loans), not measured at fair value through profit or loss;
- a portion of the securities held by the group.

The financial assets classified in this category are initially recognized at their fair value, which is generally the net amount disbursed. The interest rates applied to loans granted are deemed to represent market rates, since they are constantly adjusted in line with the interest rates applied by the vast majority of competing banks.

At subsequent reporting dates, the assets are measured at amortized cost using the effective interest rate method. The effective interest rate is the rate that exactly discounts future cash payments or receipts over the estimated life of the financial instrument to obtain the net carrying amount of the financial asset or liability. It takes into account estimated cash flows excluding future losses on loans and includes commissions paid or received when these are treated as interest, as well as directly-related transaction costs and all premiums and discounts.

For securities, the amortized cost takes into account the amortization of premiums and discounts, as well as acquisition costs, if significant. Purchases and sales of securities are recognized on the settlement date.

The income received is shown in the income statement under “Interest and similar income”.

Commissions received or paid, which are directly linked to the arrangement of a loan and are treated as a component of interest, are spread over the term of the loan using the effective interest rate method and are recorded in the income statement under “Interest”.

Commissions received in connection with the commercial renegotiation of loans are also spread over the term of the loan.

The restructuring of a loan following the debtor’s financial difficulties entails novation of the contract. Following the definition of this concept by the European Banking Authority, the group integrated it into the information systems so that the accounting and prudential definitions are harmonized.

The fair value of assets at amortized cost is disclosed in the notes to the financial statements at the end of each reporting period. It corresponds to the net present value of future cash flows estimated using a zero-coupon yield curve that includes an issuer cost specific to the debtor.

State-guaranteed loans (SGLs)

The group is committed to the government’s COVID-19 crisis-related plan to support the economy. This was further strengthened in April 2022, in the context of the conflict in Ukraine.

The group offers:

- State-guaranteed loans (SGLs) to support the cash flow of its business and corporate customers; and
- since April 2022, Resilience SGLs for customers that have not taken out an SGL since March 2020 or who have not exceeded the limit on their first SGL.

SGLs represent 12-month bullet loans with grace periods of one to five years. At the date of subscription, the interest rate of the SGL was set at 0%, increased by the cost of the State guarantee set at between 0.25% and 0.50% (and rebilled *via* a commission paid by the customer).

At the end of the first 12 months, the beneficiary of the SGL has the option of setting a new SGL term (limited to six years in total) and amortization terms. In accordance with the government announcements of January 14, 2021, the beneficiary will be able to obtain a “deferral of one additional year” to start repaying the capital.

The Crédit Mutuel group believes that this deferred amortization measure falls within the legal framework of the SGL (*i.e.* adjustment of the contractual schedule, with a first annual repayment term). This “deferral” does not represent, taken in isolation, an indicator of a deterioration in credit risk or the probable default of the borrower (*i.e.* unlikely to pay).

Held for the purpose of collecting cash flows and meeting the basic loan criteria, they are accounted for at amortized cost, using the effective interest rate method. On the date of initial recognition, they are recognized at their nominal value, which is representative of their fair value.

On the subscription anniversary date, SGLs may be subject to a grace period. The revision of flows related to the recognition of guarantee commissions over the duration of the grace period is recognized as an adjustment to the carrying amount of SGLs with an immediate and positive impact on profit. This impact was immaterial as of the reporting date.

At June 30, 2024, State-guaranteed loans issued by the group amounted to €7.8 billion, backed to the tune of €7 billion. Outstandings downgraded to stage 3 totaled €1.4 billion.

The valuation of the expected credit losses for these loans takes into account the effect of the State guarantee (implemented by the Banque Publique d’Investissement) for 70% to 90% of the outstanding capital and interest. At June 30, 2024, the impairment amounted to €0.2 billion.

Financial assets at fair value through equity

For Crédit Mutuel Alliance Fédérale, this category solely consists of securities. They are recognized at fair value in the balance sheet at the time of their acquisition, on the settlement date and at subsequent reporting dates until their disposal. Changes in fair value are shown on the “Unrealized or deferred gains and losses” line within a specific equity account, excluding accrued income. These unrealized gains or losses recognized in equity are only recognized in the income statement in the event of disposal or impairment (see Sections 2.1.7 “Derecognition of financial assets and liabilities” and 2.1.8 “Measurement of credit risk”).

Income accrued or received is recognized in profit or loss under “Interest and similar income”, using the effective interest method.

Financial assets at fair value through profit or loss

They are recognized at fair value at the time of their initial recognition and subsequently up to the date of their disposal (see Section 2.1.7 “Derecognition of financial assets and liabilities”). Changes in fair value are taken to the income statement under “Net gains/(losses) on financial instruments at fair value through profit or loss”.

Income received or accrued on financial instruments at fair value through profit or loss is recognized in the income statement under interest income/(expense). Before, this interest was recognized under “Net gains/(losses) on financial instruments at fair value through profit or loss”, in order to be consistent with the regulatory statements sent to the ECB as part of the Short Term Exercise (STE).

Purchases and sales of securities measured at fair value through profit or loss are recognized on the settlement date. Changes in fair value between the transaction date and the settlement date are recognized in profit or loss.

2.1.1.2 Equity instruments acquired

Equity instruments acquired (shares, in particular) are classified as follows:

- at fair value through profit or loss; or
- optionally, at fair value through other non-recyclable equity at the initial recognition and in an irrevocable manner when they are not held for trading.

Financial assets at fair value through equity

Shares and other equity instruments are recorded in the balance sheet at their fair value at the time of their acquisition and at subsequent reporting dates until their disposal. Changes in fair value are shown on the "Unrealized or deferred gains and losses" line within a specific equity account. These unrealized or deferred gains and losses booked to equity are never recognized in the income statement, even when they are sold (see Section 2.1.7 "Derecognition of financial assets and liabilities"). Only dividends received on variable-income securities are recorded in the income statement, under "Net gains/(losses) on financial assets on fair value through equity". Purchases and sales of securities are recognized on the settlement date.

Financial assets at fair value through profit or loss

Equity instruments are recognized in the same way as debt instruments at fair value through profit or loss.

2.1.2 Classification and measurement of financial liabilities

Financial liabilities are classified in one of the following two categories:

2.1.2.1 Financial liabilities measured at fair value through profit or loss

- those incurred for trading purposes including, by default, derivatives with a negative fair value which do not qualify as hedging instruments; and
- non-derivative financial liabilities that the group originally classified as measured at fair value through profit or loss (fair value option). These include:
  - financial instruments containing one or more separable embedded derivatives,
  - instruments for which, were the fair value option is not applied, the accounting treatment would be inconsistent with that applied to another related instrument,
  - instruments belonging to a pool of financial instruments measured and managed at fair value.

The recognition of changes in fair value resulting from own credit risk concerning debts optionally designated at fair value through profit or loss is recognized in unrealized or deferred profit or loss in non-reclassifiable equity. The group is marginally concerned by the problem of own credit risk.

2.1.2.2 Financial liabilities at amortized cost

These consist of other non-derivative financial liabilities. These include amounts due to customers and to credit institutions, debt securities (certificates of deposit, interbank market securities, bonds, TLTRO[1] II and III refinancing securities etc.), as well as dated and undated subordinated debt for which measurement at fair value through profit or loss was not opted for.

Subordinated debt is separated from other debt securities since, in the event of liquidation of the debtor's assets, it is repaid only after claims by other creditors have been extinguished. Debt securities include the non-preferred senior debt instruments created by the Sapin 2 Law.

These liabilities are initially recognized at fair value in the balance sheet. At subsequent reporting dates, they are measured at amortized cost using the effective interest rate method. The initial fair value of issued securities is their issue price less transaction costs, where applicable.

Regulated savings contracts

Liabilities carried at amortized cost include *comptes épargne logement* (CEL – mortgage saving accounts) and *plans épargne logement* (PEL – mortgage saving plans), which are regulated French products available to customers (natural persons). In the initial savings phase, account holders receive interest on amounts paid into these accounts, which subsequently entitle them to a mortgage loan (second phase). They generate two types of obligations for the distributing establishment:

- an obligation to pay interest on paid-in amounts at a fixed rate (in the case of PEL accounts only, as interest on CEL accounts is regularly revised on the basis of an indexation formula and is therefore treated as variable-rate interest);
- an obligation to grant loans to customers under predetermined terms (both PEL and CEL).

The cost represented by these obligations has been estimated on the basis of behavioral statistics and market data. A provision is recognized in liabilities to cover the future costs relating to the risk that the terms of such products may be potentially unfavorable, compared to the interest rates offered to retail customers on similar, but unregulated, products. This approach is carried out by homogeneous generation in terms of regulated conditions of PEL and CEL accounts. The impact on profit or loss is included in interest paid to customers.

Targeted long-term refinancing operations – TLTRO III

TLTRO III transactions are financial liabilities at amortized cost.

[1] *Targeted Longer-Term Refinancing Operations.*

Since September 2019, the TLTRO III program has enabled banks to benefit from seven new refinancing tranches with a respective duration of three years, and with interest rates that vary according to periods, and since January 2021 from three additional tranches.

The amount of TLTRO III at which Crédit Mutuel Alliance Fédérale can borrow depends on the percentage of outstanding loans granted to non-financial corporates and households at the end of February 2019.

The TLTRO III interest rate is based on the market conditions defined by the ECB and may include a subsidy linked to the bank's credit performance.

In the context of the health crisis, the ECB relaxed the terms of these refinancing operations to support lending to households and businesses. Some target parameters have been recalibrated[1]. In particular, more favorable conditions made it possible to benefit from a reduction of 50 bps over the special and additional special interest periods from June 2020 to June 2022[2].

Since June 2022, as part of its monetary policy measures, the ECB had successively raised its three key rates to sufficiently restrictive levels to ensure a return to the 2% inflation target in the medium term.

On October 27, 2022, the ECB recalibrated the terms of compensation for TLTRO III operations in order to reinforce the transmission of higher key rates to bank lending conditions. The interest conditions applicable to the TLTRO III have been adjusted from November 23, 2022 (and additional early redemption dates have been opened).

They are described below and take into account the achievement by the group of the credit performance targets set by the ECB over all the reference periods of the program:

- from its start date until November 22, 2022 inclusive and excluding the special or additional special interest period, the interest rate for TLTRO III operations represents the average of the deposit facility rate over this period (and no longer over the life of the operation);
- during the special interest and additional special interest periods (from June 24, 2020 to June 23, 2021 inclusive and from June 24, 2021 to June 23, 2022 inclusive, respectively), it is equal to the average of the deposit facility rates over the period less 0.50% (application of a -1% cap);
- from November 23, 2022 until the maturity date (or early repayment date), the interest rate of the TLTRO III operations will be indexed to the average of the key ECB interest rates applicable during that period.

This change is accompanied by the opening of three additional early repayment dates.

According to the Crédit Mutuel group, the TLTRO III transactions represent variable rate financial instruments carried at amortized cost. The adjustment to the interest rate conditions following this decision must be recognized in accordance with the provisions of IFRS 9 on changes in market rates for variable rate instruments.

The interest recognized but not yet due by the group takes into account, until November 22, 2022, the effect of the change in the interest rate formula between the beginning of the transaction and that date. As of November 23, 2022, the effective interest rate of the TLTRO financing transactions is calculated on the basis of the average of the deposit facility rates known between November 23, 2022 and June 30, 2026.

At June 30, 2024, Crédit Mutuel Alliance Fédérale participated in the TLTRO III refinancing transactions for an amount of €0.5 billion (compared to €11.7 million at December 31, 2023).

2.1.3 Debt-equity distinction

According to the IFRIC 2 interpretation, members' shares are shareholders' equity if the entity has an unconditional right to refuse redemption or if there are legal or statutory provisions prohibiting or significantly limiting redemption. Due to the existing statutory and legal provisions, the members' shares issued by structures composing the Crédit Mutuel group's "consolidating" entity are recognized in shareholders' equity.

Other financial instruments issued by the group are classified as debt instruments in the group's accounts when the group has a contractual obligation to deliver cash to holders of the instruments. This is the case for subordinated notes issued by the group.

2.1.4 Foreign currency transactions

Assets and liabilities denominated in a currency other than the functional currency are translated at the exchange rates prevailing at the reporting date.

2.1.4.1 Monetary financial assets and liabilities

Foreign currency gains and losses on the translation of such items are recorded in the income statement under "Net gains/(losses) on portfolio at fair value through profit or loss".

2.1.4.2 Non-monetary financial assets or liabilities measured at fair value

Foreign exchange gains or losses arising from such translations are recognized in the income statement under "Net gains/(losses) at fair value through profit or loss" if measured at fair value through profit or loss, or recognized under "Unrealized or deferred capital gains/(losses)" if they are financial assets measured at fair value through equity.

[1] Decision (EU) 2021/124 of the ECB of January 29, 2021 amending Decision (EU) 2019/1311 concerning a third round of targeted longer-term refinancing operations (ECB/2021/3 published in the OJEU on February 3, 2021).
[2] Decision (EU) 2020/614 of the European Central Bank of April 30, 2020 amending Decision (EU) 2019/1311 on a third round of targeted longer-term refinancing operations (ECB/2020/25).

2.1.5 Derivatives and hedge accounting

IFRS 9 allows entities to choose, on first-time application, whether to apply the new provisions concerning hedge accounting or to retain those of IAS 39.

The group has elected to continue to apply the provisions of IAS 39. However, in accordance with IFRS 7 (revised), additional information on the management of risks and the impacts of hedge accounting on the financial statements is provided in the notes or in the management report.

Moreover, the provisions of IAS 39 concerning the fair value hedge of the interest rate risk associated with a portfolio of financial assets or financial liabilities, as adopted by the European Union, continue to apply.

Derivatives are financial instruments which have the following three characteristics:

- their value fluctuates in response to changes in the underlying items (interest rates, exchange rates, share prices, indices, commodities, credit ratings, etc.);
- their initial cost is low or nil;
- their settlement takes place at a future date.

The Crédit Mutuel group uses simple derivative instruments (swaps, vanilla options), mainly interest rate instruments, which are essentially classified in level 2 of the value hierarchy.

All financial derivative instruments are recorded at fair value under financial assets or financial liabilities. They are recognized by default as trading instruments unless they can be classified as hedging instruments.

2.1.5.1 Determining the fair value of derivatives

Most over-the-counter derivatives, swaps, forward rate agreements, caps, floors and vanilla options are valued using standard, generally accepted models (discounted cash flow method, Black and Scholes model or interpolation techniques), based on observable market data such as yield curves. The valuations given by these models are adjusted to take into account the liquidity risk and the credit risk associated with the instrument or parameter concerned and specific risk premiums intended to offset any additional costs resulting from a dynamic management strategy associated with the model in certain market conditions, as well as the counterparty risk captured by the positive fair value of over-the-counter derivatives. The latter includes the own counterparty risk present in the negative fair value of over-the-counter derivatives.

When establishing valuation adjustments, each risk factor is considered individually and no effect of diversification between risks, parameters or models of a different nature are taken into account. A portfolio approach is most often used for a given risk factor.

Derivatives are recognized as financial assets when their market value is positive and as financial liabilities when their market value is negative.

2.1.5.2 Classification of derivatives and hedge accounting

Derivatives classified as financial assets or financial liabilities at fair value through profit or loss

By default, all derivatives not designated as hedging instruments under IFRS are classified as “Financial assets or financial liabilities at fair value through profit or loss”, even if they were contracted for the purpose of hedging one or more risks.

Embedded derivatives

An embedded derivative is a component of a hybrid instrument that, when separated from its host contract, meets the definition criteria for a derivative. It has the effect, notably, of changing certain cash flows in the same way as a stand-alone derivative.

The derivative is detached from the host contract and recognized separately as a derivative instrument at fair value through profit or loss only if all of the following conditions are satisfied:

- it meets the definition criteria of a derivative;
- the hybrid instrument hosting the embedded derivative is not measured at fair value through profit or loss;
- the economic characteristics of the derivative and the associated risks are not considered as being closely related to those of the host contract;
- separate measurement of the embedded derivative is sufficiently reliable to provide relevant information.

As these are financial instruments under IFRS 9, only embedded derivatives relating to financial liabilities may be separated from the host contract to be recognized separately.

Realized and unrealized gains and losses are recognized in the income statement under “Net gains/(losses) on financial instruments at fair value through profit or loss”.

Hedge accounting

Risks hedged

In its accounts, the group only recognizes interest rate risk through micro-hedging, or on a larger scale through macro-hedging.

Micro-hedging is the partial hedging of the risks incurred by an entity on its assets and liabilities. It specifically applies to one or more assets or liabilities for which the entity covers the risk of an unfavorable change in a type of risk, through derivatives.

Macro-hedging aims to cover all of the group’s assets and liabilities against any unfavorable changes, particularly in interest rates.

The overall management of the interest rate risk is described in the management report, along with the management of all other risks (foreign exchange, credit, etc.) that may be hedged through the natural backing of assets to liabilities or the recognition of trading derivatives.

Micro-hedging is used in particular in the context of asset swaps. It generally aims to transform a fixed-rate instrument into a variable-rate instrument.

Three types of hedging relationship are possible. The choice of the hedging relationship depends on the nature of the risk being hedged:

- a fair value hedge hedges the exposure to changes in the fair value of financial assets or financial liabilities;
- a cash flow hedge is a hedge of the exposure to variability in cash flows relating to financial assets or financial liabilities, firm commitments or forward transactions;
- the hedging of net investments in foreign currencies is recognized in the same way as cash flow hedging. The group has not used this form of hedging.

Hedging derivatives must meet the criteria stipulated by IAS 39 to be designated as hedging instruments for accounting purposes. In particular:

- the hedging instrument and the hedged item must both qualify for hedge accounting;
- the relationship between the hedged item and the hedging instrument must be documented formally immediately upon inception of the hedging relationship. This documentation sets out the risk management objectives determined by management, the nature of the risk hedged, the underlying strategy and the methods used to measure the effectiveness of the hedge;
- the effectiveness of the hedge must be demonstrated upon inception of the hedging relationship, subsequently throughout its life, and at least at each reporting date. The ratio of the change in value or gain/loss on the hedging instrument to that of the hedged item must be within a range of 80% to 125%.

Where applicable, hedge accounting is discontinued prospectively.

Fair value hedge of identified financial assets or liabilities

In a fair value hedging relationship, derivatives are remeasured at fair value through profit or loss under “Net gains/(losses) on financial instruments at fair value through profit or loss” symmetrically with the revaluation of the hedged items to reflect the hedged risk. This rule also applies if the hedged item is recognized at amortized cost or is a debt instrument classified under “Financial assets at fair value through equity”. Changes in the fair value of the hedging instrument and the hedged risk component offset each other partially or totally; only the ineffective portion of the hedge is recognized in profit or loss. It may be due to:

- the “counterparty risk” component integrated in the value of the derivatives;
- the different value curve between the hedged items and hedging instruments. Indeed, swaps are valued with an OIS curve if they are collateralized or with a BOR curve otherwise. Hedged items are valued using a BOR curve.

The portion corresponding to the rediscounting of the derivative financial instrument is recognized in the income statement under “Interest income/(expense)”. The same treatment is applied to the interest income or expense relating to the hedged item.

If the hedging relationship is interrupted or the effectiveness criteria are not met, hedge accounting is discontinued on a prospective basis. The hedging derivatives are transferred to “Financial assets or financial liabilities at fair value through profit or loss” and are accounted for in accordance with the principles applicable to this category. The carrying amount of the hedged item is subsequently no longer adjusted to reflect changes in fair value. In the case of interest rate instruments initially identified as hedged, the remeasurement adjustment is amortized over their remaining life. If the hedged item has been derecognized in the balance sheet, in particular due to early repayment, the cumulative adjustments are recognized immediately in the income statement.

Macro-hedging derivatives

The group has availed itself of the possibilities offered by the European Commission regarding the accounting for macro-hedging transactions. In fact, the changes made by the European Union to IAS 39 (carve-out) allow the inclusion of customer demand deposits in portfolios of hedged fixed-rate liabilities with no measurement of ineffectiveness in case of under-hedging. Demand deposits are included based on the run-off rules defined for asset-liability management purposes.

For each portfolio of financial assets or liabilities bearing a fixed rate, the effectiveness of the hedging relationship is verified through:

- an over-hedging test: the group ensures that, prospectively and retrospectively, the maturity schedule of the hedged items is greater than that of the hedging derivatives;
- a test of non-disappearance of the hedged item, which consists of ensuring that the maximum historically hedged position is lower than the nominal value of the hedged portfolio at the reporting date for each future maturity band and each rate generation;
- a quantitative test: a quantitative test intended to ensure retrospectively that changes in the fair value of the modeled synthetic instrument offset changes in the fair value of the hedging instruments.

The sources of ineffectiveness related to macro-hedging result from mismatches in the curves used to model the hedged portfolios and hedging derivatives, as well as possible mismatches in the interest payments of these items.

The accounting treatment of fair value macro-hedging derivatives is similar to that used for fair value hedging derivatives.

Changes in the fair value of the hedged portfolios are recorded in the balance sheet under “Revaluation adjustment on rate-hedged books”, the counterpart being an income statement line item.

Cash flow hedges

In the case of a cash flow hedging relationship, derivatives are remeasured at fair value in the balance sheet, with the effective portion recognized in equity. The portion considered as ineffective is recognized in the income statement under “Net gains/(losses) on financial instruments at fair value through profit or loss”.

Amounts recognized in equity are reclassified to profit or loss under “Interest income/(expense)” at the same time as the cash flows attributable to the hedged item affect profit or loss.

The hedged items continue to be accounted for in accordance with the rules specific to their accounting category. If the hedging relationship is terminated or no longer meets the hedge effectiveness criteria, hedge accounting is discontinued. The cumulative amounts recorded in shareholders’ equity for the remeasurement of the hedging derivative are maintained in shareholders’ equity until such time as the hedged transaction itself impacts profit or loss or until the transaction is no longer expected to occur. At this point, said amounts are transferred to profit or loss.

If the hedged item no longer exists, the cumulative amounts recorded in equity are immediately transferred to profit or loss.

Benchmark rate reform

Within the framework of the IBOR reform, the group is easing its hedge accounting policies for changes related to the IBOR reform:

- before defining the substitution indices, maintain existing hedging relationships during this exceptional and temporary situation and until the uncertainty created by the reform of IBOR rates is resolved concerning the choice of a new index and the effective date of this change;
- after defining the substitution indices, in particular, update the description of the hedged risk and the documentation, without impacting the continuity of the hedging relationships. A temporary exception on the “separately identifiable” nature of a non-contractually specified hedged risk component. Such a risk component indexed to a replacement rate will be considered separately identifiable if it is reasonable for it to become identifiable within a period of 24 months after designation, in the context of the development of the replacement index markets.

2.1.6 Financial guarantees and financing commitments

Financial guarantees are treated like an insurance contract when they provide for specified payments to be made to reimburse the policyholder for a loss incurred because a specified debtor fails to make payment on a debt instrument on the due date.

In accordance with IFRS 17, such financial guarantees continue to be measured using French accounting standards, *i.e.* they are treated as off-balance sheet items, until such time as the current standards are revised. Accordingly, they are subject to a provision for liabilities if an outflow of resources is likely.

By contrast, financial guarantees that provide for payments in response to changes in a financial variable (price, credit rating, index, etc.) or a non-financial variable (provided that this variable is not specific to one of the parties to the agreement) fall within the scope of IFRS 9. These guarantees are thus treated as derivatives.

Financing commitments that are not considered as derivatives within the meaning of IFRS 9 are not shown on the balance sheet. However, they give rise to provisions in accordance with the requirements of IFRS 9.

2.1.7 Derecognition of financial assets and liabilities

The group partly or fully “derecognizes” a financial asset (or a group of similar assets) when the contractual rights to the asset’s cash flows expire, or when the group has transferred the contractual rights to the financial asset’s cash flows, as well as most of the risks and advantages linked with ownership of the asset.

Upon “derecognition” of:

- a financial asset or liability at amortized cost or at fair value through profit or loss: a gain or loss on disposal is recognized in the income statement in an amount equal to the difference between the carrying amount of the asset or liability and the amount of the consideration received/paid;
- a debt instrument at fair value through equity: the unrealized gains or losses previously recognized under equity are taken to the income statement, as well as any capital gains/losses on disposal;
- an equity instrument at fair value through equity: the unrealized gains or losses previously recognized under equity, as well as any capital gains/losses on disposal are recognized in consolidated reserves without going through the income statement.

The group “derecognizes” a financial liability when the contractual obligation is extinguished, is canceled or expires. A financial liability may also be “derecognized” in the event of a material change in its contractual terms and conditions, or an exchange with the lender for an instrument whose contractual terms and conditions are substantially different.

2.1.8 Measurement of credit risk

The impairment model of IFRS 9 is based on an “expected loss” approach, whereas that of IAS 39 was based on an incurred credit loss model, implying that credit losses were recognized too late and too little at the time of the financial crisis.

Under this IFRS 9 model, financial assets for which no objective evidence of impairment exists on an individual basis are impaired on the basis of observed losses as well as reasonable and justifiable future cash flow forecasts.

The IFRS 9 impairment model thus applies to all debt instruments measured at amortized cost or at fair value through equity, as well as to financing commitments and financial guarantees. These are divided into three categories:

- stage 1 – non-downgraded performing loans: provisioning on the basis of 12-month expected credit losses (resulting from default risks over the following 12 months) from the initial recognition of the financial assets, provided that the credit risk has not increased significantly since initial recognition;
- stage 2 – downgraded performing loans: provisioning on the basis of the lifetime expected credit losses (resulting from default risks over the entire remaining life of the instrument) if the credit risk has increased significantly since initial recognition; and
- stage 3 – non-performing loans: category comprising the financial assets for which there is objective evidence of impairment related to an event that has occurred since the loan was granted.

For stages 1 and 2, the basis of calculation of interest income is the gross value of the asset before impairment while, for stage 3, it is the net value after impairment.

2.1.8.1 Governance

The models for compartment allocation, forward-looking scenarios and parameter calculation methods constitute the methodological basis for impairment calculations. They are validated at the group’s top level and are applicable to all entities according to the portfolios involved. The entire methodological basis and any subsequent modification in terms of method, weighting of the scenarios, parameter calculation or provision calculation must be validated by the Crédit Mutuel group’s governance bodies.

These bodies consist of the supervisory and executive board as defined by Article 10 of the Order of November 3, 2014 relative to internal control. Given the specificities of the Crédit Mutuel group’s decentralized organizational structure, the supervisory and management body are divided into two levels: the national level and the regional level.

The principle of subsidiarity, applied across the Crédit Mutuel group, governs the breakdown of roles between national and regional levels, both on a project basis and for the ongoing implementation of the asset impairment calculation methodology.

At the national level, the Basel III working group approves the national procedures, models and methodologies to be applied by the regional groups. Any change in the calibration of the scenarios or parameters used in the IFRS 9 provisioning model is validated by this body.

At the regional level, regional groups are tasked with the calculation of the IFRS 9 provisions within their entities, under the responsibility and control of their respective executive and supervisory bodies.

2.1.8.2 Definition of the boundary between stages 1 and 2

The group uses the models developed for prudential purposes and has therefore applied a similar breakdown of its outstanding loans:

- low default portfolios (LDPs), for which the rating model is based on an expert assessment: large corporates, banks, local governments, sovereigns, specialized financing. These portfolios are composed of products such as operating loans, short-term operating loans, current accounts, etc.;
- high default portfolios (HDPs) for which the default data is sufficient to establish a statistical rating model: mass corporate and retail. These portfolios include products such as home loans, consumer credit, revolving loans, current accounts, etc.

A significant increase in credit risk, which entails transferring a loan out of stage 1 into stage 2, is assessed by:

- taking into account all reasonable and justifiable information; and
- comparing the risk of default on the financial instrument at the reporting date with the risk of default at the initial recognition date.

For the group, this involves measuring the risk at the level of the borrower, where the counterparty rating system is common to the entire group. All of the group’s counterparties eligible for internal approaches are rated by the system. This system is based on:

- statistical algorithms or “mass ratings” based on one or more models, using a selection of representative and predictive risk variables (HDPs); or
- rating grids developed by experts (LDPs).

The change in risk since initial recognition is measured on a contract-by-contract basis. Unlike stage 3, transferring a customer’s contract into stage 2 does not entail transferring all of the customer’s outstanding loans or those of related parties (absence of contagion).

Note that the group immediately puts into stage 1 any performing exposure that no longer meets the criteria for stage 2 classification (both qualitative and quantitative).

The group has demonstrated that a significant correlation exists between the probabilities of default at 12 months and at termination, which allows it to use 12-month credit risk as a reasonable approximation of the change in risk since initial recognition, as the standard permits.

Quantitative criteria

For LDP portfolios, the boundary is based on an allocation matrix that relates the internal ratings at origination and at the reporting date. Thus, the riskier the rating of the loan, the lower the group's relative tolerance for a significant deterioration in risk.

For HDP portfolios, since December 31, 2023, the criteria for assessing the significant increase in credit risk have changed in accordance with the recommendations issued by the European Banking Authority and the European Central Bank.

In accordance with these new criteria, the group has opted for the operational simplification proposed by the standard, which allows low-risk loans at the closing date to be maintained in stage 1 as long as the following three conditions are met:

- the financial asset has a low risk of default;
- the borrower demonstrates a strong ability to meet their short-term contractual cash flow obligations;
- the borrower's ability to meet their short-term contractual obligations is not necessarily impaired by unfavorable changes in longer-term economic and business conditions.

Credit risk is considered to have increased significantly if the probability of default on the instrument has increased by a factor of at least three since origination.

Lastly, the frontier curve formula, which relates the probability of default at inception to the probability of default at the closing date, has been revised to better reflect the prospective dimension within HDPs.

Qualitative criteria

To this quantitative data the group adds qualitative criteria such as installments unpaid or late by more than 30 days, the fact that a loan has been restructured, etc.

Methods based exclusively on qualitative criteria are used for entities or small portfolios that are classified for prudential purposes under the standardized approach and do not have a rating system.

2.1.8.3 Stages 1 and 2 – Calculating expected credit losses

Expected credit losses are measured by multiplying the current outstanding balance discounted by the contract rate by its probability of default (PD) and by the loss given default (LGD) ratio. The off-balance-sheet exposure is converted into a balance sheet equivalent based on the probability of a drawdown. The one-year probability of default is used for stage 1, while the probability of default at termination (one-to-ten year curve) is used for stage 2.

These parameters are based on the same values as prudential models and adapted to meet IFRS 9 requirements. They are used both for assigning loans to a stage and for calculating expected losses.

Probability of default

This is based:

- for high default portfolios, on the models approved under the IRB-A approach;
- for low default portfolios, on an external probability of default scale based;

on a history dating back to 1981.

Loss given default

This is based:

- for high default portfolios, on the collection flows observed over a long period of time, discounted at the interest rates of the contracts, segmented according to types of products and types of guarantees;
- for low default portfolios, on fixed ratios (60% for sovereign and 40% for the rest).

Conversion factors

For all products, including revolving loans, they are used to convert off-balance-sheet exposure to a balance sheet equivalent and are mainly based on prudential models.

Forward-looking aspect

To calculate expected credit losses, the standard requires taking reasonable and justifiable information into account, including forward-looking information. The development of the forward-looking aspect requires anticipating changes in the economy and relating these anticipated changes to the risk parameters. This forward-looking dimension is determined at group level and is taken into account by modeling default probabilities and by deforming internal rating migration matrices (or risk parameters).

For high default portfolios, the forward-looking aspect included in the probability of default takes into account three scenarios (optimistic, central or pessimistic), which will be weighted based on the group's view of changes in the economic cycle over five years. The group mainly relies on macroeconomic data (GDP, unemployment rate, inflation rate, short-term and long-term interest rates, etc.) available from the OECD.

These scenarios are drawn up by the group's economists, taking into account macroeconomic data (GDP, unemployment rate, inflation rate, short-term and long-term interest rates, etc.) published by institutions (IMF, World Bank, ECB, OECD).

The weighting to be attributed to the scenario used to calculate expected credit losses is set at a minimum of 50% for the central scenario, and the weighting of the two alternative scenarios is defined according to the economic cycle anticipated by the group's economists. The weightings are updated at least every six months.

However, the forward-looking approach embedded in the expected credit loss model could be adjusted to incorporate elements that would not have been captured by the scenarios because:

- they are recent, meaning they occurred a few weeks before the reporting date;
- they cannot be included in a scenario: for example, regulatory changes that will certainly have a significant effect on the risk parameters unprecedented in the historical record and whose impact can be measured by making certain assumptions.

Post-model adjustments can be considered to reflect the consequences of climatic events on expected losses or the outlook for deterioration in certain economic sectors.

For low default portfolios, forward-looking information is incorporated into the large corporate/bank models, but not into the local government, sovereign and specialized financing models.

The effects of these adjustments are described above in the paragraph on credit risk.

2.1.8.4 Stage 3 – Non-performing loans

An impairment is recognized whenever there is objective proof of impairment due to one or more events occurring after a loan or group of loans have been made that might generate a loss. The impairment is equal to the difference between the carrying amount and the estimated future cash flows, allowing for collateral or other guarantees, present-discounted at the interest rate of the original loan. In the event of a variable rate, it is the most recent contractual rate that is booked.

The Crédit Mutuel group applies the new definition of prudential default in accordance with EBA guidelines and regulatory technical standards on applicable materiality thresholds, the main elements of which are as follows:

- default analysis is now performed on a daily basis at the creditor level and no longer at the contract level;
- the number of days of late installments is appraised for each borrower (obligor) or group of borrowers (joint obligors) in the case of a joint commitment;
- the default is triggered when 90 consecutive days of arrears are recorded by a borrower/group of borrowers. The count of the number of days begins at the simultaneous crossing of the absolute materiality threshold (€100 Retail, €500 Corporate) and the relative materiality threshold (more than 1% of balance sheet commitments in arrears). The countdown is reset when this is no longer the case for one of the two thresholds;
- the default contagion scope extends to all receivables of the borrower and all individual commitments of borrowers participating in a joint credit obligation;
- there is a minimum three-month probationary period before non-restructured assets can return to healthy status.

Crédit Mutuel Alliance Fédérale has rolled out the new definition of default on IRB entities using the EBA's two-step approach:

- step 1 – This consists of presenting a self-assessment and an authorization request to the supervisor. Authorization for use was obtained by the group in October 2019;
- step 2 – This consists of implementing the new definition of default and then adjusting the models if necessary after an observation period of 12 months for new defaults.

The group believes that this new definition of default, as required by the EBA, is representative of objective proof of impairment in an accounting sense of the word. The group has aligned its definitions of accounting (stage 3) and prudential default. This change constitutes a change in estimate, the non-material impact of which is recognized in the income statement in the year of the change.

2.1.8.5 Initially impaired financial assets

These are contracts for which the counterparty is non-performing on the date of initial recognition or acquisition. If the borrower is non-performing at the reporting date, the contracts are classified into stage 3; otherwise, they are classified as performing loans, identified in an "originated credit-impaired assets" category and provisioned based on the same method used for exposures in stage 2, *i.e.* an expected loss over the residual maturity of the contract.

2.1.8.6 Accounting

Impairment charges and provisions are recorded in "Cost of counterparty risk". Reversals of impairment charges and provisions are recorded in "Cost of counterparty risk" for the portion related to the change in risk and in "net interest margin" for the portion related to the passage of time. For loans and receivables, impairment is deducted from assets, and for financing and guarantee commitments, the provision is recorded in liabilities under "Provisions" (see Sections 2.1.6 "Financial guarantees and financing commitments" and 2.3.2 "Provisions"). For assets at fair value through equity, the impairment recognized in the cost of risk is offset under "Unrealized or deferred gains and losses".

Loan losses are written off and the related impairments and provisions are reversed.

2.1.9 Determination of fair value of financial instruments

Fair value is the amount for which an asset could be sold, or a liability transferred, between knowledgeable willing parties in an arm's length transaction.

The fair value of an instrument upon initial recognition is generally its transaction price.

The fair value must be calculated for subsequent measurements. The calculation method to be applied varies depending on whether the instrument is traded on a market deemed to be active or not.

2.1.9.1 Instruments traded on an active market

When financial instruments are traded in an active market, fair value is determined by reference to their quoted price as this represents the best possible estimate of fair value. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available (from a stock exchange, dealer, broker or pricing service) and those prices represent actual market transactions regularly occurring on an arm's length basis.

2.1.9.2 Instruments traded on a non-active market

Observable market data are used provided they reflect the reality of a transaction at arm's length on the valuation date and there is no need to make an excessive adjustment to said value. In other cases, the group uses non-observable data (mark-to-model).

When observable data is not available or when market price adjustments require the use of non-observable data, the entity may use internal assumptions relating to future cash flows and discount rates, comprising adjustments linked to the risks the market would factor in. Said valuation adjustments facilitate the inclusion, in particular, of risks not taken into account by the model, as well as liquidity risks associated with the instrument or parameter in question, and specific risk premiums designed to offset certain additional costs that would result from the dynamic management strategy associated with the model under certain market conditions.

When establishing valuation adjustments, each risk factor is considered individually and no effect of diversification between risks, parameters or models of a different nature are taken into account. A portfolio approach is most often used for a given risk factor.

In all cases, adjustments are made by the group in a reasonable and appropriate manner, based on judgment.

2.1.9.3 Fair value hierarchy

A three-level hierarchy is used for fair value measurement of financial instruments:

- level 1: price quoted on active markets for identical assets or liabilities; notably, debt securities listed by at least three contributors and derivatives listed on an organized market are concerned;
- level 2: data other than the level 1 quoted prices, which are observable for the asset or liability concerned, either directly *(i.e.* prices) or indirectly (*i.e.* data derived from prices). Included, in particular, in level 2 are interest rate swaps whose fair value is generally determined with the help of yield curves based on market interest rates observed at the reporting date;
- level 3: data relating to the asset or liability that are not observable market data (non-observable data). The main constituents of this category are investments in non-consolidated companies held in venture capital entities or otherwise and, in the Capital Markets, debt securities quoted by a single contributor and derivatives using mainly non-observable parameters. The instrument is classified at the same hierarchical level as the lowest level of the input having an important bearing on fair value considered as a whole. Given the diversity and volume of the instruments measured at level 3, the sensitivity of the fair value to a change in the parameters would be immaterial.

2.2 Insurance activities

2.2.1 Financial investments of insurance activities

Financial investments of insurance activities are valued in accordance with IFRS 9. For more details, see Section 2.1

2.2.2 Insurance contracts and reinsurance contracts

IFRS 17 sets out new rules for the recognition, measurement and presentation of insurance contracts falling within its scope:

- valuation of insurance contracts on the balance sheet: their value is updated on each closing date, based on a re-estimate of future cash flows related to their execution. This re-estimate takes into account market data for financial information and policyholder behavior;
- recognition of the margin: although the profitability of insurance contracts remains unchanged, the recognition of their margin in profit or loss is modified to be spread over the duration of the insurance service; and
- presentation of the income statement: general operating expenses attributable to the execution of insurance contracts are now presented as a reduction of net revenue under insurance services expenses and therefore no longer affect the total amount of general operating expenses in the consolidated income statement.

The group has adopted the Year To Date (YTD) approach for assessing the various components of accounting models under IFRS 17.

This choice of accounting method is applied to all insurance contracts issued and reinsurance contracts held, and involves disregarding estimates previously made in its interim financial statements.

Scope of application

IFRS 17 applies to insurance contracts issued, reinsurance contracts issued and held, and discretionary participation investment contracts issued. The definition of an insurance contract is unchanged from IFRS 4, with the exception of the assessment of the insurer's risk of loss, which must be based on a present value.

Grouping of contracts

The standard requires the identification of portfolios of insurance contracts, *i.e.* contracts subject to similar risks and managed together.

Each portfolio of insurance contracts issued is then divided into three profitability levels:

- onerous contracts upon initial recognition;
- contracts which, at the time of initial recognition, have no significant possibility of becoming loss-making;
- the other contracts in the portfolio.

The profitability level of a contract group must be uniform across all the contracts included in the group.

In addition, IFRS 17, as published by the IASB, introduces the principle of annual cohorts, prohibiting contracts issued more than one year apart from each other from being included in the same group.

Nevertheless, the standard as adopted by the European Union provides for an optional exception from the application of this rule for groups of insurance contracts with direct participation features and groups of investment contracts with discretionary participation features whose cash flows affect, or are affected by, cash flows to policyholders of other contracts.

GACM applies this European exception to eligible groups of contracts.

The different levels of aggregation used by GACM are as follows:

Definition of contract portfolios

General model and simplified model contracts are grouped by homogeneous product families, without distinction by guarantee or by legal entity within the same geographic area. VFA contracts are grouped according to the asset portfolio to which they relate.

Profitability signature and definition of contract groups

Given GACM's approach to contract portfolios, it is clear that contract portfolios present a homogeneous level of profitability by underwriting generation. Consequently, a portfolio of contracts valued according to the general model or the simplified model will be subdivided into a single group per underwriting year.

For VFA contracts, the contract group corresponds to the contract portfolio, in line with the European exception.

The IFRS 17 contract aggregation level defines the contract aggregation level to be used for measuring insurance contract liabilities and profitability.

Valuation models

General valuation model for insurance contracts (Building Block Approach)

Contracts should be valued by default according to a general measurement model as the sum of the following elements:

- fulfillment cash flows:
  - estimates of future cash flows (premiums, benefits, directly attributable costs) weighted by their probability of occurrence,
  - an adjustment to reflect the time value of money (*i.e.* discounting these future cash flows),
  - an adjustment for non-financial risks;
- the contractual service margin (or CSM).

The contractual service margin represents the unearned profit for a group of insurance contracts, *i.e.* the present value of future profits. It is amortized in income from insurance contracts over the coverage period of the contracts, as the insurance entity provides services to policyholders according to the coverage units.

In view of the diversity of insurance contracts, the determination of coverage units requires judgment in considering both the level of coverage defined in the contract (for example, the capital in the event of death for a loan contract) and the expected duration of the contract.

The CSM of a group of contracts cannot be negative; any negative amount of fulfillment cash flows at the start or during the contract is immediately recognized in income.

Discount rate

IFRS 17 requires the use of discount rate curves reflecting the time value of money, cash flow, as well as the liquidity characteristics of insurance contracts. To determine the discount rate, the group applies the bottom-up approach. This methodology consists of adding a liquid risk-free component, based on rate swaps, and an adjustment to take into account the liquidity characteristics of insurance contracts.

The group uses the EIOPA yield curve and retains the principles relating to the extrapolation of the risk-free yield curve as part of the revision of the Solvency II directive (general approach of the Council of the European Union) because the latter provide greater coherence and consistency in terms of the financial markets.

Adjustment for non-financial risk and confidence level

The adjustment for non-financial risk must reflect the compensation required by the group to support the uncertainty surrounding the amount and timing of cash flows that is generated by the non-financial risk when the group executes insurance contracts.

It was decided to calculate the risk adjustment with a quantile approach using Value at Risk ("VaR") for all risks. The group considers that a quantile of 80% represents an adequate level of prudence for the underlying technical reserves.

This general model will apply by default to all insurance contracts.

The carrying amount of a group of insurance contracts is remeasured at the end of each subsequent period. It is then equal to the sum of the following two amounts:

- the liability for remaining coverage, which includes the value of the re-estimated execution flows at that date (present value of premiums to be received and future benefit expenses over the remaining coverage period) and the adjusted contractual service margin on the same date as described above;
- the liability for incurred claims, for an amount equal to the present value of the estimated cash flows required to settle valid requests on claims that have already occurred.

On this same reporting date, the amount of the contractual service margin is updated to take into account, notably:

- the effect of new contracts added to the group of contracts;
- interest capitalized at the discount rate used to determine the initial value of the margin;
- the re-estimation of fulfillment cash flows resulting from changes in technical assumptions (present value of premiums to be received and future benefit expenses over the remaining coverage period, excluding estimates of expenses to be paid on claims already incurred that are subject to a separate assessment).

However, if the negative amount related to the discounted future cash flow changes is greater than the amount of the remaining margin, then the negative surplus is immediately recognized in profit or loss. The margin is also capitalized according to the fixed rate at the start of the contract.

The effect of unwinding the discount on the liability related to the passage of time is recorded in "Financial income or financial expenses from insurance contracts issued" as well as that related to the change in the discount rate. However, the latter may optionally be recognized in shareholders' equity.

The group applies the option to neutralize the effects of discount rates in shareholders' equity for the portfolios of insurance contracts valued under the general model.

The group applies the General Measurement Model to long-term personal insurance and protection insurance contracts (in particular real estate borrower contracts, funeral contracts and long-term care contracts).

The coverage units used are calibrated according to the amount insured, therefore without reference to the cost to the insurer.

Variable fee model (Variable Fee Approach)

IFRS 17 provides for an adaptation of the general model for direct participating contracts. This adapted model, known as the "Variable Fee Approach", makes it possible to reflect, in the valuation of insurance liabilities, the obligation to pay policyholders a substantial portion of the return on underlying assets net of contract expenses (as the changes in the value of the underlying assets attributable to policyholders are neutralized in the contractual service margin).

Insurance contracts with direct participation features are insurance contracts which, in substance, constitute contracts for investment-related services, where the entity promises a return based on underlying items. They are therefore defined as insurance contracts in which:

- the contractual terms specify that the policyholder is entitled to a share in a clearly defined portfolio of underlying items;
- the entity expects to pay the policyholder an amount corresponding to a substantial portion of the return obtained on the fair value of the underlying items;
- the entity expects any change in the amounts payable to the policyholder to be substantially attributable to changes in the fair value of the underlying items.

Eligibility for VFA is assessed on the basis of these criteria at the inception of the contract and is not reviewed thereafter, except in the event of substantial modification to the contract.

The main adaptations as compared to the General Model relate to:

- the insurer's share of the change in the fair value of the underlying investments. At each reporting date, it is included in the contractual service margin in order to be recognized in income over the expected remaining coverage period of the contracts;
- interest on the contractual service margin, the changes of which are implicitly included in the periodic revision of the contractual service margin.

The income from these contracts is therefore mainly represented by the relaxation of execution flows and the amortization of the contractual service margin. When the underlying items perfectly back the liabilities and are measured at fair value through profit or loss, the financial income of these contracts is zero. In the event of an accounting mismatch between the underlying assets and the insurance liabilities, the option of classifying in shareholders' equity the effect of changes in liabilities related to these assets is applicable.

The group applies the VFA model to all of the group's Life products (both general fund contracts and unit-linked contracts). The model used is the portfolio of assets underlying the contracts in question.

The coverage units used are the mathematical reserves of the contracts. On the basis of this driver, the group had to apply a correction coefficient to amortize the CSM in income and neutralize the bias induced by the bow wave effect associated with the stochastic modeling in a risk neutral environment. After applying the adjusted coverage unit, the amount of CSM, which is amortized in the income statement each period, takes into account the “real world” environment, and reflects the service provided to policyholders over the period in question.

Simplified approach (Premium Allocation Approach)

The standard also allows, subject to conditions, the application of a simplified approach known as the Premium Allocation Approach to contracts with a duration less than or equal to 12 months or if the application of the simplified approach gives a result close to the General Model.

For profitable contracts, the liability related to the remaining coverage is valued on the basis of the deferral of premiums collected using a logic similar to that used under IFRS 4. Onerous contracts and incurred claims liabilities are valued according to the general model. Liabilities for incurred claims are discounted if the expected settlement of claims takes place after one year from knowledge of the occurrence. In this case, the option of classifying the effect of changes in the discount rate in shareholders’ equity is also applicable.

At each reporting date, the adjustment of liabilities in respect of the remaining coverage and incurred claims is recorded in the income statement.

The group applies the simplified approach to all property and casualty insurance products, and to a lesser extent to certain individual and collective Health and Protection products.

Main standard-setting options adopted by the group

Coverage unit for groups of insurance contracts

IFRS 17 defines the notion of coverage unit as a unit representing the “quantity of benefits [...] provided by the contracts”. It specifies that "quantity of benefits" covers two aspects: the “quantity of benefits provided” and the “expected coverage period”.

For each contract group, the group has determined a coverage unit to spread the contract service margin (CSM) over the various expected coverage periods, reflecting the quantity of benefits provided over these different periods.

For life and savings contracts, the coverage unit used to amortize the CSM corresponds to the mathematical reserve associated with each contract, adjusted for the impact of the actual return on the underlying investments compared to the risk-neutral actuarial projection.

For borrower protection policies valued according to the general model, the coverage unit used to amortize the CSM corresponds to the sum insured.

Effect of rates neutralized in OCI

Financial income or expense on insurance contracts in force will be presented separately between the income statement and shareholders’ equity for those portfolios for which this breakdown is considered relevant, as permitted by the standard.

The group applies the option of neutralizing the effects of discount rates in shareholders’ equity for personal protection contracts (borrower insurance, funeral insurance, long-term care insurance, etc.) and liabilities for claims arising from property-casualty contracts (personal accident insurance, means of payment, multi-risk property insurance, etc.).

Processing of internal costs

As a banking and insurance conglomerate, the group distributes savings and protection products (borrower insurance, car insurance, home insurance, etc.) and provides the management resources necessary for the operations of its insurance subsidiaries.

The services provided by the banking networks (business contributions, administrative management of contracts, provision of staff or assets, etc.) are compensated by margin commissions based on agreements between the distributing credit institutions and the insurance subsidiaries.

The new model for measuring insurance contracts under IFRS 17 requires a projection in the contract execution cash flows of the acquisition and management costs that will be paid in the future and a presentation in the income statement of, on the one hand, the release of estimated costs for the period and, on the other hand, of the actual costs incurred by the banking dealer networks.

Pursuant to the recommendations of the ESMA (32-63-1320) and the AMF (DOC-2022-06), the group adjusts the internal margin on the balance sheet and the income statement in order to reflect the valuation of insurance contracts, according to IFRS 17, at the level of the Crédit Mutuel group.

Presentation in the balance sheet and income statement

Insurance contracts issued and reinsurance contracts held are presented in the balance sheet as assets or liabilities depending on the overall position of the portfolios to which they belong (including debts and receivables attributable to the valuation of the contract);

The various income and expense items from insurance and reinsurance contracts are broken down in the consolidated income statement under net revenue, in:

- insurance service result:
  - income from insurance and reinsurance contracts issued,
  - service charges related to insurance and reinsurance contracts issued, and
  - income and expenses related to reinsurance contracts held;
- insurance service financial result:
  - financial income and expenses from insurance and reinsurance contracts issued, and
  - financial income and expenses from reinsurance contracts held.

The income from insurance contracts shows the relaxation of execution flows for the amount expected over the period (excluding investment components), changes in the risk adjustment, the amortization of the contractual service margin in respect of services rendered, the amount allocated to the amortization of acquisition costs, and experience differences on premiums.

Service expenses relating to insurance and reinsurance contracts issued, as well as expenses relating to reinsurance contracts held, then include the share of general operating expenses and commissions directly attributable to the execution of contracts, which will thus be recognized as a deduction of net revenue. They also include the initial loss component and its amortization in the case of a portfolio of onerous contracts.

Retirement Savings insurance contracts include an investment component in the form of a deposit paid by the policyholder and which the insurer is contractually obliged to reimburse even if the insured event does not occur. The premiums and repayments of these deposits do not constitute income or expenses relating to these contracts.

Financial income and expenses from insurance and reinsurance contracts mainly include changes in the value of groups of contracts related to the effects of the time value of money and financial risks not included in the estimated cash flows.

Financial income or financial expenses from insurance contracts issued will be presented separately in the income statement and in shareholders' equity for the portfolios concerned.

Valuation of reinsurance treaties

Reinsurance held is treated in the same way as insurance contracts issued, either under the general model or the simplified model. The contractual service margin representing the expected gain or loss on reinsurance is negative, and contract performance flows include the reinsurer's risk of non-performance.

2.3 Non-financial instruments

2.3.1 Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or a series of payments the right to use an asset for an agreed period of time.

A finance lease granted by the group is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Ownership may or may not eventually be transferred.

An operating lease granted by the group represents any lease contract other than a finance lease.

2.3.1.1 Finance lease transactions – Lessor

In accordance with IFRS 16, finance lease transactions with non-group companies are reported in the consolidated balance sheet at their financial accounting amount. Finance lease transactions transfer substantially all the risks and rewards incidental to ownership of the leased asset to lessees.

And so, the analysis of the economic substance of the transaction results in:

- the leased asset exiting the balance sheet;
- the recognition of a receivable in "Financial assets at amortized cost", for a present value, at the implicit contract rates, of the rental payments to be received under the finance lease contract, increased by any residual value not guaranteed returning to the lessor;
- the recognition of deferred taxes for existing temporary differences throughout the life of the finance lease;
- the recognition as net interest margin, of net revenue from the lease, this being representative of the constant periodic rate of return on the amounts outstanding.

Credit risk related to financial receivables is measured and recognized under IFRS 9 (see Section 2.1.8 "Measurement of credit risk").

2.3.1.2 Finance lease transactions – Lessee

In accordance with IFRS 16, rights of use are capitalized under "Property, plant and equipment", with a corresponding lease liability recognized under "Accruals and miscellaneous liabilities". Rents paid are broken down between interest expenses and repayment of the principal amount of the debt.

2.3.2 Provisions

Provisions and reversals of provisions are classified by type under the corresponding item of income or expenditure.

A provision is recognized whenever it is probable that an outflow of resources representing economic benefits will be necessary to extinguish an obligation arising from a past event and when the amount of the obligation can be estimated accurately. Where applicable, the net present value of this obligation is calculated to determine the amount of the provision to be set aside.

The provisions constituted by the group cover, in particular:

- operational risks;
- social commitments;
- execution risk on signature commitments;
- litigation risk and guarantee commitments given;
- tax risks;
- risks related to mortgage saving agreements.

2.3.3 Employee benefits

Where applicable, provisions in respect of employee obligations are recognized under "Provisions". Any movements in this provision are recognized in the income statement under "Employee benefit expense" with the exception of the portion resulting from the remeasurement of net liabilities arising from defined benefit plans, recognized in shareholders' equity.

2.3.3.1 Post-employment benefits under a defined benefit plan

These comprise the pension plans, early pension plans and supplementary pension plans under which the group has a formal or implicit obligation to provide employees with predefined benefits.

These obligations are calculated using the projected unit credit method, which involves allocating entitlement to benefits to periods of service by applying the contractual formula for calculating plan benefits. Such entitlements are then discounted using demographic and financial assumptions such as:

- a discount rate, determined by reference to the long-term rate on private-sector borrowings consistent with the term of the commitments;
- the salary increase rate, assessed in accordance with age brackets and employee categories;
- inflation rates, estimated by comparing French treasury bond rates and inflation-linked French treasury bond rates at different maturities;
- staff turnover rates, determined by age bracket, using the three-year average for the ratio of resignations and dismissals relative to the year-end number of employees under permanent contracts;
- retirement age: estimated on a case-by-case basis using the actual or estimated date of commencement of full-time employment and the assumptions set out in the law reforming pensions, with a ceiling set at 67 years of age;
- mortality according to the INSEE TH/TF 00-02 table.

Differences arising from changes in these assumptions and from differences between previous assumptions and actual experience constitute actuarial gains or losses. When the plan has assets, they are measured at fair value. The interest income they generate has an impact on profit or loss. The difference between the actual return and the interest income generated by these assets is also an actuarial gain and loss.

Actuarial gains and losses are recognized in equity, as unrealized or deferred gains and losses. Any plan curtailments or terminations generate a change in the obligation, which is recognized in the income statement when it occurs.

In accordance with the IFRIC decision of April 20, 2021, the pension obligation under post-employment benefit plans, whose rights are capped on the basis of a number of years of service and subject to the presence of the employee on the date of retirement, is constituted solely over the period preceding the retirement age enabling the ceiling to be reached (or between the employee's date of entry into the company and the date of retirement if this period is shorter than the ceiling).

2.3.3.2 Post-employment benefits under a defined contribution plan

Group entities contribute to various retirement plans managed by independent organizations, to which they have no formal or implicit obligation to make supplementary payments in the event, particularly, that the fund's assets are insufficient to meet its commitments.

Since such plans do not represent a commitment for the group, they are not subject to a provision. The charges are recognized in the period in which the contribution is due.

2.3.3.3 Other long-term benefits

These represent benefits other than post-employment benefits and termination benefits expected to be paid more than 12 months after the end of the fiscal year in which the staff rendered the corresponding service. They include, for example, long-service awards.

The group's commitment in respect of other long-term benefits is measured using the projected unit credit method. However, actuarial gains and losses are recognized immediately in profit or loss.

Commitments in respect of long-service awards are sometimes covered by insurance contracts. Only the unhedged portion of this commitment is subject to a provision.

2.3.3.4 Termination benefits

These are benefits granted by the group when an employment contract is terminated before the usual retirement age or following the employee's decision to leave the group voluntarily in exchange for an indemnity.

The related provisions are discounted if payment is expected to take place more than 12 months after the reporting date.

2.3.3.5 Short-term benefits

These are benefits, other than termination benefits, payable within 12 months following the reporting date. They include salaries, social security contributions and certain bonuses.

A charge is recognized in respect of short-term benefits in the period in which the services giving rise to the entitlement to the benefit are provided to the entity.

2.3.4 Non-current assets

2.3.4.1 Non-current assets of which the group is owner

Non-current assets reported on the balance sheet include property, plant and equipment and intangible assets used in operations, as well as investment property. Operating assets are used for the production of services or for administrative purposes. Investment property consists of real estate assets held to generate rental income and/or capital gains. The historical cost method is used to recognize both operating and investment properties.

Non-current assets are initially recognized at acquisition cost plus any directly attributable costs necessary to make them operational and usable. They are subsequently measured at amortized historical cost, *i.e.* their cost less accumulated depreciation and any impairment.

When a non-current asset comprises several components likely to be replaced at regular intervals, with different uses or providing economic benefits over differing lengths of time, each component is recognized separately from the outset and is depreciated or amortized in accordance with its own depreciation schedule. The component approach was retained for operating buildings and investment properties.

The depreciable or amortizable amount of a non-current asset is determined after deducting its residual value, net of disposal costs. As the useful life of non-current assets is generally equal to their expected economic life, no residual value is recognized.

Non-current assets are depreciated or amortized over their estimated useful life at rates reflecting the estimated consumption of the assets' economic benefits by the entity. Intangible assets with an indefinite useful life are not amortized.

Depreciation and amortization charges on operating assets are recognized under "Movements in depreciation, amortization and provisions for operating assets" in the income statement.

Depreciation charges on investment property are recognized under "Expenses on other activities" in the income statement.

The following depreciation and amortization periods are used:

Property, plant and equipment:

- land and network improvements: 15-30 years;
- buildings – shell: 20-80 years (depending on the type of building);
- buildings – equipment: 10-40 years;
- fixtures and fittings: 5-15 years;
- office furniture and equipment: 5-10 years;
- safety equipment: 3-10 years;
- rolling stock: 3-5 years;
- IT equipment: 3-5 years.

Intangible assets:

- software purchased or developed in-house: 1-10 years;
- business goodwill acquired: 9-10 years (if customer contract portfolio acquired).

Depreciable and amortizable assets are tested for impairment when evidence exists at the reporting date that the items may be impaired. Non-amortizable intangible assets such as lease rights are tested for impairment at least once a year.

If an indication of impairment exists, the recoverable amount of the asset is compared to its net carrying amount. In the event of loss of value, a write-down is recognized on the income statement; it changes the depreciable or amortizing amount of the asset prospectively. The write-down is repaid in the event of changes to the estimated recoverable amount or if the indications of impairment disappear. The net carrying amount following the reversal of an impairment provision cannot exceed the net carrying amount that would have been calculated if no impairment had been recognized.

Impairment charges and reversals on operating assets are recognized under “Movements in depreciation, amortization and provisions for operating assets” in the income statement.

Impairment charges and reversals on investment property are recognized in the income statement under “Expenses on other activities” and “Income from other activities”, respectively.

Capital gains or losses on disposals of operating assets are recorded in the income statement on the line “Net gains/(losses) on other assets”.

Gains and losses on the disposal of investment property are recorded in the income statement on the line “Income from other activities” or “Expenses on other activities”.

2.3.4.2 Non-current assets of which the group is lessee

For a contract to qualify as a lease, there must be both the identification of an asset and control by the lessee of the right to use said asset.

In respect of the lessee, operating leases and finance leases will be recorded in a single model, with recognition of:

- an asset representing the right to use the leased property during the lease term;
- offset by a liability in respect of the lease payment obligation;
- straight-line depreciation of the asset and an interest expense in the income statement using the diminishing balance method.

The group mainly activates its real estate contracts. The motor fleet was only restated where it was locally significant and computer and safety equipment were not included due to the fact that they are replaceable, in accordance with the standard. Only a limited number of IT contracts, deemed to be significant, were deemed to be activated.

Other underlying assets were precluded through short-term or low value exemptions (set at €5 thousand). The group has no leases that give rise to recognition of intangible assets or investment properties.

Therefore, usage rights are recorded under “Property, plant and equipment”, and lease obligations under “Other liabilities”. Leasehold rights are reclassified as property, plant and equipment when they concern contracts that are not automatically renewable. Rights of use and lease obligations are the subject of deferred tax assets or liabilities for the net amount of taxable and deductible temporary differences.

In the income statement, interest charges appear in “Net interest margin” while depreciation/amortization is presented under the heading dedicated to general operating expenses.

For calculating the lease obligation, we use:

- the lease term. This represents at least the non-cancellable period of the contract and may be extended to take into account any renewal/extension option that the group is reasonably certain to exercise. With regard to the operational implementation of the group’s methodology, any new 3/6/9 commercial lease will be activated for a period of nine years by default (or for a period equal to its non-cancellable period in the case of another type of lease). The term of any automatically extended contract will be extended to the end of the medium-term plan, which is a reasonable time frame for the continuation of the contract[1]. For the 3/6/9 leases in exception, the contract will be activated for a period of 12 years, as the group has no economic incentive to remain beyond this period, given the de-capping of leases after this period;
- the discount rate is the marginal rate of indebtedness corresponding to the chosen duration. It is a rate that is depreciable by the group’s refinancing headquarters and by currency;
- the lease payment, excluding taxes. The group is marginally affected by variable lease payments.

2.3.5 Commissions

Fees and commissions in respect of services are recorded as income and expenses according to the nature of the services involved. Thus, commissions considered as additional interest are an integral part of the effective interest rate. These commissions are therefore recognized as interest income and expenses.

Fees and commissions linked directly to the grant of a loan are spread using the effective interest method.

Fees and commissions remunerating a service provided on a continuous basis are recognized over the period during which the service is provided.

Fees for one-off services are recognized in the income statement in full when the service is performed.

2.3.6 Income tax expense

The income tax expense includes all tax, both current and deferred, payable in respect of the income for the period under review.

The income tax payable is determined in accordance with applicable tax regulations.

The Territorial Economic Contribution (*Contribution économique territoriale* – CET), which is composed of the Business Real Estate Contribution (*Cotisation foncière des entreprises* – CFE) and the Business Contribution on Added Value (*Cotisation sur la valeur ajoutée des entreprises* – CVAE), is treated as an operating expense and, accordingly, the group does not recognize any deferred taxes in the consolidated financial statements.

[1] *Regional groups that directly manage the leases.*

2.3.6.1 Deferred tax

As required by IAS 12, deferred taxes are recognized in respect of temporary differences between the carrying amount of an asset or liability on the consolidated balance sheet and its taxable value, with the exception of goodwill.

Deferred taxes are calculated using the liability method, applying the income tax rate known at the end of the fiscal year and applicable to subsequent years.

Deferred tax assets net of deferred tax liabilities are recognized only when there is a high probability that they will be utilized. Current or deferred tax is recognized as income or an expense, except for that relating to unrealized or deferred gains and losses recognized in equity, for which the deferred tax is allocated directly to equity.

Deferred tax assets and liabilities are netted if they arise in the same entity or in the same tax group, are subject to the same tax authority and when there is a legal right to do so.

Deferred tax is not discounted.

Amendment to IAS 12 – International Tax Reform – Model Pillar 2 rules

The OECD's Pillar 2 rules, taken up by Directive 2022/2523 and which will be transposed in the 2024 Finance Act, are intended to establish a minimum level of worldwide taxation for multinational and large-scale national corporate groups in the European Union.

Under these rules, an additional tax would be payable if the effective tax rate under the OECD's Global Anti-Base Erosion (GLoBe) rules by jurisdiction is less than 15%.

The amendment to IAS 12 provides for a mandatory temporary exemption from the recognition of deferred taxes related to Pillar 2. A project has been launched for 2023 to draw up a list of jurisdictions and estimate the current income tax expense linked to Pillar 2 from 2024. The impact of this tax reform is not material.

2.3.6.2 Uncertainties over income tax treatment

In accordance with IFRIC 23, the group is assessing the probability of the tax authority accepting the tax position taken. It is assessing the likely effects on the result for tax purposes, tax bases, tax loss carryforwards, unused tax credits and rates of taxation.

In the event of an uncertain tax position, the amounts payable are estimated on the basis of the most likely amount or the expected amount according to the method that reflects the best estimate of the amount to be paid or received.

2.3.7 Interest paid by the State on certain loans

Pursuant to measures to support the agricultural and rural sector, as well as the purchase of housing, some group entities grant loans at reduced rates, which are set by the State. Consequently, these entities receive a subsidy from the State equal to the interest rate differential existing between the rate granted to customers and a predefined benchmark rate. As a result, no discounting occurs on loans that benefit from these grants.

The arrangements governing this offset mechanism are periodically reviewed by the State.

The State subsidies received are recognized under "Interest and similar income" and allocated over the life of the corresponding loans, in accordance with IAS 20.

2.3.8 Non-current assets held for sale and discontinued operations

Non-current assets, or groups of assets, are classified as held for sale if they are available for sale and there is a high probability that their sale will take place within the next 12 months.

The related assets and liabilities are shown separately in the balance sheet, on the lines "Non-current assets held for sale" and "Debt related to non-current assets held for sale". They are recognized at the lower of their carrying amount and their fair value less selling costs, and are no longer depreciated or amortized.

Any impairment loss on such assets and liabilities is recognized in the income statement.

Discontinued operations consist of businesses held for sale or which have been discontinued, or subsidiaries acquired exclusively with a view to resale. All gains and losses related to discontinued operations are shown separately in the income statement, on the line "Post-tax net gains and losses on discontinued operations".

2.4 Judgments and estimates used in the preparation of the financial statements

The preparation of the group's financial statements requires the formulation of assumptions in order to make the necessary assessments and involves risks and uncertainties concerning their realization in the future, particularly in the context of the Ukrainian conflict and the macroeconomic conditions existing at the reporting date.

The future outcome of such assumptions may be influenced by several factors, in particular:

- the activities of national and international markets;
- fluctuations in interest rates and foreign exchange rates;
- economic and political conditions in certain business sectors or countries;
- regulatory and legislative changes.

Accounting estimates requiring the formulation of assumptions are mainly used for the measurement of the following:

- the fair value of financial instruments not listed on an active market, the definition of a forced transaction and the definition of observable data require the exercise of judgment;
- insurance contracts, in particular with regard to future execution cash flows;
- pension plans and other future employee benefits;
- impairment of assets, including expected credit losses. To date, environmental risks are not captured in the group's expected credit loss impairment models;
- provisions, impairment of intangible assets and goodwill;
- deferred tax assets.

3. Related-party information

Parties related to the group are companies consolidated at the level of the Crédit Mutuel group as a whole, including the other establishments affiliated to the Confédération Nationale du Crédit Mutuel and equity consolidated companies.

Transactions carried out between the group and its subsidiaries and associates are carried out under normal market conditions, at the time these transactions are completed.

The list of consolidated companies is presented in note 3. As transactions carried out and outstandings that exist at the end of the period between the group's consolidated companies are totally eliminated in consolidation, data pertaining to these reciprocal transactions is included in the attached tables only when concerning companies over which the group exercises joint control or significant influence, and is consolidated using the equity method.

4. Standards and interpretations adopted by the European Union and not yet applied

4.1 Standards and interpretations adopted by the European Union

Nil.

Note 2 Breakdown of the income statement by business segment and geographic area

Crédit Mutuel Alliance Fédérale's business lines are as follows:

- Retail banking includes:

  a) Banking network activities: Crédit Mutuel local banks of the 14 federations, CIC regional banks, BECM, Beobank and TARGOBANK Corporate and Investment Banking (TARGOBANK CIB);

  b) Consumer credit: TARGOBANK in Germany (main activity) and Cofidis;

  c) Business line subsidiaries: activities whose products are marketed by the network mainly include factoring and real estate and equipment leasing.
- Insurance activity is composed of Groupe des Assurances du Crédit Mutuel.
- The specialized business lines are comprised of:

  a) Asset management and private banking activities in France and abroad;

  b) Corporate banking: financing for large corporates and institutional customers, structured financing, international business and foreign branches;

  c) Capital Markets, which includes commercial and investment activities (rates, equities and credit);

  d) Private equity.
- The other business lines include items that cannot be assigned to another business activity, such as intermediate holding companies, non-controlling interests, operating real estate, logistics structures, press, IT entities and intercompany transactions.

The consolidated entities are fully allocated to their core business based on their contribution to the consolidated financial statements.

Only three entities are an exception due to their presence in several businesses:

- CIC and BFCM: In this case, the contribution to the consolidated income statements and balance sheets of these two entities is broken down based on the different business sectors to which they contribute;
- TARGOBANK AG is structured around three activities in Germany: TARGOBANK Retail for consumer credit, TARGOBANK Factoring and Equipment Finance for the banking network subsidiaries (factoring and leasing) and TARGOBANK CIB for the banking network.

2a Breakdown of the income statement by business line

06/30/2024	Retail banking	Insurance	Specialized business lines	Other business lines	Total
Net revenue	6,094	701	1,491	-29	8,257
General operating expenses	-3,993	-87	-727	96	-4,711
Gross operating income	**2,101**	**614**	**764**	**67**	**3,545**
Cost of counterparty risk	-900	0	-59	1	-958
Net gains and losses on other assets(1)	5	-1	-1	51	54
Income before tax	**1,206**	**613**	**704**	**119**	**2,641**
Income tax	-349	-130	-141	11	-609
Post-tax gains and losses on discontinued assets	0	0	0	0	0
Net profit/(loss)	**856**	**483**	**563**	**130**	**2,032**
Non-controlling interests					93
GROUP NET INCOME					**1,939**

(1) Includes net income of entities accounted for using the equity method and impairment losses on goodwill (notes 16 and 19).

06/30/2023	Retail banking	Insurance	Specialized business lines	Other business lines	Total
Net revenue	6,062	641	1,455	-174	7,984
General operating expenses	-3,962	-58	-696	67	-4,649
Gross operating income	**2,100**	**583**	**759**	**-107**	**3,335**
Cost of counterparty risk	-614	0	-66	1	-679
Net gains and losses on other assets(1)	2	-5	2	19	18
Income before tax	**1,488**	**578**	**695**	**-86**	**2,674**
Income tax	-456	-135	-136	16	-712
Net profit/(loss)	**1,032**	**443**	**559**	**-70**	**1,963**
Non-controlling interests					87
Group net income					**1,875**

(1) Includes net income of entities accounted for using the equity method and impairment losses on goodwill (notes 16 and 19).

BREAKDOWN OF "RETAIL BANKING" SEGMENT BUSINESS LINES

06/30/2024	Banking network	Consumer loans	Business line subsidiaries	Total Retail banking
Net revenue	4,096	1,633	365	6,094
General operating expenses	-2,912	-857	-224	-3,993
Gross operating income	**1,183**	**776**	**141**	**2,101**
Cost of counterparty risk	-443	-440	-17	-900
Net gains and losses on other assets(1)	4	0	0	5
Income before tax	**745**	**337**	**124**	**1,206**
Income tax	-200	-113	-37	-349
NET PROFIT/(LOSS)	**545**	**224**	**87**	**856**

(1) Includes net income of entities accounted for using the equity method and impairment losses on goodwill (notes 16 and 19).

06/30/2023	Banking network	Consumer loans	Business line subsidiaries	Total Retail banking
Net revenue	4,194	1,532	336	6,062
General operating expenses	-2,913	-820	-228	-3,962
Gross operating income	**1,281**	**712**	**108**	**2,100**
Cost of counterparty risk	-196	-408	-10	-614
Net gains and losses on other assets(1)	1	0	0	2
Income before tax	**1,087**	**304**	**98**	**1,488**
Income tax	-321	-100	-35	-456
Net profit/(loss)	**766**	**204**	**62**	**1,032**

(1) Includes net income of entities accounted for using the equity method and impairment losses on goodwill (notes 16 and 19).

BREAKDOWN OF THE "SPECIALIZED BUSINESS LINES" SEGMENT BUSINESS LINES

06/30/2024	Asset management and private banking	Corporate banking	Capital Markets	Private Equity	Total Specialized business lines
Net revenue	635	335	299	223	1,491
General operating expenses	-457	-83	-142	-45	-727
Gross operating income	**178**	**252**	**157**	**177**	**764**
Cost of counterparty risk	-21	-40	3	0	-59
Net gains and losses on other assets(1)	0	0	-1	0	-1
Income before tax	**157**	**212**	**159**	**177**	**704**
Income tax	-44	-56	-39	-2	-141
POST-TAX GAINS AND LOSSES ON DISCONTINUED ASSETS	**0**	**0**	**0**	**0**	**0**
Net profit/(loss)	**112**	**156**	**120**	**175**	**563**

(1) Includes net income of entities accounted for using the equity method and impairment losses on goodwill (notes 16 and 19).

06/30/2023	Asset management and private banking	Corporate banking	Capital Markets	Private Equity	Total Specialized business lines
Net revenue	646	296	293	220	1,455
General operating expenses	-430	-87	-139	-40	-696
Gross operating income	**216**	**209**	**154**	**180**	**759**
Cost of counterparty risk	-2	-64	-1	-	-66
Net gains and losses on other assets(1)	2	0	0	-	2
Income before tax	**217**	**145**	**153**	**180**	**695**
Income tax	-56	-40	-41	1	-136
Post-tax gains and losses on discontinued assets	-	-	-	-	0
Net profit/(loss)	**161**	**105**	**112**	**181**	**559**

(1) Includes net income of entities accounted for using the equity method and impairment losses on goodwill (notes 16 and 19).

2b Breakdown of income statement by geographic area

	06/30/2024				06/30/2023			
	France	Europe outside France	Other countries[1]	Total	France	Europe outside France	Other countries[1]	Total
Net revenue[2]	6,122	1,962	173	8,257	5,928	1,933	123	7,984
General operating expenses	-3,579	-1,083	-50	-4,712	-3,529	-1,061	-60	-4,649
Gross operating income	**2,543**	**879**	**123**	**3,545**	**2,400**	**872**	**63**	**3,335**
Cost of counterparty risk	-570	-398	10	-957	-375	-305	1	-679
Net gains and losses on other assets[3]	42	1	11	54	13	-5	10	18
Income before tax	**2,014**	**483**	**144**	**2,641**	**2,037**	**562**	**75**	**2,674**
Total Net profit/(loss)	1,590	325	115	2,029	1,508	396	58	1,962
GROUP NET INCOME	**1,505**	**321**	**113**	**1,939**	**1,432**	**386**	**57**	**1,875**

(1) United States, Canada, South Korea, Singapore, Hong Kong and Tunisia.
(2) 25.8% of net revenue (excluding Logistics and Holding) was generated abroad in the first half of 2024 (compared to 25.1% of net revenue in the first half of 2023).
(3) Including net profit/(loss) of entities accounted for using the equity method and impairment losses on goodwill.

Note 3 Consolidation scope

3a Composition of the scope of consolidation

In line with the opinion of the French Banking Commission, the group's parent company is made up of the companies included within the scope of globalization. The entities that make it up are:

- Caisse Fédérale de Crédit Mutuel (CF de CM);
- the federations of Crédit Mutuel Centre Est Europe (FCMCEE), Sud-Est (FCMSE), Île-de-France (FCMIDF), Savoie-Mont Blanc (FCMSMB), Midi-Atlantique (FCMMA), Loire-Atlantique Centre Ouest (FCMLACO), Centre (FCMC), Dauphiné-Vivarais (FCMDV), Méditerranéen (FCMM), Normandie (FCMN), Anjou (FCMA), Massif Central (FCMMC), Antilles-Guyane (FCMAG) and Nord Europe (FCMNE);
- the regional banks of Crédit Mutuel du Sud-Est (CRCMSE), Île-de-France (CRCMIDF), Savoie-Mont Blanc (CRCMSMB), Midi-Atlantique (CRCMMA), Loire-Atlantique Centre Ouest (CRCMLACO), Centre (CRCMC), Dauphiné-Vivarais (CRCMDV), Méditerranéen (CRCMM), Normandie (CRCMN), Anjou (CRCMA), Massif Central (CRCMMC), Antilles-Guyane (CRCMAG) and Nord Europe (CRCMNE);
- Crédit Mutuel local banks that are members of the Crédit Mutuel Centre Est Europe, Sud-Est, Île-de-France, Savoie-Mont Blanc, Midi-Atlantique, Loire-Atlantique Centre Ouest, Centre, Dauphiné-Vivarais, Méditerranéen, Normandie, Anjou, Massif Central, Antilles-Guyane and Nord Europe.

Since December 31, 2023, the changes in the scope of consolidation are as follows:

- additions: Crédit Mutuel Impact Forêts II, EBRA press group companies: Carizy, Ebra Académie, Lemon Start, Studio M, Gens d'Évènement;
- mergers: Crédit Mutuel Investment Managers and Crédit Mutuel Investment Managers Luxembourg absorbed by La Française Asset Management Finance Services, La Française Asset Management absorbed by Crédit Mutuel Asset Management;
- liquidations: La Française Real Estate Partners International investments (GB); La Française Real Estate Partners International Lux Sarl;
- disposal: N/A.

		06/30/2024			12/31/2023		
	Country	Percentage Control	Percentage Interest	Method*	Percentage Control	Percentage Interest	Method*
A. BANKING NETWORK							
Banque Européenne du Crédit Mutuel (BECM)	France	100	98	FC	100	98	FC
Beobank	Belgium	100	99	FC	100	99	FC
Caisse Agricole du Crédit Mutuel	France	100	100	FC	100	100	FC
CIC Est	France	100	98	FC	100	98	FC
CIC Lyonnaise de Banque (LB)	France	100	98	FC	100	98	FC
CIC Lyonnaise de Banque Monaco (CIC LB branch)	Monaco	100	98	FC	100	98	FC
CIC Nord Ouest	France	100	98	FC	100	98	FC
CIC Ouest	France	100	98	FC	100	98	FC
CIC Sud Ouest	France	100	98	FC	100	98	FC
Crédit Industriel et Commercial (CIC)	France	100	98	FC	100	98	FC
B. CONSUMER LOANS							
Cofidis Belgium	Belgium	100	98	FC	100	78	FC
Cofidis France	France	100	98	FC	100	78	FC
Cofidis Spain (branch of Cofidis France)	Spain	100	98	FC	100	78	FC
Cofidis Hungary (branch of Cofidis France)	Hungary	100	98	FC	100	78	FC
Cofidis Portugal (branch of Cofidis France)	Portugal	100	98	FC	100	78	FC
Cofidis SA Poland (branch of Cofidis France)	Poland	100	98	FC	100	78	FC
Cofidis SA Slovakia (branch of Cofidis France)	Slovakia	100	98	FC	100	78	FC
Cofidis Italy (branch of Cofidis France)	Italy	100	98	FC	100	78	FC
Cofidis Czech Republic	Czech Republic	100	98	FC	100	78	FC
Creatis	France	100	98	FC	100	78	FC
Monabanq	France	100	98	FC	100	78	FC
Margem-Mediação Seguros, Lda	Portugal	100	98	FC	100	78	FC
TARGOBANK AG**	Germany	100	98	FC	100	98	FC
C. BANKING NETWORK SUBSIDIARIES							
Bail Actéa	France	100	98	FC	100	98	FC
Bail Actéa Immobilier	France	100	98	FC	100	98	FC
CCLS Leasing Solutions	France	100	98	FC	100	98	FC
Crédit Mutuel Caution Habitat	France	100	98	FC	100	98	FC
Crédit Mutuel Factoring	France	100	98	FC	100	98	FC
Crédit Mutuel Home Loan SFH	France	100	98	FC	100	98	FC
Crédit Mutuel Immobilier	France	100	98	FC	100	98	FC
Crédit Mutuel Leasing	France	100	98	FC	100	98	FC
Crédit Mutuel Leasing Spain (branch of Crédit Mutuel Leasing)	Spain	100	98	FC	100	98	FC
Crédit Mutuel Leasing Benelux	Belgium	100	98	FC	100	98	FC
Crédit Mutuel Leasing Nederland (branch of Crédit Mutuel Leasing Benelux)	The Netherlands	100	98	FC	100	98	FC
Crédit Mutuel Leasing GmbH	Germany	100	98	FC	100	98	FC
Crédit Mutuel Real Estate Lease	France	100	98	FC	100	98	FC
Factofrance	France	100	98	FC	100	98	FC
FCT Crédit Mutuel Factoring	France	100	98	FC	100	98	FC
FCT Factofrance	France	100	98	FC	100	98	FC
Gesteurop	France	100	98	FC	100	98	FC
LYF SA	France	44	43	EM	44	43	EM
Paysurf	France	100	94	FC	100	94	FC
Targo Factoring GmbH	Germany	100	98	FC	100	98	FC
Targo Finanzberatung GmbH	Germany	100	98	FC	100	98	FC
Targo Leasing GmbH	Germany	100	98	FC	100	98	FC
Targo Versicherungsvermittlung GmbH	Germany	100	98	FC	100	98	FC
D. CORPORATE BANKING AND CAPITAL MARKETS							
Banque Fédérative du Crédit Mutuel (BFCM)	France	98	98	FC	98	98	FC
Caroline 1	France	100	98	FC	100	98	FC
CIC Brussels (branch of CIC)	Belgium	100	98	FC	100	98	FC
CIC Hong Kong (branch of CIC)	Hong Kong	100	98	FC	100	98	FC

	Country	06/30/2024 Percentage Control	Percentage Interest	Method*	12/31/2023 Percentage Control	Percentage Interest	Method*
CIC London (branch of CIC)	United Kingdom	100	98	FC	100	98	FC
CIC New York (branch of CIC)	USA	100	98	FC	100	98	FC
CIC Singapore (branch of CIC)	Singapore	100	98	FC	100	98	FC
Satellite	France	100	98	FC	100	98	FC
E. ASSET MANAGEMENT AND PRIVATE BANKING							
Banque de Luxembourg	Luxembourg	100	98	FC	100	98	FC
Banque de Luxembourg Belgium (Banque de Luxembourg branch)	Belgium	100	98	FC	100	98	FC
Banque de Luxembourg Investments SA (BLI)	Luxembourg	100	98	FC	100	98	FC
Banque Transatlantique (BT)	France	100	98	FC	100	98	FC
Banque Transatlantique Belgium	Belgium	100	98	FC	100	98	FC
Banque Transatlantique London (branch of BT)	United Kingdom	100	98	FC	100	98	FC
Banque Transatlantique Luxembourg	Luxembourg	100	98	FC	100	98	FC
CIC Private debt	France	100	99	FC	100	98	FC
CIC (Suisse)	Switzerland	100	98	FC	100	98	FC
Cigogne Management	Luxembourg	100	99	FC	100	98	FC
Crédit Mutuel Asset Management	France	100	99	FC	100	98	FC
Crédit Mutuel Épargne Salariale	France	100	98	FC	100	98	FC
Crédit Mutuel Gestion	France	100	99	FC	100	98	FC
Crédit Mutuel Impact	France	100	99	FC	100	100	FC
Crédit Mutuel Investment Managers (CMIM)	France			ME	100	98	FC
Crédit Mutuel Investment Managers Luxembourg (CMIM branch)	Luxembourg			ME	100	98	FC
Dubly Transatlantique Gestion	France	100	98	FC	100	98	FC
La Française Group	France	100	99	FC	100	100	FC
La Française AM	France			ME	100	100	FC
La Française AM Finance Services (LFFS)	France	100	99	FC	100	100	FC
La Française AM Finance Services Luxembourg branch (branch of LFFS)	Luxembourg	100	100	FC	100	100	FC
La Française AM Finance Services Italian branch (branch of LFFS)	Italy	100	100	FC	100	100	FC
La Française AM Finance Services branch in Spain (branch of LFFS)	Spain	100	100	FC	100	100	FC
La Française Group Korea Limited	South Korea	100	100	FC	100	100	FC
La Française Group UK Finance Limited	Great Britain	100	99	FC	100	100	FC
La Française AM	France			ME	100	100	FC
La Française AM Finance Services (LFFS)	France	100	99	FC	100	100	FC
La Française Group UK Limited	Great Britain	100	99	FC	100	100	FC
La Française Real Estate Managers Germany Deutsche Zweigniederlassung (branch of La Française Group UK Limited)	Germany	100	100	FC	100	100	FC
La Française Group Singapore PTE Limited	Singapore	100	100	FC	100	100	FC
La Française Real Estate Managers	France	100	99	FC	100	100	FC
La Française Real Estate Partners International investments	Great Britain			NC	99	99	FC
La Française Real Estate Partners International Lux SARL	Luxembourg			NC	100	100	FC
La Française Systematic Asset Management GmbH (formerly la Française AM GmbH)	Germany	100	99	FC	100	100	FC
LFP Multi Alpha	France	100	99	FC	100	100	FC
New Alpha Asset Management	France	51	50	FC	51	51	FC
Newton Square	France	100	99	FC	100	100	FC
F. PRIVATE EQUITY							
CIC Capital Belgium	Belgium	100	98	FC	100	98	FC
CIC Capital Canada Inc.	Canada	100	98	FC	100	98	FC
CIC Capital Deutschland GmbH	Germany	100	98	FC	100	98	FC
CIC Capital (Suisse) SA	Switzerland	100	98	FC	100	98	FC
CIC Capital Ventures Quebec	Canada	100	98	FC	100	98	FC
CIC Conseil	France	100	98	FC	100	98	FC
Crédit Mutuel Capital	France	100	98	FC	100	98	FC

		06/30/2024			12/31/2023		
	Country	Percentage Control	Percentage Interest	Method*	Percentage Control	Percentage Interest	Method*
Crédit Mutuel Equity	France	100	98	FC	100	98	FC
Crédit Mutuel Equity SCR	France	100	98	FC	100	98	FC
Crédit Mutuel Innovation	France	100	98	FC	100	98	FC
G. OTHER BUSINESS LINES							
2SF Société des services fiduciaires	France	33	30	EM	33	30	EM
Actéa Environnement	France	100	100	FC	100	100	FC
Affiches d'Alsace Lorraine	France	100	97	FC	100	97	FC
Alsacienne de Portage – DNA	France	100	97	FC	100	97	FC
Banque de Tunisie	Tunisia	35	35	EM	35	35	EM
Caisse Centrale du Crédit Mutuel	France	63	67	EM	63	67	EM
Carizy	France	100	98	FC			NC
Centre de conseil et de service (CCS)	France	100	100	FC	100	100	FC
CIC Participations	France	100	98	FC	100	98	FC
Crédit Mutuel Impact Fôrets	France	100	93	FC	100	93	FC
Crédit Mutuel Impact Forêts II	France	100	93	FC			NC
Cofidis Group	France	100	98	FC	80	78	FC
Ebra Academie	France	100	98	FC			NC
EBRA Médias Rhone-Alpes PACA (formerly Groupe Dauphiné Media)	France	100	98	FC	100	98	FC
EBRA (formerly Société d'Investissements Médias (SIM))	France	100	98	FC	100	98	FC
EBRA Editions (formerly Les Éditions du Quotidien)	France	100	98	FC	100	98	FC
EBRA events	France	100	98	FC	100	98	FC
EBRA Info (formerly AGIR)	France	100	98	FC	100	98	FC
EBRA Médias Alsace	France	100	98	FC	100	98	FC
EBRA Médias Bourgogne Rhone-Alpes (formerly Publiprint Province n° 1)	France	100	98	FC	100	98	FC
EBRA Médias Lorraine Franche Comté	France	100	98	FC	100	98	FC
EBRA Portage Bourgogne Rhone-Alpes (formerly Presse Diffusion)	France	100	98	FC	100	98	FC
EBRA Productions	France	100	98	FC	100	98	FC
EBRA services	France	100	98	FC	100	98	FC
EBRA Studio (formerly Est Info TV)	France	100	98	FC	100	98	FC
EIP	France	100	100	FC	100	100	FC
Est Bourgogne Médias	France	100	98	FC	100	98	FC
Euro Automatic Cash	Spain	50	45	EM	50	45	EM
Euro Protection Surveillance	France	89	82	FC	89	82	FC
Euro-Information	France	90	90	FC	90	90	FC
Euro-Information Développement	France	100	90	FC	100	90	FC
Foncière Massena	France	100	88	FC	100	88	FC
Fonds Révolution Environnementale et Solidaire	France	100	93	FC	100	93	FC
France Régie	France	100	97	FC	100	97	FC
GEIE Synergie	France	100	98	FC	100	78	FC
Gens d'Évènement	France	70	69	FC			NC
GIE CMN Prestations	France	100	100	FC	100	100	FC
Groupe Progrès	France	100	98	FC	100	98	FC
Groupe Républicain Lorrain Imprimeries (GRLI)	France	100	98	FC	100	98	FC
Humanoid	France	100	70	FC	100	70	FC
Immo CMM (formerly Actimut)	France	100	100	FC	100	100	FC
Immobilière BCL Lille	France	55	55	FC	55	55	FC
Journal de la Haute Marne	France	50	49	EM	50	49	EM
KCIOP	France	62	61	FC	62	61	FC
La Liberté de l'Est	France	100	98	FC	100	98	FC
La Tribune	France	100	98	FC	100	98	FC
Le Dauphiné Libéré	France	100	98	FC	100	98	FC
Le Républicain Lorrain	France	100	98	FC	100	98	FC
Lemon Start	France	100	70	FC			NC
Les Dernières Nouvelles d'Alsace	France	99	97	FC	99	97	FC
L'Est Républicain	France	100	98	FC	100	98	FC
L'immobilère du CMN	France	100	100	FC	100	100	FC
Lumedia	Luxembourg	50	49	EM	50	49	EM
Lyf SAS	France	50	45	EM	50	45	EM
Madmoizelle	France	100	70	FC	100	70	FC
Media des massifs français (formerly NEWCO4)	France	68	67	FC	68	67	FC
Médiaportage	France	100	98	FC	100	98	FC

	Country	06/30/2024 Percentage Control	06/30/2024 Percentage Interest	06/30/2024 Method*	12/31/2023 Percentage Control	12/31/2023 Percentage Interest	12/31/2023 Method*
Mutuelles Investissement	France	100	98	FC	100	98	FC
Nord Europe Partenariat	France	100	100	FC	100	100	FC
Nord Europe Participations et Investissements	France	100	100	FC	100	100	FC
Oddity H.	France	71	70	FC	71	70	FC
Presstic Numerama	France	100	70	FC	100	70	FC
SAP Alsace	France	100	98	FC	100	98	FC
SCI 14 Rue de Londres	France	100	88	FC	100	88	FC
SCI ACM	France	100	88	FC	100	88	FC
SCI Centre Gare	France	100	100	FC	100	100	FC
SCI CMN	France	100	100	FC	100	100	FC
SCI CMN Locations	France	100	100	FC	100	100	FC
SCI CMN1	France	100	100	FC	100	100	FC
SCI CMN2	France	100	100	FC	100	100	FC
SCI CMN3	France	100	100	FC	100	100	FC
SCI La Tréflière	France	100	99	FC	100	99	FC
SCI Le Progrès Confluence	France	100	98	FC	100	98	FC
SCI Provence Lafayette	France	100	88	FC	100	88	FC
SCI Richebé Inkerman	France	100	100	FC	100	100	FC
SCI Saint Augustin	France	100	88	FC	100	88	FC
SFINE Bureaux	France	100	100	FC	100	100	FC
SFINE Propriété à vie	France	100	100	FC	100	100	FC
Société d'Édition de l'Hebdomadaire du Louhannais et du Jura (SEHLJ)	France	100	98	FC	100	98	FC
Société Foncière et Immobilière Nord Europe	France	100	100	FC	100	100	FC
Studio M	France	100	98	FC			NC
Targodeutschland GmbH	Germany	100	98	FC	100	98	FC
Targo Dienstleistungs GmbH	Germany	100	98	FC	100	98	FC
Targo Technology GmbH	Germany	100	98	FC	100	98	FC
Transactimmo	France	100	100	FC	100	100	FC
H. INSURANCE COMPANIES							
ACM Belgium Life SA (formerly NELB)	Belgium	100	88	FC	100	88	FC
ACM Capital	France	100	88	FC	100	88	FC
ACM Deutschland Life AG	Germany	100	93	FC	100	93	FC
ACM Deutschland Non-Life AG	Germany	100	93	FC	100	93	FC
ACM Deutschland AG	Germany	100	93	FC	100	93	FC
ACM GIE	France	100	88	FC	100	88	FC
ACM IARD	France	97	85	FC	97	85	FC
ACM Vie SA	France	100	88	FC	100	88	FC
ACM VIE, Société d'Assurance Mutuelle	France	100	100	FC	100	100	FC
Groupe des Assurances du Crédit Mutuel (GACM)	France	90	88	FC	90	88	FC

(1) Method: FC = Full Consolidation; EM = Equity Method; NC = Not Consolidated; ME = Merged

*** Targobank AG is structured around three activities in Germany: Targobank retail for consumer loan, Targobank Factoring and Equipment Finance for the banking network subsidiaries (factoring and leasing) and Targobank Corporate and Investment Banking for the banking network.*

3b Fully consolidated entities with significant non-controlling interests

	Percentage of non-controlling interests in the consolidated financial statements				Financial information regarding fully-consolidated entities[1]			
06/30/2024	Percentage of stake/ Percentage of voting rights	Net profit/(loss) attributable to non-controlling interests	Amount in shareholders' equity of non-controlling interests	Dividends paid to non-controlling interests	Balance sheet total	Net income	Undisclosed reserves	Net revenue
Euro-Information	10%	10	239	0	2,735	96	0	921
Groupe des Assurances du Crédit Mutuel (GACM)	12%	57	1,028	-33	127,206	472	434	665

	Percentage of non-controlling interests in the consolidated financial statements				Financial information regarding fully-consolidated entities[1]			
12/31/2023	Percentage of stake/ Percentage of voting rights	Net profit/(loss) attributable to non-controlling interests	Amount in shareholders' equity of non-controlling interests	Dividends paid to non-controlling interests	Balance sheet total	Net income	Undisclosed reserves	Net revenue
Euro-Information	10%	11	227	0	2,635	106	0	1,659
Groupe des Assurances du Crédit Mutuel (GACM)	12%	91	996	-114	125,287	748	505	1,076
Cofidis Belgium	22%	2	NA[2]	0	1,331	11	1	101
Cofidis France	22%	9	NA[2]	0	11,957	44	-3	565

(1) *Amounts before elimination of intercompany balances and transactions.*

(2) *In accordance with IAS 32, the group recognized a liability for the commitment to increase its stake in Cofidis GROUP (formerly Participations) to 100%. The counterparty was recorded as a reduction of minority interests and a reduction of the group's share for the remaining balance.*

Note 4 Cash, central banks (assets/liabilities)

	06/30/2024	12/31/2023
Cash, central banks – assets		
Central banks	88,852	96,426
of which mandatory reserves	*2,891*	*2,836*
Local bank	1,127	1,078
Total	**89,979**	**97,504**
Central banks – liabilities	**31**	**31**

Note 5 Financial assets and liabilities at fair value through profit or loss

5a Financial assets at fair value through profit or loss

	06/30/2024				12/31/2023			
	Transaction	Fair value option	Other FVPL	Total	Transaction	Fair value option	Other FVPL	Total
Securities	**11,830**	**839**	**6,903**	**19,572**	**8,269**	**805**	**6,734**	**15,808**
■ Government securities	2,101	0	0	2,101	694	0	0	694
■ Bonds and other debt securities	7,672	839	684	9,195	6,311	805	643	7,759
Listed	7,672	0	8	7,680	*6,311*	*0*	*11*	*6,322*
Non-listed	0	839	676	1,515	*0*	*805*	*632*	*1,437*
of which UCIs	0	0	389	389	*0*	*0*	*406*	*406*
■ Shares and other equity instruments	2,057	0	5,048	7,105	1,264	0	4,953	6,217
Listed	2,057	0	1,183	3,240	*1,264*	*0*	*1,115*	*2,379*
Non-listed	0	0	3,865	3,865	*0*	*0*	*3,838*	*3,838*
■ Long-term investments	0	0	1,171	1,171	0	0	1,138	1,138
Equity investments	0	0	450	450	*0*	*0*	*442*	*442*
Other long-term investments	0	0	106	106	*0*	*0*	*101*	*101*
Investments in associates	0	0	591	591	*0*	*0*	*571*	*571*
Other long-term investments	0	0	24	24	*0*	*0*	*24*	*24*
Derivative instruments	**6,749**	**0**	**0**	**6,749**	**5,634**	**0**	**0**	**5,634**
Loans and receivables	**14,585**	**0**	**14**	**14,599**	**12,407**	**0**	**17**	**12,424**
of which pensions	14,585	0	0	14,585	12,407	0	0	12,407
Other assets classified at FVPL	**25**	**0**	**0**	**25**	**26**	**0**	**0**	**26**
TOTAL	**33,189**	**839**	**6,917**	**40,945**	**26,336**	**805**	**6,751**	**33,892**

5b Financial liabilities at fair value through profit or loss

	06/30/2024	12/31/2023
Financial liabilities held for trading	24,759	17,794
Financial liabilities at fair value through profit or loss on option	205	146
TOTAL	**24,964**	**17,940**

FINANCIAL LIABILITIES HELD FOR TRADING

	06/30/2024	12/31/2023
Short sales of securities	2,029	769
■ Government securities	2	0
■ Bonds and other debt securities	1,285	176
■ Shares and other equity instruments	742	593
Debts in respect of securities sold under repurchase agreements	15,621	11,020
Trading derivatives	6,499	5,433
Other financial liabilities held for trading	610	572
TOTAL	**24,759**	**17,794**

5c Analysis of trading derivatives

	06/30/2024			12/31/2023		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Rate instrument	178,444	4,365	4,275	184,824	3,375	3,332
Swaps	79,726	3,399	3,957	85,769	2,642	2,980
Other firm contracts	56,363	0	0	56,227	0	0
Options and conditional instruments	42,355	966	318	42,828	733	352
Foreign exchange instrument	152,390	2,115	1,971	155,929	2,039	1,885
Swaps	93,463	37	34	105,189	47	72
Other firm contracts	14,890	1,794	1,653	13,673	1,758	1,579
Options and conditional instruments	44,037	284	284	37,067	234	234
Other derivatives	21,899	270	253	19,156	220	218
Swaps	6,377	97	108	6,711	83	98
Other firm contracts	11,911	63	80	8,541	44	57
Options and conditional instruments	3,611	110	65	3,904	93	63
TOTAL	**352,733**	**6,750**	**6,499**	**359,909**	**5,634**	**5,435**

Swaps are valued with an OIS curve if they are collateralized or, otherwise, with a BOR curve otherwise. Hedged items are valued using a BOR curve. The difference resulting from the use of different valuation curves for the hedged items and the hedging instruments is accounted for as hedge ineffectiveness. Furthermore, the value of derivatives takes into account the counterparty risk.

Note 6 Hedging

6a Hedging derivatives

	06/30/2024			12/31/2023		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Fair value hedges	283,672	2,371	1,852	268,338	1,525	2,003
Swaps	283,671	2,371	1,852	268,337	1,525	2,003
Other firm contracts	0	0	0	0	0	0
Options and conditional instruments	1	0	0	1	0	0
TOTAL	**283,672**	**2,371**	**1,852**	**268,338**	**1,525**	**2,003**

Swaps are valued with an OIS curve if they are collateralized or, otherwise, with a BOR curve otherwise. Hedged items are valued using a BOR curve. The difference resulting from the use of different valuation curves for the hedged items and the hedging instruments is accounted for as hedge ineffectiveness. Furthermore, the value of derivatives takes into account the counterparty risk.

6b Revaluation adjustment on rate-hedged books

	06/30/2024	12/31/2023
FAIR VALUE OF PORTFOLIO INTEREST RATE RISK		
■ in financial assets	-3,857	-2,086
■ in financial liabilities	-28	-27

Note 7 Financial assets at fair value through equity

	06/30/2024	12/31/2023
Government securities	13,215	11,616
Bonds and other debt securities	26,868	24,621
- Listed	25,708	23,677
- Non-listed	1,160	944
Receivables related	271	271
Debt securities subtotal, gross	**40,354**	**36,508**
Of which impaired debt securities (S3)	3	3
Impairment of performing loans (S1/S2)	-17	-20
Other impairment (S3)	-3	-3
Debt securities subtotal, net	**40,334**	**36,485**
Shares and other equity instruments	88	124
- Listed	0	0
- Non-listed	88	124
Long-term investments	532	538
- Equity investments	79	99
- Other long-term investments	399	387
- Investments in associates	54	52
Subtotal, equity instruments	**621**	**662**
TOTAL	**40,955**	**37,147**
of which unrealized capital gains or losses recognized under shareholders' equity	-84	-36
of which listed equity investments	0	0

Note 8 Fair value hierarchy of financial instruments carried at fair value on the balance sheet

06/30/2024	Level 1	Level 2	Level 3	Total
IFRS 9 FINANCIAL ASSETS – EXCLUDING INSURANCE				
Fair value through equity	**36,349**	**3,990**	**616**	**40,955**
Government and equivalent securities	12,667	631	0	13,298
Bonds and other debt securities	23,670	3,356	9	27,035
Shares and other equity instruments	0	2	87	89
Investments and other long-term securities	12	0	466	478
Investments in subsidiaries and associates	0	0	54	54
Trading/Fair value option/Other	**10,937**	**22,145**	**7,863**	**40,945**
Government securities and similar instruments – Trading	1,680	415	6	2,101
Government securities and similar instruments – Fair value option	0	0	0	0
Bonds and other debt securities – Trading	5,624	1,415	632	7,670
Bonds and other debt securities – Fair value option	0	24	815	839
Bonds and other debt securities – Other FVPL	268	408	8	684
Shares and other equity instruments – Trading	2,057	0	0	2,057
Shares and other equity instruments – Other FVPL(1)	1,238	0	3,810	5,047
Investments and other long-term securities – Other FVPL	5	1	551	556
Investments in subsidiaries and associates – Other FVPL	0	0	615	615
Loans and receivables due from customers – Other FVPL	0	14,585	0	14,585
Loans and receivables due from customers – Trading	0	14	0	14
Derivatives and other financial assets – Trading	66	5,257	1,427	6,749
Other assets classified at FVPL	0	25	0	25
Hedging derivatives	**2**	**2,369**	**1**	**2,371**
TOTAL	**47,287**	**28,504**	**8,480**	**84,271**
IFRS 9 FINANCIAL ASSETS – INVESTMENTS OF INSURANCE ACTIVITIES				
Fair value through equity	**70,391**	**6,470**	**1,853**	**78,714**
Government and equivalent securities	31,503	211	0	31,714
Bonds and other debt securities	36,813	619	0	37,432
Shares and other equity instruments	1,253	16	0	1,268
Investments and other long-term securities	822	0	1,853	2,675
Investments in subsidiaries and associates	0	0	0	0
Loans and receivables – FVTPL	0	5,624	0	5,624
Trading/Fair value option/Other	**39,539**	**12,088**	**0**	**51,627**
Government securities and similar instruments – Trading	0	0	0	0
Government securities and similar instruments – Fair value option	0	0	0	0
Government securities and similar instruments – Other FVPL	157	7	0	164
Bonds and other debt securities – Trading	0	0	0	0
Bonds and other debt securities – Fair value option	0	0	0	0
Bonds and other debt securities – Other FVPL	24,770	5,372	0	30,142
Shares and other equity instruments – Trading	0	0	0	0
Shares and other equity instruments – Other FVPL	14,612	6,474	0	21,087
Investments and other long-term securities – Other FVPL	0	2	0	2
Loans and receivables – Other FVPL	0	-130	0	-130
Loans and receivables due from credit institutions – Other FVPL	0	0	0	0
Derivatives and other financial assets – Trading	0	0	0	0
Operating properties – Other FVPL	0	362	0	362
Hedging derivatives	**0**	**0**	**0**	**0**
Non-operating properties OFVPL	**0**	**2,781**	**0**	**2,781**
TOTAL	**109,930**	**21,338**	**1,853**	**133,122**
IFRS 9 FINANCIAL LIABILITIES				
Trading/Fair value option	**2,146**	**20,781**	**2,037**	**24,964**
Due to credit institutions – Fair value option	0	96	0	96
Amounts due to customers – Fair value option	0	109	0	109
Debt securities – Fair value option	0	0	0	0
Subordinated debt – Fair value option	0	0	0	0
Debt – Trading	0	15,620	0	15,620
Derivatives and other financial liabilities – Trading	2,146	4,956	2,037	9,139
Hedging derivatives	0	1,843	9	1,852
TOTAL	**2,146**	**22,624**	**2,046**	**26,816**

(1) Includes the equity investments held by the group's private equity companies.

- level 1: price quoted in an active market;
- level 2: prices quoted in active markets for similar instruments and valuation method in which all significant inputs are based on observable market information;
- level 3: valuation based on internal models containing significant unobservable inputs.

Instruments in the trading portfolio classified under levels 2 or 3 mainly consist of derivatives and securities considered as illiquid.

All of these instruments include uncertainties of valuation, which give rise to adjustments in value reflecting the risk premium that a market player would incorporate in establishing the price.

These valuation adjustments make it possible to integrate, in particular, risks that would not be captured by the model, liquidity risks associated with the instrument or the parameter in question, specific risk premiums intended to offset certain surcharges that would elicit the dynamic management strategy associated with the model in certain market conditions, and the counterparty risk present in the fair value of over-the-counter derivatives. The methods used may change. The latter includes the counterparty risk itself present in the fair value of over-the-counter derivatives.

When establishing valuation adjustments, each risk factor is considered individually and no effect of diversification between risks, parameters or models of a different nature are taken into account. A portfolio approach is most often used for a given risk factor.

12/31/2023	Level 1	Level 2	Level 3	Total
IFRS 9 FINANCIAL ASSETS – EXCLUDING INSURANCE				
Fair value through equity	32,255	4,195	696	37,147
Government and equivalent securities	11,590	72	36	11,697
Bonds and other debt securities	20,665	4,122	0	24,787
Shares and other equity instruments	0	2	122	124
Investments and other long-term securities	0	0	487	487
Investments in subsidiaries and associates	0	0	52	52
Trading/Fair value option/Other	7,849	18,418	7,598	33,865
Government securities and similar instruments – Trading	582	112	0	694
Bonds and other debt securities – Trading	4,628	1,061	621	6,310
Bonds and other debt securities – Fair value option	0	0	805	805
Bonds and other debt securities – Other FVPL	206	429	9	644
Shares and other equity instruments – Trading	1,264	0	0	1,264
Shares and other equity instruments – Other FVPL(1)	1,115	0	3,838	4,953
Investments and other long-term securities – Other FVPL	5	0	538	543
Investments in subsidiaries and associates – Other FVPL	0	0	595	595
Loans and receivables due from customers – Other FVPL	0	12,407	0	12,407
Loans and receivables due from customers – Trading	0	17	0	17
Derivatives and other financial assets – Trading	50	4,392	1,192	5,634
Other assets classified at FVPL	0	0	0	0
Hedging derivatives	1	1,521	2	1,525
TOTAL	**40,105**	**24,135**	**8,297**	**72,537**
IFRS 9 FINANCIAL ASSETS – INVESTMENTS OF INSURANCE ACTIVITIES				
Fair value through equity	69,827	6,716	1,586	78,130
Government and equivalent securities	30,761	219	0	30,980
Bonds and other debt securities	36,930	522	0	37,451
Shares and other equity instruments	1,218	16	0	1,234
Investments and other long-term securities	918	0	1,586	2,504
Investments in subsidiaries and associates	0	0	0	0
Loans and receivables – FVTPL	0	5,960	0	5,960
Trading/Fair value option/Other	37,713	12,146	62	49,921
Government securities and similar instruments – Trading	0	0	0	0
Government securities and similar instruments – Fair value option	0	0	0	0
Government securities and similar instruments – Other FVPL	161	7	0	168
Bonds and other debt securities – Trading	0	0	0	0
Bonds and other debt securities – Fair value option	0	0	0	0
Bonds and other debt securities – Other FVPL	23,304	5,302	0	28,606
Shares and other equity instruments – Trading	0	0	0	0
Shares and other equity instruments – Other FVPL	14,247	6,266	62	20,575
Loans and receivables – Other FVPL	0	209	0	209
Loans and receivables due from credit institutions – Other FVPL	0	0	0	0
Derivatives and other financial assets – Trading	0	0	0	0
Operating properties – Other FVPL	0	362	0	362
Hedging derivatives	0	0	0	0
Non-operating properties OFVPL	0	2,768	0	2,768
TOTAL	**107,540**	**21,631**	**1,648**	**130,819**
IFRS 9 FINANCIAL LIABILITIES				
Trading/Fair value option	1,254	15,157	1,528	17,940
Due to credit institutions – Fair value option	0	84	0	84
Amounts due to customers – Fair value option	0	62	0	62
Debt securities – Fair value option	0	0	0	0
Subordinated debt – Fair value option	0	0	0	0
Debt – Trading	0	11,020	0	11,020
Derivatives and other financial liabilities – Trading	1,254	3,991	1,528	6,774
Hedging derivatives	0	1,994	9	2,003
TOTAL	**1,254**	**17,152**	**1,537**	**19,943**

(1) Includes the equity investments held by the group's private equity companies.

Note 9 Details of securitization outstandings

As requested by the banking supervisor and the markets regulator, an analysis is provided below of sensitive exposures based on FSB recommendations. Trading and fair value securities portfolios through equity were valued at market price from external data coming from organized markets, primary brokers, or when no other price is available, from comparable securities listed on the market.

Summary	Carrying amount 06/30/2024	Carrying amount 12/31/2023
RMBS	1,416	1,356
CMBS	0	0
CLO	3,829	3,851
Other ABS	4,189	3,494
TOTAL	**9,433**	**8,701**

Unless otherwise indicated, securities are not hedged by CDS.

Exposures at 06/30/2024	RMBS	CMBS	CLO	Other ABS	Total
Fair value through profit or loss	114	0	0	33	146
Amortized cost	16	0	331	2,284	2,631
Fair value – Others	1	0	21	118	140
Fair value through equity	1,285	0	3,478	1,754	6,516
TOTAL	**1,416**	**0**	**3,829**	**4,189**	**9,433**
France	582	0	760	892	2,234
Spain	53	0	0	342	395
United Kingdom	210	0	132	270	612
Europe excluding France, Spain and the UK	516	0	245	1,289	2,050
USA	2	0	2,693	1,124	3,819
Other	52	0	0	272	324
TOTAL	**1,416**	**0**	**3,829**	**4,189**	**9,433**
US Branches	0	0	0	0	0
AAA	1,392	0	3,512	1,753	6,656
AA	14	0	218	526	758
A	8	0	79	3	90
BBB	0	0	0	0	0
BB	0	0	0	0	0
B or below	2	0	0	7	9
Not rated	0	0	21	1,900	1,920
TOTAL	**1,416**	**0**	**3,829**	**4,189**	**9,433**
Origination 2005 and earlier	6	0	0	0	6
Origination 2006-2008	14	0	0	7	21
Origination 2009-2011	0	0	0	0	0
Origination 2012-2024	1,395	0	3,829	4,182	9,406
TOTAL	**1,416**	**0**	**3,829**	**4,189**	**9,433**

Exposures at 12/31/2023	RMBS	CMBS	CLO	Other ABS	Total
Fair value through profit or loss	116	0	0	97	213
Amortized cost	19	0	31	1,736	1,786
Fair value – Others	1	0	306	60	366
Fair value through equity	1,220	0	3,514	1,601	6,335
TOTAL	**1,356**	**0**	**3,851**	**3,494**	**8,701**
France	543	0	841	1,123	2,507
Spain	58	0	0	230	288
United Kingdom	156	0	120	165	441
Europe excluding France, Spain and the UK	529	0	249	1,231	2,009
USA	2	0	2,641	585	3,228
Other	68	0	0	161	228
TOTAL	**1,356**	**0**	**3,851**	**3,494**	**8,701**
US Branches	0	0	0	0	0
AAA	1,326	0	3,527	1,573	6,427
AA	19	0	241	539	799
A	9	0	83	3	94
BBB	0	0	0	0	0
BB	0	0	0	1	1
B or below	2	0	0	7	9
Not rated	0	0	0	1,371	1,371
TOTAL	**1,356**	**0**	**3,851**	**3,494**	**8,701**
Origination 2005 and earlier	7	0	0	0	7
Origination 2006-2008	16	0	0	7	23
Origination 2009-2011	0	0	0	0	0
Origination 2012-2023	1,332	0	3,851	3,487	8,671
TOTAL	**1,356**	**0**	**3,851**	**3,494**	**8,701**

Note 10 Financial assets at amortized cost

	06/30/2024	12/31/2023
Securities at amortized cost	4,137	3,825
Loans and receivables to credit institutions	68,272	66,843
Loans and receivables to customers	522,513	521,951
TOTAL	**594,922**	**592,619**

10a Securities at amortized cost

	06/30/2024	12/31/2023
Securities	4,168	3,876
■ Government securities	1,633	1,612
■ Bonds and other debt securities	2,534	2,265
Listed	1,572	1,417
Non-listed	962	848
Receivables related	37	16
TOTAL GROSS	**4,205**	**3,892**
of which impaired assets (S3)	116	95
Impairment of performing loans (S1/S2)	-2	-2
Other impairment (S3)	-66	-65
TOTAL NET	**4,137**	**3,825**

At June 30, 2024, the net carrying amount of HQLA debt securities recognized as assets at amortized cost amounted to €1,800 million. The estimated fair value of these assets is €1,731 million.

10b Loans and receivables due from credit institutions at amortized cost

	06/30/2024	12/31/2023
Performing loans (S1/S2)	67,409	65,487
Crédit Mutuel network accounts[1]	52,518	48,537
Other ordinary accounts	3,796	3,786
Loans	2,032	2,231
Other receivables	7,167	9,022
Pensions	1,896	1,911
Receivables related	866	1,357
Impairment of performing loans (S1/S2)	-3	-2
TOTAL	**68,272**	**66,843**

(1) Mainly concerns outstanding CDC repayments (LEP, LDD, Livret bleu, Livret A).

10c Loans and receivables due from customers at amortized cost

	06/30/2024	12/31/2023
Performing loans (S1/S2)	495,998	496,195
Commercial loans	17,220	17,983
Other customer receivables	477,647	477,138
■ home loans	263,801	264,589
■ other loans and receivables, including pensions[(1)(2)]	213,847	212,550
Receivables related	1,131	1,074
Gross receivables subject to individual impairment (S3)	15,295	14,273
Gross receivables	**511,293**	**510,468**
Impairment of performing loans (S1/S2)[3]	-2,954	-2,903
Other impairment (S3)	-7,188	-6,760
SUBTOTAL I	**501,151**	**500,805**
Finance leases (net investment)	20,822	20,726
■ Equipment	15,266	15,084
■ Real estate	5,556	5,642
Gross receivables subject to individual impairment (S3)	1,011	860
Impairment of performing loans (S1/S2)	-182	-187
Other impairment (S3)	-289	-253
SUBTOTAL II	**21,362**	**21,146**
TOTAL	**522,513**	**521,951**
of which subordinated loans	12	12
of which pensions	1,710	1,445

(1) Including €7.8 billion at June 30, 2024 in State-guaranteed loans (SGLs) granted during the COVID-19 crisis.

(2) This includes guarantee deposits paid in respect of payment commitments to the Single Resolution Fund (€289 million) and the Deposit Guarantee Fund (€284 million). It should be noted that, in the context of the single resolution mechanism, irrevocable payment undertakings represent contingent liabilities, as the prospect of their being called upon is deemed improbable in an environment of going concern and resilience of the Eurozone banking system highlighted by the results of the ECB 2023 stress tests.

(3) This item includes a post-model adjustment – see note 1 "Accounting principles".

BREAKDOWN OF STATE-GUARANTEED LOANS (SGL)

	Outstandings			Write down		
	S1	S2	S3	S1	S2	S3
Amounts at 06/30/2024	3,877	2,475	1,463	-3	-9	-176
Amounts at 12/31/2023	6,896	1,207	1,455	-5	-8	-181

FINANCE LEASE TRANSACTIONS WITH CUSTOMERS

	12/31/2023	Increase	Decrease	Other	06/30/2024
Gross carrying amount	21,586	2,062	1,813	657	21,833
Impairment of non-recoverable lease payments	-440	-139	107	-15	-471
NET CARRYING AMOUNT	**21,146**	**1,923**	**-1,706**	**642**	**21,362**

Note 11 Financial liabilities at amortized cost

11a Debt securities at amortized cost

	30/06/2024	31/12/2023
Certificates of deposit	74	94
Interbank certificates and negotiable debt instruments	65,486	56,778
Bonds	81,710	79,419
Non-preferred senior securities	12,514	12,756
Related debt	1,621	1,645
TOTAL	**161,405**	**150,692**

11b Due to credit institutions

	06/30/2024	12/31/2023
Other ordinary accounts	3,397	3,604
Borrowings	13,801	14,928
Other debt	2,540	5,297
Pensions(1)	14,908	25,629
Related debt	202	576
TOTAL	**34,848**	**50,034**

(1) As part of the monetary policy implemented by the Eurosystem, the group decided to participate in the TLTRO III (Targeted Longer-Term Refinancing Operation) launched in March 2020.

Crédit Mutuel is still refinanced under TLTRO III with the ECB in the amount of €525 million at June 30, 2024; these transactions will be fully completed in the second half of 2024.

11c Due to customers at amortized cost

	06/30/2024	12/31/2023
Special savings accounts	162,631	165,751
▪ demand	125,670	125,337
▪ term	36,961	40,414
Related liabilities on savings accounts	1,934	14
Subtotal	**164,565**	**165,765**
Demand accounts	190,719	198,443
Term deposits and borrowings	120,215	115,577
Pensions	40	0
Related debt	1,853	1,299
Other debt	18	11
Insurance and reinsurance debts	0	0
Subtotal	**312,845**	**315,330**
TOTAL	**477,410**	**481,095**

Note 12 Gross values and movements in impairment provisions

12a Gross values subject to impairment

	12/31/2023	Acquisition/ production	Sales/ repayments	Transfer	Other[1]	06/30/2024
Financial assets at amortized cost – loans and receivables due from credit institutions, subject to	**66,845**	**19,337**	**-17,974**	**0**	**67**	**68,275**
12-month expected losses (S1)	66,590	19,310	-17,725	0	69	68,244
expected losses at termination (S2)	255	27	-249	0	-2	31
Financial assets at amortized cost – loans and receivables due from customers, subject to	**532,054**	**82,921**	**-82,173**	**0**	**325**	**533,126**
12-month expected losses (S1)[2]	483,428	78,723	-75,579	-9,379	-127	477,065
expected losses at maturity (S2)[2]	33,493	3,790	-4,546	6,863	152	39,752
expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	14,887	389	-2,017	2,517	298	16,074
expected losses on assets credit-impaired (S3) at the end of the period and on initial recognition	246	19	-31	-1	2	235
Financial assets at amortized cost – securities	**3,892**	**2,391**	**-2,067**	**0**	**-12**	**4,205**
12-month expected losses (S1)	3,789	2,369	-2,065	-1	-12	4,080
expected losses at termination (S2)	8	0	0	0	0	8
expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	95	22	-2	1	0	116
expected losses on assets credit-impaired (S3) at the end of the period and on initial recognition	0	0	0	0	0	0
Financial assets at fair value through equity – debt securities	**36,508**	**13,556**	**-10,065**	**0**	**355**	**40,354**
12-month expected losses (S1)	36,497	13,556	-10,064	5	355	40,349
expected losses at termination (S2)	8	0	-1	-5	0	2
expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	3	0	0	0	0	3
TOTAL	**639,299**	**118,205**	**-112,279**	**0**	**735**	**645,960**

(1) Change in flows not giving rise to derecognition and miscellaneous flows.

(2) Work to improve the reliability of the data led the group to modify the breakdown between S1 and S2 of outstanding loans and receivables due from customers at December 31, 2023 for €395 million.

S1 outstandings at December 31, 2023 were reduced by €395 million and those of S2 were increased by the same amount.

This reclassification had no impact on the resulting credit risk.

12b Movements in impairment provisions

	12/31/2023	Addition	Reversal	Other	06/30/2024
Loans and receivables due from credit institutions	**-2**	**-2**	**1**	**0**	**-3**
12-month expected losses (S1)	-2	-1	1	1	-1
expected losses at termination (S2)	0	-1	0	0	-1
Loans and receivables due from customers	**-10,103**	**-3,287**	**2,777**	**0**	**-10,613**
of which originated credit-impaired assets (S3)	0	0	0	0	0
12-month expected losses (S1)	-1,493	-541	655	-46	-1,425
expected losses at termination (S2)	-1,597	-1,189	1,019	55	-1,712
of which customer debts under IFRS 15	0	0	0	0	0
expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	-7,013	-1,557	1,103	-10	-7,477
expected losses on assets credit-impaired (S3) at the end of the period and on initial recognition	0	0	0	0	0
Financial assets at amortized cost – securities	**-67**	**-1**	**0**	**0**	**-68**
12-month expected losses (S1)	-1	0	0	0	-1
expected losses at termination (S2)	-1	0	0	0	-1
expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	-65	-1	0	0	-66
expected losses on assets credit-impaired (S3) at the end of the period and on initial recognition	0	0	0	0	0
Financial assets at fair value through equity – Debt securities	**-23**	**-5**	**8**	**0**	**-20**
of which originated credit-impaired assets (S3)	0	0	0	0	0
12-month expected losses (S1)	-20	-5	8	0	-17
expected losses at termination (S2)	0	0	0	0	0
expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	-3	0	0	0	-3
TOTAL	**-10,195**	**-3,295**	**2,786**	**0**	**-10,704**

The group conducted a sensitivity test of the cost of risk (including post-model adjustment). It is presented in note 1.

12c Breakdown of impairment

	Outstandings			Write down					
06/30/2024	S1	S2	S3	S1	Of which adjustm-ent(1)	S2	Of which adjustm-ent(1)	S3	Net outstan d-ings
Loans and receivables due from credit institutions	68,244	31	0	-1	0	-1	0	0	68,273
Loans and receivables due from customers	477,065	39,752	16,309	-1,425	-93	-1,712	-184	-7,477	522,512
Financial assets at amortized cost – Securities	4,080	8	116	-1	0	-1	0	-66	4,136
Financial assets at FVOCI – Debt securities	40,349	2	3	-17	0	0	0	-3	40,334
Financial assets at FVOCI – Loans	0	0	0	0	0	0	0	0	0
TOTAL	**589,738**	**39,793**	**16,428**	**-1,444**	**-93**	**-1,714**	**-184**	**-7,546**	**635,255**

(1) Post-model adjustment.

	Outstandings			Write down					
12/31/2023	S1	S2	S3	S1	Of which adjustm ent(1)	S2	Of which adjustm ent(1)	S3	Net outstand -ings
Loans and receivables due from credit institutions	66,590	255	0	-2	0	0	0	0	66,843
Loans and receivables due from customers	483,823	33,098	15,133	-1,493	-145	-1,597	-214	-7,013	521,951
Financial assets at amortized cost – Securities	3,789	8	95	-1	0	-1	0	-65	3,825
Financial assets at FVOCI – Debt securities	36,497	8	3	-20	0	0	0	-3	36,485
Financial assets at FVOCI – Loans	0	0	0	0	0	0	0	0	0
TOTAL	**590,699**	**33,369**	**15,231**	**-1,516**	**-145**	**-1,598**	**-214**	**-7,081**	**629,104**

(1) Post-model adjustment.

Note 13 Insurance activities

INVESTMENTS OF INSURANCE ACTIVITIES

	06/30/2024	12/31/2023
INSURANCE FINANCIAL INVESTMENTS		
Financial assets at fair value through profit or loss	51,626	49,920
Financial assets at fair value through equity	78,715	78,131
Loans and receivables at amortized cost	391	178
Debt instruments at amortized cost	0	0
Investment property[(1)]	2,781	2,768
Subtotal of insurance investments [(2)]	**133,513**	**130,997**
Assets of insurance contracts	15	15
Reinsurance contracts	313	312
TOTAL	**133,841**	**131,324**

(1) Investment property is recognized at fair value through profit or loss.
(2) Outstandings in stage 3 amounted to €18 million, fully impaired.

13a Financial assets at fair value through profit or loss

	06/30/2024				12/31/2023			
	Transaction	Fair value option	Other FVPL	Total	Transaction	Fair value option	Other FVPL	Total
Securities	**0**	**0**	**51,394**	**51,394**	**0**	**0**	**49,349**	**49,349**
■ Government securities	0	0	164	164	0	0	168	168
■ Bonds and other debt securities	0	0	30,142	30,142	0	0	28,606	28,606
Listed	0	0	24,770	24,770	0	0	22,006	22,006
Non-listed	0	0	5,372	5,372	0	0	6,600	6,600
of which UCIs	0	0	28,014	28,014	0	0	26,425	26,425
■ Shares and other equity instruments	0	0	21,086	21,086	0	0	20,575	20,575
Listed	0	0	14,612	14,612	0	0	14,247	14,247
Non-listed	0	0	6,474	6,474	0	0	6,328	6,328
■ Equity investments, shares in subsidiaries and associates and other long-term investments	0	0	2	2	0	0	0	0
Equity investments	0	0	2	2	0	0	0	0
Derivative instruments	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Operating properties at fair value through profit or loss	**0**	**0**	**362**	**362**	**0**	**0**	**362**	**362**
Loans and receivables	**0**	**0**	**-130**	**-130**	**0**	**0**	**209**	**209**
TOTAL	**0**	**0**	**51,626**	**51,626**	**0**	**0**	**49,920**	**49,920**

13b Insurance financial assets at fair value through equity

	06/30/2024	12/31/2023
Government securities	31,716	30,982
Bonds and other debt securities	37,472	37,493
■ Listed	36,831	36,928
■ Non-listed	641	565
Receivables related	0	0
Debt securities subtotal, gross	**69,188**	**68,475**
Of which impaired debt securities (S3)	18	18
Impairment of performing loans (S1/S2)	-23	-24
Other impairment (S3)	-18	-18
Debt securities subtotal, net	**69,147**	**68,433**
Loans	5,625	5,961
Receivables related	0	0
Gross subtotal loans and receivables	**5,625**	**5,961**
Impairment of performing loans (S1/S2)	-1	-1
Other impairment (S3)	0	0
Net subtotal loans and receivables	**5,624**	**5,960**
Shares and other equity instruments	1,269	1,234
■ Listed	1,253	1,218
■ Non-listed	16	16
Long-term investments	2,675	2,504
■ Equity investments	2,675	2,504
Subtotal, equity instruments	**3,944**	**3,738**
TOTAL	**78,715**	**78,131**
Of which unrealized capital gains or losses recognized under shareholders' equity	200	308
Of which listed equity investments.	822	918

13c Distinction between insurance liabilities for remaining coverage and incurred claims

	06/30/2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			
	Excluding loss item	Loss item	Contracts excluding PAA	Estimates of the present value of future cash flows of PAA contracts (BE)	Adjustment for non-financial risk of PAA contracts (RA)	Total
Insurance contract assets at the start of the period	-16	0	1	0	0	-15
Insurance contract liabilities at the start of the period	114,714	102	1,085	3,735	106	119,742
Opening balance	114,697	102	1,087	3,735	106	119,726
A - Income from insurance activities	**-3,657**	**0**	**0**	**0**	**0**	**-3,657**
Claims and other insurance expenses incurred during the fiscal year	0	-67	782	2,110	22	2,847
Amortization of acquisition cash flows	7	0	0	0	0	7
Loss on onerous contracts	0	107	0	0	0	107
Changes related to incurred claims in previous years (adjustment of the LIC)	0	0	-30	-14	-24	-69
B - Expenses related to insurance activities	**7**	**41**	**751**	**2,095**	**-2**	**2,893**
C - Investment component	**-3,439**	**0**	**3,439**	**0**	**0**	**0**
INSURANCE SERVICE RESULT (A + B + C)	**-7,089**	**41**	**4,190**	**2,095**	**-2**	**-765**
Financial income or expense on insurance contracts issued OCI	-1,394	0	-13	-21	-1	-1,429
Financial income or expense on insurance contracts issued outside OCI	3,023	1	7	40	1	3,073
Exchange rate effects	0	0	0	0	0	0
D - Total changes in income and in other comprehensive income	**-5,461**	**42**	**4,184**	**2,115**	**-1**	**879**
Premiums received	7,511	0	0	0	0	7,511
Claims and expenses paid, including investment component	0	0	-4,157	-2,102	0	-6,259
Cash flow from contract acquisition	-11	0	0	0	0	-11
E - Total cash flow	**7,500**	**0**	**-4,157**	**-2,102**	**0**	**1,240**
F - Transfer to other balance sheet items	**15**	**0**	**0**	**0**	**0**	**15**
Insurance contracts – assets	-16	0	1	0	0	-15
Insurance contracts – liabilities	116,766	144	1,112	3,748	105	121,875
CLOSING BALANCE (OPENING + D + E + F)	**116,750**	**144**	**1,113**	**3,748**	**105**	**121,860**

	12/31/2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			
	Excluding loss item	Loss item	Contracts excluding PAA	Estimates of the present value of future cash flows of PAA contracts (BE)	Adjustment for non-financial risk of PAA contracts (RA)	Total
Insurance contract assets at the start of the period	-18	0	0	0	0	-18
Insurance contract liabilities at the start of the period	105,308	72	986	3,402	95	109,863
Opening balance	**105,289**	**72**	**986**	**3,402**	**95**	**109,845**
A - Income from insurance activities	**-7,098**	**0**	**0**	**0**	**0**	**-7,098**
Claims and other insurance expenses incurred during the fiscal year	0	-47	1,538	4,186	33	5,709
Amortization of acquisition cash flows	14	0	0	0	0	14
Loss on onerous contracts	0	75	0	0	0	75
Changes related to incurred claims in previous years (adjustment of the LIC)	0	0	-41	29	-26	-38
B - Expenses related to insurance activities	**14**	**28**	**1,496**	**4,215**	**8**	**5,760**
C - Investment component	**-6,406**	**0**	**6,406**	**0**	**0**	**0**
INSURANCE SERVICE RESULT (A + B + C)	**-13,490**	**28**	**7,902**	**4,215**	**8**	**-1,338**
Financial income or expense on insurance contracts issued OCI	3,183	0	15	84	3	3,284
Financial income or expense on insurance contracts issued outside OCI	5,675	2	11	46	1	5,736
Exchange rate effects	0	0	0	0	0	0
D - Total changes in income and in other comprehensive income	**-4,632**	**30**	**7,928**	**4,345**	**12**	**7,682**
Premiums received	13,688	0	0	0	0	13,688
Claims and expenses paid, including investment component	0	0	-7,846	-4,008	0	-11,854
Cash flow from contract acquisition	-27	0	0	0	0	-27
E - Total cash flow	**13,662**	**0**	**-7,846**	**-4,008**	**0**	**1,807**
F - Transfer to other balance sheet items	**379**	**0**	**18**	**-4**	**0**	**393**
Insurance contracts – assets	-16	0	1	0	0	-15
Insurance contracts – liabilities	114,714	102	1,085	3,735	106	119,742
CLOSING BALANCE (D + E + F)	**114,697**	**102**	**1,087**	**3,735**	**106**	**119,727**

RECONCILIATION OF PAYABLES AND RECEIVABLES RELATED TO INSURANCE CONTRACTS AND REINSURANCE TREATIES

	06/30/2024				12/31/2023			
	Closing balance	Related payables – Cash basis	Related receivables – Cash basis	Closing balance (including related payables and receivables)	Closing balance	Related payables – Cash basis	Related receivables – Cash basis	Closing balance (including related payables and receivables)
INSURANCE								
Assets of insurance contracts	-15	0	0	-15	-15	-	0	-15
Insurance contract liabilities	121,875	-831	0	121,044	119,742	-558	-	119,184
TOTAL PAYABLES AND RECEIVABLES RELATED TO INSURANCE CONTRACTS	**121,860**	**-831**	**0**	**121,029**	**119,727**	**-558**	**0**	**119,169**
Reinsurance treaty assets	391		-78	313	414		-102	312
Reinsurance treaty liabilities	0	0	0	0	0	0		0
TOTAL PAYABLES AND RECEIVABLES RELATED TO REINSURANCE TREATIES	**391**	**0**	**-78**	**313**	**414**	**0**	**-102**	**312**

13d Distinction of insurance liabilities (BE, RA, CSM)

	06/30/2024			
	Estimate of the present value of future cash flows (BE)	Risk adjustment for non-financial risk (RA)	Contractual service margin (CSM)	Total
Insurance contract assets at the start of the period	-60	18	27	-15
Insurance contract liabilities at the start of the period	104,399	1,781	9,066	115,245
Opening balance	**104,339**	**1,799**	**9,093**	**115,230**
Change in contractual service margin recognized in income	0	0	-388	-388
Change in the adjustment for non-financial risk over the period	0	-72	0	-72
Experience adjustment	-30	10	0	-20
Changes in services rendered during the period	**-30**	**-62**	**-388**	**-480**
Contracts recognized during the period	-172	49	140	16
Changes in estimates resulting in an adjustment of the contractual service margin	-169	-43	212	0
Changes in estimates resulting in losses or reversals of losses on groups of onerous contracts	-2	4	0	1
Changes in future services	**-343**	**9**	**352**	**18**
Changes in fulfillment cash flows in respect of incurred claims	-23	-8	0	-30
Changes related to past services	**-23**	**-8**	**0**	**-30**
Insurance service result	**-396**	**-61**	**-35**	**-493**
Effect of rates neutralized in OCI	3,014	8	9	3,031
Financial expenses net of insurance contracts (excluding OCI)	-1,396	-11	0	-1,407
Exchange rate effects	0	0	0	0
TOTAL CHANGES IN INCOME AND IN OTHER COMPREHENSIVE INCOME	**1,222**	**-65**	**-26**	**1,131**
Premiums received	5,069	0	0	5,069
Claims and expenses paid, including investment component	-4,200	0	0	-4,200
Cash flow from contract acquisition	-11	0	0	-11
TOTAL CASH FLOW	**857**	**0**	**0**	**857**
Transfer to other balance sheet items	15	0	0	15
Insurance contract assets at closing	-56	18	23	-15
Insurance contract liabilities at closing	106,489	1,716	9,044	117,249
CLOSING BALANCE	**106,433**	**1,734**	**9,067**	**117,234**

	12/31/2023			
	Estimate of the present value of future cash flows (BE)	Risk adjustment for non-financial risk (RA)	Contractual service margin (CSM)	Total
Insurance contract assets at the start of the period	-51	16	18	-18
Insurance contract liabilities at the start of the period	96,895	1,511	7,532	105,938
Opening balance	**96,843**	**1,527**	**7,550**	**105,920**
Change in contractual service margin recognized in income	0	0	-799	-799
Change in the adjustment for non-financial risk over the period	0	-136	0	-136
Experience adjustment	-38	18	0	-20
Changes in services rendered during the period	**-38**	**-118**	**-799**	**-956**
Contracts recognized during the period	-303	123	222	43
Changes in estimates resulting in an adjustment of the contractual service margin	-2,304	192	2,112	0
Changes in estimates resulting in losses or reversals of losses on groups of onerous contracts	-34	6	0	-28
Changes in future services	**-2,641**	**321**	**2,334**	**14**
Changes in fulfillment cash flows in respect of incurred claims	-29	-13	0	-41
Changes related to past services	**-29**	**-13**	**0**	**-41**
Insurance service result	**-2,708**	**190**	**1,534**	**-983**
Effect of rates neutralized in OCI	3,132	64	0	3,196
Financial expenses net of insurance contracts (excluding OCI)	5,660	13	18	5,690
Exchange rate effects	0	0	0	0
TOTAL CHANGES IN INCOME AND IN OTHER COMPREHENSIVE INCOME	**6,084**	**267**	**1,552**	**7,903**
Premiums received	8,978	0	0	8,978
Claims and expenses paid, including investment component	-7,935	0	0	-7,935
Cash flow from contract acquisition	-27	0	0	-27
TOTAL CASH FLOW	**1,017**	**0**	**0**	**1,017**
Transfer to other balance sheet items	**395**	**5**	**-9**	**391**
Insurance contract assets at closing	-60	18	27	-15
Insurance contract liabilities at closing	104,399	1,781	9,066	115,245
CLOSING BALANCE	**104,339**	**1,799**	**9,093**	**115,230**

13e Underlying items of VFA contracts

Underlying items of insurance contracts with direct participation features	06/30/2024 Underlying items of direct investment contracts	12/31/2023 Underlying items of direct investment contracts
FINANCIAL INVESTMENTS		
Fair value through equity	**66,793**	**68,974**
Government and equivalent securities	25,622	25,152
Bonds and other debt securities	30,488	32,900
Shares and other equity instruments	0	0
Investments and other long-term securities	1,698	1,609
Investments in subsidiaries and associates	201	203
Loans and receivables	8,784	9,110
Fair value through profit or loss	**50,942**	**53,033**
Government and equivalent securities	153	157
Bonds and other debt securities	27,202	29,720
Shares and other equity instruments	20,545	20,057
Investments and other long-term securities	0	0
Investments in subsidiaries and associates	0	0
Loans and receivables	192	260
Derivatives and other financial assets – trading	0	0
Operating properties OFVPL	328	328
Non-operating properties OFVPL	2,522	2,511
Hedging derivatives	**0**	**0**
Amortized cost	**619**	**298**
Loans and receivables to credit institutions	619	298
Other assets	**-9**	**45**
Current tax assets	0	3
Other assets	-35	28
Accruals – Assets	26	14
TOTAL FINANCIAL INVESTMENTS	**118,345**	**122,350**
FINANCIAL LIABILITIES		
Fair value through profit or loss	**8,409**	**8,875**
Derivatives and other financial liabilities – Trading	29	61
Due to credit institutions and similar entities	8,380	8,814
Deposits from customers – Other – Term	-0	0
Other liabilities	**257**	**128**
Other liabilities	34	33
Deferred tax liabilities	0	95
Accruals – Liabilities	223	0
TOTAL FINANCIAL LIABILITIES	**8,666**	**9,003**

13f IFRS 17 yield curves

Future cash flows are discounted using the yield curve below. This reflects the time value of money as well as the cash flow and liquidity characteristics of GACM's insurance contracts.

	06/30/2024	12/31/2023
1-year rate	4.1%	4.0%
5-year rate	3.4%	3.0%
10-year rate	3.4%	3.1%
20-year rate	3.3%	3.1%
30-year rate	3.2%	3.0%

Note 14 Taxes

14a Current taxes

	06/30/2024	12/31/2023
Assets (through profit or loss)	1,525	1,662
Liabilities (through profit or loss)	581	759

14b Deferred taxes

	06/30/2024	12/31/2023
Assets (through profit or loss)	819	802
Assets (through shareholders' equity)	401	329
Liabilities (through profit or loss)	459	469
Liabilities (through shareholders' equity)	36	32

Note 15 Accruals and miscellaneous assets and liabilities

15a Accruals and miscellaneous assets

	06/30/2024	12/31/2023
ACCRUALS – ASSETS		
Collection accounts	468	550
Currency adjustment accounts	115	26
Accrued income	836	671
Other accruals	3,903	2,963
Subtotal	**5,322**	**4,210**
OTHER ASSETS		
Securities settlement accounts	293	135
Miscellaneous receivables	5,803	6,113
Inventories and similar	62	57
Other miscellaneous uses	25	15
Subtotal	**6,183**	**6,320**
TOTAL	**11,505**	**10,530**

15b Accruals and miscellaneous liabilities

	06/30/2024	12/31/2023
ACCRUALS – LIABILITIES		
Accounts unavailable due to recovery procedures	358	400
Currency adjustment accounts	1,234	1,674
Accrued expenses	2,326	2,233
Deferred income	1,517	1,417
Other accruals	8,430	3,142
Subtotal	**13,865**	**8,866**
OTHER LIABILITIES		
Lease obligations – Real estate	1,114	876
Lease obligations – Other	22	31
Securities settlement accounts	1,272	691
Outstanding amounts payable on securities	268	294
Miscellaneous creditors	2,990	3,200
Subtotal	**5,666**	**5,092**
TOTAL	**19,531**	**13,958**

15c Lease obligations by residual term

06/30/2024	≤ 1 year	1 year ≤ 3 years	3 years ≤ 6 years	6 years ≤ 9 years	> 9 years	TOTAL
Lease obligations	**238**	**421**	**311**	**107**	**58**	**1,135**
▪ Real estate	227	419	302	107	58	1,113
▪ Other	11	2	9	0	0	22

12/31/2023	≤ 1 year	1 year ≤ 3 years	3 years ≤ 6 years	6 years ≤ 9 years	> 9 years	TOTAL
Lease obligations	**176**	**276**	**276**	**109**	**70**	**907**
▪ Real estate	156	274	267	109	70	876
▪ Other	20	2	9	0	0	31

Note 16 Investments in equity consolidated companies

16a Share of net income of equity consolidated companies

06/30/2024	Country	Share held	Value of equity consolidation	Share of net profit/(loss)	Dividends received	Fair value of the investment (if listed)
ENTITIES UNDER SIGNIFICANT INFLUENCE						
Banque de Tunisie	Tunisia	35.33%	146	3	7	145
Caisse Centrale du Crédit Mutuel[(1)]	France	67.19%	631	13	15	NC*
LYF SAS	France	49.99%	-2	-4	0	NC*
LYF SA	France	43.75%	7	0	0	NC*
2SF Trust Services Company	France	33.33%	2	0	0	NC*
Other equity investments	-	-	0	0	-	-
Total (1)	**-**	**-**	**784**	**13**	**22**	**-**
JOINT VENTURES						
Euro Automatic Cash	Spain	50.00%	8	0	3	NC*
Total (2)	**-**	**-**	**8**	**0**	**3**	**-**
TOTAL (1)+(2)	**-**	**-**	**792**	**13**	**25**	**-**

(1) Caisse Centrale de Crédit Mutuel is accounted for using the equity method due to its significant influence, despite holding more than 50% of voting rights and taking into account the analysis of the governance rules specific to that entity of the Crédit Mutuel group.

** NC: Not communicated.*

12/31/2023	Country	Share held	Value of equity consolidation	Share of net profit/(loss)	Dividends received	Fair value of the investment (if listed)
ENTITIES UNDER SIGNIFICANT INFLUENCE						
Banque de Tunisie	Tunisia	35.33%	150	16	7	151
Caisse Centrale du Crédit Mutuel[(1)]	France	67.19%	626	18	10	NC*
LYF SAS	France	49.99%	2	-9	0	NC*
LYF SA	France	43.75%	7	0	0	NC*
2SF Trust Services Company	France	33.33%	2	0	0	NC*
Other equity investments	-	-	1	0	-	-
Total (1)	**-**	**-**	**787**	**25**	**17**	**-**
JOINT VENTURES						
Euro Automatic Cash	Spain	50.00%	11	1	0	NC*
Total (2)	**-**	**-**	**11**	**1**	**0**	**-**
TOTAL (1)+(2)	**-**	**-**	**798**	**26**	**17**	**-**

(1) Caisse Centrale de Crédit Mutuel is accounted for using the equity method due to its significant influence, despite holding more than 50% of voting rights and taking into account the analysis of the governance rules specific to that entity of the Crédit Mutuel group.

** NC: Not communicated.*

Note 17 Investment property

	12/31/2023	Increase	Decrease	Other	06/30/2024
Historical cost	437	3	-7	0	433
Depreciation and impairment	-126	-4	1	1	-128
NET AMOUNT	**311**	**-1**	**-6**	**1**	**305**

Note 18 Property, plant and equipment and intangible assets

18a Property, plant and equipment

	12/31/2023	Increase	Decrease	Other	06/30/2024
HISTORICAL COST					
Operating sites	578	0	-1	-79	498
Operating buildings	5,292	164	-28	80	5,508
Usage rights – Real estate	1,743	74	-38	289	2,068
Usage rights – Other	69	0	0	0	69
Other property, plant and equipment	3,553	269	-289	3	3,536
Total	**11,235**	**507**	**-356**	**293**	**11,679**
DEPRECIATION AND IMPAIRMENT					
Operating sites	-17	0	0	16	-1
Operating buildings	-3,581	-86	22	-17	-3,662
Usage rights – Real estate	-887	-111	24	-3	-977
Usage rights – Other	-38	-9	0	-1	-48
Other property, plant and equipment	-2,580	-112	80	0	-2,612
Total	**-7,103**	**-318**	**126**	**-5**	**-7,300**
NET AMOUNT	**4,131**	**189**	**-230**	**289**	**4,379**

OF WHICH PROPERTIES RENTED UNDER FINANCE LEASES

	12/31/2023	Increase	Decrease	Other	06/30/2024
Operating sites	7	0	0	0	7
Operating buildings	98	0	-1	0	97
TOTAL	**105**	**0**	**-1**	**0**	**104**

18b Intangible assets

	12/31/2023	Increase	Decrease	Other	06/30/2024
HISTORICAL COST					
Internally developed intangible assets[(1)]	772	38	-14	0	796
Purchased intangible assets	1,667	31	-31	13	1,680
■ software	308	10	-2	-3	313
■ other	1,359	21	-29	16	1,367
Total	**2,439**	**69**	**-45**	**13**	**2,476**
Internally developed intangible assets[(1)]	-664	-36	14	2	-684
Purchased intangible assets	-1,085	-18	5	4	-1,094
■ software	-260	-9	1	2	-266
■ other	-825	-9	4	2	-828
Total	**-1,749**	**-53**	**19**	**5**	**-1,778**
NET AMOUNT	**690**	**16**	**-26**	**18**	**698**

(1) These headings correspond to software developed internally and capitalized in our subsidiaries Euro-Information and TARGOBANK AG.

Note 19 Goodwill

	12/31/2023	Increase	Decrease	Variation in impairment	Other	06/30/2024
Gross goodwill	4,746	8	-	-	-	4,755
Write down	-2,395	-	-	-	-	-2,395
NET GOODWILL	**2,351**	**8**		**0**	**0**	**2,360**

Cash-generating units	Value of goodwill on 12/31/2023	Increase	Decrease	Variation in impairment	Other	Value of goodwill on 06/30/2024
TARGOBANK Germany	1,018	-	-	-	-	1,018
Crédit Industriel et Commercial (CIC)	497	-	-	-	-	497
Cofidis Group	378	-	-	-	-	378
La Française Group	199	-	-	-	-	199
Cofidis France	79	-	-	-	-	79
Euro Protection Surveillance	51	-	-	-	-	51
GACM Seguros Generales Compañía de Seguros y Reaseguros SA	-	-	-	-	-	-
EBRA	35	4	-	-	-	39
SIIC Foncière Massena	26	-	-	-	-	26
Crédit Mutuel Equity SCR	21	-	-	-	-	21
Banque de Luxembourg	13	-	-	-	-	13
Cofidis Italy	9	-	-	-	-	6
Banque Transatlantique	6	-	-	-	-	5
Dubly Transatlantique Gestion	5	-	-	-	-	4
Carizy	0	4	-	-	-	4
Other	14	-	-	-	-	14
TOTAL	**2,351**	**8**	**0**	**0**	**0**	**2,360**

The cash-generating units to which the goodwill is assigned are tested at least annually to ensure that they are recoverable. Impairment is ascertained by depreciation of goodwill when the recoverable amount is less than the carrying amount. The current economic situation, its consequences on net profit at June 30, 2024, and the macroeconomic uncertainties for the following years, have led the group to identify potential indications of impairment of goodwill. As a result, the group has updated the impairment tests for its main subsidiaries.

The recoverable amount is determined according to two types of methods:

- *the fair value net of sales costs, which is based on observation of valuation multiples on comparable transactions or market parameters adopted by the analysts on entities with similar activities;*
- *the value in use, which is based on the discounting of expected future cash flows after taking into account capital requirements: this method is generally used as of June 30, 2024.*

To determine the value in use, the cash flows are based on business plans determined by the management over a maximum period of five to seven years, then on projection of a flow to infinity according to a long-term growth rate. The latter is fixed at 2% for the whole of Europe, which is an assumption measured in comparison to inflation rates observed over a very long period.

The cash flows used to calculate the value in use also take into account prudential capital requirements.

The cash flow discount rates correspond to the cost of capital, which is determined from a long-term riskless rate, to which a risk premium is added. The risk premium is determined by observing the sensitivity of the price in relation to the market in the case of a listed asset, or by analyst estimates in the case of non-listed assets. The cost of capital was discounted on June 30, 2024 with:

- *9% for Retail Banking and leasing CGUs based in Germany;*
- *10% for retail banking, consumer loan and leasing CGUs based in France.*

The cash flows used to calculate the value in use are determined on the basis of regulatory capital requirements.

The main sensitivity factors of the recoverable amount test based on the value in use are the discount rate and the expected level of future cash flows, which is itself impacted by the following sensitivity factors:

- *the achievement of business plans;*
- *the level of shareholders' equity allocated to each CGU;*
- *the perpetual growth rate.*

When the value in use was used as an impairment test, the parameters and their sensitivity were as follows:

	TARGOBANK Germany	Cofidis[1]	CIC
	Network bank	Consumer loan	Network bank
Cost of capital	9%	10%	10%
Effect of a 50 basis point increase in the cost of capital	-5%	-6%	-5%
Effect of a 50 basis point drop in the growth rate to infinity	-1%	-1%	-1%
Effect of a 50 basis point increase in CET1 capital requirements	-3%	0%	-3%

If the above sensitivity assumptions were used, this would not entail any impairment of goodwill on TARGOBANK Germany, Cofidis and CIC.

(1) Cofidis France and Cofidis Group.

Note 20 Provisions and contingent liabilities

20a Provisions

	12/31/2023	Additions for the year	Reversals for the year (utilized provisions)	Reversals for the year (surplus provisions)	Other change	06/30/2024
Provisions for risks	**585**	**234**	**-10**	**-242**	**0**	**567**
On guarantee commitments(2)	**332**	132	-2	-145	-1	316
■ of which 12-month expected losses (S1)	68	23	0	-35	0	56
■ of which expected losses at termination (S2)	85	58	0	-50	0	93
■ of which provisions for execution of commitments upon signature	179	51	-2	-60	-1	167
On financing commitments(2)	**116**	72	-1	-76	-1	110
■ of which 12-month expected losses (S1)	85	44	0	-55	0	74
■ of which expected losses at termination (S2)	23	27	0	-21	0	29
On country risks	**0**	0	0	0	0	0
Provisions for taxes	**3**	1	0	-1	-1	2
Provisions for claims and litigation	**62**	4	-2	-3	0	61
Provision for risk on miscellaneous receivables	73	25	-4	-17	0	77
Other provisions	**1,537**	**366**	**-39**	**-220**	**32**	**1,677**
■ Provisions for mortgage saving agreements	213	29	-3	-11	0	228
■ Provisions for miscellaneous contingencies	837	182	-29	-189	22	823
■ Other provisions(1)	488	155	-7	-20	10	626
Provisions for retirement commitments	**1,355**	**34**	**-21**	**-7**	**-48**	**1,313**
TOTAL	**3,477**	**634**	**-70**	**-469**	**-16**	**3,557**

(1) Other provisions relate to provisions for French economic interest groups (SPV) totaling €495 million.

(2) This item includes a post-model adjustment – see note 1 "Accounting principles".

20b Retirement and other employee benefits

	12/31/2023	Additions for the year	Reversals for the year	Other change	06/30/2024
DEFINED-BENEFIT PLANS NOT COVERED BY PENSION FUNDS					
Retirement benefits	1,175	23	-23	-45	1,130
Supplementary pensions	64	6	-5	-4	61
Obligations for long service awards (other long-term benefits)	107	4	0	2	113
Subtotal recognized	**1,346**	**33**	**-28**	**-47**	**1,304**
SUPPLEMENTARY DEFINED-BENEFIT PENSIONS C OVERED BY THE GROUP'S PENSION FUNDS					
Commitments to employees and retirees(1)	9	0	0	0	9
Fair value of assets	-	-	-	-	-
Subtotal recognized	**9**	0	0	0	9
Other commitments	0	0	0	0	0
TOTAL AMOUNT RECOGNIZED	**1,355**	**33**	**-28**	**-47**	**1,313**

DEFINED-BENEFIT PLANS: MAIN ACTUARIAL ASSUMPTIONS

	06/30/2024	12/31/2023
Discount rate(2)	3.69%	3.19%
Expected increase in salaries(3)	Minimum 2.65%	Minimum 2.65%

(1) The provisions covering shortfalls in pension funds relate to entities located abroad.

(2) The discount rate, which is determined by reference to the long-term rate on private-sector borrowings, is based on the iBoxx index.

(3) The annual increase in salaries is the estimate of future inflation combined with the increase in salaries; it also depends on the age of the employee.

Note 21 Subordinated debt

	06/30/2024	12/31/2023
Subordinated debt	11,423	10,709
Participating loans	20	20
Perpetual subordinated debt	595	595
Other debt	0	0
Related debt	127	178
TOTAL	**12,165**	**11,502**

PRINCIPAL SUBORDINATED DEBT

(in € millions)	Type	Issue Date	Issue Amount	Amount at year-end[1]	Rate	Term
Banque Fédérative du Crédit Mutuel	Redeemable subordinated notes/TSR	03/10/2014	€120m	€120m	4.25	06/27/2026
Banque Fédérative du Crédit Mutuel	Redeemable subordinated notes/TSR	09/11/2015	€1,000m	€971m	3.00	09/11/2025
Banque Fédérative du Crédit Mutuel	Redeemable subordinated notes/TSR	03/24/2016	€1,000m	€954m	2.375	03/24/2026
Banque Fédérative du Crédit Mutuel	Redeemable subordinated notes/TSR	09/12/2016	€300m	€300m	2.13	09/12/2026
Banque Fédérative du Crédit Mutuel	Redeemable subordinated notes/TSR	11/04/2016	€700m	€656m	1.875	11/04/2026
Banque Fédérative du Crédit Mutuel	Redeemable subordinated notes/TSR	03/31/2017	€500m	€470m	2.625	03/31/2027
Banque Fédérative du Crédit Mutuel	Redeemable subordinated notes/TSR	11/15/2017	€500m	€465m	1.625	11/15/2027
Banque Fédérative du Crédit Mutuel	Redeemable subordinated notes/TSR	05/25/2018	€500m	€465m	2.5	05/25/2028
Banque Fédérative du Crédit Mutuel	Redeemable subordinated notes/TSR	06/18/2019	€1,000m	€1,000m	1.875	06/18/2029
Banque Fédérative du Crédit Mutuel	Redeemable subordinated notes/TSR	11/19/2021	€750m	€616m	1.125	11/19/2031
Banque Fédérative du Crédit Mutuel	Redeemable subordinated notes/TSR	06/16/2022	€1,250m	€1,204m	3.875	06/16/2032
Banque Fédérative du Crédit Mutuel	Redeemable subordinated notes/TSR	01/11/2023	€1,250m	€1,264m	5.125	01/11/2033
Banque Fédérative du Crédit Mutuel	Redeemable subordinated notes/TSR	01/11/2024	€1,500m	€1,462m	4.375	01/11/2034
Assurances du Crédit Mutuel	Redeemable subordinated notes/TSR	10/21/2021	€750m	€748m	1.85	04/21/2042
Assurances du Crédit Mutuel	Redeemable subordinated notes/TSR	04/30/2024	€500m	€500m	5.00	10/30/2044
Crédit Industriel et Commercial	Participatory	05/28/1985	€137m	€8m	(2)	(3)
Banque Fédérative du Crédit Mutuel	Deeply subordinated notes/TSS	11/09/2004	€66m	€66m	CMS10 cap 8	TBD
Banque Fédérative du Crédit Mutuel	Deeply subordinated notes/TSS	12/15/2004	€436m	€419m	(4)	TBD
Banque Fédérative du Crédit Mutuel	Deeply subordinated notes/TSS	02/25/2005	€92m	€92m	(5)	TBD

(1) Net intra-group amounts and revaluation differences for hedged instruments.

(2) Minimum 85% (TAM+TMO)/2 Maximum 130% (TAM*+TMO)/2.*

** For the purpose of calculating this rate, as of January 3, 2022, any reference to the monthly average money market rate will be deemed to be a reference to the €STR (Regulation (EU) 2021/1848 of October 21, 2021).*

(3) Non-depreciable, but reimbursable at borrower's discretion as of May 28, 1997 at 130% of the nominal value revalued by 1.5% per year for future years.

(4) CMS 10 years ISDA CIC +10 basis points.

(5) CMS 10 years ISDA +10 basis points.

Note 22 Reserves related to capital and reserves

22a Shareholders’ equity attributable to the group (excluding profit and loss and unrealized gains and losses)

	06/30/2024	12/31/2023
Capital and reserves related to capital	8,082	8,063
■ Capital	8,082	8,063
Consolidated reserves	51,900	48,172
■ Regulated reserves	6	6
■ Other reserves (including effects related to initial application)	51,804	48,091
of which profit on disposal of equity instruments	*164*	*173*
■ Retained earnings	90	75
TOTAL	**59,982**	**56,235**

The share capital of the Crédit Mutuel banks is composed of:

- A shares, non-transferable;
- B shares, transferable;
- P shares, with priority interests.

B shares and equivalent may only be subscribed by those members holding at least one A share. The articles of association of the local banks limit the subscription of B shares and their equivalent by any given member to €50,000 (with the exception of reinvestment of dividends paid in B shares). In accordance with the law of September 10, 1947, the capital cannot be lower, following withdrawal of contributions, than one-quarter of the highest amount achieved by the share capital in the past.

The redemption plan for B shares differs according to whether they were subscribed before or after December 31, 1988:

- shares subscribed up to December 31, 1988 may be redeemed at the member’s request on January 1 each year. This reimbursement, which is subject to compliance with the provisions governing the reduction of capital, is subject to a minimum notice period of three months;
- shares subscribed on or after January 1, 1989 may be redeemed at the member’s request upon five years’ notice, except in the event of marriage, death or unemployment. These transactions are also subject to compliance with the provisions governing the reduction of capital.

By decision of the Board of Directors and in agreement with the Supervisory Board, the bank may refund all or part of the shares in this class under the same conditions.

P shares with priority interests are issued by the regional banks of Crédit Mutuel de Normandie and Midi-Atlantique, and by the “Cautionnement Mutuel de l’Habitat” mutual credit union, a mutual guarantee company that since 1999 has issued shares with priority interests, the subscription of which is reserved for distributors of guaranteed loans, excluding Crédit Mutuel Alliance Fédérale.

As of June 30, 2024, the capital of the Crédit Mutuel local banks is as follows:

- €260.8 million for A shares;
- €7,820.7 million for B shares and equivalent;
- €1 million for P shares.

As of December 31, 2023, these amounts were:

- €259.9 million for A shares;
- €7,799.6 million for B shares and equivalent*;
- €3.2 million for P shares.

** errata: the amount published at December 31, 2023 was €7,999.6 million instead of €7,799.6 million.*

22b Unrealized or deferred gains and losses (attributable to the group)

	06/30/2024	12/31/2023
Unrealized or deferred gains or losses[(1)] relating to:		
■ investments of insurance activities in recyclable FVOCI – debt instruments	-1,009	-815
■ investments of insurance activities in non-recyclable FVOCI – equity instruments	1,339	1,228
■ financial assets at fair value through recyclable equity – debt instruments	-195	-157
■ financial assets at fair value through non-recyclable equity – equity instruments	-16	17
■ hedging derivatives (CFH)	1	-1
■ translation adjustments	168	146
■ share of unrealized or deferred gains and losses of associates	-40	-40
■ actuarial gains and losses on defined benefit plans	-141	-189
■ credit risk on financial liabilities under fair value transferred to reserves		-
■ other		-
TOTAL	**108**	**188**

(1) Balances net of corporation tax and after shadow accounting treatment.

22c Recycling of gains and losses directly recognized in shareholders' equity

	06/30/2024 Operations	12/31/2023 Operations
Translation adjustments		
Reclassification in income	-	-
Other movement	22	-11
Subtotal	**22**	**-11**
Revaluation of financial assets at FVOCI – debt instruments		
Reclassification in income	-	-
Other movement	-38	33
Subtotal	**-38**	**33**
Revaluation of financial assets at FVOCI – equity instruments		
Reclassification in income	-	-
Other movement	-32	-82
Subtotal	**-32**	**-82**
Remeasurement of hedging derivatives		
Reclassification in income	-	-
Other movement	3	-20
Subtotal	**3**	**-20**
Revaluation of financial assets at FVOCI of Insurance		
Reclassification in income	-	-
Other movement	-1,037	2,625
Subtotal	**-1,037**	**2,625**
Revaluation of insurance and reinsurance contracts in recyclable shareholders' equity		
Reclassification in income	-	-
Other movement	953	-2,179
Subtotal	**953**	**-2,179**
Actuarial gains and losses on defined benefit plans	48	-95
Share of unrealized or deferred gains and losses of associates	1	-3
TOTAL	**-80**	**268**

22d Tax related to each category of gains and losses recognized directly in shareholders' equity

	06/30/2024			12/31/2023		
	Gross amount	Tax	Net amount	Gross amount	Tax	Net amount
Translation adjustments	22	0	22	-11	0	-11
Revaluation of financial assets at FVOCI – debt instruments	-38	0	-38	33	0	33
Revaluation of financial assets at FVOCI – equity instruments	-32	0	-32	-82	0	-82
Revaluation of financial assets at FVOCI of Insurance	-1,429	392	-1,037	3,459	-834	2,625
Remeasurement of hedging derivatives	4	-1	3	-27	7	-20
Revaluation of insurance and reinsurance contracts in recyclable shareholders' equity	1,285	-332	953	-2,937	758	-2,179
Revaluation of non-current assets	0	0	0	0	0	0
Revaluation differences related to own credit risk on financial liabilities under FVO transferred to reserves	0	0	0	0	0	0
Actuarial gains and losses on defined benefit plans	65	-16	48	-137	42	-95
Share of unrealized or deferred gains and losses of associates	1	0	1	-3	0	-3
CHANGES IN GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY	**-123**	**43**	**-80**	**296**	**-27**	**268**

Note 23 Commitments given and received

COMMITMENTS GIVEN

	06/30/2024	12/31/2023
Financing commitments	**83,621**	**86,326**
Liabilities due to credit institutions	647	632
Commitments to customers	82,974	85,694
Guarantee commitments	**27,149**	**27,084**
Credit institution commitments	4,362	4,671
Customer commitments	22,787	22,413
Securities commitments	**10,818**	**3,957**
Other commitments given	10,818	3,957
Commitments pledged from Insurance	**6,239**	**5,646**

COMMITMENTS RECEIVED

	06/30/2024	12/31/2023
Financing commitments	**29,386**	**22,243**
Commitments received from credit institutions	29,386	22,242
Commitments received from customers	0	1
Guarantee commitments	**109,608**	**114,001**
Commitments received from credit institutions	61,536	62,072
Commitments received from customers	48,072	51,929
Securities commitments	**6,945**	**736**
Other commitments received	6,945	736
Commitments received from Insurance	**5,564**	**5,702**

Note 24 Interest income and expense

	06/30/2024		06/30/2023	
	Income	Expenses	Income	Expenses
Credit institutions and central banks[1]	3,893	-1,453	3,268	-1,556
Customers	8,322	-5,112	6,773	-3,392
■ of which finance and operating leases	589	-178	453	-143
■ of which lease obligations	0	-11	0	-5
Hedging derivatives	4,666	-4,240	3,382	-3,141
Financial instruments at fair value through profit or loss	979	-561	644	-298
Financial assets at fair value through equity	668	0	558	0
Securities at amortized cost	151	0	68	0
Debt securities	0	-2,902	0	-2,166
Subordinated debt	0	-11	0	-11
TOTAL	**18,679**	**-14,279**	**14,693**	**-10,564**
of which interest income and expense calculated at the effective interest rate	*13,034*	*-9,479*	*10,668*	*-7,125*

(1) Including -€1 million in income from the impact of negative interest rates and +€5 million in expenses in the first half of 2024 and of which -€41 million in income from the impact of negative interest rates and +€16 million in expenses in the first half of 2023

Interest expenses on central banks include interest calculated as part of TLTRO III transactions, for which the terms and conditions were specified by the ECB (see note 1 "Accounting principles").

Note 25 Commissions

	06/30/2024		06/30/2023	
	Income	Expenses	Income	Expenses
Credit institutions	12	-4	7	-8
Customers	1,063	-14	1,012	-15
Securities	579	-66	566	-50
■ of which activities managed on behalf of third parties	414	0	428	0
Derivative instruments	2	-6	2	-6
Currency transactions	15	-1	15	-1
Funding and guarantee commitments	66	-34	91	-54
Services provided	1,420	-702	1,360	-643
TOTAL	**3,157**	**-827**	**3,053**	**-777**

Note 26 Net gains on financial instruments at fair value through profit or loss

	06/30/2024	06/30/2023
Trading instruments	-72	88
Instruments accounted for under the fair value option	47	9
Ineffective portion of hedges	34	-9
On fair value hedges (FVH)	34	-9
■ Change in the fair value of hedged items	-1,044	307
■ Change in fair value of hedging instruments	1,078	-316
Foreign exchange gains/(losses)	20	132
Other financial instruments at fair value through profit or loss[1]	255	263
TOTAL CHANGES IN FAIR VALUE	**284**	**483**

(1) Of which €148 million came from private equity business in the first half of 2024 compared to €175 million in the first half of 2023. The other changes correspond to changes in the fair value of the other portfolios at fair value.

Note 27 Net gains or losses on financial assets at fair value through shareholders' equity

	06/30/2024	06/30/2023
Dividends	4	3
Realized gains and losses on debt instruments	-17	-93
TOTAL	**-13**	**-90**

Note 28 Net gains or losses resulting from derecognition of financial assets at amortized cost

	06/30/2024	06/30/2023
Financial assets at amortized cost	-	-
Gains/(losses) on:	0	0
Government securities	0	0
Bonds and other fixed-income securities	0	0
TOTAL	**0**	**0**

Note 29 Net income from insurance activities

	06/30/2024	06/30/2023
Revenues from insurance contracts	3,658	3,580
Losses from insurance contracts	-2,892	-2,873
Income from insurance contracts	**766**	**707**
Expenses net of reinsurance treaties	-51	-42
Insurance service result	**715**	**665**
Financial income or financial expenses from insurance contracts issued	-3,073	-4,329
Net income from insurance financial investments	3,178	4,405
Financial income or expenses related to reinsurance contracts held	4	2
Other income and expenses	0	0
TOTAL	**824**	**743**

29a Breakdown of income from insurance and reinsurance activities

	06/30/2024	06/30/2023
INSURANCE		
Income from insurance contracts not measured under the premium allocation approach (PAA)		
■ Contractual service margin recognized in income over the period	388	381
■ Change in the adjustment for non-financial risk not related to past services	72	70
■ *Portion of premiums allocated to the recovery of insurance acquisition cash flows*	7	6
■ Expected claims expenses for the period and other related expenses	833	835
■ Other	3	0
Income from insurance contracts not measured under the premium allocation approach (PAA)	**1,303**	**1,292**
Income from insurance contracts measured under the premium allocation approach (PAA)	**2,355**	**2,288**
Expenses related to insurance contracts	**-2,892**	**-2,873**
TOTAL Insurance service result	**766**	**707**
REINSURANCE		
Income from reinsurance contracts not measured under the premium allocation approach (PAA)		
■ Contractual service margin recognized in income over the period	-2	-3
■ Change in the adjustment for non-financial risk not related to past services	-1	-1
■ Expected claims expenses for the period and other related expenses	-6	-5
■ Other	0	-1
Expenses relating to reinsurance contracts not measured under the premium allocation approach (PAA)	**-9**	**-10**
Income from reinsurance contracts measured under the premium allocation approach (PAA)	**-61**	**-58**
Revenues from insurance contracts	**19**	**26**
TOTAL REINSURANCE SERVICES INCOME	**-51**	**-42**

29b Net income from investments related to insurance activities

	06/30/2024	06/30/2023
Interest income and expense	**896**	**760**
Loans and receivables at amortized cost	-11	-52
Financial instruments at fair value through profit or loss	140	145
Financial assets at fair value through equity	767	667
Commissions on securities	**16**	**15**
Net gains on financial instruments at fair value through profit or loss	**2,157**	**3,547**
■ Trading instruments	0	45
■ Foreign exchange gains/(losses)	7	6
■ Other financial instruments at fair value through profit or loss	2,150	3,494
Net gains or losses on financial assets at fair value through shareholders' equity	**52**	**80**
■ Dividends	102	92
■ Realized gains and losses on debt instruments	-50	-12
Net gains or losses on financial assets and liabilities at amortized cost	**0**	**0**
Net income on investment property	**58**	**4**
Cost of credit risk on investments related to insurance activities	**-1**	**-1**
TOTAL	**3,178**	**4,405**

29c Relationship between insurance income/financial expense and investment return on assets

	06/30/2024	06/30/2023
Interest income and expense	896	760
Other investment income	2,283	3,646
Cost of risk on insurance financial investments	-1	-1
Net investment income	**3,178**	**4,405**
Change in fair value of underlying items of contracts with direct participation feature	-3,010	-4,283
Impact of the risk mitigation option	0	0
Accrued interest	-62	-46
Accretion of insurance liabilities	0	0
Impact of changes in discount rates and other financial assumptions	1,429	-701
net foreign exchange losses	0	0
Net financial expense on insurance contracts	**-1,643**	**-5,030**
Accrued interest	4	2
Other income	-4	1
Net financial result from reinsurance contracts	**-1**	**4**
Change in investment contracts (liabilities)	-1,588	1,057
Changes in investments in consolidated companies	0	0
TOTAL	**-54**	**436**
of which recognized in profit or loss	*109*	*78*
of which recognized in OCI	*-163*	*357*

Note 30 Income/expenses generated by other activities

	06/30/2024	06/30/2023
INCOME FROM OTHER ACTIVITIES		
Rebilled expenses	30	30
Other income	753	735
Subtotal	**783**	**765**
EXPENSES ON OTHER ACTIVITIES		
Investment property:	-4	-5
■ additions to provisions/depreciation	-4	-5
Other expenses	-347	-317
Subtotal	**-351**	**-322**
NET TOTAL OF OTHER INCOME AND EXPENSES	**432**	**443**

Note 31 General operating expenses

	06/30/2024	06/30/2023
Employee benefit expense	-2,819	-2,635
Other operating expenses	-1,450	-1,593
Movements in depreciation, amortization and impairment for property, plant and equipment and intangible assets	-366	-364
General insurance operating expenses (non-attributable)	-77	-58
TOTAL	**-4,712**	**-4,649**

31a Employee benefit expense

	06/30/2024	06/30/2023
Wages and salaries	-1,629	-1,565
Social security contributions	-740	-669
Short-term employee benefits	-1	-1
Employee profit-sharing and incentive schemes	-211	-171
Payroll-based taxes	-238	-229
Other	0	0
TOTAL	**-2,819**	**-2,656**

WORKFORCE

Average workforce	06/30/2024	06/30/2023
Bank technical staff	39,182	39,564
Managers	31,162	30,629
TOTAL	**70,344**	**70,193**
incl. France	58,416	57,444
incl. Rest of the world	11,928	12,749

31b Other operating expenses

	06/30/2024	06/30/2023
Taxes and duties(1)	-180	-408
Leases	-167	-148
■ short-term asset leases	-49	-50
■ low value/substitutable asset leases(2)	-112	-92
■ other leases	-6	-6
Other external services	-994	-967
Other miscellaneous expenses	-109	-70
TOTAL	**-1,450**	**-1,593**

(1) The entry "Taxes and duties" includes an expense of -€3 million as part of the contribution to the Single Resolution Fund in 2024, compared to a -€217 million expense in 2023.

(2) Includes IT equipment.

31c Movements in depreciation, amortization and provisions for property, plant and equipment and intangible assets

	06/30/2024	06/30/2023
Depreciation and amortization:	-373	-360
■ property, plant and equipment	-319	-302
including usage rights	*-121*	*-114*
■ intangible assets	-54	-58
Write-downs:	7	-2
■ property, plant and equipment	0	-1
■ intangible assets	7	-1
TOTAL	**-366**	**-364**

31d Reconciliation of expenses by type *versus* destination for insurance activities

	06/30/2024	06/30/2023
Employee benefit expense	**-509**	**-496**
Wages and salaries	-444	-433
Social security contributions	-37	-31
Short-term employee benefits	-3	-3
Employee profit-sharing and incentive schemes	-10	-16
Payroll-based taxes	-14	-11
Other	-2	-1
Other operating expenses	**-488**	**-485**
Taxes & duties	-42	-37
Leases	-9	-9
■ short-term asset leases	0	0
■ low value/substitutable asset leases	0	0
■ other leases	-9	-9
Other external services	-405	-427
Patronage	-19	-1
Other miscellaneous expenses	-13	-11
Movements in depreciation, amortization and provisions for property, plant and equipment and intangible assets	**-5**	**-4**
Amortizations	-5	-4
■ property, plant and equipment	-5	-4
including usage rights	-3	-1
General operating expenses related to insurance activities	**-1,002**	**-984**
Commissions, fees and other similar expenses	-80	-107
Acquisition costs for the period deferred on the balance sheet	11	11
Amortized acquisition costs	0	0
Impaired acquisition costs	0	0
Other expenses related to insurance activities	**-68**	**-96**
TOTAL INSURANCE CONTRACT COSTS	**-1,070**	**-1,080**
Of which insurance contracts attributable costs allocated to insurance services expenses	-994	-1,022
Of which insurance contracts non-attributable costs not allocated to insurance services expenses	-77	-58

Note 32 Cost of counterparty risk

	06/30/2024	06/30/2023
12-month expected losses (S1)	139	-37
Expected losses at termination (S2)	-186	11
Impaired assets (S3)	-910	-653
TOTAL	**-957**	**-679**

The cost of risk on financial instruments used in insurance activities is presented in net revenue (see note 29a).

06/30/2024	Allowances	Reversals	Loan losses covered by provisions	Loan losses not covered by provisions	Recovery of loans written off in prior years	TOTAL
12-month expected losses (S1)	**-616**	**755**				**139**
■ Loans and receivables due from credit institutions at amortized cost	-1	1				0
■ Customer loans and receivables at amortized cost	-541	655				114
of which finance leases	-38	32				-6
■ Financial assets at amortized cost – Securities	0	0				0
■ Financial assets at fair value through equity – Debt securities	-5	8				3
■ Financial assets at fair value through equity – Loans	0	0				0
■ Commitments given	-69	91				22
Expected losses at termination (S2)	**-1,277**	**1,091**				**-186**
■ Loans and receivables due from credit institutions at amortized cost	-1	0				-1
■ Customer loans and receivables at amortized cost	-1,189	1,019				-170
of which finance leases	-36	39				3
■ Financial assets at amortized cost – Securities	0	0				0
■ Financial assets at fair value through equity – Debt securities	0	0				0
■ Financial assets at fair value through equity – Loans	0	0				0
■ Commitments given	-87	72				-15
Impaired assets (S3)	**-1,608**	**1,108**	**-320**	**-143**	**53**	**-910**
■ Loans and receivables due from credit institutions at amortized cost	0	0	0	0	0	0
■ Customer loans and receivables at amortized cost	-1,494	1,029	-319	-141	53	-872
of which finance leases	-15	11	-6	-3	0	-13
Commitments given	-114	79	-1	-2	0	-38
TOTAL	**-3,501**	**2,954**	**-320**	**-143**	**53**	**-957**

06/30/2023	Allowances	Reversals	Loan losses covered by provisions	Loan losses not covered by provisions	Recovery of loans written off in prior years	TOTAL
12-month expected losses (S1)	**-389**	**352**				**-37**
■ Loans and receivables due from credit institutions at amortized cost	-2	2				0
■ Customer loans and receivables at amortized cost	-292	260				-32
of which finance leases	-30	23				-7
■ Financial assets at amortized cost – Securities	0	0				0
■ Financial assets at fair value through equity – Debt securities	-16	15				-1
■ Financial assets at fair value through equity – Loans	0	0				0
■ Commitments given	-79	75				-4
Expected losses at termination (S2)	**-623**	**635**				**12**
■ Loans and receivables due from credit institutions at amortized cost	0	1				1
■ Customer loans and receivables at amortized cost	-578	579				1
of which finance leases	-37	38				1
■ Financial assets at amortized cost – Securities	0	1				1
■ Financial assets at fair value through equity – Debt securities	0	0				0
■ Financial assets at fair value through equity – Loans	0	0				0
■ Commitments given	-46	54				8
Impaired assets (S3)	**-1,122**	**844**	**-299**	**-130**	**54**	**-653**
■ Loans and receivables due from credit institutions at amortized cost	0	0	0	0	0	0
■ Customer loans and receivables at amortized cost	-1,021	793	-298	-129	54	-601
of which finance leases	-9	8	-3	-3	0	-7
■ Financial assets at amortized cost – Securities	0	1	0	0	0	1
■ Financial assets at fair value through equity – Debt securities	0	0	0	0	0	0
■ Financial assets at fair value through equity – Loans	0	0	0	0	0	0
■ Commitments given	-101	50	-1	-1	0	-53
TOTAL	**-2,135**	**1,831**	**-299**	**-130**	**54**	**-679**

Note 33 Net gains and losses on other assets

	06/30/2024	06/30/2023
Property, plant and equipment and intangible assets	5	4
■ Capital losses on disposals	-11	-4
■ Capital gains on disposals	16	7
Gains/(losses) on disposals of shares in consolidated entities	36	1
TOTAL	**41**	**4**

Note 34 Changes in the value of goodwill

	06/30/2024	06/30/2023
Impairment of goodwill	0	0
Negative goodwill stated in profit or loss	0	0
TOTAL	**0**	**0**

Note 35 Income tax

BREAKDOWN OF INCOME TAX EXPENSE

	06/30/2024	06/30/2023
Current taxes	-662	-727
Deferred tax expense	15	19
Adjustments in respect of prior years	38	-3
TOTAL	**-609**	**-711**

Note 36 Outstandings on related party transactions

BALANCE SHEET ITEMS PERTAINING TO RELATED PARTY TRANSACTIONS

	06/30/2024		12/31/2023	
	Associates (companies accounted for using the equity method)	Other establishments belonging to the National Confederation	Associates (companies accounted for using the equity method)	Other establishments belonging to the National Confederation
ASSETS				
Financial assets at fair value through profit or loss	33	791	39	870
Financial assets at FVOCI	0	0	0	0
Financial assets at amortized cost	5,284	2,032	5,127	2,295
Investments of insurance activities	0	88	0	88
Insurance contracts issued – Assets	0	0	0	0
Reinsurance contracts held – Assets	0	0	0	0
Other assets	21	9	6	12
TOTAL	**5,338**	**2,920**	**5,172**	**3,265**
LIABILITIES				
Liabilities at fair value through profit or loss	77	209	66	205
Debt securities	0	20	0	20
Due to credit institutions	627	809	470	581
Due to customers	1	5	1	5
Insurance contracts issued – liabilities	0	0	0	0
Subordinated debt	0	55	0	66
Miscellaneous liabilities	0	0	4	1
TOTAL	**704**	**1,100**	**541**	**877**
Financing commitments given	9	0	0	0
Guarantee commitments given	22	3	24	4
Financing commitments received	0	0	0	0
Guarantees commitments received	0	700	0	704

BALANCE SHEET ITEMS PERTAINING TO RELATED PARTY TRANSACTIONS

	06/30/2024		12/31/2023	
	Associates (companies accounted for using the equity method)	Other establishments belonging to the National Confederation	Associates (companies accounted for using the equity method)	Other establishments belonging to the National Confederation
Interest income	88	58	51	52
Interest expense	-50	-21	-36	-16
Commission income	0	6	0	7
Commission expense	0	-6	-0	-5
Net gains/(losses) on financial assets at FVOCI and FVPL	-7	0	19	0
Income from insurance contracts issued	0	1	0	0
Expenses related to insurance contracts issued	0	-62	0	-60
Income and expenses related to reinsurance contracts held	0	0	0	0
Financial income or financial expenses from insurance contracts issued	0	0	0	0
Financial income or expenses related to reinsurance contracts held	0	0	0	0
Net income from financial investments related to insurance activities	0	2	0	3
Other income and expenses	30	28	4	25
General operating expenses	-14	-25	1	-23
TOTAL	**47**	**-19**	**41**	**-16**

Note 37 Fair value hierarchy of financial instruments recognized at amortized cost

The financial instruments presented in this section include loans and borrowings. They do not include non-monetary items (shares), supplier accounts, other asset and liability accounts, or accruals. Non-financial instruments are not discussed in this section.

At December 31, 2023, the group refined the methodology for calculating the fair value of loans and receivables due from customers, which is based on a calculation of discounted estimated future cash flows.

The discount rates used now depend on the type of loan (home, consumer, equipment and cash loans) and the loan rate curves observed in the month preceding the reporting date.

The fair value of financial instruments repayable on demand and regulated customer savings deposits equals the amount that may be requested by the customer, *i.e.* the carrying amount.

Certain group entities may also make assumptions: the market value is the carrying amount for policies whose terms refer to a variable rate, or whose remaining term is less than or equal to one year.

Readers are cautioned that loans and receivables carried at amortized cost are not transferable or are not, in practice, sold prior to maturity. Consequently, capital gains or losses will not be recognized.

However, if financial instruments carried at amortized cost were to be sold, their sale price could differ significantly from the fair value calculated at June 30, 2024.

	06/30/2024					
	Market value	Carrying amount	Level 1	Level 2	Level 3	TOTAL
Financial assets at amortized cost	561,314	594,922	1,772	72,916	486,626	561,314
Loans and receivables due from credit institutions	62,726	68,272	0	62,683	44	62,726
Loans and receivables due from customers[1]	494,527	522,513	0	8,152	486,375	494,527
Securities	4,061	4,137	1,772	2,081	208	4,061
Investments in insurance business line at amortized cost	**391**	**391**	**0**	**391**	**0**	**391**
Loans and receivables	391	391	0	391	0	391
Securities	0	0	0	0	0	0
Financial liabilities at amortized cost	**681,298**	**685,828**	**1,750**	**381,915**	**297,633**	**681,298**
Due to credit institutions	34,913	34,848	0	34,852	61	34,913
Due to customers	477,026	477,410	0	190,865	286,161	477,026
Debt securities	157,244	161,405	501	145,464	11,279	157,244
Subordinated debt	12,116	12,165	1,249	10,734	133	12,116

(1) Including unrealized capital gains on hedging swaps (€3.8 billion), the unrealized capital loss on loans amounted to €24.1 billion.

	12/31/2023					
	Market value	Carrying amount	Level 1	Level 2	Level 3	TOTAL
Financial assets at amortized cost	**556,789**	**592,619**	**2,128**	**71,804**	**482,858**	**556,789**
Loans and receivables due from credit institutions	62,878	66,843	0	62,820	58	62,878
Loans and receivables due from customers	490,148	521,951	0	7,560	482,589	490,148
Securities	3,763	3,825	2,128	1,424	211	3,763
Investments in insurance business line at amortized cost	**179**	**179**	**0**	**179**	**0**	**179**
Loans and receivables	179	179	0	179	0	179
Financial liabilities at amortized cost	**689,135**	**693,324**	**909**	**393,514**	**294,712**	**689,135**
Due to credit institutions	49,585	50,034	0	49,507	78	49,585
Due to customers	480,920	481,095	0	198,443	282,477	480,920
Debt securities[1]	147,249	150,692	0	135,240	12,009	147,249
Subordinated debt	11,380	11,502	909	10,324	147	11,380

(1) The fair value of financial liabilities at amortized cost in the balance sheet is disclosed above in accordance with IFRS 13.

Note 38 Relations with the group's key executives

On April 5, 2024, the Board of Directors of Caisse Fédérale de Crédit Mutuel specified the compensation mechanisms, including the termination benefits for the Chairman and Chief Executive Officer of Caisse Fédérale de Crédit Mutuel:

- following the appointment of Mr. Daniel BAAL as Chairman of the Board of Directors, the Board recorded the payment, in respect of the end of his term of office as Chief Executive Officer, of an indemnity of €1,852,500, according to the rules and criteria defined at the Board of Directors meeting of April 6, 2023. The payment of this indemnity is spread over six years;
- at June 30, 2024, the amounts allocated and not paid to Mr. BAAL represent a commitment estimated at €2,530,000 (including social security contributions);
- the Board also decided to award the new Chief Executive Officer, Mr. Eric PETITGAND, termination benefits corresponding to two years of fixed compensation as a corporate officer subject to performance conditions. The terms and conditions for exercising this compensation were set at the same meeting;
- at June 30, 2024, the termination benefits for Mr. Eric PETITGAND represented a commitment estimated at €2,377,000 (including social security contributions).

It should be recalled that, at the Caisse Fédérale de Crédit Mutuel Board of Directors' meeting of July 25, 2022, Mr. Nicolas THERY, then Chairman of the Board of Directors, had announced his choice to voluntarily waive the termination benefits.

The other positions and functions of the Chairman of the Board of Directors and the Chief Executive Officer within the entities of Crédit Mutuel Alliance Fédérale are exercised on a voluntary basis.

During the year, the group's key executives also benefited from the group's collective insurance and supplementary pension plans. However, the group's key executives did not enjoy any other specific benefits. No capital securities or securities giving access to share capital or the right to acquire capital securities of BFCM or CIC was allocated to them. Additionally, they do not receive attendance fees because of their office, whether in the group companies or in other companies, but because of their functions within the group.

The group's key executives may hold assets or loans with the group's banks, under the conditions offered to all employees.

Note 39 Events after the reporting period and other information

Nil.

5.3 STATUTORY AUDITORS' REPORT ON THE HALF-YEAR FINANCIAL INFORMATION

KPMG S.A.
Siège social
Tour EQHO
2, Avenue Gambetta
CS 60055
92066 Paris la Défense Cedex
France

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

Caisse Fédérale de Crédit Mutuel

4, rue Frédéric-Guillaume Raiffeisen

67000 Strasbourg

Statutory Auditors' report on the 2024 half-year financial information

Period from January 1, 2024 to June 30, 2024

Dear Shareholders,

Pursuant to the assignment entrusted to us by your Shareholders' Meeting, and pursuant to Article L.451-1-2 III of the French Monetary and Financial Code, we conducted:

- the review of the condensed consolidated half-year financial statements of Crédit Mutuel Alliance Fédérale for the period from January 1, 2024 to June 30, 2024, as attached to this report;
- a verification of the information presented in the interim business report.

These condensed consolidated interim financial statements were prepared under the responsibility of the Board of Directors. It is up to us, based on our limited review, to express our conclusion about these statements.

I - Conclusion on the financial statements

We conducted our limited review according to applicable professional standards in France.

A limited review consists essentially in working together with those members of management in charge of accounting and financial matters and implementing analytical procedures. This work is less extensive than that required for an audit conducted according to professional standards applicable in France. Consequently, assurance that the financial statements, taken as a whole, do not include any significant anomalies obtained in the context of a limited review is a moderate assurance, lower than that obtained in the context of an audit.

Based on our limited review, we did not note any significant anomalies of a nature that would question compliance of the condensed consolidated half-year financial statements with IAS 34 – the IFRS standard of reference such as it was adopted by the European Union pertaining to interim financial information.

II - Specific checks

We also checked the information presented in the interim business report commenting on the condensed consolidated half-year financial statements subject to our limited review.

We have no comment to make as to their accuracy or consistency with the condensed consolidated interim financial statements.

The statutory auditors

Paris la Défense, August 9, 2024

KPMG S.A.

Arnaud Bourdeille

Partner

Neuilly-sur-Seine, August 9, 2024

PricewaterhouseCoopers France

Laurent Tavernier

Partner

6 CONSOLIDATED FINANCIAL STATEMENTS OF BANQUE FÉDÉRATIVE DU CRÉDIT MUTUEL

6.1 BFCM CONSOLIDATED FINANCIAL STATEMENTS

6.1.1 Balance sheet

Balance sheet (assets)

(in € millions)	06/30/2024	12/31/2023	Notes
Cash and central banks	89,527	97,074	4
Financial assets at fair value through profit or loss	40,318	33,188	5a
Hedging derivatives	2,615	2,325	6a
Financial assets at fair value through equity	40,731	36,922	7
Securities at amortized cost	4,097	3,786	10a
Loans and receivables to credit institutions and similar at amortized cost	62,355	62,878	10b
Loans and receivables due from customers at amortized cost	337,790	336,388	10c
Revaluation adjustment on rate-hedged books	-1,415	-558	6b
Financial investments of insurance activities	134,258	131,752	13a
Insurance contracts issued – Assets	15	15	13a
Reinsurance contracts held – Assets	313	312	13a
Current tax assets	949	1,076	14a
Deferred tax assets	914	852	14b
Accruals and other assets	9,642	7,580	15a
Non-current assets held for sale	0	0	3c
Investments in equity consolidated companies	893	865	16
Investment property	34	38	17
Property, plant and equipment	2,592	2,426	18a
Intangible assets	493	462	18b
Goodwill	2,308	2,111	19
TOTAL ASSETS	**728,428**	**719,492**	**-**

Balance sheet (liabilities)

(in € millions)	06/30/2024	12/31/2023	Notes
Central banks	31	31	4
Financial liabilities at fair value through profit or loss	24,964	17,939	5b
Hedging derivatives	4,636	4,426	6a
Debt securities at amortized cost	161,008	150,276	11a
Due to credit and similar institutions at amortized cost	48,730	59,280	11b
Due to customers at amortized cost	290,913	299,302	11c
Revaluation adjustment on rate-hedged books	-28	-27	6b
Current tax liabilities	452	532	14a
Deferred tax liabilities	452	453	14b
Deferred income, accrued charges and other liabilities	16,747	10,934	15b
Debt related to non-current assets held for sale	0	0	3c
Insurance contracts issued – liabilities	121,374	119,526	13c, 13d
Provisions	2,743	2,740	20
Subordinated debt at amortized cost	12,675	12,003	21
Total shareholders' equity	**43,732**	**42,079**	**22**
Shareholders' equity – Attributable to the group	**39,206**	**37,771**	**22**
Capital and related reserves	6,568	6,568	22a
Consolidated reserves	30,973	28,011	22a
Gains and losses recognized directly in equity	140	190	22b
Profit (loss) for the period	1,524	3,002	-
Shareholders' equity – Non-controlling interests	**4,526**	**4,308**	**-**
TOTAL LIABILITIES	**728,428**	**719,492**	**-**

6.1.2 Income statement

(in € millions)	06/30/2024	06/30/2023	Notes
Interest and similar income	17,055	13,206	24
Interest and similar expenses	-13,543	-9,891	24
Commissions (income)	2,332	2,132	25
Commissions (expenses)	-698	-638	25
Net gains on financial instruments at fair value through profit or loss	253	467	26
Net gains or losses on financial assets at fair value through shareholders' equity	-13	-91	27
Net gains or losses resulting from derecognition of financial assets at amortized cost	0	0	28
Income from insurance contracts issued	3,712	3,631	29, 29a
Expenses related to insurance contracts issued	-3,085	-3,059	29, 29a
Income and expenses related to reinsurance contracts held	-51	-42	29
Financial income or financial expenses from insurance contracts issued	-3,073	-4,329	29
Financial income or expenses related to reinsurance contracts held	4	2	29
Net income from financial investments related to insurance activities	3,189	4,417	29b
Income from other activities	371	404	30
Expenses on other activities	-275	-263	30
Net revenue	**6,178**	**5,947**	**-**
General operating expenses	-3,041	-2,938	31a, 31d
Movements in depreciation, amortization and provisions for property, plant and equipment and intangible assets	-166	-158	31b, 31c, 31d
Gross operating income	**2,970**	**2,851**	**-**
Cost of counterparty risk	-799	-603	32
Operating income	**2,171**	**2,248**	**-**
Share of net income of equity consolidated companies	40	25	16
Net gains and losses on other assets	-2	0	33
Changes in the value of goodwill	0	0	34
Income before tax	**2,210**	**2,273**	**-**
Income tax	-496	-595	35
Net income	**1,714**	**1,678**	**-**
Net profit/(loss) – Non-controlling interests	189	180	-
GROUP NET INCOME	**1,524**	**1,498**	**-**
Basic earnings per share (in €)	44.44	43.77	36
Diluted earnings per share (in €)	44.44	43.77	36

Statement of net income and gains and losses recognized in shareholders' equity

(in € millions)	06/30/2024	06/30/2023
Net income	**1,714**	**1,678**
Translation adjustments	28	-9
Revaluation of recyclable financial assets at fair value through equity – equity instruments	-31	12
Remeasurement of recyclable hedging derivatives	3	-3
Revaluation of recyclable equity instruments recognized at fair value through equity of insurance activities	-1,280	419
Revaluation of insurance contracts in recyclable shareholders' equity	1,060	-520
Revaluation of reinsurance contracts in recyclable shareholders' equity	1	-0
Share of unrealized or deferred gains and losses of associates	1	-2
Total recyclable gains and losses recognized directly in equity	**-218**	**-102**
Revaluation of financial assets at fair value through equity – equity instruments at closing	-39	3
Revaluation of equity instruments recognized at fair value through equity of insurance activities	125	426
Impact of revaluation of VFA insurance contracts – non-recyclable	-4	1
Actuarial gains and losses on defined benefit plans	55	20
Share of non-recyclable gains and losses of equity consolidated companies	-	0
Total non-recyclable gains and losses recognized directly in equity	**137**	**450**
Net profit/(loss) and gains and losses recognized directly in equity	**1,632**	**2,025**
o/w attributable to the group	*1,475*	*1,736*
o/w percentage of non-controlling interests	*158*	*289*

The terms net to gains and losses recognized directly in equity are presented for the amount net of tax.

6.1.3 Changes in shareholders' equity

				Gains and losses recognized directly in equity							
(in € millions)	Capital	Premiums	Reserves[1]	Translation adjustments	Assets at fair value through equity	Hedging derivatives	Actuarial gains and losses	Group net income	Shareholders' equity attributable to the group	Non-controlling interests	Total consolidated shareholders' equity
Shareholders' equity at December 31, 2022	**1,711**	**4,784**	**25,738**	**120**	**-105**	**19**	**-60**	**2,341**	**34,548**	**4,228**	**38,776**
Appropriation of earnings from previous year	-	-	2,341	-	-	-	-	-2,341	0	-	0
Capital increase	0	-	-	-	-	-	-	-	0	-	0
Distribution of dividends	-	-	-183	-	-	-	-	-	-183	-177	-360
Acquisitions of additional shareholdings or partial disposals	-	-	-	-	-	-	-	-	0	0	0
Subtotal of movements related to relations with shareholders	**0**	**0**	**2,159**	**0**	**0**	**0**	**0**	**-2,341**	**-183**	**-177**	**-360**
Consolidated income for the period	-	-	-	-	-	-	-	1,498	1,498	180	1,678
Changes in gains and (losses) recognized directly in equity	-	-	-	-10	226	-2	25	-	238	110	348
Subtotal	0	0	0	**-10**	**226**	**-2**	**25**	**1,498**	**1,736**	**289**	**2,026**
Impact of acquisitions and disposals on non-controlling interests	-	-	-3	-	-	-	-	-	-3	-4	-7
Other change	-	-	28	-	-	-	-	-	28	-28	0
Shareholders' equity at June 30, 2023	**1,711**	**4,784**	**27,921**	**110**	**121**	**17**	**-36**	**1,498**	**36,126**	**4,308**	**40,435**
Appropriation of earnings from previous year	-	-	0	-	-	-	-	0	0	-	0
Capital increase	4	69	-73	-	-	-	-	-	0	-	0
Distribution of dividends	-	-	0	-	-	-	-	-	0	-207	-207
Acquisitions of additional shareholdings or partial disposals	-	-	-	-	-	-	-	-	0	-	0
Subtotal of movements related to relations with shareholders	**4**	**69**	**-73**	**0**	**0**	**0**	**0**	**0**	**-0**	**-207**	**-207**
Consolidated income for the period	-	-	-	-	-	-	-	1,504	1,481	224	1,667
Changes in gains and (losses) recognized directly in equity	-	-	0	-4	67	-18	-68	-	-23	60	38
Subtotal	**0**	**0**	**0**	**-4**	**67**	**-18**	**-68**	**1,504**	**1,481**	**224**	**1,705**
Impact of acquisitions and disposals on non-controlling interests	-	-	137	-	-	-	-	-	137	-11	126
Other change	-	0	26	-	-	-	-	-	26	-6	20
Shareholders' equity as of December 31, 2023	**1,715**	**4,853**	**28,011**	**106**	**188**	**-1**	**-103**	**3,002**	**37,771**	**4,308**	**42,079**
Appropriation of earnings from previous year	-	-	3,002	-	-	-	-	-3,002	0	-	0
Capital increase	-	-	0	-	-	-	-	-	0	-	0
Distribution of dividends	-	-	-167	-	-	-	-	-	-167	-120	-288
Acquisitions of additional shareholdings or partial disposals	-	-	-	-	-	-	-	-	0	-	0
Subtotal of movements related to relations with shareholders	**0**	**0**	**2,834**	**0**	**0**	**0**	**0**	**-3,002**	**-167**	**-120**	**-288**
Consolidated income for the period	-	-	-	-	-	-	-	1,524	1,524	189	1,714
Changes in gains and (losses) recognized directly in equity	-	-	0	29	-134	3	53	-	-50	-31	-81
Subtotal	**0**	**0**	**0**	**29**	**-134**	**3**	**53**	**1,524**	**1,474**	**159**	**1,633**
Effects of acquisitions and disposals on non-controlling interests[2]	-	-	30	-	-	-	-	-	30	0	30
Other change[3]	-	0	98	-	-	-	-	-	98	180	277
SHAREHOLDERS' EQUITY AT JUNE 30, 2024	**1,715**	**4,853**	**30,973**	**135**	**54**	**1**	**-51**	**1,524**	**39,206**	**4,526**	**43,732**

(1) Total reserves amounted to €30,973 million and at June 30, 2024 and comprise the legal reserve for €172 million, statutory reserves for €8,380 million, and other reserves for €22,422 million.

(2) Concerns the unwinding of the debt relating to the Cofidis put, the recognition of a put at the level of the Press division and the disposal of Caroline 13, 65 and 71.

(3) Concerns the entry into the scope of the La Française sub-group within the GBFCM scope.

6.1.4 Net cash flow statement

(in € millions)	06/30/2024	06/30/2023
Net income	1,714	1,678
Taxes	495	595
Income before tax	**2,209**	**2,273**
+/- Net depreciation and amortization of property, plant and equipment and intangible assets	167	154
- Impairment of goodwill and other fixed assets	-2	1
+/- Net provisions and impairments	459	240
+/- Share of income from companies consolidated using the equity method	-40	-26
+/- Net loss/gain from investing activities	-57	-55
+/- (Income)/expenses from financing activities	-	-
+/- Other movements	3,476	7,363
= Total non-monetary items included in net income before tax and other adjustments	**4,003**	**7,677**
+/- Flows related to transactions with credit institutions	-13,235	-16,998
+/- Flows related to client transactions	-11,108	-8,558
+/- Flows related to other transactions affecting financial assets or liabilities	1,360	572
+/- Flows related to other transactions affecting non-financial assets or liabilities	3,802	2,816
+ Dividends received from equity consolidated companies	11	10
- Taxes paid	-384	-327
= Net decrease/(increase) in assets and liabilities from operating activities	**-19,554**	**-22,485**
TOTAL NET CASH FLOW GENERATED BY OPERATING ACTIVITIES (A)	**-13,342**	**-12,535**
+/- Flows related to financial assets and investments	-344	1
+/- Flows related to investment property	61	56
+/- Flows related to property, plant and equipment and intangible assets	-100	-83
TOTAL NET CASH FLOW RELATED TO INVESTING ACTIVITIES (B)	**-383**	**-26**
+/- Cash flow to or from shareholders	-276	-349
+/- Other net cash flows from financing activities	3,618	7,804
TOTAL NET CASH FLOW RELATED TO FINANCING TRANSACTIONS (C)	**3,342**	**7,455**
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS (D)	**-29**	**-77**
Net increase/(decrease) in cash and cash equivalents (A + B + C + D)	**-10,412**	**-5,183**
Net cash flow generated from operating activities (A)	-13,342	-12,535
Net cash flow related to investing activities (B)	-383	-26
Net cash flow related to financing transactions (C)	3,342	7,455
Effect of foreign exchange rate changes on cash and cash equivalents (D)	-29	-77
Cash and cash equivalents at opening	**84,694**	**96,447**
Cash, central banks (assets and liabilities)	97,014	111,399
Accounts (assets and liabilities) and demand loans/borrowings from credit institutions	-12,320	-14,952
Cash and cash equivalents at closing	**74,282**	**91,264**
Cash, central banks (assets and liabilities)	89,475	105,411
Accounts (assets and liabilities) and demand loans/borrowings from credit institutions	-15,193	-14,147
CHANGE IN NET CASH POSITION	**-10,412**	**-5,183**

6.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF BFCM

Figures in the notes are presented in millions of euros.

Note 1 Accounting policies and principles

Pursuant to Regulation (EC) 1606/2002 on the application of international accounting standards and Regulation (EC) 1126/2008 on their adoption of said standards, the consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union at June 30, 2024.

This standard is available on the European Commission website: https*://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en#ifrs-financial-statements*

These condensed interim consolidated financial statements were prepared pursuant to IAS 34 “Interim Financial Reporting”.

The notes to the interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the fiscal year ended December 31, 2023 as they appear in the 2023 Universal Registration Document.

The financial statements are presented in the format recommended by the *Autorité des normes comptables* (ANC – French Accounting Standards Authority) Recommendation No. 2022-01 on IFRS Summary Financial Statements[1]. They comply with international accounting standards as adopted by the European Union.

Information on risk management is included in the group’s management report.

Amendments applicable from January 1, 2024

The group has applied, since January 1, 2024, the amendment to IFRS 16 on lease liabilities in a sale-leaseback transaction. It clarifies the subsequent treatment of the liability arising from such a transaction when the initial sale of the underlying asset meets the criteria of IFRS 15. The impact assessment related to this amendment is ongoing.

The group does not anticipate any significant impact in relation to this amendment.

Macroeconomic and geopolitical context

The Banque Fédérative du Crédit Mutuel group remains fully mobilized to deal with the impacts of the Ukraine crisis, geopolitical tensions in the Middle East and political uncertainties.

It should be recalled that, as the Banque Fédérative du Crédit Mutuel group does not operate in Ukraine or Russia, direct exposures in these two countries as well as in Belarus are not significant. However, it remains vigilant about the indirect consequences of these crises.

In addition, the legislative elections following the dissolution of the National Assembly in France, and the results, have led to an ongoing uncertain political and economic environment in 2024.

The group has a robust governance and risk management system in place.

In this context, it continually monitors the status of its credit commitments, the value of its portfolios, the management of its interest rate risk and its liquidity. Moreover, the group’s solidity will make it possible to cope with this situation thanks to its level of shareholders’ equity and the ratios stemming from it.

Credit risk

As part of the provisioning of performing loans (in stage 1 & 2), the Banque Fédérative du Crédit Mutuel group takes into account the impacts of successive crises, as well as the macroeconomic outlook.

The level of provisioning is the result of a case-by-case analysis, carried out in order to monitor any potential increase in the credit risk of professional customers or companies in difficulty, and individual customers, who would be affected, directly or indirectly, in an economic context that remains severely deteriorated.

During 2023, in line with the recommendations issued by the European Banking Authority and the European Central Bank, the group has undertaken work to overhaul the multi-scenario approach and *de facto* the methodology for calculating the probability of default used to measure the significant increase in credit risk and the assessment of expected credit losses.

Macroeconomic scenarios

As at June 30, 2024, the group has selected three macro-economic scenarios, which make it possible to take account of the uncertainties associated with the current macro-economic context:

- The central scenario forecasts that with the absorption of the impacts of the Covid crisis, and the lesser pressure on wage negotiations following a slight increase in unemployment, the inflation rate will be halved in 2024, to 2.5%, and will trend towards the target (2%) as of 2025. GDP growth would be expected to be low in the second half of 2024 and in 2025, but the prospect of recession is ruled out. The first key rate cut in June 2024 (-0.25 points) would be followed by further slight declines through to the first quarter of 2026 to reach 2.25%. Short-term interest rates would follow the trajectory of ECB rates, while long-term rates would be more stable. The yield curve would remain inverted until 2025, normalizing in 2026. The Livret A passbook account rate is fixed at 3% until January 31, 2025, before the calculation formula is applied again.

[1] *It should be noted that the group has chosen to group the financial instruments carried by its insurance divisions, in a different way from that proposed by the Recommendation. See Section 2.2 “Insurance activities”.*

- The optimistic scenario foresees a faster-than-expected fall in inflation, thanks to the decline in commodity prices. Less restrictive financing conditions, linked to the reduction in key rates, will promote economic growth, which will be stronger than that of the central scenario, with the yield curve expected to normalize from 2025.
- The pessimistic scenario anticipates a sharp price-wage spiral and an acceleration in inflation at the end of 2024, as well as the continuation of the ECB's key rate hike in 2024. This would lead to an economic recession (-1.0%) in 2024. The ECB would lower its key rates and the effects of this monetary policy would be felt from mid-2025, with a return to growth.

Macroeconomic variables and projections used in the central scenario

The main variables used to determine expected credit losses in the central scenario are detailed below:

Macroeconomic assumptions France	2024 average	2025 average	2026 average	2027 average
Inflation rate excluding tobacco	2.5%	2.0%	2.0%	2.0%
Oil price (in $)	90	90	90	90
GDP growth rate	0.6%	1.1%	1.2%	1.2%
Unemployment rate (end of period)	7.8%	7.8%	7.7%	7.6%
Eurozone				
EURIBOR 3 months	3.89%	2.95%	2.39%	2.35%
France				
TEC 10 years	2.98%	2.81%	2.80%	2.80%

Weighting of macroeconomic scenarios

The weightings reflect the economic cycle forecast by the Banque Fédérative du Crédit Mutuel group's economists.

Changes in weightings result from the methodological changes described above:

	Central scenario	Pessimistic scenario	Optimistic scenario
At June 30, 2023	19%	80%	1%
At December 31, 2023	60%	30%	10%
At June 30, 2024	60%	30%	10%

The restructuring work carried out during 2023 has made it possible to better understand the prospective dimension of the expected credit loss calculation. Expected credit losses at June 30, 2024 amounted to €2,640 million, varying by €17 million compared to December 31, 2023.

Since December 31, 2023, however, the group has deployed specific post-model adjustments:

- the first reinforces the model's forward-looking dimension, given the strong macroeconomic uncertainties arising from the current economic climate;
- the second is a sectoral adjustment. It is used to supplement the level of provisioning for those sectors most exposed to the risks of climate transition and/or the effects of current crises, and which represent material exposures in terms of the group's business model.

At June 30, 2024, these two post-model adjustments amounted to €128 million and €71 million, respectively. They represent 7.5% of total expected credit losses (compared to 9.9% at December 31, 2023).

Sensitivity analysis

The group assesses the sensitivity of the amount of expected credit losses (including post-model adjustments). These analyses show that a 100% weighting of the:

- pessimistic scenario would imply an additional provision for expected credit losses of 9.2%, or €244 million;
- optimistic scenario would, on the other hand, lead to a 33% reduction in expected credit losses, or €877 million;
- central scenario would lead to a decrease in expected credit losses of 25%, or €661 million.

Risk management information

Presented in Chapter 5 of the 2023 Universal Registration Document.

1. Scope and methods of consolidation

1.1 Consolidating entity

The parent company of the group is Banque Fédérative du Crédit Mutuel.

1.2 Consolidation scope

The general principles for determining whether an entity is included in the consolidation scope are defined by IFRS 10, IFRS 11 and IAS 28R.

Entities that are controlled or under significant influence that do not have a significant character in relation to the consolidated financial statements are excluded from the consolidation scope. This situation is assumed when the balance sheet total or the profit or loss of a company has no impact greater than 1% of the consolidated or sub-consolidated equivalent (in the case of consolidation by level). This quantitative criterion is but relative; an entity may be included within the scope of consolidation regardless of this threshold when its business or its expected development gives it the status of a strategic investment.

The consolidation scope comprises:

Controlled entities: control exists when the group has power over the entity, is exposed to or is entitled to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the returns it obtains. The financial statements of controlled entities are fully consolidated.

Entities under joint control: joint control is the contractually-agreed sharing of control over an entity, which exists only in the case where decisions concerning key activities require the unanimous consent of the parties sharing control. Two or more parties that exercise joint control constitute a partnership, which is either a jointly controlled operation or a joint venture:

- a jointly controlled operation is a partnership in which the parties exercising joint control have rights over the assets and obligations pursuant to liabilities relative to the entity: this involves recognizing the assets, liabilities, income and expenses relative to interests held in the entity;
- a joint venture is a partnership in which the parties who exercise joint control have rights over the net assets of the entity: the joint venture is accounted for according to the equity method.

All entities under joint control of the group are joint ventures according to the meaning of IFRS 11.

Entities over which the group has significant influence: these are entities that are not controlled by the “consolidating” entity, which may, however, participate in these entities’ financial and operating policy decisions. Shareholdings in entities over which the group has significant influence are accounted for using the equity method.

Investments held by private equity companies and over which joint control or significant influence is exercised are recognized at fair value through profit or loss.

1.3 Consolidation methods

The consolidation methods used are the following:

1.3.1 Full consolidation

This method involves replacing the value of the shares held in the subsidiary concerned with each of the assets and liabilities of said subsidiary and showing separately the value of non-controlling interests in equity and net income. This is the method used for all controlled entities, including those with a different account structure, regardless of whether the business concerned is an extension of that of the consolidating entity.

1.3.2 Consolidation using the equity method

This method involves replacing the value of the shares held with the equity attributable to the group and net income of the entities concerned. It is applied to all entities under joint control, classified as joint ventures or for all entities under significant influence.

1.4 Non-controlling interests

Non-controlling interests correspond to interests that do not confer control as defined by IFRS 10 and include partnership interests that entitle their holders to a share in net assets in the event of liquidation and other equity instruments issued by subsidiaries that are not held by the group.

Consolidated UCITS, particularly those representing unit-linked policies of insurance entities, are recognized at fair value through profit or loss. The amounts corresponding to non-controlling interests are shown under “Other liabilities”.

In accordance with IAS 32, the group recognized a liability for the commitment to increase its stake in Cofidis Participation to 100%. The counterparty was recorded as a reduction of minority interests and a reduction of the group’s share for the excess amount.

1.5 Reporting date

The reporting date for all of the group’s consolidated companies is December 31.

1.6 Elimination of intercompany transactions and balances

Intercompany transactions and balances, as well as gains or losses on intercompany sales that have a material impact on the consolidated financial statements, are eliminated.

1.7 Foreign currency translation

The balance sheets of foreign subsidiaries are translated into euros at the official reporting date exchange rate. Differences arising from exchange rate fluctuations impacting the share capital, reserves and retained earnings are recorded as a separate component of equity, under "Cumulative translation adjustments". The income statement is translated at the average exchange rate for the fiscal year, which is an acceptable proxy given the absence of significant exchange rate fluctuations during the period. The resulting translation differences are recorded under "Cumulative translation adjustments". On liquidation or disposal of some or all of the interests held in a foreign entity, these amounts are recognized through the income statement.

1.8 Goodwill

1.8.1 Fair value adjustments

At the date of acquisition of a controlling interest in a new entity, said entity's assets, liabilities and contingent liabilities are measured at their fair value. Fair value adjustments correspond to the difference between the carrying amount and fair value.

1.8.2 Goodwill

In accordance with IFRS 3, at the date of acquisition of a controlling interest in a new entity, said entity's identifiable assets, liabilities and contingent liabilities that meet the criteria for recognition under IFRS are measured at their fair values at the acquisition date, with the exception of non-current assets classified as assets held for sale under IFRS 5, which are recognized either at the fair value net of selling costs or their net carrying amount, whichever is the lowest. Goodwill corresponds to the sum of the consideration transferred and non-controlling interests, less the net amount recognized (generally at fair value) as identifiable assets acquired and liabilities assumed. IFRS 3R allows the recognition of full goodwill or partial goodwill and the choice of method is made separately for each business combination. In the case of full goodwill, non-controlling interests are measured at fair value, whereas in the case of partial goodwill, they are measured based on their share of the values attributed to the assets and liabilities of the acquired entity. If the goodwill is positive, it is recognized as an asset and, if negative, it is recognized immediately in the income statement under "Changes in the value of goodwill".

If the group's stake in an entity it already controls, increases/decreases, the difference between the share acquisition cost/selling price and the portion of consolidated equity that said shares represent on the acquisition/sale date is recognized within equity.

Goodwill is presented on a separate line in the balance sheet for fully consolidated companies and under "investments in equity consolidated companies" when the entities are consolidated using this method.

Goodwill does not include direct costs related to acquisitions, which according to IFRS 3R, are recognized in profit or loss.

Goodwill is tested for impairment regularly by the group (at least once a year). The tests are designed to identify whether the goodwill has suffered a decline in value. Goodwill from a business combination is allocated to cash-generating units (CGUs) or groups of CGUs likely to benefit from the synergies generated by the business combination. The recoverable amount from a CGU or group of CGUs is the value in use or the fair value less selling costs, whichever is the highest. The value in use is measured in relation to estimated future cash flows, discounted at the interest rate that reflects the current market assessments of the time value of money and specific risks to the asset of the CGU. If the recoverable amount of the cash-generating unit (CGU) to which the goodwill has been allocated is less than its carrying amount, an impairment loss is recognized for the amount of the difference. This impairment, which is recognized in the income statement, is irreversible. In practice, cash-generating units are defined on the basis of the group's business lines.

When goodwill concerns a related company or a joint venture, it is included in the carrying amount of the value of consolidation using the equity method. In this case, it is not subject to impairment testing separately from the value of consolidation using the equity method. When the recoverable amount of this (namely the higher of the values between the value in use and the fair value less selling costs) is less than its carrying amount, a loss in value is recognized and not allocated to a specific asset. Any reversal of this impairment loss is recognized to the extent that the recoverable amount of consolidation using the equity method increases at a later date.

2. Accounting policies and principles

2.1 Financial instruments under IFRS 9

2.1.1 Classification and measurement of financial assets

Under IFRS 9, the classification and measurement of financial instruments depend on the business model and contractual terms of the financial instruments.

2.1.1.1 Loans, receivables and debt securities acquired

The asset is classified:

- at amortized cost, if it is held in order to collect contractual cash flows and if its characteristics are similar to those of a "basic" contract, see the Section below "Cash flow characteristics" ("hold-to-collect" model);
- at fair value through equity if the instrument is held to collect the contractual cash flows and to sell them when the opportunity arises, yet without holding it for trading, and if its characteristics are similar to those of a basic contract implicitly entailing a high predictability of associated cash flows ("hold-to-collect and sell" model);
- at fair value through profit or loss if:
  - it is not eligible for the two aforementioned categories (as it does not meet the "basic" criterion and/or is managed in accordance with the "other" business model), or

- the group initially opts to classify it as such, in an irrevocable way. This option is used to reduce accounting mismatch in relation to another associated instrument.

Cash flow characteristics

Contractual cash flows which solely represent repayments of principal and the payment of interest on outstanding principal are compatible with a “basic” contract.

In a basic contract, interest mainly represents the consideration for the time value of money (including in the event of negative interest) and credit risk. Interest may also include the liquidity risk, administrative fees to manage the asset and a profit margin.

All contractual clauses must be analyzed, in particular those that could alter the timing or amount of contractual cash flows. The option, under the agreement, for the borrower or lender to repay the financial instrument early is compatible with the SPPI[1] criterion for contractual cash flows, provided that the amount repaid essentially represents the outstanding principal and accrued interest, as well as, where applicable, early repayment compensation of a reasonable amount.

The compensation for early repayment is deemed reasonable if, for example:

- it is expressed as a percentage of the principal repaid and is below 10% of the nominal amount repaid; or
- it is determined according to a formula aimed at compensating the difference in the benchmark interest rate between the date on which the loan was granted and its early repayment date.

The analysis of contractual cash flows may also require their comparison with those of a reference instrument when the time value of money included in the interest is likely to change due to the contractual clauses of the instrument. This is the case, for example, when the interest rate of the financial instrument is revised periodically, but the frequency of such revisions is unrelated to the period for which the interest rate was established (*e.g.* monthly revision of an annual interest rate), or when the interest rate of the financial instrument is revised periodically based on an average interest rate.

If the difference between the undiscounted contractual cash flows of the financial asset and those of the reference instrument is significant, or may become so, the financial asset cannot be considered as basic.

Depending on the case, the analysis is either qualitative or quantitative. The materiality or immateriality of the difference is assessed for each fiscal year and cumulatively over the life of the instrument. The quantitative analysis takes into account a range of reasonably possible scenarios. To this effect, the group has used yield curves dating back to the year 2000.

Moreover, a specific analysis is conducted in the case of securitization where there is priority of payment among holders and credit risk concentrations in the form of tranches. In that case, the analysis requires the examination of the contractual characteristics of the tranches in which the group has invested and of the underlying financial instruments, as well as the credit risk of the tranches in relation to the credit risk of the underlying financial instruments.

Note that:

- embedded derivatives in financial assets are no longer accounted for separately, which implies that the entire hybrid instrument is then considered as non-basic and recorded at fair value through profit or loss;
- units in UCITS or real estate UCI (OPCI) are not basic instruments and are recognized at fair value through profit or loss.

Business models

The business model represents the way in which the instruments are managed to generate cash flows and revenues. It is based on observable facts and not simply on management’s intention. It is not assessed at the entity level, or on an instrument-by-instrument basis, but rather at a higher level of aggregation which reflects the way in which groups of financial assets are managed collectively. It is determined at initial recognition and may be reassessed in the event of a change in model (exceptional cases).

To determine the business model, it is necessary to consider all available information, including the following:

- how the activity’s performance is reported to decision-makers;
- how managers are compensated;
- the frequency, timing and volumes of sales in previous periods;
- the reason for the sales;
- future sales forecasts;
- the way in which risk is assessed.

For the “hold-to-collect” business model, certain examples of authorized sales are explicitly set out in the standard:

- in response to an increase in credit risk;
- close to maturity and that the proceeds from these sales correspond approximately to the contractual cash flows still to be received;
- exceptional (*e.g.* linked to a liquidity stress).

Frequent disposals (of insignificant unit value) or infrequent disposals (even if of significant unit value) are compatible with the hold-to-collect model.

[1] *SPPI: Solely Payments of Principal and Interest.*

These "authorized" disposals are not taken into account in the analysis of the significant and frequent nature of sales made from a portfolio. Disposals linked to changes in the regulatory or tax framework will be documented on a case-by-case basis in order to demonstrate the "infrequent" nature of such disposals.

For other disposals, thresholds have been defined according to the maturity of the securities portfolio*, e.g.* 2% of annual disposals on outstandings in the portfolio with an average maturity of eight years (the group does not sell its loans accounted for in a hold-to-collect model).

The group has mainly developed a model based on the collection of contractual cash flows from financial assets, which applies in particular to the customer financing activities.

It also manages financial assets according to a model based on the collection of contractual cash flows from financial assets and the sale of these assets, as well as a model for other financial assets, in particular financial assets held for trading.

Within the group, the "hold-to-collect-and-sell" model applies primarily to proprietary cash management and liquidity portfolio management activities. Financial assets held for trading consist of securities originally acquired with the intention of reselling them in the near future, as well as securities that are part of a portfolio of securities that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

Financial assets at amortized cost

These mainly include:

- cash and cash equivalents, which comprise cash accounts, deposits, and demand loans and borrowings with central banks and credit institutions;
- other loans to credit institutions and loans to customers (granted directly, or the share in syndicated loans), not measured at fair value through profit or loss;
- a portion of the securities held by the group.

The financial assets classified in this category are initially recognized at their fair value, which is generally the net amount disbursed. The interest rates applied to loans granted are deemed to represent market rates, since they are constantly adjusted in line with the interest rates applied by the vast majority of competing banks.

At subsequent reporting dates, the assets are measured at amortized cost using the effective interest rate method. The effective interest rate is the rate that exactly discounts future cash payments or receipts over the estimated life of the financial instrument to obtain the net carrying amount of the financial asset or liability. It takes into account estimated cash flows excluding future losses on loans and includes commissions paid or received when these are treated as interest, as well as directly-related transaction costs and all premiums and discounts.

For securities, the amortized cost takes into account the amortization of premiums and discounts, as well as acquisition costs, if significant. Purchases and sales of securities are recognized on the settlement date.

The income received is shown in the income statement under "Interest and similar income".

Commissions received or paid, which are directly linked to the arrangement of a loan and are treated as a component of interest, are spread over the term of the loan using the effective interest rate method and are recorded in the income statement under "Interest".

Commissions received in connection with the commercial renegotiation of loans are also spread over the term of the loan.

The restructuring of a loan following the debtor's financial difficulties entails novation of the contract. Following the definition of this concept by the European Banking Authority, the group integrated it into the information systems so that the accounting and prudential definitions are harmonized.

The fair value of assets at amortized cost is disclosed in the notes to the financial statements at the end of each reporting period. It corresponds to the net present value of future cash flows estimated using a zero-coupon yield curve that includes an issuer cost specific to the debtor.

State-guaranteed loans (SGLs)

The group is committed to the government's COVID-19 crisis-related plan to support the economy. This was further strengthened in April 2022, in the context of the conflict in Ukraine.

The group offers:

- until June 30, 2022, State-guaranteed loans (SGLs) to support the cash flow of its business and corporate customers, and
- until December 31, 2023, Resilience SGLs for customers that have not taken out an SGL since March 2020 or who have not exceeded the limit on their first SGL.

SGLs represent 12-month bullet loans with grace periods of one to five years. At the date of subscription, the interest rate of the SGL was set at 0%, increased by the cost of the State guarantee set at between 0.25% and 0.50% (and rebilled *via* a commission paid by the customer).

At the end of the first 12 months, the beneficiary of the SGL has the option of setting a new SGL term (limited to six years in total) and amortization terms. In accordance with the government announcements of January 14, 2021, the beneficiary will be able to obtain a "deferral of one additional year" to start repaying the capital.

The Banque Fédérative du Crédit Mutuel group believes that this deferred amortization measure falls within the legal framework of the SGL (*i.e.* adjustment of the contractual schedule, with a first annual repayment term). This "deferral" does not represent, taken in isolation, an indicator of a deterioration in credit risk or the probable default of the borrower (*i.e.* unlikely to pay).

Held for the purpose of collecting cash flows and meeting the basic loan criteria, they are accounted for at amortized cost, using the effective interest rate method. On the date of initial recognition, they are recognized at their nominal value, which is representative of their fair value.

On the subscription anniversary date, SGLs may be subject to a grace period. The revision of flows related to the recognition of guarantee commissions over the duration of the grace period is recognized as an adjustment to the carrying amount of SGLs with an immediate and positive impact on profit. This impact was immaterial as of the reporting date.

At June 30, 2024, State-guaranteed loans issued by the group amounted to €6.1 billion, backed to the tune of €5.5 billion. Outstandings downgraded to stage 3 totaled €1.1 billion.

The valuation of the expected credit losses for these loans takes into account the effect of the state guarantee (implemented by the Banque Publique d'Investissement) for 70% to 90% of the outstanding capital and interest. At June 30, 2024, the impairment amounted to €0.1 billion.

Financial assets at fair value through equity

For the Banque Fédérative du Crédit Mutuel group, this category solely consists of securities. They are recognized at fair value in the balance sheet at the time of their acquisition, on the settlement date and at subsequent reporting dates until their disposal. Changes in fair value are shown on the "Unrealized or deferred gains and losses" line within a specific equity account, excluding accrued income. These unrealized gains or losses recognized in equity are only recognized in the income statement in the event of disposal or impairment (see Sections 2.1.7 "Derecognition of financial assets and liabilities" and 2.1.8 "Measurement of credit risk").

Income accrued or received is recognized in profit or loss under "Interest and similar income", using the effective interest method.

Financial assets at fair value through profit or loss

They are recognized at fair value at the time of their initial recognition and subsequently up to the date of their disposal (see Section 2.1.7 "Derecognition of financial assets and liabilities"). Changes in fair value are taken to the income statement under "Net gains/(losses) on financial instruments at fair value through profit or loss".

Income received or accrued on financial instruments at fair value through profit or loss is recognized in the income statement under interest income/(expense). Before, this interest was recognized under "Net gains/(losses) on financial instruments at fair value through profit or loss", in order to be consistent with the regulatory statements sent to the ECB as part of the Short Term Exercise (STE).

Purchases and sales of securities measured at fair value through profit or loss are recognized on the settlement date. Changes in fair value between the transaction date and the settlement date are recognized in profit or loss.

2.1.1.2 Equity instruments acquired

Equity instruments acquired (shares, in particular) are classified as follows:

- at fair value through profit or loss; or
- optionally, at fair value through other non-recyclable equity at the initial recognition and in an irrevocable manner when they are not held for trading.

Financial assets at fair value through equity

Shares and other equity instruments are recorded in the balance sheet at their fair value at the time of their acquisition and at subsequent reporting dates until their disposal. Changes in fair value are shown on the "Unrealized or deferred gains and losses" line within a specific equity account. These unrealized or deferred gains and losses booked to equity are never recognized in the income statement, even when they are sold (see Section 2.1.7 "Derecognition of financial assets and liabilities"). Only dividends received on variable-income securities are recorded in the income statement, under "Net gains/(losses) on financial assets on fair value through equity". Purchases and sales of securities are recognized on the settlement date.

Financial assets at fair value through profit or loss

Equity instruments are recognized in the same way as debt instruments at fair value through profit or loss.

2.1.2 Classification and measurement of financial liabilities

Financial liabilities are classified in one of the following two categories:

2.1.2.1 Financial liabilities measured at fair value through profit or loss

- those incurred for trading purposes including, by default, derivatives with a negative fair value which do not qualify as hedging instruments; and
- non-derivative financial liabilities that the group originally classified as measured at fair value through profit or loss (fair value option). These include:
  - financial instruments containing one or more separable embedded derivatives,
  - instruments for which, were the fair value option is not applied, the accounting treatment would be inconsistent with that applied to another related instrument,
  - instruments belonging to a pool of financial instruments measured and managed at fair value.

The recognition of changes in fair value resulting from own credit risk concerning debts optionally designated at fair value through profit or loss is recognized in unrealized or deferred profit or loss in non-reclassifiable equity. The group is marginally concerned by the problem of own credit risk.

2.1.2.2 Financial liabilities at amortized cost

These consist of other non-derivative financial liabilities. These include amounts due to customers and to credit institutions, debt securities (certificates of deposit, interbank market securities, bonds, TLTRO[1] II and III refinancing securities etc.), as well as dated and undated subordinated debt for which measurement at fair value through profit or loss was not opted for.

Subordinated debt is separated from other debt securities since, in the event of liquidation of the debtor's assets, it is repaid only after claims by other creditors have been extinguished. Debt securities include the non-preferred senior debt instruments created by the Sapin 2 Law.

These liabilities are initially recognized at fair value in the balance sheet. At subsequent reporting dates, they are measured at amortized cost using the effective interest rate method. The initial fair value of issued securities is their issue price less transaction costs, where applicable.

Regulated savings contracts

Liabilities carried at amortized cost include *comptes épargne logement* (CEL – mortgage saving accounts) and *plans épargne logement* (PEL – mortgage saving plans), which are regulated French products available to customers (natural persons). In the initial savings phase, account holders receive interest on amounts paid into these accounts, which subsequently entitle them to a mortgage loan (second phase). They generate two types of obligations for the distributing establishment:

- an obligation to pay interest on paid-in amounts at a fixed rate (in the case of PEL accounts only, as interest on CEL accounts is regularly revised on the basis of an indexation formula and is therefore treated as variable-rate interest);
- an obligation to grant loans to customers under predetermined terms (both PEL and CEL).

The cost represented by these obligations has been estimated on the basis of behavioral statistics and market data. A provision is recognized in liabilities to cover the future costs relating to the risk that the terms of such products may be potentially unfavorable, compared to the interest rates offered to retail customers on similar, but unregulated, products. This approach is carried out by homogeneous generation in terms of regulated conditions of PEL and CEL accounts. The impact on profit or loss is included in interest paid to customers.

Targeted long-term refinancing operations – TLTRO III

TLTRO III transactions are financial liabilities at amortized cost.

Since September 2019, the TLTRO III program has enabled banks to benefit from seven new refinancing tranches with a respective duration of three years, and with interest rates that vary according to periods, and since January 2021 from three additional tranches.

The amount of TLTRO III at which the Banque Fédérative du Crédit Mutuel group can borrow depends on the percentage of outstanding loans granted to non-financial corporates and households at the end of February 2019.

The TLTRO III interest rate is based on the market conditions defined by the ECB and may include a subsidy linked to the bank's credit performance.

In the context of the health crisis, the ECB relaxed the terms of these refinancing operations to support lending to households and businesses. Some target parameters have been recalibrated[2]. In particular, more favorable conditions made it possible to benefit from a reduction of 50 bps over the special and additional special interest periods from June 2020 to June 2022[3].

Since June 2022, as part of its monetary policy measures, the ECB had successively raised its three key rates to sufficiently restrictive levels to ensure a return to the 2% inflation target in the medium term.

On October 27, 2022, the ECB recalibrated the terms of compensation for TLTRO III operations in order to reinforce the transmission of higher key rates to bank lending conditions. The interest conditions applicable to the TLTRO III have been adjusted from November 23, 2022 (and additional early redemption dates have been opened).

They are described below and take into account the achievement by the group of the credit performance targets set by the ECB over all the reference periods of the program:

- from its start date until November 22, 2022 inclusive and excluding the special or additional special interest period, the interest rate for TLTRO III operations represents the average of the deposit facility rate over this period (and no longer over the life of the operation);
- during the special interest and additional special interest periods (from June 24, 2020 to June 23, 2021 inclusive and from June 24, 2021 to June 23, 2022 inclusive, respectively), it is equal to the average of the deposit facility rates over the period less 0.50% (application of a -1% cap);
- from November 23, 2022 until the maturity date (or early repayment date), the interest rate of the TLTRO III operations will be indexed to the average of the key ECB interest rates applicable during that period.

This change is accompanied by the opening of three additional early repayment dates.

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[1] *Targeted Longer-Term Refinancing Operations.*
[2] *Decision (EU) 2021/124 of the ECB of January 29, 2021 amending Decision (EU) 2019/1311 concerning a third round of targeted longer-term refinancing operations (ECB/2021/3 published in the OJEU on February 3, 2021).*
[3] *Decision (EU) 2020/614 of the European Central Bank of April 30, 2020 amending Decision (EU) 2019/1311 on a third round of targeted longer-term refinancing operations (ECB/2020/25).*

According to the Banque Fédérative du Crédit Mutuel group, the TLTRO III transactions represent variable rate financial instruments carried at amortized cost. The adjustment to the interest rate conditions following this decision must be recognized in accordance with the provisions of IFRS 9 on changes in market rates for variable rate instruments.

The interest recognized but not yet due by the group takes into account, until November 22, 2022, the effect of the change in the interest rate formula between the beginning of the transaction and that date. As of November 23, 2022, the effective interest rate of the TLTRO financing transactions is calculated on the basis of the average of the deposit facility rates known between November 23, 2022 and June 30, 2026.

At June 30, 2024, the Banque Fédérative du Crédit Mutuel group participated in the TLTRO III refinancing transactions for an amount of €0.5 billion (compared to €11.7 million at December 31, 2023).

2.1.3 Debt-equity distinction

According to the IFRIC 2 interpretation, members' shares are shareholders' equity if the entity has an unconditional right to refuse redemption or if there are legal or statutory provisions prohibiting or significantly limiting redemption. Due to the existing statutory and legal provisions, the members' shares issued by structures composing the Banque Fédérative du Crédit Mutuel group's consolidating entity are recognized in shareholders' equity.

Other financial instruments issued by the group are classified as debt instruments in the group's accounts when the group has a contractual obligation to deliver cash to holders of the instruments. This is the case for subordinated notes issued by the group.

2.1.4 Foreign currency transactions

Assets and liabilities denominated in a currency other than the functional currency are translated at the exchange rates at the reporting date.

2.1.4.1 Monetary financial assets and liabilities

Foreign currency gains and losses on the translation of such items are recorded in the income statement under "Net gains/(losses) on portfolio at fair value through profit or loss".

2.1.4.2 Non-monetary financial assets or liabilities measured at fair value

Foreign exchange gains or losses arising from such translations are recognized in the income statement under "Net gains/(losses) at fair value through profit or loss" if measured at fair value through profit or loss, or recognized under "Unrealized or deferred capital gains/(losses)" if they are financial assets measured at fair value through equity.

2.1.5 Derivatives and hedge accounting

IFRS 9 allows entities to choose, on first-time application, whether to apply the new provisions concerning hedge accounting or to retain those of IAS 39.

The group has elected to continue to apply the provisions of IAS 39. However, in accordance with IFRS 7 (revised), additional information on the management of risks and the impacts of hedge accounting on the financial statements is provided in the notes or in the management report.

Moreover, the provisions of IAS 39 concerning the fair value hedge of the interest rate risk associated with a portfolio of financial assets or financial liabilities, as adopted by the European Union, continue to apply.

Derivatives are financial instruments which have the following three characteristics:

- their value fluctuates in response to changes in the underlying items (interest rates, exchange rates, share prices, indices, commodities, credit ratings, etc.);
- their initial cost is low or nil;
- their settlement takes place at a future date.

The Banque Fédérative du Crédit Mutuel group uses simple derivative instruments (swaps, vanilla options), mainly interest rate instruments, which are essentially classified in level 2 of the value hierarchy.

All financial derivative instruments are recorded at fair value under financial assets or financial liabilities. They are recognized by default as trading instruments unless they can be classified as hedging instruments.

2.1.5.1 Determining the fair value of derivatives

Most over-the-counter derivatives, swaps, forward rate agreements, caps, floors and vanilla options are valued using standard, generally accepted models (discounted cash flow method, Black and Scholes model or interpolation techniques), based on observable market data such as yield curves. The valuations given by these models are adjusted to take into account the liquidity risk and the credit risk associated with the instrument or parameter concerned and specific risk premiums intended to offset any additional costs resulting from a dynamic management strategy associated with the model in certain market conditions, as well as the counterparty risk captured by the positive fair value of over-the-counter derivatives. The latter includes the own counterparty risk present in the negative fair value of over-the-counter derivatives.

When establishing valuation adjustments, each risk factor is considered individually and no effect of diversification between risks, parameters or models of a different nature are taken into account. A portfolio approach is most often used for a given risk factor.

Derivatives are recognized as financial assets when their market value is positive and as financial liabilities when their market value is negative.

2.1.5.2 Classification of derivatives and hedge accounting

Derivatives classified as financial assets or financial liabilities at fair value through profit or loss

By default, all derivatives not designated as hedging instruments under IFRS are classified as "Financial assets or financial liabilities at fair value through profit or loss", even if they were contracted for the purpose of hedging one or more risks.

Embedded derivatives

An embedded derivative is a component of a hybrid instrument that, when separated from its host contract, meets the definition criteria for a derivative. It has the effect, notably, of changing certain cash flows in the same way as a stand-alone derivative.

The derivative is detached from the host contract and recognized separately as a derivative instrument at fair value through profit or loss only if all of the following conditions are satisfied:

- it meets the definition criteria of a derivative;
- the hybrid instrument hosting the embedded derivative is not measured at fair value through profit or loss;
- the economic characteristics of the derivative and the associated risks are not considered as being closely related to those of the host contract;
- separate measurement of the embedded derivative is sufficiently reliable to provide relevant information.

As these are financial instruments under IFRS 9, only embedded derivatives relating to financial liabilities may be separated from the host contract to be recognized separately.

Realized and unrealized gains and losses are recognized in the income statement under "Net gains/(losses) on financial instruments at fair value through profit or loss".

Hedge accounting

Risks hedged

In its accounts, the group only recognizes interest rate risk through micro-hedging, or on a larger scale through macro-hedging.

Micro-hedging is the partial hedging of the risks incurred by an entity on its assets and liabilities. It specifically applies to one or more assets or liabilities for which the entity covers the risk of an unfavorable change in a type of risk, through derivatives.

Macro-hedging aims to cover all of the group's assets and liabilities against any unfavorable changes, particularly in interest rates.

The overall management of the interest rate risk is described in the management report, along with the management of all other risks (foreign exchange, credit, etc.) that may be hedged through the natural backing of assets to liabilities or the recognition of trading derivatives.

Micro-hedging is used in particular in the context of asset swaps. It generally aims to transform a fixed-rate instrument into a variable-rate instrument.

Three types of hedging relationship are possible. The choice of the hedging relationship depends on the nature of the risk being hedged:

- a fair value hedge hedges the exposure to changes in the fair value of financial assets or financial liabilities;
- a cash flow hedge is a hedge of the exposure to variability in cash flows relating to financial assets or financial liabilities, firm commitments or forward transactions;
- the hedging of net investments in foreign currencies is recognized in the same way as cash flow hedging. The group has not used this form of hedging.

Hedging derivatives must meet the criteria stipulated by IAS 39 to be designated as hedging instruments for accounting purposes. In particular:

- the hedging instrument and the hedged item must both qualify for hedge accounting;
- the relationship between the hedged item and the hedging instrument must be documented formally immediately upon inception of the hedging relationship. This documentation sets out the risk management objectives determined by management, the nature of the risk hedged, the underlying strategy and the methods used to measure the effectiveness of the hedge;
- the effectiveness of the hedge must be demonstrated upon inception of the hedging relationship, subsequently throughout its life, and at least at each reporting date. The ratio of the change in value or gain/loss on the hedging instrument to that of the hedged item must be within a range of 80% to 125%.

Where applicable, hedge accounting is discontinued prospectively.

Fair value hedge of identified financial assets or liabilities

In a fair value hedging relationship, derivatives are remeasured at fair value through profit or loss under “Net gains/(losses) on financial instruments at fair value through profit or loss” symmetrically with the revaluation of the hedged items to reflect the hedged risk. This rule also applies if the hedged item is recognized at amortized cost or is a debt instrument classified under “Financial assets at fair value through equity”. Changes in the fair value of the hedging instrument and the hedged risk component offset each other partially or totally; only the ineffective portion of the hedge is recognized in profit or loss. It may be due to:

- the “counterparty risk” component integrated in the value of the derivatives;
- the different value curve between the hedged items and hedging instruments. Indeed, swaps are valued with an OIS curve if they are collateralized or with a BOR curve otherwise. Hedged items are valued using a BOR curve.

The portion corresponding to the rediscounting of the derivative financial instrument is recognized in the income statement under “Interest income/(expense)”. The same treatment is applied to the interest income or expense relating to the hedged item.

If the hedging relationship is interrupted or the effectiveness criteria are not met, hedge accounting is discontinued on a prospective basis. The hedging derivatives are transferred to “Financial assets or financial liabilities at fair value through profit or loss” and are accounted for in accordance with the principles applicable to this category. The carrying amount of the hedged item is subsequently no longer adjusted to reflect changes in fair value. In the case of interest rate instruments initially identified as hedged, the remeasurement adjustment is amortized over their remaining life. If the hedged item has been derecognized in the balance sheet, in particular due to early repayment, the cumulative adjustments are recognized immediately in the income statement.

Macro-hedging derivatives

The group has availed itself of the possibilities offered by the European Commission regarding the accounting for macro-hedging transactions. In fact, the changes made by the European Union to IAS 39 (carve-out) allow the inclusion of customer demand deposits in portfolios of hedged fixed-rate liabilities with no measurement of ineffectiveness in case of under-hedging. Demand deposits are included based on the run-off rules defined for asset-liability management purposes.

For each portfolio of financial assets or liabilities bearing a fixed rate, the effectiveness of the hedging relationship is verified through:

- an over-hedging test: the group ensures that, prospectively and retrospectively, the maturity schedule of the hedged items is greater than that of the hedging derivatives;
- a test of non-disappearance of the hedged item, which consists of ensuring that the maximum historically hedged position is lower than the nominal value of the hedged portfolio at the reporting date for each future maturity band and each rate generation;
- a quantitative test: a quantitative test intended to ensure retrospectively that changes in the fair value of the modeled synthetic instrument offset changes in the fair value of the hedging instruments.

The sources of ineffectiveness related to macro-hedging result from mismatches in the curves used to model the hedged portfolios and hedging derivatives, as well as possible mismatches in the interest payments of these items.

The accounting treatment of fair value macro-hedging derivatives is similar to that used for fair value hedging derivatives.

Changes in the fair value of the hedged portfolios are recorded in the balance sheet under “Revaluation adjustment on rate-hedged books”, the counterpart being an income statement line item.

Cash flow hedges

In the case of a cash flow hedging relationship, derivatives are remeasured at fair value in the balance sheet, with the effective portion recognized in equity. The portion considered as ineffective is recognized in the income statement under “Net gains/(losses) on financial instruments at fair value through profit or loss”.

Amounts recognized in equity are reclassified to profit or loss under “Interest income/(expense)” at the same time as the cash flows attributable to the hedged item affect profit or loss.

The hedged items continue to be accounted for in accordance with the rules specific to their accounting category. If the hedging relationship is terminated or no longer meets the hedge effectiveness criteria, hedge accounting is discontinued. The cumulative amounts recorded in shareholders’ equity for the remeasurement of the hedging derivative are maintained in shareholders’ equity until such time as the hedged transaction itself impacts profit or loss or until the transaction is no longer expected to occur. At this point, said amounts are transferred to profit or loss.

If the hedged item no longer exists, the cumulative amounts recorded in equity are immediately transferred to profit or loss.

Benchmark rate reform

Within the framework of the IBOR reform, the group is easing its hedge accounting policies for changes related to the IBOR reform:

- before defining the substitution indices, maintain existing hedging relationships during this exceptional and temporary situation and until the uncertainty created by the reform of IBOR rates is resolved concerning the choice of a new index and the effective date of this change;
- after defining the substitution indices, in particular, update the description of the hedged risk and the documentation, without impacting the continuity of the hedging relationships. A temporary exception on the “separately identifiable” nature of a non-contractually specified hedged risk component. Such a risk component indexed to a replacement rate will be considered separately identifiable if it is reasonable for it to become identifiable within a period of 24 months after designation, in the context of the development of the replacement index markets.

2.1.6 Financial guarantees and financing commitments

Financial guarantees are treated like an insurance contract when they provide for specified payments to be made to reimburse the policyholder for a loss incurred because a specified debtor fails to make payment on a debt instrument on the due date.

In accordance with IFRS 17, such financial guarantees continue to be measured using French accounting standards, *i.e.* they are treated as off-balance sheet items, until such time as the current standards are revised. Accordingly, they are subject to a provision for liabilities if an outflow of resources is likely.

By contrast, financial guarantees that provide for payments in response to changes in a financial variable (price, credit rating, index, etc.) or a non-financial variable (provided that this variable is not specific to one of the parties to the agreement) fall within the scope of IFRS 9. These guarantees are thus treated as derivatives.

Financing commitments that are not considered as derivatives within the meaning of IFRS 9 are not shown on the balance sheet. However, they give rise to provisions in accordance with the requirements of IFRS 9.

2.1.7 Derecognition of financial assets and liabilities

The group partly or fully “derecognizes” a financial asset (or a group of similar assets) when the contractual rights to the asset’s cash flows expire, or when the group has transferred the contractual rights to the financial asset’s cash flows, as well as most of the risks and advantages linked with ownership of the asset.

Upon “derecognition” of:

- a financial asset or liability at amortized cost or at fair value through profit or loss: a gain or loss on disposal is recognized in the income statement in an amount equal to the difference between the carrying amount of the asset or liability and the amount of the consideration received/paid;
- a debt instrument at fair value through equity: the unrealized gains or losses previously recognized under equity are taken to the income statement, as well as any capital gains/losses on disposal;
- an equity instrument at fair value through equity: the unrealized gains or losses previously recognized under equity, as well as any capital gains/losses on disposal are recognized in consolidated reserves without going through the income statement.

The group “derecognizes” a financial liability when the contractual obligation is extinguished, is canceled or expires. A financial liability may also be “derecognized” in the event of a material change in its contractual terms and conditions, or an exchange with the lender for an instrument whose contractual terms and conditions are substantially different.

2.1.8 Measurement of credit risk

The impairment model of IFRS 9 is based on an “expected loss” approach, whereas that of IAS 39 was based on an incurred credit loss model, implying that credit losses were recognized too late and too little at the time of the financial crisis.

Under this IFRS 9 model, financial assets for which no objective evidence of impairment exists on an individual basis are impaired on the basis of observed losses as well as reasonable and justifiable future cash flow forecasts.

The IFRS 9 impairment model thus applies to all debt instruments measured at amortized cost or at fair value through equity, as well as to financing commitments and financial guarantees. These are divided into three categories:

- stage 1 – non-downgraded performing loans: provisioning on the basis of 12-month expected credit losses (resulting from default risks over the following 12 months) from the initial recognition of the financial assets, provided that the credit risk has not increased significantly since initial recognition;
- stage 2 – downgraded performing loans: provisioning on the basis of the lifetime expected credit losses (resulting from default risks over the entire remaining life of the instrument) if the credit risk has increased significantly since initial recognition; and
- stage 3 – non-performing loans: category comprising the financial assets for which there is objective evidence of impairment related to an event that has occurred since the loan was granted.

For stages 1 and 2, the basis of calculation of interest income is the gross value of the asset before impairment while, for stage 3, it is the net value after impairment.

2.1.8.1 Governance

The models for compartment allocation, forward-looking scenarios and parameter calculation methods constitute the methodological basis for impairment calculations. They are validated at the group's top level and are applicable to all entities according to the portfolios involved. The entire methodological basis and any subsequent modification in terms of method, weighting of the scenarios, parameter calculation or provision calculation must be validated by the Crédit Mutuel group's governance bodies.

These bodies consist of the supervisory and executive board as defined by Article 10 of the Order of November 3, 2014 relative to internal control. Given the specificities of the Crédit Mutuel group's decentralized organizational structure, the supervisory and management body are divided into two levels: the national level and the regional level.

The principle of subsidiarity, applied across the Crédit Mutuel group, governs the breakdown of roles between national and regional levels, both on a project basis and for the ongoing implementation of the asset impairment calculation methodology.

At the national level, the Basel III working group approves the national procedures, models and methodologies to be applied by the regional groups. Any change in the calibration of the scenarios or parameters used in the IFRS 9 provisioning model is validated by this body.

At the regional level, regional groups are tasked with the calculation of the IFRS 9 provisions within their entities, under the responsibility and control of their respective executive and supervisory bodies.

2.1.8.2 Definition of the boundary between stages 1 and 2

The group uses the models developed for prudential purposes and has therefore applied a similar breakdown of its outstanding loans:

- low default portfolios (LDPs), for which the rating model is based on an expert assessment: large corporates, banks, local governments, sovereigns, specialized financing. These portfolios are composed of products such as operating loans, short-term operating loans, current accounts, etc.;
- high default portfolios (HDPs) for which the default data is sufficient to establish a statistical rating model: mass corporate and retail. These portfolios include products such as home loans, consumer credit, revolving loans, current accounts, etc.

A significant increase in credit risk, which entails transferring a loan out of stage 1 into stage 2, is assessed by:

- taking into account all reasonable and justifiable information; and
- comparing the risk of default on the financial instrument at the reporting date with the risk of default at the initial recognition date.

For the group, this involves measuring the risk at the level of the borrower, where the counterparty rating system is common to the entire group. All of the group's counterparties eligible for internal approaches are rated by the system. This system is based on:

- statistical algorithms or “mass ratings” based on one or more models, using a selection of representative and predictive risk variables (HDPs); or
- rating grids developed by experts (LDPs).

The change in risk since initial recognition is measured on a contract-by-contract basis. Unlike stage 3, transferring a customer's contract into stage 2 does not entail transferring all of the customer's outstanding loans or those of related parties (absence of contagion).

Note that the group immediately puts into stage 1 any performing exposure that no longer meets the criteria for stage 2 classification (both qualitative and quantitative).

The group has demonstrated that a significant correlation exists between the probabilities of default at 12 months and at termination, which allows it to use 12-month credit risk as a reasonable approximation of the change in risk since initial recognition, as the standard permits.

Quantitative criteria

For LDP portfolios, the boundary is based on an allocation matrix that relates the internal ratings at origination and at the reporting date. Thus, the riskier the rating of the loan, the lower the group's relative tolerance for a significant deterioration in risk.

For HDPs, at December 31, 2023, the criteria for assessing the significant increase in credit risk have changed in accordance with the recommendations issued by the European Banking Authority and the European Central Bank.

In accordance with these new criteria, the group has opted for the operational simplification proposed by the standard, which allows low-risk loans at the closing date to be maintained in stage 1 as long as the following three conditions are met:

- the financial asset has a low risk of default;
- the borrower demonstrates a strong ability to meet their short-term contractual cash flow obligations;
- the borrower's ability to meet their short-term contractual obligations is not necessarily impaired by unfavorable changes in longer-term economic and business conditions.

Credit risk is considered to have increased significantly if the probability of default on the instrument has increased by a factor of at least three since origination.

Lastly, the frontier curve formula, which relates the probability of default at inception to the probability of default at the closing date, has been revised to better reflect the prospective dimension within HDPs.

Qualitative criteria

To this quantitative data the group adds qualitative criteria such as installments unpaid or late by more than 30 days, the fact that a loan has been restructured, etc.

Methods based exclusively on qualitative criteria are used for entities or small portfolios that are classified for prudential purposes under the standardized approach and do not have a rating system.

2.1.8.3 Stages 1 and 2 – Calculating expected credit losses

Expected credit losses are measured by multiplying the current outstanding balance discounted by the contract rate by its probability of default (PD) and by the loss given default (LGD) ratio. The off-balance-sheet exposure is converted into a balance sheet equivalent based on the probability of a drawdown. The one-year probability of default is used for stage 1, while the probability of default at termination (one-to-ten year curve) is used for stage 2.

These parameters are based on the same values as prudential models and adapted to meet IFRS 9 requirements. They are used both for assigning loans to a stage and for calculating expected losses.

Probability of default

This is based:

- for high default portfolios, on the models approved under the IRB-A approach;
- for low default portfolios, on an external probability of default scale based;

on a history dating back to 1981.

Loss given default

This is based:

- for high default portfolios, on the collection flows observed over a long period of time, discounted at the interest rates of the contracts, segmented according to types of products and types of guarantees;
- for low default portfolios, on fixed ratios (60% for sovereign and 40% for the rest).

Conversion factors

For all products, including revolving loans, they are used to convert off-balance-sheet exposure to a balance sheet equivalent and are mainly based on prudential models.

Forward-looking aspect

To calculate expected credit losses, the standard requires taking reasonable and justifiable information into account, including forward-looking information. The development of the forward-looking aspect requires anticipating changes in the economy and relating these anticipated changes to the risk parameters. This forward-looking dimension is determined at group level and is taken into account by modeling default probabilities and by deforming internal rating migration matrices (or risk parameters).

For high default portfolios, the forward-looking aspect included in the probability of default takes into account three scenarios (optimistic, central or pessimistic), which will be weighted based on the group's view of changes in the economic cycle over five years. The group mainly relies on macroeconomic data (GDP, unemployment rate, inflation rate, short-term and long-term interest rates, etc.) available from the OECD.

These scenarios are drawn up by the group's economists, taking into account macroeconomic data (GDP, unemployment rate, inflation rate, short-term and long-term interest rates, etc.) published by institutions (IMF, World Bank, ECB, OECD).

The weighting to be attributed to the scenario used to calculate expected credit losses is set at a minimum of 50% for the central scenario, and the weighting of the two alternative scenarios is defined according to the economic cycle anticipated by the group's economists. The weightings are updated at least every six months.

However, the forward-looking approach embedded in the expected credit loss model could be adjusted to incorporate elements that would not have been captured by the scenarios because:

- they are recent, meaning they occurred a few weeks before the reporting date;
- they cannot be included in a scenario: for example, regulatory changes that will certainly have a significant effect on the risk parameters unprecedented in the historical record and whose impact can be measured by making certain assumptions.

Post-model adjustments can be considered to reflect the consequences of climatic events on expected losses or the outlook for deterioration in certain economic sectors.

For low default portfolios, forward-looking information is incorporated into the large corporate/bank models, but not into the local government, sovereign and specialized financing models.

The effects of these adjustments are described above in the paragraph on credit risk.

2.1.8.4 Stage 3 – Non-performing loans

An impairment is recognized whenever there is objective proof of impairment due to one or more events occurring after a loan or group of loans have been made that might generate a loss. The impairment is equal to the difference between the carrying amount and the estimated future cash flows, allowing for collateral or other guarantees, present-discounted at the interest rate of the original loan. In the event of a variable rate, it is the most recent contractual rate that is booked.

The Crédit Mutuel group applies the new definition of prudential default in accordance with EBA guidelines and regulatory technical standards on applicable materiality thresholds, the main elements of which are as follows:

- default analysis is now performed on a daily basis at the creditor level and no longer at the contract level;
- the number of days of late installments is appraised for each borrower (obligor) or group of borrowers (joint obligors) in the case of a joint commitment;
- the default is triggered when 90 consecutive days of arrears are recorded by a borrower/group of borrowers. The count of the number of days begins at the simultaneous crossing of the absolute materiality threshold (€100 Retail, €500 Corporate) and the relative materiality threshold (more than 1% of balance sheet commitments in arrears). The countdown is reset when this is no longer the case for one of the two thresholds;
- the default contagion scope extends to all receivables of the borrower and all individual commitments of borrowers participating in a joint credit obligation;
- there is a minimum three-month probationary period before non-restructured assets can return to healthy status.

The Banque Fédérative du Crédit Mutuel group has rolled out the new definition of default on IRB entities using the EBA's two-step approach:

- step 1 – This consists of presenting a self-assessment and an authorization request to the supervisor. Authorization for use was obtained by the group in October 2019;
- step 2 – This consists of implementing the new definition of default and then adjusting the models if necessary after an observation period of 12 months for new defaults.

The group believes that this new definition of default, as required by the EBA, is representative of objective proof of impairment in an accounting sense of the word. The group has aligned its definitions of accounting (stage 3) and prudential default. This change constitutes a change in estimate, the non-material impact of which is recognized in the income statement in the year of the change.

2.1.8.5 Initially impaired financial assets

These are contracts for which the counterparty is non-performing on the date of initial recognition or acquisition. If the borrower is non-performing at the reporting date, the contracts are classified into stage 3; otherwise, they are classified as performing loans, identified in an "originated credit-impaired assets" category and provisioned based on the same method used for exposures in stage 2, *i.e.* an expected loss over the residual maturity of the contract.

2.1.8.6 Accounting

Impairment charges and provisions are recorded in "Cost of counterparty risk". Reversals of impairment charges and provisions are recorded in "Cost of counterparty risk" for the portion related to the change in risk and in "net interest margin" for the portion related to the passage of time. For loans and receivables, impairment is deducted from assets, and for financing and guarantee commitments, the provision is recorded in liabilities under "Provisions" (see Sections 2.1.6 "Financial guarantees and financing commitments" and 2.3.2 "Provisions"). For assets at fair value through equity, the impairment recognized in the cost of risk is offset under "Unrealized or deferred gains and losses".

Loan losses are written off and the related impairments and provisions are reversed.

2.1.9 Determination of fair value of financial instruments

Fair value is the amount for which an asset could be sold, or a liability transferred, between knowledgeable willing parties in an arm's length transaction.

The fair value of an instrument upon initial recognition is generally its transaction price.

The fair value must be calculated for subsequent measurements. The calculation method to be applied varies depending on whether the instrument is traded on a market deemed to be active or not.

2.1.9.1 Instruments traded on an active market

When financial instruments are traded in an active market, fair value is determined by reference to their quoted price as this represents the best possible estimate of fair value. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available (from a stock exchange, dealer, broker or pricing service) and those prices represent actual market transactions regularly occurring on an arm's length basis.

2.1.9.2 Instruments traded on a non-active market

Observable market data are used provided they reflect the reality of a transaction at arm's length on the valuation date and there is no need to make an excessive adjustment to said value. In other cases, the group uses non-observable data (mark-to-model).

When observable data is not available or when market price adjustments require the use of non-observable data, the entity may use internal assumptions relating to future cash flows and discount rates, comprising adjustments linked to the risks the market would factor in. Said valuation adjustments facilitate the inclusion, in particular, of risks not taken into account by the model, as well as liquidity risks associated with the instrument or parameter in question, and specific risk premiums designed to offset certain additional costs that would result from the dynamic management strategy associated with the model under certain market conditions.

When establishing valuation adjustments, each risk factor is considered individually and no effect of diversification between risks, parameters or models of a different nature are taken into account. A portfolio approach is most often used for a given risk factor.

In all cases, adjustments are made by the group in a reasonable and appropriate manner, based on judgment.

2.1.9.3 Fair value hierarchy

A three-level hierarchy is used for fair value measurement of financial instruments:

- level 1: price quoted on active markets for identical assets or liabilities; Notably, debt securities listed by at least three contributors and derivatives listed on an organized market are concerned;
- level 2: data other than the level 1 quoted prices, which are observable for the asset or liability concerned, either directly (*i.e.* prices) or indirectly (*i.e.* data derived from prices). Included, in particular, in level 2 are interest rate swaps whose fair value is generally determined with the help of yield curves based on market interest rates observed at the reporting date;
- level 3: data relating to the asset or liability that are not observable market data (non-observable data). The main constituents of this category are investments in non-consolidated companies held in venture capital entities or otherwise and, in the Capital Markets, debt securities quoted by a single contributor and derivatives using mainly non-observable parameters. The instrument is classified at the same hierarchical level as the lowest level of the input having an important bearing on fair value considered as a whole. Given the diversity and volume of the instruments measured at level 3, the sensitivity of the fair value to a change in the parameters would be immaterial.

2.2 Insurance activities

2.2.1 Financial investments of insurance activities

Financial investments of insurance activities are valued in accordance with IFRS 9. For more details, see Section 2.1.

2.2.2 Insurance contracts and reinsurance contracts

IFRS 17 sets out new rules for the recognition, measurement and presentation of insurance contracts falling within its scope:

- valuation of insurance contracts on the balance sheet: their value is updated on each closing date, based on a re-estimate of future cash flows related to their execution. This re-estimate takes into account market data for financial information and policyholder behavior;
- recognition of the margin: although the profitability of insurance contracts remains unchanged, the recognition of their margin in profit or loss is modified to be spread over the duration of the insurance service; and
- presentation of the income statement: general operating expenses attributable to the execution of insurance contracts are now presented as a reduction of net revenue under insurance services expenses and therefore no longer affect the total amount of general operating expenses in the consolidated income statement.

The group has adopted the Year To Date (YTD) approach for assessing the various components of accounting models under IFRS 17.

This choice of accounting method is applied to all insurance contracts issued and reinsurance contracts held, and involves disregarding estimates previously made in its interim financial statements.

Scope of application

IFRS 17 applies to insurance contracts issued, reinsurance contracts issued and held, and discretionary participation investment contracts issued. The definition of an insurance contract is unchanged from IFRS 4, with the exception of the assessment of the insurer’s risk of loss, which must be based on a present value.

Grouping of contracts

The standard requires the identification of portfolios of insurance contracts, *i.e.* contracts subject to similar risks and managed together.

Each portfolio of insurance contracts issued is then divided into three profitability levels:

- onerous contracts upon initial recognition;
- contracts which, at the time of initial recognition, have no significant possibility of becoming loss-making;
- the other contracts in the portfolio.

The profitability level of a contract group must be uniform across all the contracts included in the group.

In addition, IFRS 17, as published by the IASB, introduces the principle of annual cohorts, prohibiting contracts issued more than one year apart from each other from being included in the same group.

Nevertheless, the standard as adopted by the European Union provides for an optional exception from the application of this rule for groups of insurance contracts with direct participation features and groups of investment contracts with discretionary participation features whose cash flows affect, or are affected by, cash flows to policyholders of other contracts.

GACM applies this European exception to eligible groups of contracts.

The different levels of aggregation used by GACM are as follows:

Definition of contract portfolios

General model and simplified model contracts are grouped by homogeneous product families, without distinction by guarantee or by legal entity within the same geographic area. VFA contracts are grouped according to the asset portfolio to which they relate.

Profitability signature and definition of contract groups

Given GACM's approach to contract portfolios, it is clear that contract portfolios present a homogeneous level of profitability by underwriting generation. Consequently, a portfolio of contracts valued according to the general model or the simplified model will be subdivided into a single group per underwriting year.

For VFA contracts, the contract group corresponds to the contract portfolio, in line with the European exception.

The IFRS 17 contract aggregation level defines the contract aggregation level to be used for measuring insurance contract liabilities and profitability.

Valuation models

General valuation model for insurance contracts (Building Block Approach)

Contracts should be valued by default according to a general measurement model as the sum of the following elements:

- fulfillment cash flows:
  - estimates of future cash flows (premiums, benefits, directly attributable costs) weighted by their probability of occurrence,
  - an adjustment to reflect the time value of money (*i.e.* discounting these future cash flows),
  - an adjustment for non-financial risks;
- the contractual service margin (or CSM).

The contractual service margin represents the unearned profit for a group of insurance contracts, *i.e.* the present value of future profits. It is amortized in income from insurance contracts over the coverage period of the contracts, as the insurance entity provides services to policyholders according to the coverage units.

In view of the diversity of insurance contracts, the determination of coverage units requires judgment in considering both the level of coverage defined in the contract (for example, the capital in the event of death for a loan contract) and the expected duration of the contract.

The CSM of a group of contracts cannot be negative; any negative amount of fulfillment cash flows at the start or during the contract is immediately recognized in income.

Discount rate

IFRS 17 requires the use of discount rate curves reflecting the time value of money, cash flow, as well as the liquidity characteristics of insurance contracts. To determine the discount rate, the group applies the bottom-up approach. This methodology consists of adding a liquid risk-free component, based on rate swaps, and an adjustment to take into account the liquidity characteristics of insurance contracts.

The group uses the EIOPA yield curve and retains the principles relating to the extrapolation of the risk-free yield curve as part of the revision of the Solvency II directive (general approach of the Council of the European Union) because the latter provide greater coherence and consistency in terms of the financial markets.

Adjustment for non-financial risk and confidence level

The adjustment for non-financial risk must reflect the compensation required by the group to support the uncertainty surrounding the amount and timing of cash flows that is generated by the non-financial risk when the group executes insurance contracts.

It was decided to calculate the risk adjustment with a quantile approach using Value at Risk ("VaR") for all risks. The group considers that a quantile of 80% represents an adequate level of prudence for the underlying technical reserves.

This general model will apply by default to all insurance contracts.

The carrying amount of a group of insurance contracts is remeasured at the end of each subsequent period. It is then equal to the sum of the following two amounts:

- the liability for remaining coverage, which includes the value of the re-estimated execution flows at that date (present value of premiums to be received and future benefit expenses over the remaining coverage period) and the adjusted contractual service margin on the same date as described above;
- the liability for incurred claims, for an amount equal to the present value of the estimated cash flows required to settle valid requests on claims that have already occurred.

On this same reporting date, the amount of the contractual service margin is updated to take into account, notably:

- the effect of new contracts added to the group of contracts;
- interest capitalized at the discount rate used to determine the initial value of the margin;
- the re-estimation of fulfillment cash flows resulting from changes in technical assumptions (present value of premiums to be received and future benefit expenses over the remaining coverage period, excluding estimates of expenses to be paid on claims already incurred that are subject to a separate assessment).

However, if the negative amount related to the discounted future cash flow changes is greater than the amount of the remaining margin, then the negative surplus is immediately recognized in profit or loss. The margin is also capitalized according to the fixed rate at the start of the contract.

The effect of unwinding the discount on the liability related to the passage of time is recorded in “Financial income or financial expenses from insurance contracts issued” as well as that related to the change in the discount rate. However, the latter may optionally be recognized in shareholders’ equity.

The group applies the option to neutralize the effects of discount rates in shareholders’ equity for the portfolios of insurance contracts valued under the general model.

The group applies the General Measurement Model to long-term personal insurance and protection insurance contracts (in particular real estate borrower contracts, funeral contracts and long-term care contracts).

The coverage units used are calibrated according to the amount insured, therefore without reference to the cost to the insurer.

Variable fee model (Variable Fee Approach)

IFRS 17 provides for an adaptation of the general model for direct participating contracts. This adapted model, known as the “Variable Fee Approach”, makes it possible to reflect, in the valuation of insurance liabilities, the obligation to pay policyholders a substantial portion of the return on underlying assets net of contract expenses (as the changes in the value of the underlying assets attributable to policyholders are neutralized in the contractual service margin).

Insurance contracts with direct participation features are insurance contracts which, in substance, constitute contracts for investment-related services, where the entity promises a return based on underlying items. They are therefore defined as insurance contracts in which:

- the contractual terms specify that the policyholder is entitled to a share in a clearly defined portfolio of underlying items;
- the entity expects to pay the policyholder an amount corresponding to a substantial portion of the return obtained on the fair value of the underlying items;
- the entity expects any change in the amounts payable to the policyholder to be substantially attributable to changes in the fair value of the underlying items.

Eligibility for VFA is assessed on the basis of these criteria at the inception of the contract and is not reviewed thereafter, except in the event of substantial modification to the contract.

The main adaptations as compared to the General Model relate to:

- the insurer’s share of the change in the fair value of the underlying investments. At each reporting date, it is included in the contractual service margin in order to be recognized in income over the expected remaining coverage period of the contracts.
- interest on the contractual service margin, the changes of which are implicitly included in the periodic revision of the contractual service margin.

The income from these contracts is therefore mainly represented by the relaxation of execution flows and the amortization of the contractual service margin. When the underlying items perfectly back the liabilities and are measured at fair value through profit or loss, the financial income of these contracts is zero. In the event of an accounting mismatch between the underlying assets and the insurance liabilities, the option of classifying in shareholders’ equity the effect of changes in liabilities related to these assets is applicable.

The group applies the VFA model to all of the group’s Life products (both general fund contracts and unit-linked contracts). The model used is the portfolio of assets underlying the contracts in question.

The coverage units used are the mathematical reserves of the contracts. On the basis of this driver, the group had to apply a correction coefficient to amortize the CSM in income and neutralize the bias induced by the bow wave effect associated with the stochastic modeling in a risk neutral environment. After applying the adjusted coverage unit, the amount of CSM, which is amortized in the income statement each period, takes into account the “real world” environment, and reflects the service provided to policyholders over the period in question.

Simplified approach (Premium Allocation Approach)

The standard also allows, subject to conditions, the application of a simplified approach known as the Premium Allocation Approach to contracts with a duration less than or equal to 12 months or if the application of the simplified approach gives a result close to the General Model.

For profitable contracts, the liability related to the remaining coverage is valued on the basis of the deferral of premiums collected using a logic similar to that used under IFRS 4. Onerous contracts and incurred claims liabilities are valued according to the general model. Liabilities for incurred claims are discounted if the expected settlement of claims takes place after one year from knowledge of the occurrence. In this case, the option of classifying the effect of changes in the discount rate in shareholders’ equity is also applicable.

At each reporting date, the adjustment of liabilities in respect of the remaining coverage and incurred claims is recorded in the income statement.

The group applies the simplified approach to all property and casualty insurance products, and to a lesser extent to certain individual and collective Health and Protection products.

Main standard-setting options adopted by the group

Coverage unit for groups of insurance contracts

IFRS 17 defines the notion of coverage unit as a unit representing the “quantity of benefits [...] provided by the contracts”. It specifies that “quantity of benefits” covers two aspects: the “quantity of benefits provided” and the “expected coverage period”.

For each contract group, the group has determined a coverage unit to spread the contract service margin (CSM) over the various expected coverage periods, reflecting the quantity of benefits provided over these different periods.

For life and savings contracts, the coverage unit used to amortize the CSM corresponds to the mathematical reserve associated with each contract, adjusted for the impact of the actual return on the underlying investments compared to the risk-neutral actuarial projection.

For borrower protection policies valued according to the general model, the coverage unit used to amortize the CSM corresponds to the sum insured.

Effect of rates neutralized in OCI

Financial income or expense on insurance contracts in force will be presented separately between the income statement and shareholders’ equity for those portfolios for which this breakdown is considered relevant, as permitted by the standard.

The group applies the option of neutralizing the effects of discount rates in shareholders’ equity for personal protection contracts (borrower insurance, funeral insurance, long-term care insurance, etc.) and liabilities for claims arising from property-casualty contracts (personal accident insurance, means of payment, multi-risk property insurance, etc.).

Processing of internal costs

As a banking and insurance conglomerate, the group distributes savings and protection products (borrower insurance, car insurance, home insurance, etc.) and provides the management resources necessary for the operations of its insurance subsidiaries.

The services provided by the banking networks (business contributions, administrative management of contracts, provision of staff or assets, etc.) are compensated by margin commissions based on agreements between the distributing credit institutions and the insurance subsidiaries.

The new model for measuring insurance contracts under IFRS 17 requires a projection in the contract execution cash flows of the acquisition and management costs that will be paid in the future and a presentation in the income statement of, on the one hand, the release of estimated costs for the period and, on the other hand, of the actual costs incurred by the banking dealer networks.

Pursuant to the recommendations of the ESMA (32-63-1320) and the AMF (DOC-2022-06), the group adjusts the internal margin on the balance sheet and the income statement in order to reflect the valuation of insurance contracts, according to IFRS 17, at the level of the Crédit Mutuel group.

Presentation in the balance sheet and income statement

Insurance contracts issued and reinsurance contracts held are presented in the balance sheet as assets or liabilities depending on the overall position of the portfolios to which they belong (including debts and receivables attributable to the valuation of the contract);

The various income and expense items from insurance and reinsurance contracts are broken down in the consolidated income statement under net revenue, in:

- insurance service result:
  - income from insurance and reinsurance contracts issued,
  - service charges related to insurance and reinsurance contracts issued, and
  - income and expenses related to reinsurance contracts held;
- insurance service financial result:
  - financial income and expenses from insurance and reinsurance contracts issued, and
  - financial income and expenses from reinsurance contracts held.

The income from insurance contracts shows the relaxation of execution flows for the amount expected over the period (excluding investment components), changes in the risk adjustment, the amortization of the contractual service margin in respect of services rendered, the amount allocated to the amortization of acquisition costs and experience differences on premiums.

Service expenses relating to insurance and reinsurance contracts issued, as well as expenses relating to reinsurance contracts held, then include the share of general operating expenses and commissions directly attributable to the execution of contracts, which will thus be recognized as a deduction of net revenue. They also include the initial loss component and its amortization in the case of a portfolio of onerous contracts.

Retirement Savings insurance contracts include an investment component in the form of a deposit paid by the policyholder and which the insurer is contractually obliged to reimburse even if the insured event does not occur. The premiums and repayments of these deposits do not constitute income or expenses relating to these contracts.

Financial income and expenses from insurance and reinsurance contracts mainly include changes in the value of groups of contracts related to the effects of the time value of money and financial risks not included in the estimated cash flows.

Financial income or financial expenses from insurance contracts issued will be presented separately in the income statement and in shareholders' equity for the portfolios concerned.

Valuation of reinsurance treaties

Reinsurance held is treated in the same way as insurance contracts issued, either under the general model or the simplified model. The contractual service margin representing the expected gain or loss on reinsurance is negative, and contract performance flows include the reinsurer's risk of non-performance.

2.3 Non-financial instruments

2.3.1 Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or a series of payments the right to use an asset for an agreed period of time.

A finance lease granted by the group is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Ownership may or may not eventually be transferred.

An operating lease granted by the group represents any lease contract other than a finance lease.

2.3.1.1 Finance lease transactions – Lessor

In accordance with IFRS 16, finance lease transactions with non-group companies are reported in the consolidated balance sheet at their financial accounting amount. Finance lease transactions transfer substantially all the risks and rewards incidental to ownership of the leased asset to lessees.

And so, the analysis of the economic substance of the transaction results in:

- the leased asset exiting the balance sheet;
- the recognition of a receivable in "Financial assets at amortized cost", for a present value, at the implicit contract rates, of the rental payments to be received under the finance lease contract, increased by any residual value not guaranteed returning to the lessor;
- the recognition of deferred taxes for existing temporary differences throughout the life of the finance lease;
- the recognition as net interest margin, of net revenue from the lease, this being representative of the constant periodic rate of return on the amounts outstanding.

Credit risk related to financial receivables is measured and recognized under IFRS 9 (see Section 2.1.8 "Measurement of credit risk").

2.3.1.2 Finance lease transactions – Lessee

In accordance with IFRS 16, rights of use are capitalized under "Property, plant and equipment", with a corresponding lease liability recognized under "Accruals and miscellaneous liabilities". Rents paid are broken down between interest expenses and repayment of the principal amount of the debt.

2.3.2 Provisions

Provisions and reversals of provisions are classified by type under the corresponding item of income or expenditure.

A provision is recognized whenever it is probable that an outflow of resources representing economic benefits will be necessary to extinguish an obligation arising from a past event and when the amount of the obligation can be estimated accurately. Where applicable, the net present value of this obligation is calculated to determine the amount of the provision to be set aside.

The provisions constituted by the group cover, in particular:

- operational risks;
- social commitments;
- execution risk on signature commitments;
- litigation risk and guarantee commitments given;
- tax risks;
- risks related to mortgage saving agreements.

2.3.3 Employee benefits

Where applicable, provisions in respect of employee obligations are recognized under "Provisions". Any movements in this provision are recognized in the income statement under "Employee benefit expense" with the exception of the portion resulting from the remeasurement of net liabilities arising from defined benefit plans, recognized in shareholders' equity.

2.3.3.1 Post-employment benefits under a defined benefit plan

These comprise the pension plans, early pension plans and supplementary pension plans under which the group has a formal or implicit obligation to provide employees with predefined benefits.

These obligations are calculated using the projected unit credit method, which involves allocating entitlement to benefits to periods of service by applying the contractual formula for calculating plan benefits. Such entitlements are then discounted using demographic and financial assumptions such as:

- a discount rate, determined by reference to the long-term rate on private-sector borrowings consistent with the term of the commitments;
- the salary increase rate, assessed in accordance with age brackets and employee categories;
- inflation rates, estimated by comparing French treasury bond rates and inflation-linked French treasury bond rates at different maturities;
- staff turnover rates, determined by age bracket, using the three-year average for the ratio of resignations and dismissals relative to the year-end number of employees under permanent contracts;
- retirement age: estimated on a case-by-case basis using the actual or estimated date of commencement of full-time employment and the assumptions set out in the law reforming pensions, with a ceiling set at 67 years of age;
- mortality according to the INSEE TH/TF 00-02 table.

Differences arising from changes in these assumptions and from differences between previous assumptions and actual experience constitute actuarial gains or losses. When the plan has assets, they are measured at fair value. The interest income they generate has an impact on profit or loss. The difference between the actual return and the interest income generated by these assets is also an actuarial gain and loss.

Actuarial gains and losses are recognized in equity, as unrealized or deferred gains and losses. Any curtailments or terminations generate a change in the obligation, which is recognized in the income statement when it occurs.

In accordance with the IFRIC decision of April 20, 2021, the pension obligation under post-employment benefit plans, whose rights are capped on the basis of a number of years of service and subject to the presence of the employee on the date of retirement, is constituted solely over the period preceding the retirement age enabling the ceiling to be reached (or between the employee's date of entry into the company and the date of retirement if this period is shorter than the ceiling).

2.3.3.2 Post-employment benefits under a defined contribution plan

Group entities contribute to various retirement plans managed by independent organizations, to which they have no formal or implicit obligation to make supplementary payments in the event, particularly, that the fund's assets are insufficient to meet its commitments.

Since such plans do not represent a commitment for the group, they are not subject to a provision. The charges are recognized in the period in which the contribution is due.

2.3.3.3 Other long-term benefits

These represent benefits other than post-employment benefits and termination benefits expected to be paid more than 12 months after the end of the fiscal year in which the staff rendered the corresponding service. They include, for example, long-service awards.

The group's commitment in respect of other long-term benefits is measured using the projected unit credit method. However, actuarial gains and losses are recognized immediately in profit or loss.

Commitments in respect of long-service awards are sometimes covered by insurance contracts. Only the unhedged portion of this commitment is subject to a provision.

2.3.3.4 Termination benefits

These are benefits granted by the group when an employment contract is terminated before the usual retirement age or following the employee's decision to leave the group voluntarily in exchange for an indemnity.

The related provisions are discounted if payment is expected to take place more than 12 months after the reporting date.

2.3.3.5 Short-term benefits

These are benefits, other than termination benefits, payable within 12 months following the reporting date. They include salaries, social security contributions and certain bonuses.

A charge is recognized in respect of short-term benefits in the period in which the services giving rise to the entitlement to the benefit are provided to the entity.

2.3.4 Non-current assets

2.3.4.1 Non-current assets of which the group is owner

Non-current assets reported on the balance sheet include property, plant and equipment and intangible assets used in operations, as well as investment property. Operating assets are used for the production of services or for administrative purposes. Investment property consists of real estate assets held to generate rental income and/or capital gains. The historical cost method is used to recognize both operating and investment properties.

Non-current assets are initially recognized at acquisition cost plus any directly attributable costs necessary to make them operational and usable. They are subsequently measured at amortized historical cost, *i.e.* their cost less accumulated depreciation and any impairment.

When a non-current asset comprises several components likely to be replaced at regular intervals, with different uses or providing economic benefits over differing lengths of time, each component is recognized separately from the outset and is depreciated or amortized in accordance with its own depreciation schedule. The component approach was retained for operating buildings and investment properties.

The depreciable or amortizable amount of a non-current asset is determined after deducting its residual value, net of disposal costs. As the useful life of non-current assets is generally equal to their expected economic life, no residual value is recognized.

Non-current assets are depreciated or amortized over their estimated useful life at rates reflecting the estimated consumption of the assets' economic benefits by the entity. Intangible assets with an indefinite useful life are not amortized.

Depreciation and amortization charges on operating assets are recognized under "Movements in depreciation, amortization and provisions for operating assets" in the income statement.

Depreciation charges on investment property are recognized under "Expenses on other activities" in the income statement.

The following depreciation and amortization periods are used:

Property, plant and equipment:

- land and network improvements: 15-30 years;
- buildings – shell: 20-80 years (depending on the type of building);
- buildings – equipment: 10-40 years;
- fixtures and fittings: 5-15 years;
- office furniture and equipment: 5-10 years;
- safety equipment: 3-10 years;
- rolling stock: 3-5 years;
- IT equipment: 3-5 years.

Intangible assets:

- software purchased or developed in-house: 1-10 years;
- business goodwill acquired: 9-10 years (if customer contract portfolio acquired).

Depreciable and amortizable assets are tested for impairment when evidence exists at the reporting date that the items may be impaired. Non-amortizable intangible assets such as lease rights are tested for impairment at least once a year.

If an indication of impairment exists, the recoverable amount of the asset is compared to its net carrying amount. In the event of loss of value, a write-down is recognized on the income statement; it changes the depreciable or amortizing amount of the asset prospectively. The write-down is repaid in the event of changes to the estimated recoverable amount or if the indications of impairment disappear. The net carrying amount following the reversal of an impairment provision cannot exceed the net carrying amount that would have been calculated if no impairment had been recognized.

Impairment charges and reversals on operating assets are recognized under "Movements in depreciation, amortization and provisions for operating assets" in the income statement.

Impairment charges and reversals on investment property are recognized in the income statement under "Expenses on other activities" and "Income from other activities", respectively.

Capital gains or losses on disposals of operating assets are recorded in the income statement on the line "Net gains/(losses) on other assets".

Gains and losses on the disposal of investment property are recorded in the income statement on the line "Income from other activities" or "Expenses on other activities".

2.3.4.2 Non-current assets of which the group is lessee

For a contract to qualify as a lease, there must be both the identification of an asset and control by the lessee of the right to use said asset.

In respect of the lessee, operating leases and finance leases will be recorded in a single model, with recognition of:

- an asset representing the right to use the leased property during the lease term;
- offset by a liability in respect of the lease payment obligation;
- straight-line depreciation of the asset and an interest expense in the income statement using the diminishing balance method.

The group mainly activates its real estate contracts. The motor fleet was only restated where it was locally significant and computer and safety equipment were not included due to the fact that they are replaceable, in accordance with the standard. Only a limited number of IT contracts, deemed to be significant, were deemed to be activated.

Other underlying assets were precluded through short-term or low value exemptions (set at €5,000). The group has no leases that give rise to recognition of intangible assets or investment properties.

Therefore, usage rights are recorded under “Property, plant and equipment”, and lease obligations under “Other liabilities”. Leasehold rights are reclassified as property, plant and equipment when they concern contracts that are not automatically renewable. Rights of use and lease obligations are the subject of deferred tax assets or liabilities for the net amount of taxable and deductible temporary differences.

In the income statement, interest charges appear in “Net interest margin” while depreciation/amortization is presented under the heading dedicated to general operating expenses.

For calculating the lease obligation, we use:

- the lease term. This represents at least the non-cancellable period of the contract and may be extended to take into account any renewal/extension option that the group is reasonably certain to exercise. With regard to the operational implementation of the group’s methodology, any new 3/6/9 commercial lease will be activated for a period of nine years by default (or for a period equal to its non-cancellable period in the case of another type of lease). The term of any automatically extended contract will be extended to the end of the medium-term plan, which is a reasonable time frame for the continuation of the contract[1]. For the 3/6/9 leases in exception, the contract will be activated for a period of 12 years, as the group has no economic incentive to remain beyond this period, given the de-capping of leases after this period;
- the discount rate is the marginal rate of indebtedness corresponding to the chosen duration. It is a rate that is depreciable by the group’s refinancing headquarters and by currency;
- the lease payment, excluding taxes. The group is marginally affected by variable lease payments.

2.3.5 Commissions

Fees and commissions in respect of services are recorded as income and expenses according to the nature of the services involved. Thus, commissions considered as additional interest are an integral part of the effective interest rate. These commissions are therefore recognized as interest income and expenses.

Fees and commissions linked directly to the grant of a loan are spread using the effective interest method.

Fees and commissions remunerating a service provided on a continuous basis are recognized over the period during which the service is provided.

Fees for one-off services are recognized in the income statement in full when the service is performed.

2.3.6 Income tax expense

The income tax expense includes all tax, both current and deferred, payable in respect of the income for the period under review.

The income tax payable is determined in accordance with applicable tax regulations.

The Territorial Economic Contribution (*Contribution économique territoriale* – CET), which is composed of the Business Real Estate Contribution (*Cotisation foncière des entreprises* – CFE) and the Business Contribution on Added Value (*Cotisation sur la valeur ajoutée des entreprises* – CVAE), is treated as an operating expense and, accordingly, the group does not recognize any deferred taxes in the consolidated financial statements.

2.3.6.1 Deferred tax

As required by IAS 12, deferred taxes are recognized in respect of temporary differences between the carrying amount of an asset or liability on the consolidated balance sheet and its taxable value, with the exception of goodwill.

Deferred taxes are calculated using the liability method, applying the income tax rate known at the end of the fiscal year and applicable to subsequent years.

Deferred tax assets net of deferred tax liabilities are recognized only when there is a high probability that they will be utilized. Current or deferred tax is recognized as income or an expense, except for that relating to unrealized or deferred gains and losses recognized in equity, for which the deferred tax is allocated directly to equity.

Deferred tax assets and liabilities are netted if they arise in the same entity or in the same tax group, are subject to the same tax authority and when there is a legal right to do so.

Deferred tax is not discounted.

[1] *Regional groups that directly manage the leases.*

2.3.6.2 Uncertainties over income tax treatment

In accordance with IFRIC 23, the group is assessing the probability of the tax authority accepting the tax position taken. It is assessing the likely effects on the result for tax purposes, tax bases, tax loss carryforwards, unused tax credits and rates of taxation.

In the event of an uncertain tax position, the amounts payable are estimated on the basis of the most likely amount or the expected amount according to the method that reflects the best estimate of the amount to be paid or received.

2.3.7 Interest paid by the State on certain loans

Pursuant to measures to support the agricultural and rural sector, as well as the purchase of housing, some group entities grant loans at reduced rates, which are set by the State. Consequently, these entities receive a subsidy from the government equal to the interest rate differential existing between the rate granted to customers and a predefined benchmark rate. As a result, no discounting occurs on loans that benefit from these grants.

The arrangements governing this offset mechanism are periodically reviewed by the State.

The State subsidies received are recognized under “Interest and similar income” and allocated over the life of the corresponding loans, in accordance with IAS 20.

2.3.8 Non-current assets held for sale and discontinued operations

Non-current assets, or groups of assets, are classified as held for sale if they are available for sale and there is a high probability that their sale will take place within the next 12 months.

The related assets and liabilities are shown separately in the balance sheet, on the lines “Non-current assets held for sale” and “Debt related to non-current assets held for sale”. They are recognized at the lower of their carrying amount and their fair value less selling costs, and are no longer depreciated or amortized.

Any impairment loss on such assets and liabilities is recognized in the income statement.

Discontinued operations consist of businesses held for sale or which have been discontinued, or subsidiaries acquired exclusively with a view to resale. All gains and losses related to discontinued operations are shown separately in the income statement, on the line “Post-tax net gains and losses on discontinued operations”.

2.4 Judgments and estimates used in the preparation of the financial statements

The preparation of the group’s financial statements requires the formulation of assumptions in order to make the necessary assessments and involves risks and uncertainties concerning their realization in the future, particularly in the context of the Ukrainian conflict and the macroeconomic conditions existing at the reporting date.

The future outcome of such assumptions may be influenced by several factors, in particular:

- the activities of national and international markets;
- fluctuations in interest rates and foreign exchange rates;
- economic and political conditions in certain business sectors or countries;
- regulatory and legislative changes.

Accounting estimates requiring the formulation of assumptions are mainly used for the measurement of the following:

- the fair value of financial instruments not listed on an active market, the definition of a forced transaction and the definition of observable data require the exercise of judgment;
- insurance contracts, in particular with regard to future execution cash flows;
- pension plans and other future employee benefits;
- impairment of assets, including expected credit losses. To date, environmental risks are not captured in the group’s expected credit loss impairment models;
- provisions, impairment of intangible assets and goodwill;
- deferred tax assets.

3. Related-party information

Parties related to the group are companies consolidated at the level of the Crédit Mutuel group as a whole, including the other establishments affiliated to the Confédération Nationale du Crédit Mutuel and equity consolidated companies.

Transactions carried out between the group and its subsidiaries and associates are carried out under normal market conditions, at the time these transactions are completed.

The list of consolidated companies is presented in note 3. As transactions carried out and outstandings that exist at the end of the period between the group’s consolidated companies are totally eliminated in consolidation, data pertaining to these reciprocal transactions is included in the attached tables only when concerning companies over which the group exercises joint control or significant influence, and is consolidated using the equity method.

4. Standards and interpretations adopted by the European Union and not yet applied

4.1 Standards and interpretations adopted by the European Union

Nil.

Note 2 Breakdown of the balance sheet and income statement by business line and geographic area

BFCM group's business lines are as follows:

- Retail banking includes:
  - banking network activities: CIC regional banks, BECM, Beobank and TARGOBANK Corporate and Investment Banking (TARGOBANK CIB),
  - consumer credit: TARGOBANK Retail and Cofidis,
  - business line subsidiaries: activities whose products are marketed by the network mainly include factoring and equipment leasing and real estate leasing;
- Insurance activity is composed of Groupe des Assurances du Crédit Mutuel;
- The specialized business lines are comprised of:
  - Asset management and private banking activities in France and abroad,
  - Corporate banking: financing for large corporates and institutional customers, structured financing, international business and foreign branches,
  - Capital Markets, which includes commercial and investment activities (rates, equities and credit),
  - Private equity;
- the other business lines include items that cannot be assigned to another business activity, such as intermediate holding companies, non-controlling interests, operating real estate, logistics structures, press, IT entities and intercompany transactions.

The consolidated entities are fully allocated to their core business based on their contribution to the consolidated financial statements. Only three entities are an exception due to their presence in several businesses:

- CIC and BFCM: In this case, the contribution to the consolidated income statements and balance sheets of these two entities is broken down based on the different business sectors to which they contribute.
- TARGOBANK AG is structured around three activities in Germany: TARGOBANK Retail for consumer credit, TARGOBANK Factoring and Equipment Finance for the banking network subsidiaries (factoring and leasing) and TARGOBANK CIB for the banking network.

2a Breakdown of the income statement by business line

06/30/2024	Retail banking	Insurance	Specialized business lines	Other business lines	Total
Net revenue	4,159	711	1,491	-183	6,178
General operating expenses	-2,510	-87	-727	116	-3,208
Gross operating income	**1,650**	**624**	**764**	**-68**	**2,970**
Cost of counterparty risk	-741	0	-59	1	-799
Net gains and losses on other assets[(1)]	1	-1	-1	40	39
Income before tax	**909**	**623**	**704**	**-27**	**2,210**
Income tax	-269	-130	-141	44	-496
Post-tax gains and losses on discontinued assets	0	0	0	0	0
Net profit/(loss)	**640**	**493**	**563**	**17**	**1,714**
Non-controlling interests					189
GROUP NET INCOME	**640**	**493**	**563**	**17**	**1,524**

(1) Includes net income of entities accounted for using the equity method and impairment losses on goodwill (notes 16 and 19).

06/30/2023	Retail banking	Insurance	Specialized business lines	Other business lines	Total
Net revenue	4,198	650	1,378	-278	5,947
General operating expenses	-2,527	-57	-622	110	-3,096
Gross operating income	**1,670**	**593**	**756**	**-168**	**2,851**
Cost of counterparty risk	-539	0	-66	1	-603
Net gains and losses on other assets[(1)]	0	-5	0	30	25
Income before tax	**1,132**	**588**	**690**	**-137**	**2,273**
Income tax	-346	-135	-131	18	-595
Post-tax gains and losses on discontinued assets	0		0		0
Net profit/(loss)	**786**	**453**	**559**	**-119**	**1,678**
Non-controlling interests					180
GROUP NET INCOME	**786**	**453**	**559**	**-119**	**1,498**

(1) Includes net income of entities accounted for using the equity method and impairment losses on goodwill (notes 16 and 19).

BREAKDOWN OF "RETAIL BANKING" SEGMENT BUSINESS LINES

06/30/2024	Banking network	Consumer loans	Business line subsidiaries	Total Retail banking
Net revenue	2,161	1,633	365	4,159
General operating expenses	-1,428	-857	-224	-2,510
Gross operating income	**732**	**776**	**141**	**1,650**
Cost of counterparty risk	-284	-440	-17	-741
Net gains and losses on other assets	0	0	0	1
Income before tax	**448**	**337**	**124**	**909**
Income tax	-120	-113	-37	-269
NET PROFIT/(LOSS)	**329**	**224**	**87**	**640**

06/30/2023	Banking network	Consumer loans	Business line subsidiaries	Total Retail banking
Net revenue	2,330	1,532	336	4,198
General operating expenses	-1,479	-820	-228	-2,527
Gross operating income	**851**	**712**	**108**	**1,670**
Cost of counterparty risk	-120	-408	-10	-539
Net gains and losses on other assets	0	0	0	0
Income before tax	**730**	**304**	**98**	**1,132**
Income tax	-211	-100	-35	-346
NET PROFIT/(LOSS)	**520**	**204**	**62**	**786**

BREAKDOWN OF THE "SPECIALIZED BUSINESS LINES" SEGMENT BUSINESS LINES

06/30/2024	Asset management and private banking	Corporate banking	Capital Markets	Private Equity	Total Specialized business lines
Net revenue	635	335	299	223	1,491
General operating expenses	-457	-83	-142	-45	-727
Gross operating income	**178**	**252**	**157**	**177**	**764**
Cost of counterparty risk	-21	-40	3	0	-59
Net gains and losses on other assets	0	0	-1	0	-1
Income before tax	**157**	**212**	**159**	**177**	**704**
Income tax	-44	-56	-39	-2	-141
NET PROFIT/(LOSS)	**112**	**156**	**120**	**175**	**563**

06/30/2023	Asset management and private banking	Corporate banking	Capital Markets	Private Equity	Total Specialized business lines
Net revenue	569	296	293	220	1,378
General operating expenses	-356	-87	-139	-40	-622
Gross operating income	**213**	**209**	**154**	**180**	**756**
Cost of counterparty risk	-2	-64	-1	0	-66
Net gains and losses on other assets					0
Income before tax	**212**	**145**	**153**	**180**	**690**
Income tax	-51	-40	-41	1	-131
NET PROFIT/(LOSS)	**161**	**105**	**112**	**181**	**559**

(1) Includes net income of entities accounted for using the equity method and impairment losses on goodwill (notes 16 and 19).

2b Breakdown of income statement by geographic area

	06/30/2024				06/30/2023			
	France	Europe outside France	Other countries(1)	Total	France	Europe outside France	Other countries(1)	Total
Net revenue(2)	4,043	1,962	172	6,178	3,899	1,926	122	5,947
General operating expenses	-2,077	-1,082	-49	-3,208	-1,988	-1,049	-60	-3,096
Gross operating income	**1,966**	**880**	**123**	**2,970**	1,911	878	63	2,851
Cost of counterparty risk	-411	-398	10	-799	-300	-305	1	-603
Net gains and losses on other assets(3)	27	1	11	39	19	-5	10	25
Income before tax	**1,582**	**484**	**144**	**2,210**	1,630	568	74	2,273
Total Net profit/(loss)	1,272	324	115	1,711	1,221	399	58	1,678
GROUP NET INCOME	**1,091**	**319**	**114**	**1,524**	1,058	382	58	1,498

(1) United States, Canada, Singapore, Hong Kong and Tunisia.
(2) 33.5% of net revenue (excluding Logistics and Holding) was generated abroad in the first half of 2024 (compared to 32.8% of net revenue in the first half of 2023).
(3) Including net profit/(loss) of entities accounted for using the equity method and impairment losses on goodwill.

Note 3 Consolidation scope

3a Composition of the scope of consolidation

The parent company of the group is Banque Fédérative du Crédit Mutuel.

Since December 31, 2023, the changes in the scope of consolidation are as follows:

- entry of La Française Group entities following the sale of 60.05% of the shares held by Caisse Régionale du Crédit Mutuel Nord Europe to BFCM:
- La Française Group, La Française AM, La Française AM Finance Services (LFFS), La Française AM Finances Services Italian branch (LFFS branch), La Française AM Finances Services Luxembourg branch (LFFS branch), La Française AM Finances Services sucursal en Espana (LFFS branch), La Française Systematic Asset Management GmbH, La Française Real Estate Managers, La Française Real Estate Partners International Lux SARL, La Française Groupe UK Finance Limited, La Française Groupe UK Limited, La Française Group Korea Limited, La Française Group Singapore PTE Limited, LFP Multi Alpha, New Alpha Asset Management, Newton Square, PU Retail Luxembourg Management Compagny Sarl, Crédit Mutuel Impact.
- Other additions: Crédit Mutuel Impact Forêts II; EBRA press group companies: Carizy, Ebra Académie, Lemon Start, Studio M, Gens d'Évènement.
- Mergers: Crédit Mutuel Investment Managers and Crédit Mutuel Investment Managers Luxembourg absorbed by La Française Asset Management Finance Services, La Française Asset Management absorbed by Crédit Mutuel Asset Management.
- Liquidations: La Française Real Estate Partners International Lux Sarl (joined in 2024).
- Disposal: N/A.

		06/30/2024			12/31/2023		
	Country	Percentage Control	Percentage Interest	Method*	Percentage Control	Percentage Interest	Method*
A. BANKING NETWORK							
Banque Européenne du Crédit Mutuel (BECM)	France	96	96	FC	96	96	FC
Beobank	Belgium	51	51	FC	51	51	FC
CIC Est	France	100	100	FC	100	100	FC
CIC Lyonnaise de Banque (LB)	France	100	100	FC	100	100	FC
CIC Lyonnaise de Banque Monaco (LB branch)	Monaco	100	100	FC	100	100	FC
CIC Nord Ouest	France	100	100	FC	100	100	FC
CIC Ouest	France	100	100	FC	100	100	FC
CIC Sud Ouest	France	100	100	FC	100	100	FC
Crédit Industriel et Commercial (CIC)	France	100	100	FC	100	100	FC
B. CONSUMER LOANS							
Cofidis Belgium	Belgium	100	100	FC	100	80	FC
Cofidis France	France	100	100	FC	100	80	FC
Cofidis Spain (branch of Cofidis France)	Spain	100	100	FC	100	80	FC
Cofidis Hungary (branch of Cofidis France)	Hungary	100	100	FC	100	80	FC
Cofidis Portugal (branch of Cofidis France)	Portugal	100	100	FC	100	80	FC
Cofidis SA Poland (branch of Cofidis France)	Poland	100	100	FC	100	80	FC
Cofidis SA Slovakia (branch of Cofidis France)	Slovakia	100	100	FC	100	80	FC
Cofidis Italy (branch of Cofidis France)	Italy	100	100	FC	100	80	FC
Cofidis Czech Republic	Czech Republic	100	100	FC	100	80	FC
Creatis	France	100	100	FC	100	80	FC
Margem-Mediação Seguros, Lda	Portugal	100	100	FC	100	80	FC
Monabanq	France	100	100	FC	100	80	FC
TARGOBANK AG**	Germany	100	100	FC	100	80	FC
C. BANKING NETWORK SUBSIDIARIES							
Bail Actéa	France	100	100	FC	100	100	FC
Bail Actéa Immobilier	France	100	100	FC	100	100	FC
CCLS Leasing Solutions	France	100	100	FC	100	100	FC
Crédit Mutuel Caution Habitat	France	100	100	FC	100	100	FC
Crédit Mutuel Factoring	France	100	100	FC	100	100	FC
Crédit Mutuel Home Loan SFH	France	100	100	FC	100	100	FC
Crédit Mutuel Immobilier	France	100	100	FC	100	100	FC
Crédit Mutuel Leasing	France	100	100	FC	100	100	FC
Crédit Mutuel Leasing Spain (branch of Crédit Mutuel Leasing)	Spain	100	100	FC	100	100	FC
Crédit Mutuel Leasing Benelux	Belgium	100	100	FC	100	100	FC
Crédit Mutuel Leasing Nederland (branch of Crédit Mutuel Leasing Benelux)	The Netherlands	100	100	FC	100	100	FC
Crédit Mutuel Leasing Gmbh	Germany	100	100	FC	100	100	FC
Crédit Mutuel Real Estate Lease	France	100	100	FC	100	100	FC
Factofrance SA	France	100	100	FC	100	100	FC
FCT Crédit Mutuel Factoring	France	100	100	FC	100	100	FC
FCT Factofrance	France	100	100	FC	100	100	FC
Gesteurop	France	100	100	FC	100	100	FC
LYF SA	France	44	44	EM	44	44	EM
Paysurf	France	51	64	FC	51	64	FC
Targo Factoring GmbH	Germany	100	100	FC	100	100	FC
Targo Finanzberatung GmbH	Germany	100	100	FC	100	100	FC
Targo Leasing GmbH	Germany	100	100	FC	100	100	FC
Targo Versicherungsvermittlung GmbH	Germany	100	100	FC	100	100	FC
D. CORPORATE BANKING AND CAPITAL MARKETS							
Caroline 1	France	100	100	FC	100	100	FC
CIC Brussels (branch of CIC)	Belgium	100	100	FC	100	100	FC
CIC Hong Kong (branch of CIC)	Hong Kong	100	100	FC	100	100	FC
CIC London (branch of CIC)	United Kingdom	100	100	FC	100	100	FC

CIC New York (branch of CIC)	USA	100	100	FC	100	100	FC
CIC Singapore (branch of CIC)	Singapore	100	100	FC	100	100	FC
Satellite	France	100	100	FC	100	100	FC
E. ASSET MANAGEMENT AND PRIVATE BANKING							
Banque de Luxembourg	Luxembourg	100	100	FC	100	100	FC
Banque de Luxembourg Belgium (branch of Banque de Luxembourg)	Belgium	100	100	FC	100	100	FC
Banque de Luxembourg Investments SA (BLI)	Luxembourg	100	100	FC	100	100	FC
Banque Transatlantique (BT)	France	100	100	FC	100	100	FC
Banque Transatlantique Belgium	Belgium	100	100	FC	100	100	FC
Banque Transatlantique London (branch of BT)	United Kingdom	100	100	FC	100	100	FC
Banque Transatlantique Luxembourg	Luxembourg	100	100	FC	100	100	FC
CIC Private debt	France	100	100	FC	100	100	FC
CIC (Suisse)	Switzerland	100	100	FC	100	100	FC
Cigogne Management	Luxembourg	100	100	FC	100	100	FC
Crédit Mutuel Asset Management	France	100	100	FC	100	100	FC
Crédit Mutuel Épargne Salariale	France	100	100	FC	100	100	FC
Crédit Mutuel Gestion	France	100	100	FC	100	100	FC
Crédit Mutuel Investment Managers	France			ME	100	100	FC
Crédit Mutuel Investment Managers – Luxembourg branch	France			ME	100	100	FC
Dubly Transatlantique Gestion	France	100	100	FC	100	100	FC
La Française Group	France	60	60	FC			NC
La Française AM	France			ME			NC
La Française AM Finance Services (LFFS)	France	100	60	FC			NC
La Française AM Finance Services Luxembourg branch (branch of LFFS)	Luxembourg	100	60	FC			NC
La Française AM Finance Services Italian branch (branch of LFFS)	Italy	100	60	FC			NC
La Française AM Finance Services branch in Spain (branch of LFFS)	Spain	100	60	FC			NC
La Française Group Korea Limited	South Korea	100	60	FC			NC
La Française Group UK Finance Limited	Great Britain	100	58	FC			NC
La Française Group UK Limited	Great Britain	100	60	FC			NC
La Française Real Estate Managers Germany Deutsche Zweigniederlassung (branch of La Française Group UK Limited)	Germany	100	60	FC			NC
La Française Group Singapore PTE Limited	Singapore	100	60	FC			NC
La Française Real Estate Managers	France	97	58	FC			NC
La Française Real Estate Partners International Lux SARL	Luxembourg			NC			NC
La Française Systematic Asset Management GmbH (formerly la Française AM GmbH)	Germany	100	60	FC			NC
LFP Multi Alpha	France	100	60	FC			NC
New Alpha Asset Management	France	51	31	FC			NC
Newton Square	France	100	60	FC			NC
PU Retail Luxembourg Management Company SARL	Luxembourg	50	29	FC			NC
F. PRIVATE EQUITY							
CIC Capital Belgium	Belgium	100	100	FC	100	100	FC
CIC Capital Canada Inc.	Canada	100	100	FC	100	100	FC
CIC Capital Deutschland Gmbh	Germany	100	100	FC	100	100	FC
CIC Capital (Suisse) SA	Switzerland	100	100	FC	100	100	FC

CIC Capital Ventures Quebec	Canada	100	100	FC	100	100	FC
CIC Conseil	France	100	100	FC	100	100	FC
Crédit Mutuel Capital	France	100	100	FC	100	100	FC
Crédit Mutuel Equity	France	100	100	FC	100	100	FC
Crédit Mutuel Equity SCR	France	100	100	FC	100	100	FC
Crédit Mutuel Innovation	France	100	100	FC	100	100	FC
G. OTHER BUSINESS LINES							
Affiches d'Alsace Lorraine	France	100	99	FC	100	99	FC
Alsacienne de Portage – DNA	France	100	99	FC	100	99	FC
Banque de Tunisie	Tunisia	35	35	EM	35	35	EM
Carizy	France	100	100	FC			NC
CIC Participations	France	100	100	FC	100	100	FC
Crédit Mutuel Impact Fôrets	France	100	83	FC	100	83	FC
Crédit Mutuel Impact Forêts II	France	100	83	FC			NC
Cofidis Group (formerly Cofidis Participations)	France	80	80	FC	80	80	FC
Ebra Academie	France	100	100	FC			NC
EBRA Médias Rhone-Alpes PACA (formerly Groupe Dauphiné Media)	France	100	100	FC	100	100	FC
EBRA (formerly Société d'Investissements Médias (SIM))	France	100	100	FC	100	100	FC
EBRA Editions (formerly Les Éditions du Quotidien)	France	100	100	FC	100	100	FC
EBRA events	France	100	100	FC	100	100	FC
EBRA Info (formerly AGIR)	France	100	100	FC	100	100	FC
EBRA Médias Alsace	France	100	99	FC	100	99	FC
EBRA Médias Bourgogne Rhone-Alpes (formerly Publiprint Province n°1)	France	100	100	FC	100	100	FC
EBRA Médias Lorraine Franche Comté	France	100	100	FC	100	100	FC
EBRA Portage Bourgogne Rhone-Alpes (formerly Presse Diffusion)	France	100	100	FC	100	100	FC
EBRA Productions	France	100	100	FC	100	100	FC
EBRA services	France	100	100	FC	100	100	FC
EBRA Studio (formerly Est Info TV)	France	100	100	FC	100	100	FC
Est Bourgogne Médias	France	100	100	FC	100	100	FC
Euro Protection Surveillance	France	22	22	EM	22	22	EM
Euro-Information	France	27	27	EM	27	27	EM
Foncière Massena	France	100	66	FC	100	66	FC
Fonds Révolution Environnementale et Solidaire	France	100	83	FC	100	83	FC
France Régie	France	100	99	FC	100	99	FC
GEIE Synergie	France	100	80	FC	100	80	FC
Gens d'Évènement	France	70	70	FC			NC
Groupe Progrès	France	100	100	FC	100	100	FC
Groupe Républicain Lorrain Imprimeries (GRLI)	France	100	100	FC	100	100	FC
Humanoid	France	100	71	FC	100	71	FC
Journal de la Haute Marne	France	50	50	EM	50	50	EM
KCIOP	France	62	62	FC	62	62	FC
La Liberté de l'Est	France	100	100	FC	100	100	FC
La Tribune	France	100	100	FC	100	100	FC
Le Dauphiné Libéré	France	100	100	FC	100	100	FC
Le Républicain Lorrain	France	100	100	FC	100	100	FC
Lemon Start	France	100	71	FC			NC
Les Dernières Nouvelles d'Alsace	France	99	99	FC	99	99	FC
L'Est Républicain	France	100	100	FC	100	100	FC
Lumedia	Luxembourg	50	50	EM	50	50	EM
Madmoizelle	France	100	71	FC	100	71	FC
Media des massifs français (formerly NEWCO4)	France	68	68	FC	68	68	FC
Médiaportage	France	100	100	FC	100	100	FC
Mutuelles Investissement	France	100	97	FC	100	97	FC
Oddity H.	France	71	71	FC	71	71	FC
Presstic Numerama	France	100	71	FC	100	71	FC
SAP Alsace	France	100	100	FC	100	100	FC
SCI 14 Rue de Londres	France	100	66	FC	100	66	FC
SCI ACM	France	100	66	FC	100	66	FC
SCI La Tréflière	France	46	46	EM	46	46	EM

SCI Le Progrès Confluence	France	100	100	FC	100	100	FC
SCI Provence Lafayette	France	100	66	FC	100	66	FC
SCI Saint Augustin	France	100	66	FC	100	66	FC
Société d'Édition de l'Hebdomadaire du Louhannais et du Jura (SEHLJ)	France	100	100	FC	100	100	FC
Studio M	France	100	100	FC			NC
Targodeutschland GmbH	Germany	100	100	FC	100	100	FC
Targo Dienstleistungs GmbH	Germany	100	100	FC	100	100	FC
Targo Technology GmbH	Germany	100	100	FC	100	100	FC
H. INSURANCE COMPANIES							
ACM Belgium Life (formerly NELB North Europe Life Belgium)	Belgium	100	66	FC	100	66	FC
ACM Capital	France	100	66	FC	100	66	FC
ACM Deutschland AG	Germany	100	83	FC	100	83	FC
ACM Deutschland Life AG	Germany	100	83	FC	100	83	FC
ACM Deutschland Non-Life AG	Germany	100	83	FC	100	83	FC
ACM GIE	France	100	66	FC	100	66	FC
ACM IARD	France	97	64	FC	97	64	FC
ACM Vie SA	France	100	66	FC	100	66	FC
ACM VIE, Société d'Assurance Mutuelle	France	100	66	FC	100	66	FC
Groupe des Assurances du Crédit Mutuel (GACM)	France	66	66	FC	66	66	FC

** Method: FC = Full Consolidation; EM = Equity Method; NC = Not Consolidated; ME = Merged*

*** Targobank AG in Germany is structured around three activities: Targobank retail for consumer loan (main activity), Targobank Factoring and Equipment Finance for the banking network subsidiaries (factoring and leasing) and Targobank Corporate and Investment Banking for the banking network.*

3b Fully consolidated entities with significant non-controlling interests

	Percentage of non-controlling interests in the consolidated financial statements				Financial information regarding fully-consolidated entities(1)			
06/30/2024	Percentage of stake/Percentage of voting rights	Net profit/(loss) attributable to non-controlling interests	Amount in shareholders' equity of non-controlling interests	Dividends paid to non-controlling interests	Balance sheet total	Net income	Undisclosed reserves	Net revenue
Groupe des Assurances du Crédit Mutuel (GACM)	34%	171	3,409	-110	144,822	498	458	703
Beobank	49%	9	410	-8	10,445	18	30	158

(1) *Amounts before elimination of intercompany balances and transactions.*

	Percentage of non-controlling interests in the consolidated financial statements				Financial information regarding fully-consolidated entities(1)			
12/31/2023	Percentage of stake/Percentage of voting rights	Net profit/(loss) attributable to non-controlling interests	Amount in shareholders' equity of non-controlling interests	Dividends paid to non-controlling interests	Balance sheet total	Net income	Undisclosed reserves	Net revenue
Groupe des Assurances du Crédit Mutuel (GACM)	34%	288	3,295	-378	142,533	836	551	1,193
Beobank	49%	29	386	-7	10,016	43	22	315
Cofidis France	20%	9	NA(2)	0	11,957	44	-3	565

(1) *Amounts before elimination of intercompany balances and transactions.*

(2) *In accordance with IAS 32, the group recognized a liability for the commitment to increase its stake in Cofidis GROUP (formerly Participations) to 100%. The counterparty was recorded as a reduction of minority interests and a reduction of the group's share for the remaining balance.*

Note 4 Cash, central banks (assets/liabilities)

	06/30/2024	12/31/2023
Cash, central banks – assets	**-**	**-**
Central banks	88,851	96,426
of which mandatory reserves	*2,891*	*2,836*
Local bank	676	648
Total	**89,527**	**97,074**
Central banks – liabilities	**31**	**31**

Note 5 Financial assets and liabilities at fair value through profit or loss

5a Financial assets at fair value through profit or loss

	06/30/2024				12/31/2023			
	Transaction	Fair value option	Other FVPL	Total	Transaction	Fair value option	Other FVPL	Total
Securities	**11,829**	**839**	**6,277**	**18,945**	**8,267**	**805**	**6,032**	**15,104**
■ Government securities	2,101	0	0	2,101	694	0	0	694
■ Bonds and other debt securities	7,671	839	417	8,927	6,309	805	288	7,402
Listed	7,671	0	8	7,679	6,309	0	11	6,320
Non-listed	0	839	409	1,248	0	805	277	1,082
of which UCIs	0	-	148	148	0		80	80
■ Shares and other equity instruments	2,057	-	5,018	7,075	1,264	-	4,921	6,185
Listed	2,057	-	1,183	3,240	1,264		1,115	2,379
Non-listed	0	-	3,835	3,835	0		3,806	3,806
■ Long-term investments	-	-	842	842	-	-	823	823
Equity investments	-	-	262	262	-	-	267	267
Other long-term investments	-	-	106	106	-	-	101	101
Investments in associates	-	-	473	473	-	-	454	454
Other long-term investments	-	-	1	1	-	-	1	1
Derivative instruments	**6,749**	**-**	**-**	**6,749**	**5,634**	**-**	**-**	**5,634**
Loans and receivables	**14,585**	**0**	**14**	**14,599**	**12,407**	**0**	**17**	**12,424**
of which pensions	*14,585*	*0*	-	*14,585*	*12,407*	*0*	-	*12,407*
Other assets classified at FVPL	**25**	**-**	**-**	**25**	**26**	**-**	**-**	**26**
TOTAL	**33,188**	**839**	**6,291**	**40,318**	**26,334**	**805**	**6,049**	**33,188**

5b Financial liabilities at fair value through profit or loss

	06/30/2024	12/31/2023
Financial liabilities held for trading	24,759	17,793
Financial liabilities at fair value through profit or loss on option	205	146
TOTAL	**24,964**	**17,939**

FINANCIAL LIABILITIES HELD FOR TRADING

	06/30/2024	12/31/2023
Short sales of securities	**2,029**	**769**
Government securities	2	0
Bonds and other debt securities	1,285	176
Shares and other equity instruments	742	593
Debts in respect of securities sold under repurchase agreements	**15,621**	**11,020**
Trading derivatives	**6,499**	**5,432**
Other financial liabilities held for trading	**610**	**572**
TOTAL	**24,759**	**17,793**

5c Analysis of trading derivatives

	06/30/2024			12/31/2023		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Rate instrument	178,444	4,364	4,275	184,824	3,375	3,330
Swaps	79,726	3,398	3,957	85,769	2,642	2,979
Other firm contracts	56,363	0	0	56,227	0	0
Options and conditional instruments	42,355	966	318	42,828	733	351
Foreign exchange instrument	152,390	2,115	1,971	155,929	2,039	1,885
Swaps	93,463	37	34	105,189	47	72
Other firm contracts	14,890	1,794	1,653	13,673	1,758	1,579
Options and conditional instruments	44,037	284	284	37,067	234	234
Other derivatives	21,899	270	253	19,156	220	218
Swaps	6,377	97	108	6,711	83	98
Other firm contracts	11,911	63	80	8,541	44	57
Options and conditional instruments	3,611	110	65	3,904	93	63
TOTAL	**352,733**	**6,749**	**6,499**	**359,909**	**5,634**	**5,433**

Swaps are valued with an OIS curve if they are collateralized or, otherwise, with a BOR curve otherwise. Hedged items are valued using a BOR curve. The difference resulting from the use of different valuation curves for the hedged items and the hedging instruments is accounted for as hedge ineffectiveness. Furthermore, the value of derivatives takes into account the counterparty risk.

Note 6 Hedging

6a Hedging derivatives

	06/30/2024			12/31/2023		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Fair value hedges	*355,495*	*2,615*	*4,636*	*337,738*	*2,325*	*4,426*
Swaps	355,494	2,615	4,636	337,737	2,325	4,426
Other firm contracts	0	0	0	0	0	0
Options and conditional instruments	1	0	0	1	0	0
TOTAL	**355,495**	**2,615**	**4,636**	**337,738**	**2,325**	**4,426**

Swaps are valued with an OIS curve if they are collateralized or, otherwise, with a BOR curve otherwise. Hedged items are valued using a BOR curve. The difference resulting from the use of different valuation curves for the hedged items and the hedging instruments is accounted for as hedge ineffectiveness. Furthermore, the value of derivatives takes into account the counterparty risk.

6b Revaluation adjustment on rate-hedged books

	06/30/2024	12/31/2023
Fair value of portfolio interest rate risk		
■ in financial assets	-1,415	-558
■ in financial liabilities	-28	-27

Note 7 Financial assets at fair value through equity

	06/30/2024	12/31/2023
Government securities	13,215	11,616
Bonds and other debt securities	26,868	24,619
■ Listed	25,708	23,675
■ Non-listed	1,160	944
Receivables related	271	271
Debt securities subtotal, gross	**40,354**	**36,506**
Of which impaired debt securities (S3)	3	3
Impairment of performing loans (S1/S2)	-17	-20
Other impairment (S3)	-3	-3
Debt securities subtotal, net	**40,334**	**36,483**
Shares and other equity instruments	88	123
■ Listed	0	0
■ Non-listed	88	123
Long-term investments	309	316
■ Equity investments	85	105
■ Other long-term investments	171	160
■ Investments in associates	53	51
Subtotal, equity instruments	**397**	**439**
TOTAL	**40,731**	**36,922**
Of which unrealized capital gains or losses recognized under shareholders' equity	-108	-67
Of which listed equity investments.	0	0

Note 8 Fair value hierarchy of financial instruments carried at fair value on the balance sheet

06/30/2024	Level 1	Level 2	Level 3	Total
IFRS 9 FINANCIAL ASSETS				
Fair value through equity	**36,348**	**3,990**	**393**	**40,731**
Government and equivalent securities	12,667	631	0	13,298
Bonds and other debt securities	23,669	3,356	9	27,034
Shares and other equity instruments	0	2	86	88
Investments and other long-term securities	12	0	245	256
Investments in subsidiaries and associates	0	0	53	53
EC Loans and Receivables – FVTPL				
Customer loans and receivables – FVTPL				
Trading/Fair value option/Other	**10,937**	**21,879**	**7,502**	**40,318**
Government securities and similar instruments – Trading	1,680	415	6	2,101
Government securities and similar instruments – Fair value option	0	0	0	0
Government securities and similar instruments – Other FVPL	0	0	0	0
Bonds and other debt securities – Trading	5,624	1,415	632	7,670
Bonds and other debt securities – Fair value option	0	24	815	839
Bonds and other debt securities – Other FVPL	268	142	7	417
Shares and other equity instruments – Trading	2,057	0	0	2,057
Shares and other equity instruments – Other FVPL[1)]	1,238	0	3,780	5,017
Investments and other long-term securities – Other FVPL	5	0	362	368
Investments in subsidiaries and associates – Other FVPL	0	0	474	474
Loans and receivables due from customers – Trading	0	14,585	0	14,585
Loans and receivables due from customers – Other FVPL	0	14	0	14
Derivatives and other financial assets – Trading	66	5,257	1,427	6,749
Other assets classified at FVPL	0	25	0	25
Hedging derivatives	**2**	**2,612**	**1**	**2,615**
TOTAL	**47,286**	**28,481**	**7,896**	**83,663**
IFRS 9 FINANCIAL ASSETS – INVESTMENTS OF INSURANCE ACTIVITIES				
Fair value through equity	**70,391**	**6,470**	**2,598**	**79,459**
Government and equivalent securities	31,503	211	0	31,714
Bonds and other debt securities	36,813	619	0	37,432
Shares and other equity instruments	1,253	16	0	1,268
Investments and other long-term securities	822	0	1,853	2,675
Investments in subsidiaries and associates	0	0	745	745
Loans and receivables – FVTPL	0	5,624	0	5,624
Trading/Fair value option/Other	**39,539**	**12,088**	**0**	**51,627**
Government securities and similar instruments – Trading	0	0	0	0
Government securities and similar instruments – Fair value option	0	0	0	0
Government securities and similar instruments – Other FVPL	157	7	0	164
Bonds and other debt securities – Trading	0	0	0	0
Bonds and other debt securities – Fair value option	0	0	0	0
Bonds and other debt securities – Other FVPL	24,770	5,372	0	30,142
Shares and other equity instruments – Trading	0	0	0	0
Shares and other equity instruments – Other FVPL	14,612	6,474	0	21,087
Investments and other long-term securities – Other FVPL	0	2	0	2
Loans and receivables – Other FVPL	0	-130	0	-130
Loans and receivables due from credit institutions – Other FVPL	0	0	0	0
Derivatives and other financial assets – Trading	0	0	0	0
Operating properties – Other FVPL	0	362	0	362
Hedging derivatives	**0**	**0**	**0**	**0**
Non-operating properties OFVPL	**0**	**2,781**	**0**	**2,781**
TOTAL	**109,930**	**21,338**	**2,598**	**133,867**
IFRS 9 FINANCIAL LIABILITIES				
Trading/Fair value option	**2,146**	**20,781**	**2,037**	**24,964**
Due to credit institutions – Fair value option	0	96	0	96
Amounts due to customers – Fair value option	0	109	0	109
Debt – Trading	0	15,620	0	15,620
Derivatives and other financial liabilities – Trading	2,146	4,956	2,037	9,139
Hedging derivatives	**0**	**4,627**	**9**	**4,636**
TOTAL	**2,146**	**25,408**	**2,046**	**29,600**

(1) Includes the equity investments held by the group's private equity companies.

- Level 1: price quoted in an active market;
- Level 2: prices quoted in active markets for similar instruments, and valuation method in which all significant inputs are based on observable market information;
- Level 3: valuation based on internal models containing significant unobservable inputs.

Instruments in the trading portfolio classified under levels 2 or 3 mainly consist of derivatives and securities considered as illiquid. All of these instruments include uncertainties of valuation, which give rise to adjustments in value reflecting the risk premium that a market player would incorporate in establishing the price. These valuation adjustments make it possible to integrate, in particular, risks that would not be captured by the model, liquidity risks associated with the instrument or the parameter in question, specific risk premiums intended to offset certain surcharges that would elicit the dynamic management strategy associated with the model in certain market conditions, and the counterparty risk present in the fair value of over-the-counter derivatives. The methods used may change. The latter includes the counterparty risk itself present in the fair value of over-the-counter derivatives. When establishing valuation adjustments, each risk factor is considered individually and no effect of diversification between risks, parameters or models of a different nature are taken into account. A portfolio approach is most often used for a given risk factor.

12/31/2023	Level 1	Level 2	Level 3	Total
IFRS 9 FINANCIAL ASSETS				
Fair value through equity	**32,254**	**4,195**	**473**	**36,922**
Government and equivalent securities	11,590	72	36	11,697
Bonds and other debt securities	20,664	4,122	0	24,786
Shares and other equity instruments	0	2	121	123
Investments and other long-term securities	0	0	265	265
Investments in subsidiaries and associates	0	0	51	51
EC Loans and Receivables – FVTPL	0	0	0	0
Customer loans and receivables – FVTPL	0	0	0	0
Trading/Fair value option/Other	**7,849**	**18,063**	**7,250**	**33,162**
Government securities and similar instruments – Trading	582	112	0	694
Government securities and similar instruments – Fair value option	0	0	0	0
Government securities and similar instruments – Other FVPL	0	0	0	0
Bonds and other debt securities – Trading	4,628	1,061	621	6,310
Bonds and other debt securities – Fair value option	0	0	805	805
Bonds and other debt securities – Other FVPL	206	74	8	288
Shares and other equity instruments – Trading	1,264	0	0	1,264
Shares and other equity instruments – Other FVPL(1)	1,115	0	3,806	4,921
Investments and other long-term securities – Other FVPL	5	0	363	368
Investments in subsidiaries and associates – Other FVPL	0	0	454	454
Loans and receivables due from customers – Trading	0	12,407	0	12,407
Loans and receivables due from customers – Other FVPL	0	17	0	17
Derivatives and other financial assets – Trading	50	4,392	1,192	5,634
Other assets classified at FVPL	0	0	0	0
Hedging derivatives	**1**	**2,321**	**2**	**2,325**
TOTAL	**40,104**	**24,579**	**7,725**	**72,409**
IFRS 9 FINANCIAL ASSETS – INVESTMENTS OF INSURANCE ACTIVITIES				
Fair value through equity	**69,827**	**6,716**	**2,337**	**78,880**
Government and equivalent securities	30,761	219	0	30,980
Bonds and other debt securities	36,930	522	0	37,451
Shares and other equity instruments	1,218	16	0	1,234
Investments and other long-term securities	918	0	1,586	2,504
Investments in subsidiaries and associates	0	0	751	751
Loans and receivables – FVTPL	0	5,960	0	5,960
Trading/Fair value option/Other	**37,713**	**12,146**	**62**	**49,921**
Government securities and similar instruments – Trading	0	0	0	0
Government securities and similar instruments – Fair value option	0	0	0	0
Government securities and similar instruments – Other FVPL	161	7	0	168
Bonds and other debt securities – Trading	0	0	0	0
Bonds and other debt securities – Fair value option	0	0	0	0
Bonds and other debt securities – Other FVPL	23,304	5,302	0	28,606
Shares and other equity instruments – Trading	0	0	0	0
Shares and other equity instruments – Other FVPL	14,247	6,266	62	20,575
Loans and receivables – Other FVPL	0	209	0	209
Loans and receivables due from credit institutions – Other FVPL	0	0	0	0
Derivatives and other financial assets – Trading	0	0	0	0
Operating properties – Other FVPL	0	362	0	362
Hedging derivatives	**0**	**0**	**0**	**0**
Non-operating properties OFVPL	**0**	**2,768**	**0**	**2,768**
TOTAL	**107,540**	**21,631**	**2,399**	**131,569**

12/31/2023	Level 1	Level 2	Level 3	Total
IFRS 9 FINANCIAL LIABILITIES				
Trading/Fair value option	**1,254**	**15,157**	**1,528**	**17,939**
Due to credit institutions – Fair value option	0	84	0	84
Amounts due to customers – Fair value option	0	62	0	62
Debt – Trading	0	11,020	0	11,020
Derivatives and other financial liabilities – Trading	1,254	3,991	1,528	6,773
Hedging derivatives	**0**	**4,417**	**9**	**4,426**
TOTAL	**1,254**	**19,574**	**1,537**	**22,365**

(1) Includes the equity investments held by the group's private equity companies.

Note 9 Details of securitization outstandings

As requested by the banking supervisor and the markets regulator, an analysis is provided below of sensitive exposures based on FSB recommendations. Trading and fair value securities portfolios through equity were valued at market price from external data coming from organized markets, primary brokers, or when no other price is available, from comparable securities listed on the market.

Summary	Carrying amount 06/30/2024	Carrying amount 12/31/2023
RMBS	1,416	1,356
CMBS	0	0
CLO	3,829	3,851
Other ABS	4,189	3,494
TOTAL	**9,433**	**8,701**

Unless otherwise indicated, securities are not hedged by CDS.

Exposures at 06/30/2024	RMBS	CMBS	CLO	Other ABS	Total
Fair value through profit or loss	114	0	0	33	146
Amortized cost	16	0	331	2,284	2,631
Fair value – Others	1	0	21	118	140
Fair value through equity	1,285	0	3,478	1,754	6,516
TOTAL	**1,416**	**0**	**3,829**	**4,189**	**9,433**
France	582	0	760	892	2,234
Spain	53	0	0	342	395
United Kingdom	210	0	132	270	612
Europe excluding France, Spain and the UK	516	0	245	1,289	2,050
USA	2	0	2,693	1,124	3,819
Other	52	0	0	272	324
TOTAL	**1,416**	**0**	**3,829**	**4,189**	**9,433**
US Branches	0	0	0	0	0
AAA	1,392	0	3,512	1,753	6,656
AA	14	0	218	526	758
A	8	0	79	3	90
BBB	0	0	0	0	0
BB	0	0	0	0	0
B or below	2	0	0	7	9
Not rated	0	0	21	1,900	1,920
TOTAL	**1,416**	**0**	**3,829**	**4,189**	**9,433**
Origination 2005 and earlier	6	0	0	0	6
Origination 2006-2008	14	0	0	7	21
Origination 2009-2011	0	0	0	0	0
Origination 2012-2024	1,395	0	3,829	4,182	9,406
TOTAL	**1,416**	**0**	**3,829**	**4,189**	**9,433**

Exposures at 12/31/2023	RMBS	CMBS	CLO	Other ABS	Total
Fair value through profit or loss	116	0	0	97	213
Amortized cost	19	0	31	1,736	1,786
Fair value – Others	1	0	306	60	366
Fair value through equity	1,220	0	3,514	1,601	6,335
TOTAL	**1,356**	**0**	**3,851**	**3,494**	**8,701**
France	543	0	841	1,123	2,507
Spain	58	0	0	230	288
United Kingdom	156	0	120	165	441
Europe excluding France, Spain and the UK	529	0	249	1,231	2,009
USA	2	0	2,641	585	3,228
Other	68	0	0	161	228
TOTAL	**1,356**	**0**	**3,851**	**3,494**	**8,701**
US Branches	0	0	0	0	0
AAA	1,326	0	3,527	1,573	6,427
AA	19	0	241	539	799
A	9	0	83	3	94
BBB	0	0	0	0	0
BB	0	0	0	1	1
B or below	2	0	0	7	9
Not rated	0	0	0	1,371	1,371
TOTAL	**1,356**	**0**	**3,851**	**3,494**	**8,701**
Origination 2005 and earlier	7	0	0	0	7
Origination 2006-2008	16	0	0	7	23
Origination 2009-2011	0	0	0	0	0
Origination 2012-2023	1,332	0	3,851	3,487	8,671
TOTAL	**1,356**	**0**	**3,851**	**3,494**	**8,701**

Note 10 Financial assets at amortized cost

	06/30/2024	12/31/2023
Securities at amortized cost	4,097	3,786
Loans and receivables to credit institutions	62,355	62,878
Loans and receivables to customers	337,790	336,388
TOTAL	**404,242**	**403,052**

10a Securities at amortized cost

	06/30/2024	12/31/2023
Securities	4,128	3,837
■ Government securities	1,633	1,612
■ Bonds and other debt securities	2,495	2,225
Listed	1,572	1,417
Non-listed	923	808
Receivables related	37	16
TOTAL GROSS	**4,165**	**3,853**
of which impaired assets (S3)	116	95
Impairment of performing loans (S1/S2)	-2	-2
Other impairment (S3)	-66	-65
TOTAL NET	**4,097**	**3,786**

At June 30, 2024, the net carrying amount of HQLA debt securities recognized as assets at amortized cost amounted to €1,800 million. The estimated fair value of these assets is €1,731 million.

10b Loans and receivables due from credit institutions at amortized cost

	06/30/2024	12/31/2023
Performing loans (S1/S2)	61,888	62,253
Crédit Mutuel network accounts(1)	14,947	13,689
Other ordinary accounts	3,808	3,769
Loans	32,449	32,426
Other receivables	8,788	10,458
Pensions	1,896	1,911
Receivables related	470	627
Impairment of performing loans (S1/S2)	-3	-2
TOTAL	**62,355**	**62,878**

(1) Mainly concerns outstanding CDC repayments (LEP, LDD, Livret bleu, Livret A).

10c Loans and receivables due from customers at amortized cost

	06/30/2024	12/31/2023
Performing loans (S1/S2)	312,384	311,671
Commercial loans	17,156	17,932
Other customer receivables	294,396	292,948
■ home loans	120,312	120,548
■ other loans and receivables, including pensions(1)(2)	174,084	172,400
Receivables related	832	791
Insurance and reinsurance receivables	0	0
Gross receivables subject to individual impairment (S3)	12,628	11,740
Gross receivables	**325,012**	**323,411**
Impairment of performing loans (S1/S2)(3)	-2,436	-2,412
Other impairment (S3)	-6,148	-5,757
SUBTOTAL I	**316,428**	**315,242**
Finance leases (net investment)	20,822	20,726
■ Equipment	15,266	15,084
■ Real estate	5,556	5,642
Gross receivables subject to individual impairment (S3)	1,011	860
Impairment of performing loans (S1/S2)	-182	-187
Other impairment (S3)	-289	-253
SUBTOTAL II	**21,362**	**21,146**
TOTAL	**337,790**	**336,388**
of which subordinated loans	12	12
of which pensions	1,710	1,445

(1) Including €6.1 billion at June 30, 2024 in State-guaranteed loans (SGLs) granted during the COVID-19 crisis.

(2) This includes guarantee deposits paid in respect of payment commitments to the Single Resolution Fund (€244 million) and the Deposit Guarantee Fund (€121 million). It should be noted that, in the context of the single resolution mechanism, irrevocable payment undertakings represent contingent liabilities, as the prospect of their being called upon is deemed improbable in an environment of going concern and resilience of the Eurozone banking system highlighted by the results of the ECB 2023 stress tests.

(3) The item includes a post-model adjustment – see note 1 "Accounting principles".

BREAKDOWN OF STATE-GUARANTEED LOANS (SGLS)

	Outstandings			Write down		
	S1	S2	S3	S1	S2	S3
Amounts at 06/30/2024	3,179	1,767	1,168	-2	-7	-144
Amounts at 12/31/2023	5,405	895	1,178	-4	-6	-150

FINANCE LEASE TRANSACTIONS WITH CUSTOMERS

	12/31/2023	Increase	Decrease	Other	06/30/2024
Gross carrying amount	21,586	2,062	1,813	-2	21,833
Impairment of non-recoverable lease payments	-440	-139	107	1	-471
NET CARRYING AMOUNT	**21,146**	**1,923**	**-1,706**	**-1**	**21,362**

Note 11 Financial liabilities at amortized cost

11a Debt securities at amortized cost

	06/30/2024	12/31/2023
Certificates of deposit	44	46
Interbank certificates and negotiable debt instruments	65,120	56,411
Bonds	81,710	79,420
Non-preferred senior securities	12,514	12,756
Related debt	1,620	1,643
TOTAL	**161,008**	**150,276**

11b Due to credit institutions

	06/30/2024	12/31/2023
Other ordinary accounts	18,050	12,648
Borrowings	13,047	14,140
Other debt	2,591	6,348
Pensions(1)	14,851	25,569
Related debt	191	574
TOTAL	**48,730**	**59,280**

(1) As part of the monetary policy implemented by the Eurosystem, the group decided to participate in the TLTRO III (Targeted Longer-Term Refinancing Operation) launched in March 2020. Crédit Mutuel has therefore refinanced itself with the ECB under TLTRO III for an amount of €525 million at June 30, 2024. These transactions will be fully completed in the second half of 2024.

11c Due to customers at amortized cost

	06/30/2024	12/31/2023
Special savings accounts	59,523	61,031
▪ demand	46,435	46,818
▪ term	13,088	14,213
Related liabilities on savings accounts	634	7
Subtotal	**60,157**	**61,038**
Demand accounts	135,765	143,377
Term deposits and borrowings	93,521	93,872
Pensions	40	0
Related debt	1,417	1,009
Other debt	13	6
Subtotal	**230,756**	**238,264**
TOTAL	**290,913**	**299,302**

Note 12 Gross values and movements in impairment provisions

12a Gross values subject to impairment

	12/31/2023	Acquisition/ production	Sales/ repayments	Transfer	Other[1]	06/30/2024
Financial assets at amortized cost – loans and receivables due from credit institutions, subject to	**62,880**	**23,129**	**-23,753**	**0**	**102**	**62,358**
■ 12-month expected losses (S1)	62,625	23,102	-23,503	0	103	62,327
■ expected losses at termination (S2)	255	27	-250	0	-1	31
Financial assets at amortized cost – loans and receivables due from customers, subject to	**344,997**	**71,744**	**-70,155**	**0**	**259**	**346,845**
■ 12-month expected losses (S1)[2]	310,770	68,011	-64,507	-6,634	-143	307,497
■ expected losses at maturity (S2)[2]	21,627	3,357	-3,851	4,444	130	25,707
■ expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	12,429	364	-1,772	2,188	271	13,480
■ expected losses on assets credit-impaired (S3) at the end of the period and on initial recognition	171	12	-25	2	1	161
Financial assets at amortized cost – securities	**3,853**	**2,391**	**-2,066**	**0**	**-13**	**4,165**
■ 12-month expected losses (S1)	3,750	2,369	-2,065	-1	-12	4,041
■ expected losses at termination (S2)	8	0	0	0	0	8
■ expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	95	22	-1	1	-1	116
Financial assets at fair value through equity – debt securities	**36,506**	**13,556**	**-10,061**	**0**	**353**	**40,354**
■ 12-month expected losses (S1)	36,496	13,556	-10,061	5	353	40,349
■ expected losses at termination (S2)	7	0	0	-5	0	2
■ expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	3	0	0	0	0	3
TOTAL	**448,236**	**110,820**	**-106,035**	**0**	**701**	**453,722**

(1) Change in flows not giving rise to derecognition and miscellaneous flows.

(2) Work to improve the reliability of the data led the group to modify the breakdown between S1 and S2 of outstanding loans and receivables due from customers at December 31, 2023 for €395 million. S1 outstandings at December 31, 2023 were reduced by €395 million and those of S2 were increased by the same amount. This reclassification had no impact on the resulting credit risk.

12b Movements in impairment provisions

	12/31/2023	Addition	Reversal	Other	06/30/2024
Financial assets at amortized cost – loans and receivables due from credit institutions	**-2**	**-2**	**1**	**0**	**-3**
■ 12-month expected losses (S1)	-2	-1	1	1	-1
■ expected losses at termination (S2)	0	-1	0	0	-1
Financial assets at amortized cost – loans and receivables due from customers	**-8,609**	**-2,883**	**2,439**	**-2**	**-9,055**
■ 12-month expected losses (S1)	-1,372	-500	600	-45	-1,317
■ expected losses at termination (S2)	-1,228	-984	856	55	-1,301
■ expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	-6,009	-1,399	983	-11	-6,436
■ expected losses on assets credit-impaired (S3) at the end of the period and on initial recognition	0	0	0	0	0
Financial assets at amortized cost – securities	**-67**	**-1**	**0**	**0**	**-68**
■ 12-month expected losses (S1)	-1	0	0	0	-1
■ expected losses at termination (S2)	-1	0	0	0	-1
■ expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	-65	-1	0	0	-66
■ expected losses on assets credit-impaired (S3) at the end of the period and on initial recognition	0	0	0	0	0
Financial assets at FVOCI – debt securities	**-23**	**-5**	**8**	**0**	**-20**
■ 12-month expected losses (S1)	-20	-5	8	0	-17
■ expected losses at termination (S2)	0	0	0	0	0
■ expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	-3	0	0	0	-3
■ expected losses on assets credit-impaired (S3) at the end of the period and on initial recognition	0	0	0	0	0
TOTAL	**-8,701**	**-2,891**	**2,448**	**-2**	**-9,146**

The group conducted a sensitivity test of the cost of risk (including post-model adjustment). It is presented in note 1.

12c Breakdown of impairment

	Outstandings			Write down					
06/30/2024	S1	S2	S3	S1	Of which adjustment[(1)]	S2	Of which adjustment[(1)]	S3	Net outstandings
Loans and receivables due from credit institutions	62,327	31	0	-1	0	-1	0	0	62,356
Loans and receivables due from customers	307,498	25,707	13,641	-1,319	-77	-1,301	-123	-6,436	337,790
Financial assets at amortized cost – Securities	4,041	8	116	-1	0	-1	0	-66	4,097
Financial assets at FVOCI – Debt securities	40,389	2	3	-17	0	0	0	-3	40,334
Financial assets at FVOCI – Loans	0	-1	0	0	0	0	0	0	-1
TOTAL	**414,215**	**25,747**	**13,760**	**-1,338**	**-77**	**-1,303**	**-123**	**-6,505**	**444,576**

(1) Post-model adjustment.

	Outstandings			Write down					
12/31/2023	S1	S2	S3	S1	Of which adjustment[(1)]	S2	Of which adjustment[(1)]	S3	Net outstandings
Loans and receivables due from credit institutions	62,625	255	0	-2	0	0	0	0	62,878
Loans and receivables due from customers	311,165	21,232	12,600	-1,372	-115	-1,228	-143	-6,009	336,388
Financial assets at amortized cost – Securities	3,750	8	95	-1	0	-1	0	-65	3,786
Financial assets at FVOCI – Debt securities	36,496	7	3	-20	0	0	0	-3	36,483
Financial assets at FVOCI – Loans	0	0	0	0	0	0	0	0	0
TOTAL	**414,036**	**21,502**	**12,698**	**-1,395**	**-115**	**-1,229**	**-143**	**-6,077**	**439,535**

(1) Post-model adjustment.

Note 13 Insurance activities

INVESTMENTS OF INSURANCE ACTIVITIES

Financial assets	06/30/2024	12/31/2023
INSURANCE FINANCIAL INVESTMENTS		
Financial assets at fair value through profit or loss	51,626	49,920
Financial assets at fair value through equity	79,460	78,881
Loans and receivables at amortized cost	391	183
Debt instruments at amortized cost	0	0
Investment property[(1)]	2,781	2,768
Subtotal of insurance investments[(2)]	**134,258**	**131,752**
Assets of insurance contracts	15	15
Reinsurance contracts	313	312
TOTAL	**134,585**	**132,079**

(1) Investment property is recognized at fair value through profit or loss.
(2) Outstandings in stage 3 amounted to €18 million, fully impaired.

13a Insurance financial assets at fair value through profit or loss

	06/30/2024				12/31/2023			
	Transaction	Fair value option	Other FVPL	Total	Transaction	Fair value option	Other FVPL	Total
Securities	**0**	**0**	**51,394**	**51,394**	**0**	**0**	**49,349**	**49,349**
■ Government securities	0	0	164	164	0	0	168	168
■ Bonds and other debt securities	0	0	30,142	30,142	0	0	28,606	28,606
Listed	*0*	*0*	*24,770*	*24,770*	*0*	*0*	*23,335*	*23,335*
Non-listed	*0*	*0*	*5,372*	*5,372*	*0*	*0*	*5,271*	*5,271*
of which UCIs	0	0	28,014	28,014	0	0	26,425	26,425
■ Shares and other equity instruments	0	0	21,086	21,086	0	0	20,575	20,575
Listed	*0*	*0*	*14,612*	*14,612*	*0*	*0*	*14,247*	*14,247*
Non-listed	*0*	*0*	*6,474*	*6,474*	*0*	*0*	*6,328*	*6,328*
■ Equity investments, shares in subsidiaries and associates and other long-term investments	0	0	2	2	0	0	0	0
Equity investments	*0*	*0*	*2*	*2*	*0*	*0*	*0*	*0*
Derivative instruments	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Operating properties at fair value through profit or loss	**0**	**0**	**362**	**362**	**0**	**0**	**362**	**362**
Loans and receivables	**0**	**0**	**-130**	**-130**	**0**	**0**	**209**	**209**
TOTAL	**0**	**0**	**51,626**	**51,626**	**0**	**0**	**49,920**	**49,920**

13b Insurance financial assets at fair value through equity

	06/30/2024	12/31/2023
Government securities	31,716	30,982
Bonds and other debt securities	37,472	37,492
■ Listed	36,831	36,927
■ Non-listed	641	565
Receivables related	0	0
Of which impaired debt securities (S3)	18	18
Debt securities subtotal, gross	**69,188**	**68,474**
Impairment of performing loans (S1/S2)	-23	-24
Other impairment (S3)	-18	-18
Debt securities subtotal, net	**69,147**	**68,432**
Loans	5,625	5,961
Receivables related	0	0
Gross subtotal loans and receivables	**5,625**	**5,961**
Impairment of performing loans (S1/S2)	-1	-1
Other impairment (S3)	0	0
Net subtotal loans and receivables	**5,624**	**5,960**
Shares and other equity instruments	1,269	1,234
■ Listed	1,253	1,218
■ Non-listed	16	16
Long-term investments	3,420	3,255
■ Equity investments	2,675	2,504
■ Other long-term investments	0	0
■ Investments in associates	745	751
Subtotal, equity instruments	**4,689**	**4,489**
TOTAL	**79,460**	**78,881**
Of which unrealized capital gains or losses recognized under shareholders’ equity	-95	45
Of which listed equity investments.	822	918

13c Distinction between insurance liabilities for remaining cover and incurred claims

	06/30/2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			
	Excluding loss item	Loss item	Contracts excluding PAA	Estimates of the present value of future cash flows of PAA contracts (BE)	Adjustment for non-financial risk of PAA contracts (RA)	Total
Insurance contract assets at the start of the period	-16	0	1	0	0	-15
Insurance contract liabilities at the start of the period	115,055	102	1,085	3,735	106	120,084
Opening balance	**115,039**	**102**	**1,087**	**3,735**	**106**	**120,069**
A - Income from insurance activities	**-3,712**	**0**	**0**	**0**	**0**	**-3,712**
Claims and other insurance expenses incurred during the fiscal year	0	-67	874	2,211	22	3,040
Amortization of acquisition cash flows	7	0	0	0	0	7
Loss on onerous contracts	0	107	0	0	0	107
Changes related to incurred claims in previous years (adjustment of the LIC)	0	0	-30	-14	-24	-69
B - Expenses related to insurance activities	**7**	**41**	**843**	**2,196**	**-2**	**3,085**
C - Investment component	**-3,439**	**0**	**3,439**	**0**	**0**	**0**
INSURANCE SERVICE RESULT (A + B + C)	**-7,143**	**41**	**4,282**	**2,196**	**-2**	**-626**
Financial income or expense on insurance contracts issued OCI	-1,394	0	-13	-21	-1	-1,429
Financial income or expense on insurance contracts issued outside OCI	3,023	1	7	40	1	3,073
Exchange rate effects	0	0	0	0	0	0
D - Total changes in income and in other comprehensive income	**-5,515**	**42**	**4,276**	**2,216**	**-1**	**1,017**
Premiums received	7,565	0	0	0	0	7,565
Claims and expenses paid, including investment component	0	0	-4,249	-2,203	0	-6,452
Cash flow from contract acquisition	-11	0	0	0	0	-11
E - Total cash flow	**7,554**	**0**	**-4,249**	**-2,203**	**0**	**1,102**
F - Transfer to other balance sheet items	**3**	**0**	**0**	**0**	**0**	**3**
Insurance contracts – assets	-16	0	1	0	0	-15
Insurance contracts – liabilities	117,096	144	1,112	3,748	105	122,205
CLOSING BALANCE (D + E + F)	**117,080**	**144**	**1,113**	**3,748**	**105**	**122,190**

	12/31/2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			
	Excluding loss item	Loss item	Contracts excluding PAA	Estimates of the present value of future cash flows of PAA contracts (BE)	Adjustment for non-financial risk of PAA contracts (RA)	Total
Insurance contract assets at the start of the period	-18	0	0	0	0	-18
Insurance contract liabilities at the start of the period	106,026	72	986	3,402	95	110,581
Opening balance	**106,008**	**72**	**986**	**3,402**	**95**	**110,563**
A - Income from insurance activities	**-7,207**	**0**	**0**	**0**	**0**	**-7,207**
Claims and other insurance expenses incurred during the fiscal year	0	-47	1,725	4,385	33	6,097
Amortization of acquisition cash flows	14	0	0	0	0	14
Loss on onerous contracts	0	75	0	0	0	75
Changes related to incurred claims in previous years (adjustment of the LIC)	0	0	-41	29	-26	-38
B - Expenses related to insurance activities	**14**	**28**	**1,684**	**4,415**	**8**	**6,147**
C - Investment component	**-6,406**	**0**	**6,406**	**0**	**0**	**0**
INSURANCE SERVICE RESULT (A + B + C)	**-13,600**	**28**	**8,090**	**4,415**	**8**	**-1,060**
Financial income or expense on insurance contracts issued OCI	3,183	0	15	84	3	3,284
Financial income or expense on insurance contracts issued outside OCI	5,675	2	11	46	1	5,736
Exchange rate effects	0	0	0	0	0	0
D - Total changes in income and in other comprehensive income	**-4,742**	**30**	**8,116**	**4,544**	**12**	**7,960**
Premiums received	13,798	0	0	0	0	13,798
Claims and expenses paid, including investment component	0	0	-8,034	-4,208	0	-12,241
Cash flow from contract acquisition	-27	0	0	0	0	-27
E - Total cash flow	**13,771**	**0**	**-8,034**	**-4,208**	**0**	**1,530**
F - Transfer to other balance sheet items	**2**	**0**	**18**	**-4**	**0**	**16**
Insurance contracts – assets	-16	0	1	0	0	-15
Insurance contracts – liabilities	115,055	102	1,085	3,735	106	120,084
CLOSING BALANCE (OPENING + D + E + F)	**115,039**	**102**	**1,087**	**3,735**	**106**	**120,069**

RECONCILIATION OF PAYABLES AND RECEIVABLES RELATED TO INSURANCE CONTRACTS

	06/30/2024				12/31/2023			
	Closing balance	Related payables – CASH BASIS	Related receivables – CASH BASIS	Closing balance (including related payables and receivables)	Closing balance	Related payables – CASH BASIS	Related receivables – CASH BASIS	Closing balance (including related payables and receivables)
INSURANCE								
Assets of insurance contracts	-15			-15	-15	-	0	-15
Insurance contract liabilities	122,205	-831		121,374	120,084	-558	-	119,526
TOTAL PAYABLES AND RECEIVABLES RELATED TO INSURANCE CONTRACTS	122,190	-831		121,359	120,069	-558	0	119,511
Reinsurance					-	-	-	-
Reinsurance treaty assets	391		-78	313	414	-	-102	312
Reinsurance treaty liabilities	0				0	0	-	0
TOTAL PAYABLES AND RECEIVABLES RELATED TO REINSURANCE TREATIES	391		-78	313	414	0	-102	312

13d Distinction of insurance liabilities (BE, RA, CSM)

	06/30/2024			
	Estimate of the present value of future cash flows (BE)	Risk adjustment for non-financial risk (RA)	Contractual service margin (CSM)	Total
Insurance contract assets at the start of the period	-60	18	27	-15
Insurance contract liabilities at the start of the period	106,072	1,781	7,734	115,587
Opening balance	**106,012**	**1,799**	**7,761**	**115,572**
Change in contractual service margin recognized in income	0	0	-337	-337
Change in the adjustment for non-financial risk over the period	0	-72	0	-72
Experience adjustment	-30	10	0	-20
Changes in services rendered during the period	**-30**	**-62**	**-337**	**-430**
Contracts recognized during the period	-143	49	111	16
Changes in estimates resulting in an adjustment of the contractual service margin	-186	-43	230	0
Changes in estimates resulting in losses or reversals of losses on groups of onerous contracts	-2	4	0	1
Changes in future services	**-331**	**9**	**340**	**18**
Changes in fulfillment cash flows in respect of incurred claims	-23	-8	0	-30
Changes related to past services	**-23**	**-8**	**0**	**-30**
Insurance service result	**-384**	**-61**	**3**	**-442**
Effect of rates neutralized in OCI	3,014	8	9	3,031
Financial expenses net of insurance contracts (excluding OCI)	-1,396	-11	0	-1,407
Exchange rate effects	0	0	0	0
TOTAL CHANGES IN INCOME AND IN OTHER COMPREHENSIVE INCOME	1,233	-65	12	1,181
Premiums received	5,069	0	0	5,069
Claims and expenses paid, including investment component	-4,250	0	0	-4,250
Cash flow from contract acquisition	-11	0	0	-11
TOTAL CASH FLOW	807	0	0	807
Transfer to other balance sheet items	**4**	**0**	**0**	**4**
Insurance contract assets at closing	-56	18	23	-15
Insurance contract liabilities at closing	108,112	1,716	7,750	117,579
CLOSING BALANCE	108,057	1,734	7,773	117,564

	12/31/2023			
	Estimate of the present value of future cash flows (BE)	Risk adjustment for non-financial risk (RA)	Contractual service margin (CSM)	Total
Insurance contract assets at the start of the period	-51	16	18	-18
Insurance contract liabilities at the start of the period	98,654	1,511	6,491	106,656
Opening balance	**98,603**	**1,527**	**6,509**	**106,638**
Change in contractual service margin recognized in income	0	0	-697	-697
Change in the adjustment for non-financial risk over the period	0	-136	0	-136
Experience adjustment	-38	18	0	-20
Changes in services rendered during the period	**-38**	**-118**	**-697**	**-854**
Contracts recognized during the period	-247	123	166	42
Changes in estimates resulting in an adjustment of the contractual service margin	-1,967	192	1,774	0
Changes in estimates resulting in losses or reversals of losses on groups of onerous contracts	-34	6	0	-28
Changes in future services	**-2,248**	**321**	**1,940**	**14**
Changes in fulfillment cash flows in respect of incurred claims	-29	-13	0	-41
Changes related to past services	**-29**	**-13**	**0**	**-41**
Insurance service result	**-2,314**	**190**	**1,243**	**-881**
Effect of rates neutralized in OCI	3,132	64	0	3,196
Financial expenses net of insurance contracts (excluding OCI)	5,660	13	18	5,690
Exchange rate effects	0	0	0	0
TOTAL CHANGES IN INCOME AND IN OTHER COMPREHENSIVE INCOME	**6,477**	**267**	**1,260**	**8,005**
Premiums received	8,978	0	0	8,978
Claims and expenses paid, including investment component	-8,037	0	0	-8,037
Cash flow from contract acquisition	-27	0	0	-27
TOTAL CASH FLOW	**914**	**0**	**0**	**914**
Transfer to other balance sheet items	**18**	**5**	**-9**	**14**
Insurance contract assets at closing	-60	18	27	-15
Insurance contract liabilities at closing	106,072	1,781	7,734	115,587
CLOSING BALANCE	**106,012**	**1,799**	**7,761**	**115,572**

13e Underlying items of VFA contracts

UNDERLYING ITEMS OF INSURANCE CONTRACTS WITH DIRECT PARTICIPATION FEATURES

	06/30/2024	12/31/2023
FINANCIAL INVESTMENTS		
Fair value through equity	**66,793**	**68,974**
Government and equivalent securities	25,622	25,152
Bonds and other debt securities	30,488	32,900
Shares and other equity instruments	0	0
Investments and other long-term securities	1,698	1,609
Investments in subsidiaries and associates	201	203
Loans and receivables	8,784	9,110
Fair value through profit or loss	**50,942**	**53,033**
Government and equivalent securities	153	157
Bonds and other debt securities	27,202	29,720
Shares and other equity instruments	20,545	20,057
Loans and receivables	192	260
Derivatives and other financial assets – trading	0	0
Operating properties OFVPL	328	328
Non-operating properties OFVPL	2,522	2,511
Hedging derivatives	**0**	**0**
Amortized cost	**619**	**298**
Loans and receivables to credit institutions	619	298
Other assets	**-9**	**45**
Current tax assets	0	3
Other assets	-35	28
Accruals – Assets	26	14
TOTAL FINANCIAL INVESTMENTS	**118,345**	**122,350**
FINANCIAL LIABILITIES		
Fair value through profit or loss	**8,409**	**8,875**
Derivatives and other financial liabilities – *Trading*	29	61
Due to credit institutions and similar entities	8,380	8,814
Deposits from customers – Other – Term	0	0
Other liabilities	**257**	**128**
Other liabilities	34	33
Deferred tax liabilities	0	95
Accruals – Liabilities	223	0
TOTAL FINANCIAL LIABILITIES	**8,666**	**9,003**

IFRS 17 YIELD CURVES

Future cash flows are discounted using the yield curve below. This reflects the time value of money as well as the cash flow and liquidity characteristics of GACM's insurance contracts.

	06/30/2024	12/31/2023
1-year rate	4.1%	4.0%
5-year rate	3.4%	3.0%
10-year rate	3.4%	3.1%
20-year rate	3.3%	3.1%
30-year rate	3.2%	3.0%

Note 14 Taxes

14a Current tax

	06/30/2024	12/31/2023
Assets (through profit or loss)	949	1,076
Liabilities (through profit or loss)	452	532

14b Deferred tax

	06/30/2024	12/31/2023
Assets (through profit or loss)	521	530
Assets (through shareholders' equity)	393	322
Liabilities (through profit or loss)	422	428
Liabilities (through shareholders' equity)	30	25

Note 15 Accruals and miscellaneous assets and liabilities

15a Accruals and miscellaneous assets

	06/30/2024	12/31/2023
ACCRUALS – ASSETS		
Collection accounts	86	116
Currency adjustment accounts	114	23
Accrued income	681	601
Other accruals	3,506	2,015
Subtotal	**4,387**	**2,755**
OTHER ASSETS		
Securities settlement accounts	293	135
Miscellaneous receivables	4,902	4,643
Inventories and similar	45	43
Other miscellaneous uses	15	4
Subtotal	**5,255**	**4,825**
TOTAL	**9,642**	**7,580**

15b Accruals and miscellaneous liabilities

	06/30/2024	12/31/2023
ACCRUALS – LIABILITIES		
Accounts unavailable due to recovery procedures	357	400
Currency adjustment accounts	1,234	1,672
Accrued expenses	1,516	1,437
Deferred income	700	637
Other accruals	8,203	2,952
Subtotal	**12,010**	**7,098**
OTHER LIABILITIES		
Lease obligations – Real estate	875	714
Lease obligations – Other	13	13
Securities settlement accounts	1,262	682
Outstanding amounts payable on securities	242	262
Miscellaneous creditors	2,345	2,165
Subtotal	4,737	**3,836**
TOTAL	**16,747**	**10,934**

15c Lease obligations by residual term

06/30/2024	≤ 1 year	1 year ≤ 3 years	3 years ≤ 6 years	6 years ≤ 9 years	> 9 years	TOTAL
Lease obligations	**175**	**318**	**252**	**88**	**55**	**888**
■ Real estate	173	316	243	88	55	875
■ Other	2	2	9	0	0	13

12/31/2023	≤ 1 year	1 year ≤ 3 years	3 years ≤ 6 years	6 years ≤ 9 years	> 9 years	TOTAL
Lease obligations	**126**	**219**	**223**	**93**	**66**	**727**
■ Real estate	124	217	214	93	66	714
■ Other	2	2	9	0	0	13

Note 16 Investments in equity consolidated companies

16a Share of net income of equity consolidated companies

06/30/2024	Country	Share held	Value of equity consolidation	Share of net profit/(loss)	Dividends received	Fair value of the investment (if listed)
ENTITIES UNDER SIGNIFICANT INFLUENCE						
Banque de Tunisie	Tunisia	35.33%	146	3	7	145
Euro-Information	France	26.81%	719	33	1	NC*
Euro Protection Surveillance	France	22.25%	12	4	10	NC*
LYF SA	France	43.75%	7	0	0	NC*
SCI La Tréflière	France	46.09%	9	0	0	NC*
Other equity investments	-		0	0	0	NC*
TOTAL	-		893	40	19	

** NC: Not communicated.*

12/31/2023	Country	Share held	Value of equity consolidation	Share of net profit/(loss)	Dividends received	Fair value of the investment (if listed)
ENTITIES UNDER SIGNIFICANT INFLUENCE						
Banque de Tunisie	Tunisia	35.33%	150	16	7	151
Euro-Information	France	26.81%	687	30	1	NC*
Euro Protection Surveillance	France	22.25%	11	5	14	NC*
LYF SA	France	43.75%	7	0	0	NC*
SCI La Tréflière	France	46.09%	9	-1	0	NC*
Other equity investments	-	-	1	0	0	NC*
TOTAL	-	-	865	51	22	-

** NC: Not communicated.*

Note 17 Investment property

	12/31/2023	Increase	Decrease	Other	06/30/2024
Historical cost	72	2	-6	1	69
Depreciation and impairment	-35	-1	1	0	-35
NET AMOUNT	38	1	-5	1	34

The fair value of investment property carried at amortized cost is comparable to its carrying amount.

Note 18 Property, plant and equipment and intangible assets

18a Property, plant and equipment

	12/31/2023	Increase	Decrease	Other	06/30/2024
HISTORICAL COST					
Operating sites	462	0	0	-80	382
Operating buildings	2,924	26	-21	81	3,010
Usage rights – Real estate	1,336	43	-27	252	1,604
Usage rights – Other	16	0	0	0	16
Other property, plant and equipment	1,260	69	-31	20	1,318
TOTAL	5,998	138	-79	273	6,330
DEPRECIATION AND IMPAIRMENT					
Operating sites	-16	0	0	16	0
Operating buildings	-2,005	-43	16	-17	-2,049
Usage rights – Real estate	-640	-83	17	-44	-750
Usage rights – Other	-3	0	0	0	-3
Other property, plant and equipment	-908	-28	15	-15	-936
TOTAL	-3,572	-154	48	-60	-3,738
NET AMOUNT	2,426	-16	-31	213	2,592

18b Intangible assets

	12/31/2023	Increase	Decrease	Other	06/30/2024
HISTORICAL COST					
Internally developed intangible assets(1)	296	8	-14	14	304
Purchased intangible assets	1,060	27	-44	57	1,100
■ software	294	10	-2	5	307
■ other	766	17	-42	52	793
TOTAL	**1,356**	**35**	**-58**	**71**	**1,404**
DEPRECIATION AND IMPAIRMENT					
Internally developed intangible assets(1)	-284	-3	14	-14	-287
Purchased intangible assets	-610	-11	5	-8	-624
■ software	-247	-9	1	-4	-259
■ other	-363	-2	4	-4	-365
TOTAL	**-894**	**-14**	**19**	**-22**	**-911**
NET AMOUNT	**462**	**21**	**-39**	**49**	**493**

(1) These headings correspond to software developed internally and capitalized in our subsidiaries Euro-Information and TARGOBANK AG.

Note 19 Goodwill

	12/31/2023	Increase	Decrease	Variation in impairment	Other	06/30/2024
Gross goodwill	4,504	198				4,701
Write down	-2,393					-2,393
NET GOODWILL	**2,111**	**198**				**2,308**

Cash-generating units	Value of goodwill on 12/31/2023	Increase	Decrease	Variation in impairment	Other	Value of goodwill on 06/30/2024
TARGOBANK Germany	1,017					1,017
Crédit Industriel et Commercial (CIC)	506					506
Cofidis Group	378					378
La Française Group	0	190				190
Cofidis France	79					79
EBRA	35	4		,		39
SIIC Foncière Massena	26					26
Crédit Mutuel Equity SCR	21					21
Banque de Luxembourg	13					13
Cofidis Italy	9					9
Banque Transatlantique	6					6
Dubly Transatlantique Gestion	5					5
Carizy	0	4				4
Other	15					15
TOTAL	**2,111**	**198**	**0**	**0**	**0**	**2,308**

The cash-generating units to which the goodwill is assigned are tested annually to ensure that they are recoverable. Impairment is ascertained by depreciation of goodwill when the recoverable amount is less than the carrying amount. The current economic situation, its consequences on net profit at June 30, 2024, and the macroeconomic uncertainties for the following years, have led the group to identify potential indications of impairment of goodwill. As a result, the group has updated the impairment tests for its main subsidiaries.

The recoverable amount is determined according to two types of methods:

- *the fair value net of sales costs, which is based on observation of valuation multiples on comparable transactions or market parameters adopted by the analysts on entities with similar activities;*
- *the value in use, which is based on the discounting of expected future cash flows after taking into account capital requirements: this method is generally used as of June 30, 2024.*

To determine the value in use, the cash flows are based on business plans prepared by the management over a maximum period of five to seven years, then on projection of a flow to infinity according to a long-term growth rate. The latter is set at 2% for the whole of Europe, which is an assumption measured against inflation rates observed over a very long period.

The cash flows used to calculate the value in use also take into account prudential capital requirements.

The cash flow discount rates correspond to the cost of capital, which is determined from a long-term riskless rate, to which a risk premium is added. The risk premium is determined by observing the sensitivity of the price in relation to the market in the case of a listed asset, or by analyst estimates in the case of non-listed assets. The cost of capital was discounted on June 30, 2024 with:

- *9% for retail banking and leasing CGUs based in Germany;*
- *10% for Retail Banking, consumer credit and leasing CGUs based in France.*

The cash flows used to calculate the value in use are determined on the basis of regulatory capital requirements.

The main sensitivity factors of the recoverable amount test based on the value in use are the discount rate and the expected level of future cash flows, which is itself impacted by the following sensitivity factors:

- *the achievement of business plans;*
- *the level of shareholders' equity allocated to each CGU;*
- *the perpetual growth rate.*

When the value in use was used as an impairment test, the parameters and their sensitivity were as follows:

	TARGOBANK Germany	Cofidis[1]	CIC
	Network bank	Consumer loan	Network bank
Cost of capital	9%	10%	10%
Effect of a 50 basis point increase in the cost of capital	-5%	-6%	-5%
Effect of a 50 basis point drop in the growth rate to infinity	-1%	-1%	-1%
Effect of a 50 basis point increase in CET1 capital requirements	-3%	0%	-3%

(1) Cofidis France and Cofidis Group.

If the above sensitivity assumptions were used, this would not entail any impairment of goodwill on TARGOBANK Germany, Cofidis and CIC.

Note 20 Provisions and contingent liabilities

20a Provisions

	12/31/2023	Additions for the year	Reversals for the year (utilized provisions)	Reversals for the year (surplus provisions)	Other change	06/30/2024
Provisions for risks	**523**	**207**	**-7**	**-222**	**0**	**501**
On guarantee commitments[2]	**294**	**113**	**-1**	**-132**	**1**	**275**
■ of which 12-month expected losses (S1)	64	22	0	-33	1	54
■ of which expected losses at termination (S2)	77	52	0	-46	0	83
■ of which provisions for execution of commitments upon signature	153	39	-1	-53	0	138
On financing commitments[2]	**106**	**66**	**-1**	**-69**	**-1**	**101**
■ of which 12-month expected losses (S1)	78	40	0	-50	0	68
■ of which expected losses at termination (S2)	20	25	0	-19	0	26
On country risks	**0**	**0**	**0**	**0**	**0**	**0**
Provisions for taxes	**5**	**1**	**0**	**-1**	**-2**	**3**
Provisions for claims and litigation	**45**	**3**	**-1**	**-2**	**0**	**45**
Provision for risk on miscellaneous receivables	**72**	**25**	**-4**	**-17**	**0**	**76**
Other provisions	**1,281**	**270**	**-17**	**-203**	**27**	**1,359**
■ Provisions for mortgage saving agreements	80	8	0	-7	0	81
■ Provisions for miscellaneous contingencies	713	107	-10	-176	18	652
■ Other provisions[1]	488	155	-7	-20	10	626
Provisions for retirement commitments	**936**	**31**	**-18**	**-6**	**-60**	**883**
TOTAL	**2,740**	**508**	**-42**	**-431**	**-34**	**2,743**

(1) Other provisions relate to provisions for French economic interest groups (SPV) totaling €495 million.

(2) This item includes a post-model adjustment – see note 1 "Accounting principles".

20b Retirement and other employee benefits

	12/31/2023	Additions for the year	Reversals for the year	Other change	06/30/2024
DEFINED-BENEFIT PLANS NOT COVERED BY PENSION FUNDS					
Retirement benefits	785	23	-22	-57	729
Supplementary pensions	58	3	-2	-4	56
Obligations for long service awards (other long-term benefits)	84	4	0	1	89
Subtotal recognized	**927**	**30**	**-24**	**-59**	**874**
SUPPLEMENTARY DEFINED-BENEFIT PENSIONS COVERED BY THE GROUP'S PENSION FUNDS					
Commitments to employees and retirees[1]	9	0	0	0	9
Fair value of assets	-	-	-	-	-
Subtotal recognized	**9**	**0**	**0**	**0**	**9**
Other commitments	0	0	0	0	9
TOTAL AMOUNT RECOGNIZED	**936**	**30**	**-24**	**-59**	**883**

Defined-benefit plans: Main actuarial assumptions	06/30/2024	12/31/2023
Discount rate[2]	3.69%	3.19%
Expected increase in salaries[3]	Minimum 2.65%	Minimum 2.65%

(1) The provisions covering shortfalls in pension funds relate to entities located abroad.

(2) The discount rate, which is determined by reference to the long-term rate on private-sector borrowings, is based on the iBoxx index.

(3) The annual increase in salaries is the estimate of future inflation combined with the increase in salaries; it also depends on the age of the employee.

Note 21 Subordinated debt

	06/30/2024	12/31/2023
Subordinated debt	11,422	10,709
Participating loans	20	20
Perpetual subordinated debt	1,095	1,095
Related debt	138	179
TOTAL	**12,675**	**12,003**

PRINCIPAL SUBORDINATED DEBT

(in € millions)	Type	Issue Date	Issue Amount	Amount at year-end(1)	Rate	Term
Banque Fédérative du Crédit Mutuel	Redeemable subordinated notes/TSR	03/10/2014	€120m	€120m	4.25	06/27/2026
Banque Fédérative du Crédit Mutuel	Redeemable subordinated notes/TSR	09/11/2015	€1,000m	€971m	3.00	09/11/2025
Banque Fédérative du Crédit Mutuel	Redeemable subordinated notes/TSR	03/24/2016	€1,000m	€954m	2.375	03/24/2026
Banque Fédérative du Crédit Mutuel	Redeemable subordinated notes/TSR	09/12/2016	€300m	€300m	2.130	09/12/2026
Banque Fédérative du Crédit Mutuel	Redeemable subordinated notes/TSR	11/04/2016	€700m	€656m	1.875	11/04/2026
Banque Fédérative du Crédit Mutuel	Redeemable subordinated notes/TSR	03/31/2017	€500m	€470m	2.625	03/31/2027
Banque Fédérative du Crédit Mutuel	Redeemable subordinated notes/TSR	11/15/2017	€500m	€465m	1.625	11/15/2027
Banque Fédérative du Crédit Mutuel	Redeemable subordinated notes/TSR	05/25/2018	€500m	€465m	2.500	05/25/2028
Banque Fédérative du Crédit Mutuel	Redeemable subordinated notes/TSR	06/18/2019	€1,000m	€1,000m	1.875	06/18/2029
Banque Fédérative du Crédit Mutuel	Redeemable subordinated notes/TSR	11/19/2021	€750m	€616m	1.125	11/19/2031
Banque Fédérative du Crédit Mutuel	Redeemable subordinated notes/TSR	06/16/2022	€1,250m	€1,204m	3.875	06/16/2032
Banque Fédérative du Crédit Mutuel	Redeemable subordinated notes/TSR	01/11/2023	€1,250m	€1,264m	5.125	01/11/2033
Banque Fédérative du Crédit Mutuel	Redeemable subordinated notes/TSR	01/11/2024	€1,500m	€1,462m	4.375	01/11/2034
Assurances du Crédit Mutuel	Redeemable subordinated notes/TSR	10/21/2021	€750m	€748m	1.85	04/21/2042
Assurances du Crédit Mutuel	Redeemable subordinated notes/TSR	04/30/2024	€500m	€500m	5.00	10/30/2034
CIC	Participatory	05/28/1985	€137m	€8m	(2)	(3)
Banque Fédérative du Crédit Mutuel	Borrowings	12/28/2005	€500m	€500m	(4)	TBD
Banque Fédérative du Crédit Mutuel	Deeply Subordinated Notes/TSS	11/09/2004	€66m	€66m	CMS10 cap 8	TBD
Banque Fédérative du Crédit Mutuel	Deeply Subordinated Notes/TSS	12/15/2004	€436m	€419m	(5)	TBD
Banque Fédérative du Crédit Mutuel	Deeply Subordinated Notes/TSS	02/25/2005	€92m	€92m	(6)	TBD

(1) Net intra-group amounts and revaluation differences on hedged instruments.

(2) Minimum 85% (TAM+TMO)/2 Maximum 130% (TAM*+TMO)/2.*

** For the purpose of calculating this rate, as of January 3, 2022, any reference to the monthly average money market rate will be deemed to be a reference to the €STR (Regulation (EU) 2021/1848 of October 21, 2021).*

(3) Non-depreciable, but reimbursable at borrower's discretion as of May 28, 1997 at 130% of the nominal value revalued by 1.5% per year for future years.

(4) Euribor 1 year +0.3 basis points.

(5) CMS 10 years ISDA CIC +10 basis points.

(6) CMS 10 years ISDA +10 basis points.

Note 22 Reserves related to capital and reserves

22a Shareholders' equity attributable to the group (excluding profit and loss and unrealized gains and losses)

	06/30/2024	12/31/2023
Capital and reserves related to capital	6,568	6,568
■ Capital	1,715	1,715
■ Issue premium, contribution, merger, split, conversion	4,853	4,853
Consolidated reserves	30,973	28,011
■ Regulated reserves	9	9
■ Other reserves (including effects related to initial application)	30,964	28,001
■ of which profit on disposal of equity instruments	140	149
■ of which Retained earnings	0	1
TOTAL	**37,541**	**34,579**

22b Unrealized or deferred gains and losses

	06/30/2024	12/31/2023
Unrealized or deferred gains or losses[(1)] relating to:		
■ Investments of insurance activities in recyclable FVOCI – debt instruments	-748	-603
■ Investments of insurance activities in non-recyclable FVOCI – equity instruments	1,044	964
■ Financial assets at fair value through recyclable equity – debt instruments	-188	-158
■ Financial assets at fair value through non-recyclable equity – equity instruments	-54	-15
■ Hedging derivatives (CFH)	1	-1
■ Translation adjustments	176	148
■ Share of unrealized or deferred gains and losses of associates	-40	-41
■ Actuarial gains and losses on defined benefit plans	-51	-103
■ Credit risk on financial liabilities under fair value transferred to reserves	-	-
■ Other	-	-
TOTAL	**140**	**190**

(1) Balances net of corporation tax and after shadow accounting treatment.

22c Recycling of gains and losses directly recognized in shareholders' equity

	06/30/2024 Operations	12/31/2023 Operations
Translation adjustments		-
Reclassification in income	0	0
Other movement	28	-11
Subtotal	**28**	**-11**
Revaluation of financial assets at FVOCI – debt instruments		-
Reclassification in income	0	0
Other movement	-30	38*
Subtotal	**-30**	**38***
Revaluation of financial assets at FVOCI – equity instruments		-
Reclassification in income	0	0
Other movement	-39	-84*
Subtotal	**-39**	**-84***
Remeasurement of hedging derivatives		
Reclassification in income	0	0
Other movement	3	-20
Subtotal	**3**	**-20**
Revaluation of Insurance investments		-
Reclassification in income	0	0
Other movement	-763	1,934
Subtotal	**-763**	**1,934**
Remeasurement of hedging derivatives		-
Reclassification in income	0	0
Other movement	698	-1,596
Subtotal	**698**	**-1,596**
Actuarial gains and losses on defined benefit plans	53	-43
Share of unrealized or deferred gains and losses of associates	1	-2
TOTAL	**-50**	**216**

** Erratum: these amounts at December 31, 2023 were published as -84 in debt instruments and 38 in equity instruments.*

22d Tax related to each category of gains and losses recognized directly in shareholders' equity

	06/30/2024			12/31/2023		
	Gross amount	Tax	Net amount	Gross amount	Tax	Net amount
Translation adjustments	28	0	28	-11	0	-11
Revaluation of financial assets at FVOCI – debt instruments	-44	14	-30	48	-9	38
Revaluation of financial assets at FVOCI – equity instruments	-41	2	-39	-84	1	-84
Revaluation of financial assets at FVOCI of Insurance	-1,050	287	-763	2,545	-611	1,934
Remeasurement of hedging derivatives	4	-1	3	-27	7	-20
Revaluation of insurance and reinsurance contracts in recyclable shareholders' equity	940	-243	698	-2,150	555	-1,596
Revaluation of non-current assets	0	0	0	0	0	0
Revaluation differences related to own credit risk on financial liabilities under FVO transferred to reserves	0	0	0	0	0	0
Actuarial gains and losses on defined benefit plans	70	-18	53	-69	25	-43
Share of unrealized or deferred gains and losses of associates	1	0	1	-2	0	-2
CHANGES IN GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY	**-92**	**42**	**-50**	**248**	**-32**	**216**

Note 23 Commitments given and received

COMMITMENTS GIVEN

	06/30/2024	12/31/2023
Financing commitments	**64,923**	**65,369**
Liabilities due to credit institutions	648	627
Commitments to customers	64,275	64,742
Guarantee commitments	**31,292**	**31,215**
Credit institution commitments	4,340	4,635
Customer commitments	26,952	26,580
Securities commitments	**10,818**	**3,957**
Other commitments given	10,818	3,957
Commitments pledged from Insurance	**6,239**	**5,646**

COMMITMENTS RECEIVED

	06/30/2024	12/31/2023
Financing commitments	**29,407**	**22,248**
Commitments received from credit institutions	29,407	22,248
Guarantee commitments	**97,374**	**100,993**
Commitments received from credit institutions	58,841	59,166
Commitments received from customers	38,533	41,827
Securities commitments	**6,945**	**736**
Other commitments received	6,945	736
Commitments received from Insurance	**5,564**	**5,702**

Note 24 Interest income and expense

	06/30/2024		06/30/2023	
	Income	Expenses	Income	Expenses
Credit institutions and central banks[(1)]	3,998	-1,716	3,271	-1,758
Customers	6,455	-3,319	5,190	-2,055
■ of which finance and operating leases	589	-178	450	-143
■ of which lease obligations	0	-7	0	-4
Hedging derivatives	4,804	-5,025	3,476	-3,597
Financial instruments at fair value through profit or loss	979	-561	643	-298
Financial assets at fair value through equity	668	0	558	0
Securities at amortized cost	151	0	68	0
Debt securities	0	-2,901	0	-2,163
Subordinated debt	0	-21	0	-20
TOTAL	**17,055**	**-13,543**	**13,206**	**-9,891**
of which interest income and expense calculated at the effective interest rate:	*11,274*	*-7,958*	*9,087*	*-5,996*

(1) Including -€1 million in income from the impact of negative interest rates and +€5 million in expenses in the first half of 2024, and of which a -€31 million in income from the impact of negative interest rates and +€16 million in expenses in the first half of 2023.

Interest expenses on central banks include interest calculated as part of TLTRO III transactions, for which the terms and conditions were specified by the ECB (see note 1 "Accounting principles").

Note 25 Commissions

	06/30/2024		06/30/2023	
	Income	Expenses	Income	Expenses
Credit institutions	3	-4	2	-8
Customers	715	-8	675	-7
Securities	557	-68	511	-54
of which activities managed on behalf of third parties	401	0	380	0
Derivative instruments	2	-6	2	-6
Currency transactions	13	-1	12	-1
Funding and guarantee commitments	42	-28	54	-45
Services provided	1,000	-583	875	-517
TOTAL	**2,332**	**-698**	**2,131**	**-638**

Note 26 Net gains on financial instruments at fair value through profit or loss

	06/30/2024	06/30/2023
Trading instruments	-72	88
Instruments accounted for under the fair value option	47	9
Ineffective portion of hedges	25	-2
On fair value hedges (FVH)	25	-2
■ Change in the fair value of hedged items	-130	21
■ Change in fair value of hedging instruments	155	-23
Foreign exchange gains/(losses)	10	122
Other financial instruments at fair value through profit or loss[(1)]	243	251
TOTAL CHANGES IN FAIR VALUE	**253**	**467**

(1) Of which €148 million came from the private equity business in the first half of 2024 compared to €175 million in the first half of 2023. The other changes correspond to changes in the fair value of the other portfolios at fair value.

Note 27 Net gains or losses on financial assets at fair value through shareholders' equity

	06/30/2024	06/30/2023
Dividends	4	3
Realized gains and losses on debt instruments	-17	-94
TOTAL	**-13**	**-91**

Note 28 Net gains or losses resulting from derecognition of financial assets at amortized cost

	06/30/2024	06/30/2023
Financial assets at amortized cost	-	-
Gains/(losses) on:	0	0
Government securities	0	0
Bonds and other fixed-income securities	0	0
TOTAL	**0**	**0**

Note 29 Net income from insurance activities

	06/30/2024	06/30/2023
Revenues from insurance contracts	3,712	3,631
Losses from insurance contracts	-3,085	-3,059
Income from insurance contracts	**627**	**572**
Expenses net of reinsurance treaties	-51	-42
Insurance service result	**576**	**530**
Net income from insurance financial investments	3,189	4,417
Financial income or financial expenses from insurance contracts issued	-3,073	-4,329
Financial income or expenses related to reinsurance contracts held	4	2
Other income and expenses	0	0
TOTAL	**696**	**620**

29a Breakdown of income from insurance and reinsurance activities

	06/30/2024	06/30/2023
INSURANCE		
Income from insurance contracts not measured under the premium allocation approach (PAA)	-	-
■ Contractual service margin recognized in income over the period	337	329
■ Change in the adjustment for non-financial risk not related to past services	72	70
■ Portion of premiums allocated to the recovery of insurance acquisition cash flows	7	6
■ Expected claims expenses for the period and other related expenses	884	887
■ Other	3	0
Income from insurance contracts not measured under the premium allocation approach (PAA)	**1,303**	**1,292**
Income from insurance contracts measured under the premium allocation approach (PAA)	**2,409**	**2,339**
Expenses related to insurance contracts	**-3,085**	**-3,059**
TOTAL INSURANCE SERVICE RESULT	**627**	**572**
REINSURANCE		
Income from reinsurance contracts not measured under the premium allocation approach (PAA)	-	-
■ Contractual service margin recognized in income over the period	-2	-3
■ Change in the adjustment for non-financial risk not related to past services	-1	-1
■ Expected claims expenses for the period and other related expenses	-6	-5
■ Other	0	-1
Expenses relating to reinsurance contracts not measured under the premium allocation approach (PAA)	-9	-10
Income from reinsurance contracts measured under the premium allocation approach (PAA)	-61	-58
Revenues from insurance contracts	19	26
TOTAL REINSURANCE SERVICES INCOME	**-51**	**-42**

29b Net income from investments related to insurance activities

	06/30/2024	06/30/2023
Interest income and expense	**896**	**760**
Loans and receivables at amortized cost	-11	-52
Financial instruments at fair value through profit or loss	140	145
Financial assets at fair value through equity	767	667
Commissions on securities	**16**	**17**
Net gains on financial instruments at fair value through profit or loss	**2,157**	**3,545**
■ Trading instruments	0	45
■ Foreign exchange gains/(losses)	7	6
■ Other financial instruments at fair value through profit or loss	2,150	3,494
Net gains or losses on financial assets at fair value through shareholders' equity	**63**	**90**
■ Dividends	113	102
■ Realized gains and losses on debt instruments	-50	-12
Net gains or losses on financial assets and liabilities at amortized cost	**0**	**0**
Net income on investment property	**58**	**4**
Cost of credit risk on investments related to insurance activities	**-1**	**-1**
TOTAL	**3,189**	**4,417**

29c Relationship between insurance income/financial expense and investment return on assets

	06/30/2024	06/30/2023
Interest income and expense	896	760
Other investment income	2,293	3,657
Cost of risk on insurance financial investments	-1	0
NET INVESTMENT INCOME	**3,189**	**4,417**
Change in fair value of underlying items of contracts with direct participation feature	-3,010	-4,283
Impact of the risk mitigation option	0	0
Accrued interest	-62	-46
Accretion of insurance liabilities	0	0
Impact of changes in discount rates and other financial assumptions	1,429	-701
net foreign exchange losses	0	0
NET FINANCIAL EXPENSE ON INSURANCE CONTRACTS	**-1,643**	**-5,030**
Accrued interest	4	2
Other income	-4	1
NET FINANCIAL RESULT FROM REINSURANCE CONTRACTS	**-1**	**4**
Change in investment contracts (liabilities)	-1,588	1,057
Changes in investments in consolidated companies	0	0
TOTAL	**-43**	**448**
of which recognized in profit or loss	*120*	*90*
of which recognized in OCI	*-163*	*357*

Note 30 Income/expenses generated by other activities

	06/30/2024	06/30/2023
INCOME FROM OTHER ACTIVITIES		
Rebilled expenses	27	27
Other income	344	377
Subtotal	**371**	**404**
EXPENSES ON OTHER ACTIVITIES		
Investment property:	-1	-1
■ additions to provisions/depreciation	-1	-1
Other expenses	-274	-262
Subtotal	**-275**	**-263**
NET TOTAL OF OTHER INCOME AND EXPENSES	**96**	**141**

** This data is corrected compared to the First amendment to the 2023 universal registration document published in French on August 13, 2024.*

Note 31 General operating expenses

	06/30/2024	06/30/2023
Employee benefit expense	-1,695	-1,560
Other operating expenses	-1,260	-1,321
Movements in depreciation, amortization and impairment for property, plant and equipment and intangible assets	-166	-158
General insurance operating expenses (non-attributable)	-87	-58
TOTAL	**-3,209**	**-3,096**

31a Employee benefit expense

	06/30/2024	06/30/2023
Wages and salaries[(1)]	-1,062	-997
Social security contributions	-433	-388
Short-term employee benefits	-1	-1
Employee profit-sharing and incentive schemes	-88	-68
Payroll-based taxes	-111	-106
Other	0	0
TOTAL	**-1,695**	**-1,560**

(1) Note that the amount of short-term employee benefits takes into account the effect of the French Supreme Court rulings of 09/13/2023 regarding the acquisition of paid leave during medical leave for illness or non-workplace accident leave.

WORKFORCE

Average workforce	06/30/2024	06/30/2023
Bank technical staff	23,547	23,766
Managers	17,782	17 397
TOTAL	**41,329**	**41,163**
incl. France	29,401	28,485
incl. Rest of the world	11,928	12,678

31b Other operating expenses

	06/30/2024	06/30/2023
Taxes and duties[(1)]	-149	-340
Leases	-97	-101
■ short-term asset leases	-37	-40
■ low value/substitutable asset leases[(2)]	-53	-55
■ other leases	-7	-6
Other external services	-1,025	-894
Other miscellaneous expenses	11	14
TOTAL	**-1,260**	**-1,321**

(1) The entry “Taxes and duties” includes an expense of -€4 million as part of the contribution to the Single Resolution Fund in 2024, compared to a -€197 million expense in 2023.

(2) Includes IT equipment.

31c Movements in depreciation, amortization and impairment for property, plant and equipment and intangible assets

	06/30/2024	06/30/2023
Depreciation and amortization:	-169	-159
■ property, plant and equipment[(1)]	156	-144
including usage rights	-84	-73
■ intangible assets	-13	-13
Write-downs:	3	-1
■ property, plant and equipment	0	-1
■ intangible assets	3	0
TOTAL	**-166**	**-158**

31d Reconciliation of expenses by type *versus* destination for insurance activities

	06/30/2024	06/30/2023
Employee benefit expense	**-303**	**-300**
Wages and salaries	-237	-237
Social security contributions	-37	-31
Short-term employee benefits	-3	-3
Employee profit-sharing and incentive schemes	-10	-16
Payroll-based taxes	-14	-11
Other	-2	-1
Other operating expenses	**-384**	**-366**
Taxes & duties	-42	-37
Leases	-9	-9
▪ short-term asset leases	0	0
▪ low value/substitutable asset leases	0	0
▪ other leases	-9	-9
Other external services	-301	-308
Patronage	-19	-1
Other miscellaneous expenses	-13	-11
Movements in depreciation, amortization and provisions for property, plant and equipment and intangible assets .	**-5**	**-4**
Amortizations	-5	-4
▪ property, plant and equipment	-5	-4
including usage rights	-3	-1
General operating expenses related to insurance activities	**-691**	**-670**
Commissions, fees and other similar expenses	-593	-608
Acquisition costs for the period deferred on the balance sheet	11	11
Amortized acquisition costs	0	0
Impaired acquisition costs	0	0
Other expenses related to insurance activities	**-582**	**-597**
TOTAL INSURANCE CONTRACT COSTS	**-1,273**	**-1,266**
of which insurance contracts attributable costs allocated to insurance services expenses	-1,186	-1,208
of which insurance contracts non-attributable costs not allocated to insurance services expenses	-87	-58

Note 32 Cost of counterparty risk

	06/30/2024	06/30/2023
▪ 12-month expected losses (S1)	123	-35
▪ Expected losses at termination (S2)	-139	12
▪ Impaired assets (S3)	-783	-580
TOTAL	**-799**	**-603**

The cost of risk on financial instruments used in insurance activities is presented in net revenue (see note 29b).

06/30/2024	Allowances	Reversals	Loan losses covered by provisions	Loan losses not covered by provisions	Recovery of loans written off in prior years	TOTAL
12-month expected losses (S1)	**-569**	**692**	**-**	**-**	**-**	**123**
■ Loans and receivables due from credit institutions at amortized cost	-1	1	-	-	-	0
■ Customer loans and receivables at amortized cost	-499	599	-	-	-	100
of which finance leases	-38	32	-	-	-	-6
■ Financial assets at amortized cost – Securities	0	0	-	-	-	0
■ Financial assets at fair value through equity – Debt securities	-5	8	-	-	-	3
■ Financial assets at fair value through equity – Loans	0	0	-	-	-	0
■ Commitments given	-64	84	-	-	-	20
Expected losses at termination (S2)	**-1,062**	**923**	**-**	**-**	**-**	**-139**
■ Loans and receivables due from credit institutions at amortized cost	-1	0	-	-	-	-1
■ Customer loans and receivables at amortized cost	-984	856	-	-	-	-128
of which finance leases	-36	39	-	-	-	3
■ Financial assets at amortized cost – Securities	0	0	-	-	-	0
■ Financial assets at fair value through equity – Debt securities	0	0	-	-	-	0
■ Financial assets at fair value through equity – Loans	0	0	-	-	-	0
■ Commitments given	-77	67	-	-	-	-10
Impaired assets (S3)	**-1,400**	**994**	**-291**	**-137**	**51**	**-783**
■ Loans and receivables due from credit institutions at amortized cost	0	0	0	0	0	0
■ Customer loans and receivables at amortized cost	-1,338	923	-290	-135	51	-789
of which finance leases	-15	11	-6	-3	0	-13
■ Financial assets at amortized cost – Securities	0	0	0	0	0	0
■ Financial assets at fair value through equity – Debt securities	0	0	0	0	0	0
■ Financial assets at fair value through equity – Loans	0	0	0	0	0	0
■ Commitments given	-62	71	-1	-2	0	6
TOTAL	**-3,031**	**2,609**	**-291**	**-137**	**51**	**-799**

06/30/2023	Allowances	Reversals	Loan losses covered by provisions	Loan losses not covered by provisions	Recovery of loans written off in prior years	TOTAL
12-month expected losses (S1)	**-325**	**290**	**-**	**-**	**-**	**-35**
■ Loans and receivables due from credit institutions at amortized cost	-2	2	-	-	-	0
■ Customer loans and receivables at amortized cost	-234	205	-	-	-	-29
of which finance leases	-30	23	-	-	-	-7
■ Financial assets at amortized cost – Securities	0	0	-	-	-	0
■ Financial assets at fair value through equity – Debt securities	-16	15	-	-	-	-1
■ Financial assets at fair value through equity – Loans	0	0	-	-	-	0
■ Commitments given	-73	68	-	-	-	-5
Expected losses at termination (S2)	**-416**	**428**	**-**	**-**	**-**	**12**
■ Loans and receivables due from credit institutions at amortized cost	0	1	-	-	-	1
■ Customer loans and receivables at amortized cost	-375	377	-	-	-	2
of which finance leases	-37	38	-	-	-	1
■ Financial assets at amortized cost – Securities	0	1	-	-	-	1
■ Financial assets at fair value through equity – Debt securities	0	0	-	-	-	0
■ Financial assets at fair value through equity – Loans	0	0	-	-	-	0
■ Commitments given	-41	49	-	-	-	8
Impaired assets (S3)	**-971**	**734**	**-270**	**-124**	**52**	**-579**
■ Loans and receivables due from credit institutions at amortized cost	0	0	0	0	0	0
■ Customer loans and receivables at amortized cost	-900	689	-269	-123	52	-551
of which finance leases	-9	8	-3	-3	0	-7
■ Financial assets at amortized cost – securities	0	1	0	0	0	1
■ Commitments given	-71	44	-1	-1	0	-29
TOTAL	**-1,713**	**1,452**	**-270**	**-124**	**52**	**-603**

Note 33 Net gains and losses on other assets

	06/30/2024	06/30/2023
Property, plant and equipment and intangible assets	-1	1
■ Capital losses on disposals	-6	-2
■ Capital gains on disposals	5	3
Gains/(losses) on disposals of shares in consolidated entities	-1	-1
TOTAL	**-2**	**0**

Note 34 Changes in the value of goodwill

	06/30/2024	06/30/2023
Impairment of goodwill	0	0
Negative goodwill stated in profit or loss	0	0
TOTAL	**0**	**0**

Note 35 Income tax

BREAKDOWN OF INCOME TAX EXPENSE

	06/30/2024	06/30/2023
Current taxes	-511	-612
Deferred tax expense	-19	9
Adjustments in respect of prior years	34	8
TOTAL	**-496**	**-595**

Note 36 Earnings per share

	06/30/2024	06/30/2023
Group net income	1,524	1,498
Number of shares at beginning of year	34,302,302	34,225,594
Number of shares at end of year	34,302,302	34,225,594
Weighted average number of shares	34,302,302	34,225,594
Basic earnings per share	44.44	43.77
Weighted average number of shares that may be issued	0	0
Diluted earnings per share	44.44	43.77

Note 37 Outstandings on related party transactions

BALANCE SHEET ITEMS PERTAINING TO RELATED PARTY TRANSACTIONS

	06/30/2024			12/31/2023		
	Associates (companies accounted for using the equity method)	Other establishments belonging to the National Confederation	Crédit Mutuel Alliance Fédérale parent companies	Associates (companies accounted for using the equity method)	Other establishments belonging to the National Confederation	Crédit Mutuel Alliance Fédérale parent companies
ASSETS						
Financial assets at fair value through profit or loss	0	823	0	0	909	0
Hedging derivatives	0	0	243	0	0	800
Financial assets at FVOCI	0	0	0	0	0	0
Financial assets at amortized cost	12	1,464	34,434	11	1,580	34,302
Investments of insurance activities	0	88	0	0	88	5
Insurance contracts issued – Assets	0	0	0	0	0	0
Reinsurance contracts held – Assets	0	0	0	0	0	0
Other assets	2	0	0	2	0	2
TOTAL	**14**	**2,376**	**34,678**	**13**	**2,578**	**35,108**
LIABILITIES						
Liabilities at fair value through profit or loss	0	287	0	0	271	0
Debt securities	0	20	0	0	20	0
Due to credit institutions	0	564	15,860	0	416	11,253
Due to customers	1,207	0	26	1,163	0	26
Insurance contracts issued – liabilities	0	0	0	0	0	0
Subordinated debt	0	55	510	0	66	500
Miscellaneous liabilities	107	0	2	115	0	10
TOTAL	**1,315**	**926**	**16,399**	**1,278**	**772**	**11,789**
Financing commitments given	0	0	1	0	0	1
Guarantee commitments given	27	1	4,765	28	1	4,768
Financing commitments received	0	0	21	0	0	5
Guarantees commitments received	0	700	3,539	0	704	3,528

BALANCE SHEET ITEMS PERTAINING TO RELATED PARTY TRANSACTIONS

	06/30/2024			06/30/2023		
	Associates (companies accounted for using the equity method)	Other establishments belonging to the National Confederation	Crédit Mutuel Alliance Fédérale parent companies	Associates (companies accounted for using the equity method)	Other establishments belonging to the National Confederation	Crédit Mutuel Alliance Fédérale parent companies
Interest income	0	70	890	2	52	635
Interest expense	-18	-54	-1,091	-7	-25	-710
Commission income	4	0	15	4	0	13
Commission expense	-23	-4	-27	-25	-4	-30
Net gains/(losses) on financial assets at FVOCI and FVPL	11	-31	0	11	3	-1
Income from insurance contracts issued	0	1	41	0	0	39
Expenses related to insurance contracts issued	-77	-60	-422	-73	-58	-414
Financial income or expenses related to reinsurance contracts held	0	-1	0	0	0	0
Net income from financial investments related to insurance activities	0	2	10	0	3	10
Other income and expenses	-8	0	0	-13	0	0
General operating expenses	-373	-1	-92	-319	0	-85
TOTAL	**-484**	**-80**	**-675**	**-419**	**-30**	**-542**

Note 38 Fair value hierarchy of financial instruments recognized at amortized cost

The financial instruments presented in this section include loans and borrowings. They do not include non-monetary items (shares), supplier accounts, other asset and liability accounts, or accruals.

Non-financial instruments are not discussed in this section.

At December 31, 2023, the group refined the methodology for calculating the fair value of loans and receivables due from customers, which is on a calculation of discounted estimated future cash flows.

The discount rates used now depend on the type of loan (home, consumer loans, equipment and cash loans) and the loan rate curves observed at the end of the fiscal year.

The fair value of financial instruments repayable on demand and regulated customer savings deposits equals the amount that may be requested by the customer, *i.e.* the carrying amount. Certain group entities may also make assumptions: the market value is the carrying amount for policies whose terms refer to a variable rate, or whose remaining term is less than or equal to one year.

Readers are cautioned that financial instruments carried at amortized cost are not transferable or are not, in practice, sold prior to maturity. Consequently, capital gains or losses will not be recognized.

However, if financial instruments carried at amortized cost were to be sold, their sale price could differ significantly from the fair value calculated at June 30, 2024.

	06/30/2024					
	Market value	Carrying amount	Level 1	Level 2	Level 3	TOTAL
Financial assets at amortized cost	**390,248**	**404,243**	**1,772**	**69,848**	**318,627**	**390,248**
Loans and receivables due from credit institutions	60,581	62,355	0	60,544	37	60,581
Loans and receivables due from customers(1)	325,645	337,790	0	7,223	318,421	325,645
Securities	4,021	4,097	1,772	2,081	169	4,021
Investments in insurance business line at amortized cost	**391**	**391**	**0**	**391**	**0**	**391**
Loans and receivables	391	391	0	391	0	391
Held-to-maturity	0	0	0	0	0	0
Financial liabilities at amortized cost	**509,466**	**513,326**	**1,750**	**341,059**	**166,657**	**509,466**
Due to credit institutions	48,833	48,730	0	48,833	0	48,833
Due to customers	291,171	290,913	0	135,911	155,261	291,171
Debt securities	156,891	161,008	501	145,125	11,264	156,891
Subordinated debt	12,571	12,675	1,249	11,190	133	12,571

(1) Including unrealized capital gains on hedging swaps (€1.4 billion), the unrealized capital loss on loans amounted to €10.7 billion.

	12/31/2023					
	Market value	Carrying amount	Level 1	Level 2	Level 3	TOTAL
Financial assets at amortized cost	**386,535**	**403,052**	**2,128**	**69,755**	**314,652**	**386,535**
Loans and receivables due from credit institutions	61,615	62,878	0	61,580	35	61,615
Loans and receivables due from customers	321,197	336,388	0	6,751	314,446	321,197
Securities	3,723	3,786	2,128	1,424	171	3,723
Investments in insurance business line at amortized cost	**183**	**183**	**0**	**183**	**0**	**183**
Loans and receivables	183	183	0	183	0	183
Held-to-maturity	0	0	0	0	0	0
Financial liabilities at amortized cost	**518,328**	**520,860**	**909**	**349,052**	**168,367**	**518,328**
Due to credit institutions	59,964	59,280	0	59,964	0	59,964
Due to customers	299,608	299,302	0	143,376	156,232	299,608
Debt securities(1)	146,876	150,276	0	134,888	11,988	146,876
Subordinated debt	11,880	12,003	909	10,824	147	11,880

(1) The fair value of financial liabilities at amortized cost in the balance sheet is disclosed above in accordance with IFRS 13.

Note 39 Events after the reporting period and other information

Nil.

6.3 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

KPMG S.A.
Registered office
Tour EQHO
2, Avenue Gambetta
CS 60055
92066 Paris la Défense Cedex
France

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

Banque Fédérative du Crédit Mutuel

4, rue Frédéric-Guillaume Raiffeisen

67000 Strasbourg

Statutory auditors' report on the 2024 interim financial statements

Period from January 1 to June 30, 2024

Dear Shareholders,

Pursuant to the assignment entrusted to us by your Shareholders' Meeting and pursuant to Article L.451-1-2 III of the French Monetary and Financial Code, we have undertaken:

- the review of the condensed consolidated half-year financial statements of Banque Fédérative du Crédit Mutuel for the period from January 1, 2024 to June 30, 2024, as attached to this report;
- the verification of the information given in the interim business report.

These condensed consolidated interim financial statements were prepared under the responsibility of the Board of Directors. It is up to us, based on our limited review, to express our conclusion about these statements.

I - Conclusion about the financial statements

We conducted our limited review according to applicable professional standards in France.

A limited review consists essentially in working together with those members of management in charge of accounting and financial matters and implementing analytical procedures. This work is less extensive than that required for an audit conducted according to professional standards applicable in France. Consequently, assurance that the financial statements, taken as a whole, do not include any significant anomalies obtained in the context of a limited review is a moderate assurance, lower than that obtained in the context of an audit.

Based on our limited review, we did not note any significant anomalies of a nature that would question compliance of the condensed consolidated half-year financial statements with IAS 34 – the IFRS standard of reference such as it was adopted by the European Union pertaining to interim financial information.

II - Specific verification

We also undertook to verify the information given in the interim business report commenting on the condensed consolidated half-year financial statements subject to our limited review.

We have no comment to make as to their accuracy or consistency with the consolidated interim financial statements.

The statutory auditors

Paris la Défense, August 9, 2024

KPMG S.A.

Arnaud Bourdeille

Partner

Neuilly-sur-Seine, August 9, 2024

PricewaterhouseCoopers France

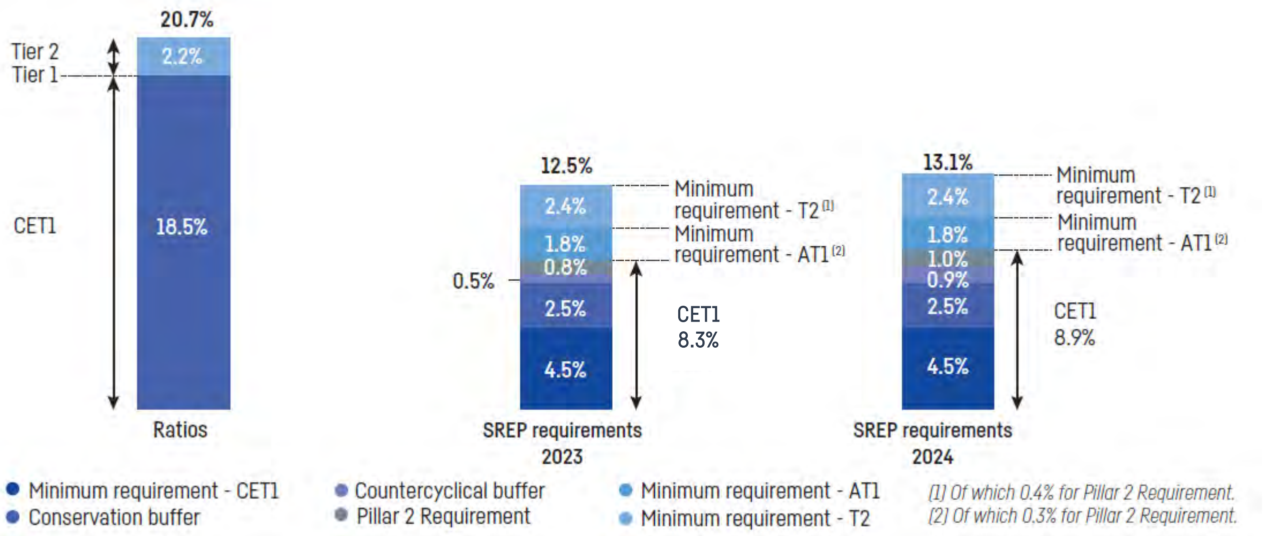
Laurent Tavernier

Partner

7 ADDITIONAL INFORMATION TO THE INFORMATION PUBLISHED IN THE 2023 UNIVERSAL REGISTRATION DOCUMENT

The following tables and charts supersede the ones published in the 2023 Universal Registration Document filed on April 11, 2024.

Page 373 - GRAPH 3: REGULATORY REQUIREMENTS AND SOLVENCY RATIOS



According to the HCSF decision of September 26, 2023, France's countercyclical capital buffer will be 1% from January 2, 2024.

Page 726 - NOTE 29: NET INCOME FROM INSURANCE ACTIVITIES

	12/31/2023	12/31/2022 restated
Revenues from insurance contracts	7,098	6,900
Losses from insurance contracts	-5,760	-5,662
Income from insurance contracts	**1,338**	**1,238**
Expenses net of reinsurance treaties	-34	88
Insurance service result	**1,304**	**1,326**
Net income from insurance financial investments	5,787	-2,636
Financial income or financial expenses from insurance contracts issued	-5,736	2,680
Financial income or expenses related to reinsurance contracts held	3	1
Other income and expenses	0	0
TOTAL	**1,358**	**1,371**

Page 727 - NOTE 29B: NET INCOME FROM INVESTMENTS RELATED TO INSURANCE ACTIVITIES

	12/31/2023	12/31/2022 restated
Interest and similar income and expense	**1,750**	**1,423**
Loans and receivables at amortized cost	-14	-5
Financial instruments at fair value through profit or loss	347	242
Financial assets at fair value through equity	1,417	1,186
Commissions on securities	**29**	**44**
Net gains on financial instruments at fair value through profit or loss	**4,361**	**-4,346**
■ Trading instruments	0	0
■ Foreign exchange gains/(losses)	-12	16
■ Other financial instruments at fair value through profit or loss	4,373	-4,362
Net gains or losses on financial assets at fair value through shareholders' equity	**31**	**215**
■ Dividends	110	76
■ Realized gains and losses on debt instruments	-79	139
Net gains or losses on financial assets and liabilities at amortized cost	**0**	**0**
Net income on investment property	**-382**	**27**
Cost of credit risk on investments related to insurance activities	**-2**	**1**
TOTAL	**5,787**	**-2,636**

8 BFCM'S SHARE CAPITAL

The share capital has not changed since the publication of the 2023 universal registration document. At June 30, 2024, the share capital stands at €1,715,115,100.00. It is divided into 34,302,302 shares each with a nominal value of €50.00, all of the same class.

History of operations carried out:

- on January 6, 2022, a capital increase reserved for the CMNE regional bank took place through the issue of 455,004 new shares with a nominal value of €50.
- a capital increase took place on September 15, 2023 with the issue of 76,708 new shares with a nominal value of €50.

BFCM has no unissued authorized capital or exchangeable or redeemable convertible bonds granting access to capital.

Shares of BFCM are not listed or traded on any market.

9 ADDITIONAL INFORMATION

9.1 DOCUMENTS AVAILABLE TO THE PUBLIC

During the validity of the universal registration document, the following documents (or copy of these documents) can be viewed:

Digitally on BFCM's website

http://www.bfcm.creditmutuel.fr

- Historical financial information of the BFCM and Crédit Mutuel Alliance Fédérale for each of the two fiscal years preceding the publication of the universal registration document.
- This universal registration document and those of the two previous fiscal years.

The information provided on the website does not form part of the universal registration document.

Regarding physical media

- The issuer's charter and articles of association.
- All reports, letters and other documents, historical financial information, valuations and statements prepared by an expert at the request of the issuer, a part of which is included or referred to in the universal registration document.
- The historical financial information of the subsidiaries of the BFCM for each of the two fiscal years preceding the publication of the universal registration document.

By sending a request by mail to:

Banque Fédérative du Crédit Mutuel

Group General secretariat

4 rue Frédéric-Guillaume Raiffeisen 67913 STRASBOURG Cedex 9

+ 33 (0)3 88 14 88 14

9.2 PERSON RESPONSIBLE FOR THE FINANCIAL INFORMATION

Mr. Alexandre Saada

Deputy Chief Executive Officer of BFCM

Chief Financial Officer (CFO) of Crédit Mutuel Alliance Fédérale

Email: alexandre.saada@creditmutuel.fr

9.3 PERSON RESPONSIBLE FOR THE DOCUMENT

Mr. Eric Petitgand,

Chief Executive Officer of Caisse Fédérale de Crédit Mutuel.

Declaration by the person responsible

I hereby declare that, to the best of my knowledge, the information contained in this universal registration document is accurate and contains no omissions that could adversely affect its scope.

I hereby declare that, to best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position and results of the company and all subsidiaries included in the scope of consolidation, and that the management report (of which the cross-reference table of the annual financial report appearing in Chapter 10 of this universal registration document indicates the content) presents an accurate view of the changes in the business, results and financial position of the company and all the subsidiaries included in the scope of consolidation and that it describes the main risks and uncertainties which they face.

Strasbourg, August 13, 2024

9.4 PERSONS RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS

Statutory auditors for the scope of the annual and consolidated financial statements BFCM

KPMG SA, member of Compagnie Régionale de Versailles - represented by Mr. Arnaud Bourdeille - Tour Eqho 2, avenue Gambetta CS 60055 - 92066 Paris-La Défense Cedex.

Start date of first term of office: May 10, 2022.

Current term of office: six fiscal years with effect from May 10, 2022.

Appointment: The Shareholders' Meeting of BFCM of May 10, 2022 appointed KPMG SA to replace Ernst & Young et Autres firm as principal statutory auditors for a period of six years, i.e. until the close of the Shareholders' Meeting called to approve the financial statements for the year 2027.

PricewaterhouseCoopers France, member of the Compagnie Régionale de Versailles - represented by Mr. Laurent Tavernier - 63, rue de Villiers 92200 Neuilly-sur-Seine.

Start date of first term of office: May 11, 2016.

Current term of office: six fiscal years with effect from May 10, 2022.

Renewal: The Shareholders' Meeting of BFCM of May 10, 2022 appointed PricewaterhouseCoopers France as the principal statutory auditor for a period of six years, *i.e.* until the close of the Shareholders' Meeting called to approve the financial statements for the year 2027.

Principal statutory auditors on the scope of the consolidated financial statements Crédit Mutuel Alliance Fédérale carried by Caisse Fédérale de Crédit Mutuel

KPMG SA, member of Compagnie Régionale de Versailles - represented by Mr. Arnaud Bourdeille - Tour Eqho 2, avenue Gambetta CS 60055 - 92066 Paris-La Défense Cedex.

Start date of first term of office: May 10, 2022.

Current term of office: six fiscal years with effect from May 10, 2022.

Appointment: The Shareholders' Meeting of Caisse Fédérale de Crédit Mutuel held on May 10, 2022 appointed KPMG SA as statutory auditor to replace Ernst & Young et Autres for a period of six fiscal years, *i.e.* until the close of the Shareholders' Meeting called to approve the financial statements for the year 2027.

PricewaterhouseCoopers France, member of the Compagnie Régionale de Versailles - represented by Mr. Laurent Tavernier - 63, rue de Villiers 92200 Neuilly-sur-Seine.

Start date of first term of office: May 26, 2016.

Current term of office: six fiscal years with effect from May 10, 2022.

Renewal: The Shareholders' Meeting of Caisse Fédérale du Crédit Mutuel of May 10, 2022 renewed PricewaterhouseCoopers France as statutory auditor for a period of six fiscal years, *i.e.* until the close of the Shareholders' Meeting called to approve the financial statements for the year 2027.

9.5 CROSS-REFERENCE TABLE

9.5.1 Cross-reference table for the Crédit Mutuel Alliance Fédérale universal registration document

Sections of Appendix 1 of Delegated Regulation (EU) 2019/980: "Registration document for equity securities"		Page no. of the first amendment of the universal registration document filed with AMF on August 13, 2024	Page no. of the universal registration document filed with AMF on April 11, 2024
1.	**Persons responsible**	**240-241**	**914-915**
2.	**Statutory auditors**	**241**	**915**
3.	**Risk factors**	**83-92**	**380-389**
4.	**Information about the issuer**	**249**	**910-911**
5.	**Business overview**		
5.1	Main activities	10-31	6-7, 21-42
5.2	Main markets	10-31	6-7, 21, 56, 668-674, 681
5.3	Significant events in business development	28,31	54-55, 75
5.4	Strategy and objectives		10-11
5.5	Degree of dependence with respect to patents or licenses, industrial, commercial or financial agreements or new manufacturing processes	NA	911
5.6	Elements on which the declarations of the issuer concerning its competitive position are based	NA	21
5.7	Investments	13, 29	44, 58, 79
6.	**Organizational structure**		
6.1	Description of the group	5	16-19
6.2	Main subsidiaries	5	16-19
7.	**Review of the financial position and of net profit or loss**		
7.1	Financial position	10-31	48-89
7.2	Operating income	10-31	48-89
8.	**Cash and equity**		
8.1	Information on the issuer's equity	97,170	636,754
8.2	Source and amount of the issuer's cash flows	98,171	637,755
8.3	Information on the borrowing conditions and the issuer's financing structure	23-26	69-71
8.4	Information concerning any restrictions on the use of equity that noticeably influences or may noticeably influence the issuer's transactions	NA	NA
8.5	Information on the expected financing sources necessary to honor the commitments set out in point 5.7.2	NA	NA
9.	**Regulatory environment**	**8-10**	**49-53**
10.	**Information on trends**	**28, 31**	**75, 85**
11.	**Profit forecasts or estimates**	**NA**	**NA**
12.	**Administrative, management, supervisory and executive bodies**		
12.1	Information concerning the members of BFCM's administrative and management bodies	32-49, 58-77	313-331, 345-362
12.2	Conflicts of interest concerning the administrative, management, supervisory and executive bodies	49, 77	333, 364
13.	**Compensation and benefits**	**54-58, 80-81, 166**	**341-344,367,582-592, 737**
14.	**Operation of the administrative and management bodies**		
14.1	Expiration date of current terms of office	33-34, 59-60	315-316, 347
14.2	Service agreements binding the members of the administrative bodies to the issuer or to one of its subsidiaries	N/A	333,364
14.3	Information on the Auditing Committee and the Compensation Committee	53-54	336-339
14.4	Declaration indicating whether or not the issuer is in compliance with the legal corporate governance framework in force in its country of origin	32, 58	314, 346
14.5	Potentially significant impacts on corporate governance	NA	332,363
15.	**Employees**		
15.1	Number of employees	160, 229	729, 846, 895
15.2	Interests in the issuer's share capital and directors' stock-options	NA	582-592
15.3	Agreement providing for employee ownership of the issuer's shares	NA	582-592
16.	**Major shareholders**		
16.1	Shareholders holding more than 5% of the share capital or voting rights	NA	908-909
16.2	Existence of different voting rights of the aforementioned shareholders	NA	909
16.3	Control of the issuer	NA	909
16.4	Knowledge by the issuer of an agreement likely to result in a change in control at a later date	NA	909
17.	**Related-party transactions**	**123, 164, 195, 233-235**	**667, 735, 783, 852-853**
18.	Financial information on the issuer's assets and liabilities, financial position and results		
18.1	Historical financial information	93-166, 168-235	632-738,750-857,868-899
18.2	Interim and other financial information	93-167	N/A

	Sections of Appendix 1 of Delegated Regulation (EU) 2019/980: "Registration document for equity securities"	Page no. of the first amendment of the universal registration document filed with AMF on August 13, 2024	Page no. of the universal registration document filed with AMF on April 11, 2024
18.3	Verification of the annual historical financial information	167, 236	739-746, 858-865, 900-904
18.4	*Pro forma* financial information	NA	632-738, 750-857
18.5	Dividend distribution policy	NA	856, 910
18.6	Legal and arbitration proceedings	93	583
18.7	Material change in the financial position	NA	911
19.	**Additional information**		
19.1	Share capital	239	908
19.2	Charter and articles of association	NA	910
20.	**Major contracts**	**NA**	**911**
21.	**Documents available to the public**	**240**	**914**

	Sections of Appendix 2 of Delegated Regulation (EU) 2019/980: "Universal registration document"	Page no. of the first amendment of the universal registration document filed with AMF on August 13, 2024	Page no. of the universal registration document filed with AMF on April 11, 2024
1.	**Information to be disclosed about the issuer**		
1.1	Information required pursuant to Appendix 1 of Delegated Regulation (EU) 2019/980	See cross-reference table above	See cross-reference table above
1.2	Issuer's statement	1	1

Pursuant to Article 19 of European Regulation No. 2017/1129 of June 14, 2017, the following items are included by way of reference:

- the consolidated financial statements, management report as well as the statutory auditors' report on the consolidated financial statements as of December 31, 2023, presented respectively for Crédit Mutuel Alliance Fédérale on pages 631 to 738, 48 to 85, 90 to 308, 369 to 628 and 739 to 746 of the universal registration document of Crédit Mutuel Alliance Fédérale/BFCM – 2023 fiscal year (https://investors.bfcm.creditmutuel.fr/static-files/d033_aae8-01c1-4a29-b14a-f2c764656a08), registered with the AMF on April 11, 2024 under number D.24-0276;
- the consolidated financial statements, management report as well as the statutory auditors' report on the consolidated financial statements as of December 31, 2023, the extract of the annual financial statements including the management report for the fiscal year ended December 31, 2023 presented respectively for Banque Fédérative du Crédit Mutuel on pages 749 to 965, 76 to 89, 369 to 628 and 858 to 865 of the universal registration document of Crédit Mutuel Alliance Fédérale/BFCM – 2023 fiscal year (https://investors.bfcm.creditmutuel.fr/static-files/d033_aae8-01c1-4a29-b14a-f2c764656a08), registered with the AMF on April 11, 2024 under number D.24-0276;
- the consolidated financial statements, management report as well as the statutory auditors' report on the consolidated financial statements as of December 31, 2022, presented respectively for Crédit Mutuel Alliance Fédérale on pages 487 to 572, 46 to 81, 87 to 230, 289 to 485 and 573 to 578 of the universal registration document of Crédit Mutuel Alliance Fédérale – 2022 fiscal year (https://investors.bfcm.creditmutuel.fr/static-files/0245fa3c-217d-4271-ad4e-c3d5e3362d82), registered with the AMF on April 13, 2023 under number D.23-0268;
- the consolidated financial statements, management report as well as the statutory auditors' report on the consolidated financial statements as of December 31, 2022, the extract of the annual financial statements including the management report for the fiscal year ended December 31, 2022 presented respectively for Banque Fédérative du Crédit Mutuel on pages 581 to 664, 73 to 85, 289 to 485 and 665 to 670 of the universal registration document of Crédit Mutuel Alliance Fédérale – 2022 fiscal year (https://investors.bfcm.creditmutuel.fr/static-files/0245fa3c-217d-4271-ad4e-c3d5e3362d82), registered with the AMF on April 13, 2023 under number D.23-0265;
- the consolidated financial statements, management report as well as the statutory auditors' report on the consolidated financial statements as of December 31, 2021, presented respectively for Crédit Mutuel Alliance Fédérale on pages 413 to 491, 75 to 210, 265 to 492 to 494 of the universal registration document of Crédit Mutuel Alliance Fédérale/BFCM – 2021 fiscal year (https://investors.bfcm.creditmutuel.fr/static-files/c05f424a-4b92-441b-9ff5-f9d0762d3517) registered with the AMF on April 13, 2022 under number D.22-0284;

- the consolidated financial statements, management report as well as the statutory auditors' report on the consolidated financial statements as of December 31, 2021, the extract of the annual financial statements including the management report for the fiscal year ended December 31, 2021 presented respectively for Banque Fédérative du Crédit Mutuel on pages 497 to 574, 61 to 72, 75 to 210, 265 to 411 and 575 to 580 of the universal registration document of Crédit Mutuel Alliance Fédérale/BFCM – 2021 fiscal year (https://investors.bfcm.creditmutuel.fr/static-files/c05f424a-4b92-441b-9ff5-f9d0762d3517), registered with the AMF on April 13, 2022 under number D.22-0284.

In order to facilitate the reading of this document, the cross-reference table below makes it possible to identify, in this universal registration document, the information that constitutes the annual financial report that BFCM must publish as an issuer of listed securities in accordance with articles L.451-1-2 of the French Monetary and Financial Code and 222-3 of the AMF's General Regulations.

9.5.2 Cross-reference table of BFCM's half-year financial report

In order to facilitate the riding of this document, the coss-reference table below makes it possible to identify, in this universal registration document, the information that constitutes the half-year financial report that BFCM must publish as an issuer of listed securities in accordance with articles L.451-1-2 of the French Monetary and Financial Code and 223-3 of AMF's General Regulations.

Interim financial report	Filed on August 13, 2024
1. Interim business report	
- Important events that occurred during the first 6 months of the fiscal year and their impact on the interim financial statements	29-31
- Description of the main risks and uncertainties for the remaining 6 months of the fiscal year	83-92
- Principal transactions that occurred between related parties	233-234
2. Financial statements on June 30, 2024	168-235
3. Declaration by the person responsible	241
4. Statutory auditors' report on the interim financial statements	236

Websites:
www.bfcm.creditmutuel.fr
www.creditmutuelalliancefederale.fr

Financial information officers
Mr. Alexandre Saada
Chief Financial Officer of Crédit Mutuel Alliance Fédérale
Deputy Chief Executive Officer of BFCM

Edition
BFCM

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This first Amendment to the Universal Registration Document has also been published in French.

Banque Fédérative du Crédit Mutuel

Société anonyme (public limited company) with share capital of €1,715,115,100

Registered office: 4, rue Frédéric-Guillaume Raiffeisen – 67913 Strasbourg Cedex 9 – Tel.: +33 (0) 3 88 14 88 14

Telegraphic address: CREDITMUT – Telex: CREMU X 880034 F – Fax: +33 (0) 3 88 14 67 00

SWIFT adress: CMCIFRPA – R.C.S. Strasbourg B 355 801 929 – ORIAS No 07 031 238

Intra-community VAT idenyification number: FR 48 355 801 92

www.creditmutuelalliancefederale.fr