First amendment to the 2023 Universal Registration Document

INCLUDING THE **JUNE 30, 2024** INTERIM FINANCIAL REPORT

CIC

Construisons pour que le monde bouge.

CONTENT

Construisons pour que le monde bouge.

First amendment to the
2023 Universal Registration Document

including the June 30, 2024 interim financial report

**A leading bank both in France and abroad,
CIC promotes a universal banking model that combines businesses
covering all areas of finance and insurance,
financial solidity and a long-term growth strategy.**

A technologically advanced bank within reach of its customers,
CIC listens to its customers to provide products and services best tailored to their needs. Flexible tools and adaptable products and services combined with the proximity of the networks allow CIC to offer the responsiveness that customers expect, regardless of their location.

Through its commitment to the economy and society, and with a strong corporate governance system, CIC acts as a responsible bank in a rapidly changing world.
High entrepreneurial standards with operations built around five areas of activity:

RETAIL BANKING,

CORPORATE BANKING,

CAPITAL MARKETS,

ASSET MANAGEMENT & PRIVATE BANKING,

PRIVATE EQUITY.

Accounts have not been audited, but are subject to a limited review.
2023 Universal Registration Document filed with the Autorité des Marchés Financiers on April 11, 2024 under number D.24-0275.
First amendment to the 2023 Universal Registration Document filed with the Autorité des Marchés Financiers on August 13, 2024 under number D.24-0275-A01.

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.

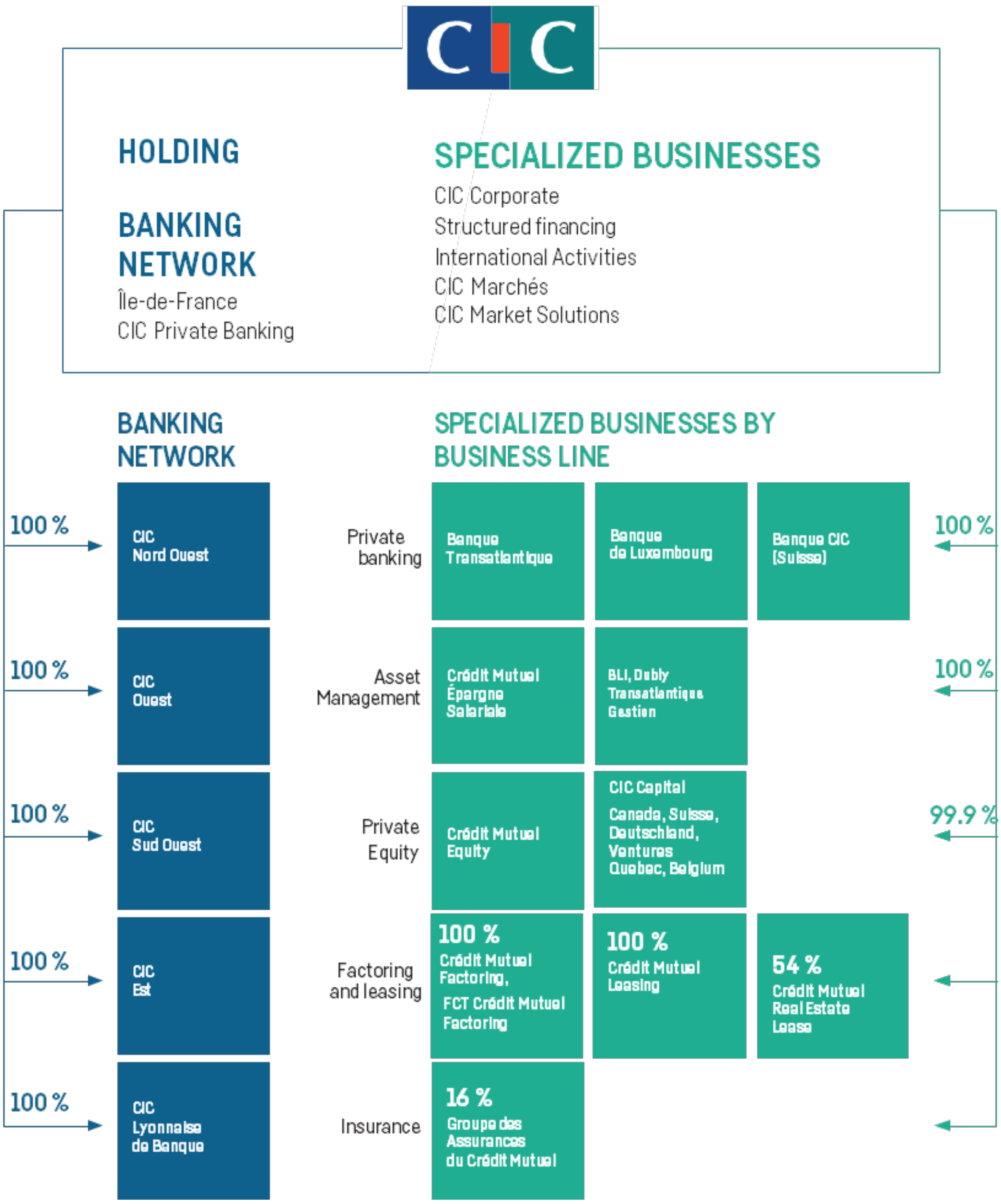
The universal registration document can be used for the purposes of a public offering of securities or for the admission of securities to trading on a regulated market if it is supplemented by a note on the securities and, where relevant, a summary and all amendments to the universal registration document are included. These are approved by the AMF in accordance with Regulation (EU) 2017/1129.

1 PRESENTATION OF CIC

CIC consists of:

- CIC (Crédit Industrial et Commercial), the holding and head-of-network bank, which is also a regional bank in Île-de-France, which carries out investment, financing and market activities for all of Crédit Mutuel Alliance Fédérale;
- five regional banks, each which conducts business within a fixed geographic area;
- institutions specialized by business line and shared-service companies in the Crédit Mutuel Alliance Fédérale.

SIMPLIFIED ORGANIZATION CHART 2024



2 INTERIM BUSINESS REPORT

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% year-on-year 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 *year-on-year 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 CIC is 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.

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 CIC'S CONSOLIDATED ACTIVITIES AND RESULTS

2.2.1 Balance sheet and financial structure

(in € millions)*	06/30/2024	06/30/2023
Financial structure and business activity		
Balance sheet total	421,960	418,366
Shareholders' equity (incl. profit/(loss) for the period before distribution)	20,176	19,167
Customer deposits	224,472	221,033
Customer loans (including leases)	251,826	**243,595**

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

CUSTOMER DEPOSITS

(outstanding deposits in €bn)	06/30/2024	06/30/2023	Change	12/31/2023
Current accounts	97.1	104.1	-6.7%	99.6
Livret A passbook accounts	15.9	14.4	+11.0%	15.3
Other passbook accounts	24.9	28.6	-12.9%	26.2
Mortgage saving accounts	10.3	11.7	-12.3%	11.2
Term deposits [1]	71.1	59.2	+20.1%	73.7
Other	5.2	3.1	+67.5%	4.5
Customer desposits	**224.5**	**221.0**	**+1.6%**	**230.3**

(1) Term deposits and PEP.

Deposits amounted to €224.5 billion at the end of June 2024, up +1.6% year-on-year.
By product, the trends observed at the end of 2023 are confirmed:

- Significant inflows in brokered deposits (term deposits in particular), whose outstandings increased +20.1% to €71.1 billion and in *Livret A* passbook accounts (+11% to €15.9 billion);
- Conversely, outstandings on current accounts fell by -6.7%, as did those on other passbooks, notably unregulated passbooks (-12.9%).

CUSTOMER LOANS

(outstanding loans in €bn)	06/30/2024	06/30/2023	Change	12/31/2023
Home loans	113.0	110.3	+2.5%	113.5
Consumer finance+	7.0	6.8	+2.8%	7.0
Equipment and leasing	92.7	88.9	+4.2%	91.3
Operating loans [1]	28.7	30.7	-6.7%	30.6
Other	10.4	6.9	+52.0%	9.8
Customer loans	**251.8**	**243.6**	**+3.4%**	**252.2**

(1) Current accounts in debit and cash loans.

Year-on-year growth in outstanding customer loans was +3.4%. At the end of the first half of 2024, outstandings stabilized at €251.8 billion.

- Housing: year-on-year growth in outstandings (+2.5%) slowed, impacted by the decline in new loan volume;
- Consumer finance: at €7 billion, outstandings were stable over the half-year and up +2.8% on June 30, 2023;
- Equipment and leasing: outstandings maintained good year-on-year growth (+4.2%) for both equipment loans (+4.4%) and leasing (+3.3%).

2.2.2 Analysis of the consolidated income statement

(in € millions)	1st half 2024	1st half 2023	Change
Net revenue	**3,274**	**3,367**	**-2.7%**
General operating expenses	-1,925	-1,973	-2.4%
of which contribution to the Single Resolution Fund, supervision costs and contributions to the DGF [1]	*-21*	*-170*	*-87.4%*
Gross operating income/(loss)	**1,350**	**1,394**	**-3.2%**
Cost of risk	-267	-159	+68.2%
Cost of proven risk	*-241*	*-186*	*+29.6%*
Cost of non-proven risk	*-26*	*27*	*n.s*
Operating income	**1,083**	**1,235**	**-12.4%**
Net gains and losses on other assets and ECC [2]	73	69	+6.8%
Income before tax	**1,156**	**1,304**	**-11.4%**
Income tax	-312	-289	+8.1%
Net income	**844**	**1,015**	**-16.9%**
Non-controlling interests	3	0	n.s
Group net income	**841**	**1,015**	**-17.1%**

(1) DGF = Deposit guarantee fund (Fonds de Garantie des Dépôts).
(2) ECC = Equity consolidated companies = share of net income of equity consolidated companies.

Net revenue

CIC recorded a -2.7% drop in net revenue in the first half of 2024, to €3.3 billion. Retail banking posted a decline of -3.8%, negatively affected by the squeeze on margins. The specialized business lines were stable (-0.8%), driven by growth in corporate banking (+13%).

Net revenue from the operational business lines

(in € millions)	1st half 2024	1st half 2023	Change
Retail banking	**1,957**	**2,034**	**-3.8%**
of which banking networks	1,846	1,943	-5.0%
Specialized business lines	**1,290**	**1,299**	**-0.8%**
Asset management and private banking	437	493	-11.4%
Corporate banking	332	294	+13.0%
Capital markets	299	293	+1.9%
Private equity	223	220	+1.3%
Holding	**28**	**34**	**-17.8%**
TOTAL CIC net revenue	**3,274**	**3,367**	**-2.7%**

Retail banking revenues were down -3.8%. The banking networks' net revenue (-5.0%) suffered from the squeeze on margins, while commission income (+2.9%) continued to grow in line with business activity. The business line subsidiaries (leasing and factoring) benefited from the rise in interest rates, with net revenue up +22.9%.

Net revenue from **asset management and private banking** fell by -11.4%, with private banking penalized by lower margins. Excluding changes in the scope of consolidation (sale of CIC Private Debt and Cigogne Management to Banque Fédérative du Crédit Mutuel), the decline in net revenue was limited to -7.5%.

Corporate banking activities posted strong revenues, up +13% year-on-year. Despite geopolitical uncertainties, business volumes remained buoyant, reflecting the strong sales momentum in the large corporate and structured finance segments.

Capital markets activities turned in a solid performance, with net revenue up +1.9% in a 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.

General operating expenses and gross operating income

In the first half of 2024, general operating expenses amounted to €1.9 billion, down -1.9% at constant scope. Excluding the contribution to the Single Resolution Fund (SRF), which amounted to €149 million in the first half of 2023, general operating expenses were up +5.3%, reflecting the acceleration of investments under the new 2024-2027 strategic plan.

The cost/income ratio, at 58.8% for the first half of 2024, was slightly down by 0.2 percentage points (pp) compared with the first half of 2023.

Gross operating income fell by -3.2% to €1.3 billion.

Cost of risk and operating income

The cost of risk amounted to -€267 million, including a -€241 million provision for the cost of proven risk (stage 3) and a charge of -€26 million on performing loans (stages 1 and 2), an increase of +68.2% compared with the first half of 2023.

The cost of proven risk (-€241 million or +29.6%) was down for the corporate banking business, but up sharply for the networks - taking into account the default of a number of market files in France. The rise in the cost of risk was in line with the trend already seen in 2023, reflecting the uncertain economic environment in certain sectors.

The cost of non-proven risk was a net provision of -€26 million, compared with a net reversal of +€27 million in the first half of 2023, partly due to rating downgrades and the increase in stage 2 outstandings.

The cost of customer risk was 23 basis points, up from 16 basis points at December 31, 2023.

(in € millions)	06/30/2024	06/30/2023
Customer loans (net outstandings on the balance sheet)	251,826	243,595
Gross loans	255,642	246,984
Gross non-performing loans	7,287	6,233
Provisions for impairment of receivables	-3,816	-3,389
of which provisions for impairments on non-performing loans (Status 3)	*-2,849*	*-2,367*
of which provisions for impairments on non-performing loans (Status 1 & 2)	*-967*	*-1,022*
Non-performing loans as a % of gross loans	2.9%	2.5%

Income before tax

After taking into account the €73 million gain from equity consolidated companies (including Groupe des Assurances du Crédit Mutuel), income before tax fell by -11.4% to €1.2 billion.

Net income

Against a backdrop of strong pressure on banking network margins and rising risk-related costs, net income fell by -16.9% to €844 million. Group net income was €841 million (-17.1%).

2.2.3 Rating

CIC's ratings replicate those of Crédit Mutuel Alliance Fédérale - Banque Fédérative du Crédit Mutuel, which holds its equity.

	LT/ST counterparty **	Issuer/ Senior debt preferred LT	Outlook	ST Preferred senior debt	Intrinsic rating ***	Date of most recent 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 represent ratings from the following agencies: Resolution Counterparty at Standard & Poor's, Counterparty Risk Rating at Moody's, and Derivative Counterparty Rating at Fitch Ratings.*

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

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

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

(3) Fitch Ratings: Crédit Mutuel Alliance Fédérale rating.

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 at the end of 2023 and beginning of 2024, reflecting the recurrence of their results and the strength of their financial fundamentals.

2.2.4 Key figures

	06/30/2024	06/30/2023	06/30/2022
Financial structure and business activity (in € millions)			
Balance sheet total	421,960	418,366	402,166
Shareholders' equity (including net profit for the period, before dividend pay-outs)	20,176	19,167	16,667
Customer loans (including leasing)	251,826	243,595	231,024
Total savings	541,601	472,033	451,746
- of which customer deposits	224,472	221,033	219,215
- of which insurance savings	48,231	36,835	35,698
- of which investment savings (managed and in custody)	268,897	214,165	196,833
Key figures			
Average workforce (full-time equivalent)	20,114	19,373	19,266
Number of banking network retail branches	1,711	1,735	1,765
Number of customers (banking network) - in millions	5.665	5.580	5.522
- of which personal customers	4.479	4.416	4.372
- of which business and corporate customers	1.186	1.163	1.149
Key ratios			
Cost/income ratio	58.8%	58.6%	58.3%
Total cost of risk as a percentage of outstanding loans	23 pb	10 pb	8 pb
Loan-to-deposit ratio	112.2%	110.2%	105.4%
Overall solvency ratio	14.5%	14.8%	13.5%
CET1 ratio	12.3%	12.9%	11.6%

2.2.5 Analysis of results by business line

2.2.5.1 Description of the areas of activity

Retail banking, CIC's core business line, concentrates all banking or specialized activities whose products are marketed by the branches: life insurance and non-life insurance, equipment leasing and leasing with option to purchase, real estate leasing, factoring, collective management, employee savings, real estate. The branches network is organized into five regional divisions – the regional banks - and CIC in Île-de-France. The insurance business line – which is consolidated using the equity method – is included in this business segment.

Asset management & private banking develops expertise in financial management and wealth organization, serving families of entrepreneurs and private investors both in France and abroad.

Corporate banking includes financing of large companies and institutional clients, value-added financing (exports, projects and assets, etc.), international operations and foreign branches.

Capital markets include investments in interest rate, equity and credit activities as well as stock market intermediation.

Private equity combines equity investments, merger and acquisition advising and financial and stock market engineering.

The holding business line includes all specific structural costs/products not assignable to other activities.

Each consolidated company is included in only one business segment, corresponding to its core business in terms of contribution to the group's results, with the exception of CIC, whose individual accounts are allocated on a cost accounting basis.

2.2.5.2 Retail banking

Retail banking - CIC's core business line - concentrates all banking or specialized activities whose products are marketed by the branches: life insurance and non-life insurance, equipment leasing and leasing with option to purchase, real estate leasing, factoring, real estate. The branches network is organized into five regional divisions – the regional banks – and CIC in Île-de-France. The insurance business line – which is consolidated using the equity method – is included in this business segment.

(in € millions)	1st half 2024	1st half 2023	Change
Net revenue	**1.957**	**2.034**	**-3.8%**
General operating expenses	-1.338	-1.362	-1.7%
Gross operating income	**619**	**671**	**-7.8%**
Cost of risk	-208	-101	X 2
cost of proven risk	*-187*	*-89*	*X 2.1*
cost of non-proven risk	*-21*	*-12*	*+76.4%*
Operating income	**411**	**571**	**-28.0%**
Net gains and losses on other assets and ECC[1]	74	68	+9.3%
Income before tax	**485**	**639**	**-24.0%**
Income tax	-108	-170	-36.2%
Net income	**377**	**469**	**-19.6%**

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

In terms of income, CIC's retail banking activity recorded a decline in its net revenue (-3.8%) to nearly €2.0 billion. It was impacted by a sharp drop in net interest margin (-10.7%); commission income was positive (+2.9%).

General operating expenses decreased by -1.7% to over €1.3 billion. Excluding SRF, they were up by +3.9%.

The cost/income ratio deteriorated by 1.4 percentage points to 68.4%, and gross operating income fell by -7.8% to nearly €619 million.

The cost of risk was a net charge of -€208 million, compared with a net charge of -€101 million in June 2023.

Income before tax fell by 24.0% to €485 million.

Net income was €377 million in June 2024, down by 19.6% year-on-year.

2.2.5.2.1 Banking network

(in € millions)	1st half 2024	1st half 2023	Change
Net revenue	**1.846**	**1.943**	**-5.0%**
General operating expenses	-1.241	-1.267	-2.1%
Gross operating income	**605**	**676**	**-10.5%**
Cost of risk	-212	-100	X 2.1
cost of proven risk	*-182*	*-87*	*X 2*
cost of non-proven risk	*-30*	*-13*	*X 2.2*
Operating income	**393**	**576**	**-31.7%**
Net gains and losses on other assets and ECC[1]	-1	0	n.s
Income before tax	**392**	**576**	**-31.8%**
Income tax	-103	-164	-37.5%
Net income	**290**	**411**	**-29,6%**

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

At the end of June 2024, the number of customers in the banking network reached 5.7 million, up +1.5% year-on-year, representing an increase of over 85,000 customers. The number of business and corporate customers (nearly 1.2 million) increased by +1.6% and +4.3%, respectively, and the number of retail customers (79% of the total) rose by +1.4%.

Outstanding deposits increased by +2.1% to €173.6 billion at the end of the first half of 2024.

Continuing the trend seen in 2023, activity remained very high on term deposits, with outstandings reaching €46.5 billion (+42.8%). Inflows into passbook accounts fell year-on-year, with outstandings of nearly €40 billion at end-June 2024.

Outstanding loans and external financing reached €196.7 billion, up +2.2% year-on-year.

Over the first half of 2024, growth in outstanding loans diverged according to loan category:

- +2.9% for outstanding home loans, to €103.3 billion; in the first half of 2024, the amount of cumulative releases fell to €5 billion, following the slowdown since the beginning of the second half of 2023;
- +4.5% for outstanding investment loans, to €55.2 billion;
- +3.6% for outstanding consumer finance, to €6.6 billion;
- New loan volume has slowed since the second half of the year, accompanied by a sharp rise in interest rates.

The multi-service strategy led to an increase in products sold to customers:

- property and health & provident insurance policies (excluding life and creditor insurance) reached 6.7 million, representing growth of +3.9% year-on-year;
- the number of mobile phone contracts were down slightly year-on-year to 552,000;
- the number of remote home surveillance subscriptions continued to rise, with over 125,600 contracts (+3.9%).

CIC's banking network recorded a fall in net revenue (-5.0%) to over €1.8 billion, impacted by a decline in net interest margin (-13.4%). Commission income rose +2.2% to €1 billion at end-June 2024.

General operating expenses fell by -2.1% to €1.2 billion.

The cost/income ratio deteriorated by 2.0 percentage points to 67.2%, and gross operating income fell by -10.5% to €605 million.

The cost of risk deteriorated to -€212 million from -€100 million at the end of the first half of 2023. This increase was due to a two-fold rise in the cost of proven risk, which included the default of several market files in France.

At the end of June 2024, income before tax fell by -31.8% to €392 million.
As a result, at the end of the first half of 2024, net income stood at €290 million, down -29.6% compared with the end of June 2023.

2.2.5.2.2 Subsidiaries of the banking network

Within the retail banking activity, the supporting business lines generated net revenue of €112 million (+22.9%), net of fees paid to the network. Net income amounted to €87 million (versus €57 million at June 30, 2023), after taking into account the group's €75 million share of the net income of Groupe des Assurances du Crédit Mutuel (€68 million at end-June 2023) and of ACM Deutschland (-€0.5 million).

2.2.5.3 Asset management and private banking

Asset management and private banking contributed 13% to net revenue and 10% to the net revenue of the operating business lines.

(in € millions)	1st half 2024	1st half 2023	Change
Net revenue	**437**	**493**	**-11.4%**
General operating expenses	-287	-284	+0.9%
Gross operating income/(loss)	**150**	**208**	**-28.3%**
Cost of risk	-21	-2	X 13.3
Operating income	**128**	**207**	**-38.0%**
Net gains and losses on other assets and ECC	0	1	-97.0%
Income before tax	**128**	**208**	**-38.3%**
Income tax expense	-32	-50	-35.0%
Net income	**96**	**158**	**-39.3%**

The companies that make up this business line operate in France and internationally through Banque Transatlantique, Banque de Luxembourg, Banque CIC (Suisse) and Crédit Mutuel Épargne Salariale[1].

At €437 million, net revenue from asset management and private banking accounted for 13% of the net revenue of CIC's operational business lines, down -7.5% at constant scope in a difficult economic climate and tense financial markets. This decline was mainly due to a lower net interest margin at the private banking entities (-€32 million or -15.2%). The increase in private banking commissions (+€12 million) did not offset the decline in asset management commissions (-€28 million)

At the end of June 2024, general operating expenses were up +4.9% at constant scope. Gross operating income fell by more than 28% to €150 million.

The cost of risk was multiplied by 13.8 in private banking. This represents a net charge of €21 million, compared with €2 million in June 2023, the change being driven by the cost of non-proven risk (+€19 million).

Net income was therefore €96 million at June 30, 2024 compared with €158 million at June 30, 2023.

These data do not include the private banking business carried out through CIC's network and its five regional banks, i.e. net revenue of €99 million (-8%) and net income of €32 million (-24%)

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

The sales momentum of the various subsidiaries and business lines enabled net revenue to reach €108 million at end-June 2024 (€109 million at June 2023).

Compared with the end of June 2023, net interest income, partly offset by the increase in term deposit outstandings, was €25.9 million, down -36%, returning to the end-June 2022 level (€26.1 million), while commissions rose by +20% to €82.2 million.

Compared to 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 *Ensemble Performant Solidaire* (Togetherness Performance Solidarity).

Net income was down to €27.3 million (€33.3 million at end-June 2023), but still higher than budgeted.

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

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

Outstanding savings rose by +8.5% in the first half to €67.9 billion. Growth in financial savings remained dynamic for all subsidiaries and business lines, reaching €62 billion at end-June 2024 (€56.5 billion at end-2023).

In the first half of 2024, **Banque de Luxembourg**[3] generated net revenue of €203.6 million at the end of June 2024, down -5% on the same period last year.

This decline can be attributed to a -8% fall in net interest income to €87.8 million, and a -5% fall in net commission income to €110.9 million.

General operating expenses amounted to €128.2 million, similar to their level at the end of June 2023.

[1] *Crédit Mutuel Asset Management, CIC Private Debt and Cigogne Management were sold to BFCM in Q3 2023 and then transferred to La Française Group on January 1, 2024 to form an asset management division within Crédit Mutuel Alliance Fédérale.*
[2] *Banque Transatlantique includes the following subsidiaries: Banque Transatlantique France, Banque Transatlantique London, Banque Transatlantique Belgium, Banque Transatlantique Luxembourg, Dubly Transatlantique Gestion (asset management activity), Transatlantique Private Wealth (not consolidated but included in Banque Transatlantique's business figures).*
[3] *Banque de Luxembourg includes Banque de Luxembourg Investments SA (asset management business line).*

The cost of risk was a net reversal of +€2.5 million (it stood at -€1.6 million at end-June 2023), resulting in a positive change of +€4.1 million compared with end-June 2023.

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

During the first half of 2024, **Banque CIC (Suisse)** initiated the first measures arising from its ambitious strategic plan to serve the Swiss economy, announced at the end of 2023[1].

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

At the end of June 2024, net revenue stood at €109.6 million, down -15.2% on June 2023, reflecting the cut in the Swiss National Bank's key interest rate and higher financing costs. In addition, the introduction of hedging swaps at CIC Suisse led to a one-off increase in financial income in the first half of 2023.

General operating expenses totaled €74.4 million, up +7.7% on the first half of 2023, due in particular to the increase in the number of employees (+17 full-time positions for a total of 470 employees at June 30, 2024). Compared with June 30, 2023, the overall cost of risk rose to €21.9 million, reflecting the increase in provisions for proven and as yet non-proven risk (at June 30, 2023, the cost of non-proven risk was a net reversal of provisions amounting to €7.5 million). This cost of risk includes an impairment recognized at the meeting of the Board of Directors to approve CIC Suisse's 2023 financial statements, which was recognized in the group's income statement in the first half of 2024.

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

2.2.5.4 Corporate banking

At the end of June 2024, corporate banking represented 10% of the revenues of CIC's operating business lines.

Corporate banking includes financing of large companies and institutional customers, value-added financing (exports, projects and assets, etc.), international and foreign branches.

(in € millions)	1st half 2024	1st half 2023	Change
Net revenue	**332**	**294**	**+13.0%**
General operating expenses	-83	-84	-1.1%
Gross operating income/(loss)	**249**	**210**	**+18.6%**
Cost of risk	-40	-55	-27.1%
Cost of proven risk	*-44*	*-89*	*-50.0%*
Cost of non-proven risk	*4*	*33*	*-88.0%*
Net profit/(loss) before tax	**208**	**154**	**+35.0%**
Income tax	-55	-42	+30.2%
Net income	**153**	**112**	**+36.8%**

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 was up +13.0% to €332 million at the end of the first half of 2024, driven mainly by a higher net interest margin. Business volumes remained buoyant, reflecting the strong sales momentum in the corporate and structured finance segments.

The cost of risk was down, resulting in a net charge of -€40 million compared with -€55 million at end-June 2023.

Net income therefore rose by +36.8% to €153 million at June 30, 2024, compared with €112 million at June 30, 2023.

[1] *As announced in the press release of November 28, 2023.*

The **structured financing** activity (acquisition finance, project finance, asset finance and securitization) was buoyant across all its business lines. Overall, new loan volume in the first half was up on the same period in 2023, totaling €2.0 billion.

Net revenue[1] grew by +4.9 % to €145.9 million. The cost of proven risk picked up slightly, generating good results across all business lines. Income before tax[1] reached €110.3 million, up +7% compared with the first half of 2023.

The **large corporates (CIC Corporate)** activity supports the development of listed and unlisted major French and foreign industrial companies and institutions with revenue of more than €500 million as part of a long-term relationship. Despite the geopolitical context, business remained brisk in the first half of 2024. The increases in net interest income and commissions reflect CIC Corporate's strong sales momentum, particularly in a banking lending and bond market that was buoyed by both new loans and refinancing, as well as amendments and extensions.

In today's uncertain geopolitical climate, the teams of the **international business department** are able to offer solutions that combine development with the security of international operations:

- by supporting corporate customers in their international development projects. In the first half of the year, 131 companies benefited from the services of CIC Aidexport and its representative offices;
- by guaranteeing exporters that they will be paid thanks to confirmed documentary credits. The number of transactions rose by +12.2% over the half-year from June 2023;
- by offering buyer credit solutions or non-recourse discounting of export supplier credits;
- by enabling companies to exchange ideas with their peers through the Club CIC International.

This first half-year confirmed the relevance of the Group's network of branches in Brussels, London, New York, Singapore and Hong Kong, and 34 representative offices on every continent.

2.2.5.5 Capital markets

At the end of June 2024, capital markets represented 9% of the revenues of CIC's operating business lines.

(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
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 of €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 came to €118.9 million, compared with €113.7 million at June 30, 2023, an increase of +5% despite a high basis for comparison.
During the first half, the fund administration business was added to the scope of consolidation. All the activities continued to enjoy strong sales momentum.

The **Investment business line** - including France, the New York, London and Singapore branches - generated net revenue of €169.1 million in the first six months of the year, 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.
Over the first half of the year, the primary market was abundant across all issuers, despite short-lived phases of volatility linked to the global geopolitical context and French politics.

[1] *Management data.*

2.2.5.6 Private equity

At the end of June 2024, private equity represented 7% of the revenues of CIC's operating business lines.

(in € millions)	1st half 2024	1st half 2023	Change
Net revenue	**223**	**220**	**+1.3%**
General operating expenses	-45	-40	+13.0%
Gross operating income/(loss)	**177**	**180**	**-1.3%**
Income before tax	178	180	-1.2%
Income tax	-2	1	n.s
Net income	**175**	**181**	**-3.0%**

Crédit Mutuel Equity encompasses the group's equity financing businesses, from venture capital, growth equity and buyouts 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 equity in the capital of growing companies and works alongside its managers to promote innovation, growth and employment, enabling them to successfully transform their business models, create financial and non-financial value and reach major development milestones.

By providing companies with long-term financial resources tailored to the timeframe of their projects, Crédit Mutuel Equity strengthens their balance sheets, enabling them to better withstand crises and pursue their development. Investing its own equity also enables it to align interests and share strategic risks, challenges and ambitions with management. The aim is to create long-term value, whether economic, environmental or social. Crédit Mutuel Equity favors well-balanced financial packages, with a constant concern for the fair redistribution of the value created by its deals for all stakeholders: shareholders, management and employees of the companies it supports.

Of the portfolio's 328 equity investments, one in three has been held for more than ten years, demonstrating the relevance of its commitment over time. However, the renewal of the companies we support is very dynamic, reflecting the strength of the structure: over the past three years, nearly €2.3 billion has been sold, and a comparable amount has been reinvested in new deals or in portfolio companies to support the achievement of new growth milestones.

In financial terms, 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.

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

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

2.2.5.7 Structure and holding company

The holding business line includes all specific structural costs/products not assignable to other activities.

(en millions d'euros)	1st half 2024	1st half 2023	Change
Net revenue	**28**	**34**	**-17.8%**
General operating expenses	-29	-63	-53.2%
Gross operating income/(loss)	**-2**	**-29**	**-94.1%**
Income before tax	**-2**	**-29**	**-93.0%**
Income tax	-76	13	n.s
Net income	**-78**	**-16**	**n.s**

The NBI of the holding structure includes the NBI of the Group Treasury as well as that of the financing of the cost of securities.
All in all, net revenue fell by -€6 million between June 2024 and June 2023, or -17.8%.
General operating expenses fell from €63 million in June 2023 to €29 million in June 2024.
Income before tax was -€2 million compared to -€29 million at June 2023. Income tax recorded an expense of €76 million compared to an income of €13 million in June 2023.
Group net income amounted to -€78 million compared to -€16 million in June 2023.

2.2.6 Alternative performance indicators

2.2.6.1 Definitions of alternative performance indicators

Name	Definition/calculation method	For ratios, reason for use
Cost/income ratio	Ratio calculated from items of the consolidated income statement: ratio of general operating expenses (sum of "general operating expenses" and "movements in depreciation, amortization and provisions for property, plant and equipment and intangible assets") and "net revenue".	Measure of the bank's operational efficiency
Overall cost of customer risk related to the outstanding loans (expressed in % or in 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 risk" item on the publishable consolidated income statement.	Measurement of the level of risk
Customer loans/loan production	The "Loans and receivables due from customers" on the assets side of the consolidated balance sheet.	Measurement of customer loan activity.
Cost of proven risk	Impaired assets (S3) see note "Cost of counterparty risk".	Measurement of the level of proven risk (non-performing loans).
Cost of non-proven risk	Expected losses at 12 months (S1) + expected losses at maturity (S2) – See note to the financial statements. Application of IFRS 9.	Measurement of the level of non-proven risk (performing loans).
Customer deposits; Accounting deposits	The "Amounts due to customers at amortized cost" item of the liabilities side of the consolidated balance sheet.	Measurement of customer activity in terms of balance sheet resources
Insurance savings	Life insurance outstandings 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 account deposits, insurance savings and bank financial savings.	Measurement of customer activity in matters of savings
General operating expenses; General operating expenses; management fees	Sum of "employee benefit expense", "general operating expenses" and "allocations to/reversals of depreciation, amortization and provisions for property, plant and equipment and intangible assets" lines from the publishable consolidated income statement	Measure 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 = "Interest and similar income" item of the publishable consolidated income statement; ▪ interest paid = "Interest and similar expenses" item of the publishable consolidated income statement	Representative measurement of profitability
Loans/deposits 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 coverage ratio measures the maximum residual risk associated with loans in default ("non-performing loans")
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).	Asset quality indicator.

2.2.6.2 Alternative performance indicators, reconciliation with the financial statements

(in € millions)

Cost/income ratio	1st half 2024	1st half 2023
General operating expenses	-1,925	-1,973
Net revenue	3,274	3,367
COST/INCOME RATIO	58.8%	58.6%

Loan-to-deposit ratio	06/30/2024	06/30/2023
Net customer loans	251,826	243,595
Customer deposits	224,472	221,033
LOAN-TO-DEPOSIT RATIO	112.2%	110.2%

Coverage ratio	06/30/2024	06/30/2023
Provisions for impairements on non-performing loans (S3)	-2,849	-2,367
Gross receivables subject to individual impairement (S3)	7,287	6,233
COVERAGE RATIO	39.1%	38.0%

Global coverage ratio	06/30/2024	06/30/2023
Provisions for impairements on non-performing loans (S3) and on performing loans (S1 et S2)	-3,816	-3,389
Gross receivables subject to individual impairement (S3)	7,287	6,233
TAUX DE COUVERTURE GLOBAL	52.4%	54.4%

Rate of non-performing loans	06/30/2024	06/30/2023
Gross receivables subject to individual impairement (S3)	7,287	6,233
Gross loans to customers	255,642	246,984
RATE OF NON-PERFORMING LOANS	2.9%	2.5%

Cost of proven risk related to outstanding loans (in bps)	1st half 2024	1st half 2023
Cost of proven risk	-289	-129
Gross loans to customers	255,642	246,984
COST OF PROVEN RISK RELATED TO OUTSTANDING LOANS (IN BPS)	23	10

2.3 RELATED PARTIES

Information about operations between related parties that took place during the first six months of the current fiscal year appear in note 34 of the appendix to the consolidated financial statements of June 30, 2024.

2.4 RECENT DEVELOPMENTS AND OUTLOOK

CIC delivered solid 2024 half-year results in a period of political and geopolitical economic uncertainties. As a benefit corporation, in the second half of the year, CIC will continue to put its performance at the service of its customers and society in all markets and regions.

Since the start of the year, CIC has implemented the strategic priorities of the 2024-2027 *Ensemble Performant Solidaire* (Togetherness Performance Solidarity) plan, initiated by its parent company Crédit Mutuel Alliance Fédérale.

3 CORPORATE GOVERNANCE

3.1 COMPOSITION OF THE MANAGEMENT BODIES AS OF JUNE 30, 2024

Presentation of the Board of Director

	Age [1]	Gender	Start of term of office	End of term of office	Committees [2]	Attendance at Board
Daniel BAAL *Chairman*	66	M	2024	2025	GAAC GRMC	100%
Hélène DUMAS *Vice-Chairwoman*	66	F	2024	2027	Appointments	100%
Catherine ALLONAS-BARTHE *Permanent representative of Banque Fédérative de Crédit Mutuel, director*	68	F	2017	2026	-	80%
Saïda BERKOUK *Director*	59	F	2024	2027	-	100%
Monique BOUGHELILBA *Director*	60	F	2024	2027	-	100%
Isabelle CHEVELARD *Director*	59	F	2023	2026	-	100%
Damien LIEVENS *Director*	53	M	2023	2027	-	80%
Jean-Louis MAITRE *Director*	67	M	2024	2025	-	100%
Albert MAYER *Director*	68	M	2024	2027	GAAC	100%
René SCHWARTZ *Director*	67	M	2024	2027	GAAC	100%
Raïssa HAFIDHOU *Director representing employees*	32	F	2023	2028	-	100%
Philippe LEGER *Director representing employees*	63	M	2023	2028	-	80%
Guy CORMIER *Censor*	54	M	2017	2026	-	0%
Sandrine CRESTOIS COGNARD *Censor*	39	F	2024	2027	-	40%
Francis SINGLER *Censor*	67	M	2024	2027	-	100%

(1) *Age at June 30, 2024*
(2) *CIC is a member of the four specialized committees of Caisse Fédérale de Crédit Mutuel: the Group Risk Monitoring Committee (GRMC), the Group Auditing and Accounting Committee (GAAC), the Appointments Committee, and the Compensation Committee.*

Other participants

- In accordance with Article L.2312-72 of the French Labor Code, a representative of the social and economic committee attends meetings of the Board of Directors in an advisory capacity.

Composition of the Executive Management

The Executive Management of CIC is composed of:

- Éric Charpentier, Chief Executive Officer and effective manager;
- Claude Koestner, Chief Operating Officer and effective manager.

3.2 POSITIONS AND FUNCTIONS HELD BY THE MEMBERS OF THE MANAGEMENT BODIES

3.2.1 Board of 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 de Crédit Mutuel Centre Est Europe, then director of Caisse du 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 du 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 of Directors
Member of the Group Risk Monitoring Committee and the Group Auditing and Accounting Committee of Caisse Fédérale de Crédit Mutuel
First appointed to the Board: co-opted by the Board of Directors on November 22, 2023 with effect from January 1, 2024
Term expires: 2026

Other mandates and functions held as at June 30, 2024

Chairman of the Board of Directors
Caisse Centrale du Crédit Mutuel
Confédération Nationale du Crédit Mutuel
Fédération du Crédit Mutuel Centre Est Europe
Caisse Fédérale de Crédit Mutuel
Banque Fédérative du Crédit Mutuel
Crédit Mutuel Impact
Chairman of 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 of 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

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'Etudes 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. In 2020, she was a director of the Fédération and Caisse Régionale de Crédit Mutuel du Centre.

Vice-Chairwoman of the Board of Directors
Member of the Appointments Committee of Caisse Fédérale de Crédit Mutuel
First appointment to the Board: co-opted by the Board of Directors on November 22, 2023 with effect from January 1, 2024
Term expires: 2026

Other mandates and functions held 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

Director

Caisse Régionale de Crédit Mutuel du Centre
Banque Fédérative du Crédit Mutuel

Terms of office expired over the past five fiscal years

Vice-Chairwoman of the Board of Directors

Caisse Fédérale de Crédit Mutuel

Catherine Allonas Barthe

Born on January 18, 1955
Nationality: French

Business address:
94/96, boulevard Haussmann
75008 Paris

Summary of main areas of expertise and experience

Catherine Allonas Barthe holds a master's degree in mathematics and is a graduate of the École Nationale de la Statistique et de l'Administration Économique (ENSAE).
From 2015 to 2021, she was a member of the Executive Board and Deputy Chief Executive Officer of Groupe des Assurances du Crédit Mutuel, a holding company for insurance companies.
She was also Chief Executive Officer of Assurances of Crédit Mutuel Vie SAM and Chief Operating Officer of Assurances du Crédit Mutuel Vie SA, life insurance companies operating mainly in France, between 2006 and 2021.
Within Groupe des Assurances du Crédit Mutuel, she also held the positions of Finance and Real Estate director and Chief Risk Officer.

Permanent representative of Banque Fédérative du Crédit Mutuel, director
First appointed to the Board: 2017
Term expires: 2026

Other mandates and functions held as at June 30, 2024

Director
Crédit Mutuel Impact
Member of the Supervisory Board
Groupe La Française
Member of the Supervisory Board
ARDIAN FRANCE

Terms of office expired over the past five fiscal years

Chairwoman
Foncière Massena
Mutuelles Investissement
Member of the Executive Board – Deputy Chief Executive Officer
Groupe des Assurances du Crédit Mutuel
Chief Executive Officer
Assurances du Crédit Mutuel Vie SAM
Chief Operating Officer
Assurances du Crédit Mutuel Vie SA
Director
Crédit Industriel et Commercial
ACM GIE
Permanent representative of Assurances du Crédit Mutuel Vie SA, director
Serenis Assurances
Covivio
Permanent representative of ADEPI, director
Crédit Mutuel Asset Management
Permanent representative of Placinvest, director
Crédit Mutuel Asset Management
Permanent representative of Groupe des Assurances du Crédit Mutuel SA, director
Groupe des Assurances du Crédit Mutuel Espagne
Permanent representative of EFSA, director
Crédit Mutuel Investment Managers
Permanent representative of Assurances du Crédit Mutuel Vie SA, director
Valinvest Gestion

Saïda Berkouk

Born on July 6, 1964 Nationality: French Business address: 10, rue de la Tuilerie 31132 Balma Cedex	**Summary of main areas of expertise and experience** Saïda Berkouk holds a postgraduate degree (DESS) in tax law and a master's degree in economic and social administration. She has been the chairwoman of her law firm since 1993. She has been a director of a Crédit Mutuel bank since 2000 and was Chairwoman of this local Crédit Mutuel bank from 2004 to 2019. In 2017, she was appointed director of Fédération du Crédit Mutuel Midi-Atlantique. She was appointed Director of Crédit Industriel et Commercial in 2023.

Director
First appointed at the Shareholders' Meeting of December 8, 2023 with effect from January 1, 2024
Term expires: 2027

Other mandates and functions held as at June 30, 2024

Director

Caisse de Crédit Mutuel Toulouse Capitole
Fédération du Crédit Mutuel Midi-Atlantique
Caisse Régionale du Crédit Mutuel Midi-Atlantique

Director

CABINET BERKOUK

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: 4 rue Frédéric-Guillaume Raiffeisen 67000 Strasbourg	Summary of main areas of expertise and experience Monique Boughelilba began her career as an administrative assistant. Holder of a copywriter's degree from the Centre National de la Service Publique Territoriale, she joined Grenoble Alpes Métropole in 1997 as manager of the development of the public transport network, then as manager of the 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 Fédération and Caisse Régionale du Crédit Mutuel Dauphiné-Vivarais, Caisse de Crédit Mutuel de la Vallée du Rhône and member of the Supervisory Board of Cautionnement Mutuel de l'Habitat.

Director
First appointed at the Shareholders' Meeting of December 8, 2023 with effect from January 1, 2024
Term expires: 2027

Other mandates and functions held 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

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

Isabelle Chevelard

Born on February 12, 1964
Nationality: French

Business address:
TARGOBANK AG
Kasernenstr. 10
40213 Düsseldorf

Summary of main areas of expertise and experience

Isabelle Chevelard began her career in 1988 at BNP Paribas, as head of the Savoie branch group's marketing department, before holding various positions in the networks and general inspection department. In 2006, she joined the Group IT Executive Committee before being appointed Director of the France Network of BNP Paribas Personal Finance in 2010. In 2015, Isabelle Chevelard became a strategy consultant at her company, Isabelle Chevelard Conseil. She joined the Crédit Mutuel Alliance Fédérale group in 2016 as a project manager reporting to Executive Management before becoming Group Human Resources director in 2017. In the same year, she was appointed member of the Supervisory Board of Cofidis and Cofidis Group.
In 2020, Isabelle Chevelard was appointed Chairwoman of the Executive Board of TARGOBANK AG and TARGO Deutschland GmbH. In 2023, she joined the Board of Directors of CIC. In 2024, Isabelle Chevelard took over as Chairwoman of the Groupe des Assurances du Crédit Mutuel (GACM).
Isabelle Chevelard holds a post-graduate degree in purchasing management from IAE Grenoble, and also from Institut d'Etudes Politiques and Université de Langues de Grenoble.

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

Other mandates and functions held as at June 30, 2024

Chairwoman of the Supervisory Board
GACM SA
Chairwoman of the Board of Directors
ACM VIE SA
ACM VIE SAM
ACM IARD SA
Vice-Chairwoman of the Supervisory Board
ACM Deutschland AG
ACM Deutschland Non-Life AG
ACM Deutschland Life AG
Permanent representative of GACM, director
ACM GIE
Chairwoman of the Executive Board
TARGOBANK AG
CM Pensiontrust e.V.
TARGOBANK Stiftung
Member of the Executive Board
TARGO Deutschland GmbH
Chief Executive Officer
TARGO Dienstleistungs GmbH
Member of the Supervisory Board
Cofidis
Cofidis Group
Member
Advisory Board of NRW.BANK
Delegates' meeting of Bundesverband Deutscher Banken e.V.

Terms of office expired over the past five fiscal years

Member of the Executive Board
TARGO Factoring GmbH
TARGO Leasing GmbH
Chairwoman of the Board of Directors
CIC Sud Ouest
Chairwoman of the Management Committee
Cap Compétences – Activateurs de Talents
Permanent representative of CIC, director
CIC Lyonnaise de Banque
Member
Management committee of Bischenberg

Damien Lievens

Born on July 25, 1970
Nationality: French

Business address:
105, rue Faubourg Madeleine
45920 Orléans

Summary of main areas of expertise and experience

Holder of a vocational diploma (BEP) in agriculture and an agricultural technician's certificate, Damien Lievens began his career as a technical sales representative at AEM / La Ferté Vidame. In 1998, he set up as a farmer.

In 2000, he was elected director of Caisse de Crédit Mutuel de Brezolles before becoming its Vice-Chairman in 2007. Since 2015, he has been Chairman of Fédération Régionale des Caisses de Crédit Mutuel du Centre.

Director
First appointed at the Shareholders' Meeting of December 8, 2023 with effect from January 1, 2024
Term expires: 2027

Other mandates and functions held as at June 30, 2024
Chairman of the Board of Directors
Caisse Régionale de Crédit Mutuel du Centre
Fédération Régionale des Caisses de Crédit Mutuel du Centre
Caisse de Crédit Mutuel Agricole du Centre
Vice-Chairman of the Board of Directors
Caisse de Crédit Mutuel de Brezolles
Director
ACM Vie SA
Caisse Agricole Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Confédération Nationale du Crédit Mutuel
Fédération du Crédit Mutuel Agricole et Rural
Managing Partner
SCEA Lievens

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 de Crédit Mutuel du Centre, director
ACM Vie SAM
Censor
Crédit Industriel et Commercial
Caisse Fédérale de Crédit Mutuel

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

With a background in accounting, Jean-Louis Maître worked in public accounting 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, Vice-Chairman of the Board of Directors of the same local bank on March 16, 1994, then Chairman of the same Board on March 16, 2000. In 2000, he became a director of Fédération du Crédit Mutuel Savoie-Mont Blanc. A non-voting director of Confédération Nationale and the Caisse Centrale du Crédit Mutuel since 2018, he became a director in 2022. From 2019 until December 31, 2023, he was a director of Caisse Fédérale de Crédit Mutuel. In 2020, he became Chairman of the 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: co-opted by the Board of Directors on November 22, 2023 with effect from January 1, 2024
Term expires: 2025

Other mandates and functions held as at June 30, 2024
Chairman of the Board of 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
Censor
Banque Fédérative du Crédit Mutuel

Terms of office expired over the past five fiscal years
Director
Caisse Fédérale de Crédit Mutuel
Permanent representative of Caisse Régionale du Crédit Mutuel Savoie-Mont Blanc, director
Assurances du Crédit Mutuel Vie SAM
Censor
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel

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** Holder of higher accounting certificates, Albert Mayer has been Chairman of Albert Mayer Expertise et Audit Comptable since 2009. Albert Mayer has also been a member of the Compagnie des Commissaires aux Comptes de Metz since 1994 and a legal expert at the Metz Court of Appeal. In 1993, he was elected Chairman of a Crédit Mutuel local bank. Since 2018, he has been Chairman of the Saint-Avold District of the Fédération du Crédit Mutuel Centre Est Europe.

Director
Member of the Group Auditing and Accounting Committee of Caisse Fédérale de Crédit Mutuel
First appointed at the Shareholders' Meeting of December 8, 2023 with effect from January 1, 2024
Term expires: 2027

Other mandates and functions held as at June 30, 2024

Chairman of the Board of Directors
Caisse de Crédit Mutuel Freyming Homburg-Haut
Chairman
Mayer Albert Expertise et Audit Comptable
Director and Chairman of the Saint Avold District
Fédération du Crédit Mutuel Centre Est Europe
Managing Partner
Secogem accounting appraisal
Accounting appraisal division

Terms of office expired over the past five fiscal years

Director
Banque Fédérative du Crédit Mutuel

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, until June 30, 2019, the date of his retirement, he was a lawyer specializing in tax law at Fiduciaire d'Alsace et de Lorraine in Mulhouse. In 1992, he was elected Chairman of the Crédit Mutuel du Nouveau Monde local bank in Bollwiller. Since the end of 2018, he has been Chairman of the Union des Caisses de Crédit Mutuel du District de Mulhouse and a director of Fédération Centre Est Europe.

Director
Member of the Group Auditing and Accounting Committee of Caisse Fédérale de Crédit Mutuel
First appointed to the Board: co-opted by the Board of Directors on November 22, 2023 with effect from January 1, 2024
Term expires: 2027

Other mandates and functions held as at June 30, 2024

Chairman of the Board of 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

Terms of office expired over the past five fiscal years

Director
Banque Fédérative du Crédit Mutuel

Directors representing employees

Raïssa Hafidhou

Born on September 24, 1991
Nationality: French

Business address:
8 rue de la République
69001 Lyon

Summary of main areas of expertise and experience

With a degree in Negotiation and Customer Relations, Raïssa Hafidhou began her career as a banking advisor with CIC Lyonnaise de Banque. In 2018, she became retail customer relationship manager, a position she currently holds.
Raïssa Hafidhou was appointed director representing employees for the first time in 2023 at CIC Lyonnaise de Banque and CIC.

Director representing employees
First appointed to the Board: 2023
Term expires: 2028

Other mandates and functions held as at June 30, 2024

Director representing employees

CIC Lyonnaise de Banque

Terms of office expired over the past five fiscal years

Nil

Philippe Léger

Born on July 19, 1960
Nationality: French

Business address:
31 rue Jean Wenger-Valentin
67000 Strasbourg

Summary of main areas of expertise and experience

Philippe Léger holds a BTS in technical sales and a CESB in asset management, and joined CIC Est in 1999 as a social engineering account manager. In 2009, he became a private manager, before taking over the role of social engineering account manager in 2013 and then wealth advisor in 2016, the position he currently holds.
Philippe Léger was appointed director representing employees for the first time in 2023 within CIC.

Director representing employees
First appointed to the Board: 2023
Term expires: 2028

Other mandates and functions held as at June 30, 2024

Nil

Terms of office expired over the past five fiscal years

Nil

Directors whose terms of office expired in 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 CIC. 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 Sciences 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 of 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 held as at June 30, 2024
Chairman
Fondation Crédit Mutuel Alliance Fédérale
Fondation du Crédit Mutuel pour la lecture
Director
Caisse du 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 of 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 du 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

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 du Crédit Mutuel du Sud-Est. He has also been Chairman of the Board of Directors of Caisse Agricole du Crédit Mutuel since 2004.

Director
Member of the Group Auditing and Accounting Committee of Caisse Fédérale de Crédit Mutuel
First appointed to the Board: 2019
Term expires: 2024

Other mandates and functions as at January 31, 2024
Chairman of the Board of Directors
Fédération du Crédit Mutuel du Sud-Est
Caisse du Crédit Mutuel du Sud-Est
Caisse Agricole Crédit Mutuel (CACM)
CECAMUSE
Caisse du 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
Permanent representative of Caisse du Crédit Mutuel du Sud-Est, director
Assurance 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
Chairman of the Board of Directors
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Director
Crédit Industriel et Commercial
Banque Fédérative du Crédit Mutuel
Permanent representative of Caisse du Crédit Mutuel du Sud-Est, director
Assurance du Crédit Mutuel Vie SAM
Managing Partner
SARL CORMORECHE
SCEA CORMORECHE Jean-Gérard
Censor
Crédit Industriel et Commercial

Régine Kopp

Born on August 14, 1968
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Régine Kopp holds a master's degree in business law and a post-graduate diploma in Corporate Law. Régine Kopp began her career as a writer in the external relations department of SANEF until 1994, and then continued as a local attaché acting as secretary general of a town hall. She was Chairwoman of the Social Life Council of the EHPAD "Les Jardins de Saint Jacques" from 2015 to 2022. Since 2018, she has been the Managing Partner of SCI MAGICK. Since 2011, she became a director of the Caisse du Crédit Mutuel Pays d'Albe et du Ham, and became its Chairwoman in 2018. In 2022, she obtained the university diploma of Mutualist Bank Director.

In 2022, she became Chairwoman of the Sarreguemines district, director of Fédération du Crédit Mutuel Centre Est Europe, director of CIC and member of the Supervisory Board of Banque Européenne du Crédit Mutuel.

Director
First appointed to the Board: 2022
Term expires: 20242024

Other mandates and functions held as at June 30, 2024

Chairwoman of the Board of Directors
Caisse du Crédit Mutuel Pays d'Albe et du Ham
Chairwoman of the Supervisory Board
Cautionnement Mutuel de l'Habitat
Director and Chairwoman of the Sarreguemines District
Fédération du Crédit Mutuel Centre Est Europe
Member of the Supervisory Board
Banque Européenne du Crédit Mutuel
Managing Partner
SCI MAGICK

Terms of office expired over the past five fiscal years

Chairwoman
EHPAD "*Les Jardins de Saint Jacques*"
Director
Caisse du Crédit Mutuel Pays d'Albe et du Ham
Crédit Industriel et Commercial

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: 2021
Term expires: 2024

Other mandates and functions held as at June 30, 2024
Chairwoman of the Board of Directors
Caisse du Crédit Mutuel de Cambrai
Vice-Chairwoman of the Board of Directors
Caisse Régionale du Crédit Mutuel Nord Europe
Fédération du Crédit Mutuel Nord-Europe
Director
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Banque Fédérative 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
Managing Partner
Cofidine Conseil Fiduciaire Audit & Finance
Treasurer
Association Femmes Chefs d'entreprise (FCE)

3.2.2 Executive Management

Eric 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 and effective manager 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 Executive Officer – effective manager
First appointed to the Board: 2023, effective January 1, 2024
Term expires: 2027

Other mandates and functions held as at June 30, 2024

Caisse Régionale and Fédération du Crédit Mutuel Nord Europe
Banque Fédérative du Crédit Mutuel
Chairman of the Board of 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 of 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
Astrée Assurances

Claude Koestner

Born on April 28, 1970
Nationality: French

Business address:
6 avenue de Provence
75009 Paris

Summary of main areas of expertise and experience

Claude KOESTNER began his career at CIC Est in 1996 as Assistant Director and Director of a group of retail agencies before becoming Business Manager in 2000 and then Director of Corporate Agencies in 2004. In 2010, he was responsible for large companies and was appointed Chief Operating Officer in 2014. He was Chief Executive Officer of CIC Est between 2016 and 2020 and became Deputy Chief Executive Officer of CIC in 2017. In 2020, he was appointed Chairman of the Executive Board of BECM. Since 2024, he has been Chief Operating Officer of CIC, including the management of CIC's regional banks. He holds offices in several supervisory bodies of Crédit Mutuel Alliance Fédérale mainly related to the activities of the CIC networks, middle market companies, leasing, factoring and real estate professionals.

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

Other mandates and functions held as at June 30, 2024

Chairman of the Executive Board
Banque Européenne du Crédit Mutuel
Chairman of the Board of Directors
Banque CIC Sud-Ouest
Crédit Mutuel Leasing
CCLS
Bail Actéa
Crédit Mutuel Factoring
Factofrance
Vice-Chairman of the Supervisory Board
Crédit Mutuel Immobilier
Crédit Mutuel Equity
Permanent representative of BECM, member of the Management Board
Euro-Information
Permanent representative of CIC, member of the Supervisory Board
Groupe des Assurances du Crédit Mutuel

Terms of office expired over the past five fiscal years

Chairman and Chief Executive Officer
Banque Européenne du Crédit Mutuel Monaco
Chief Executive Officer
CIC Est
Deputy Chief Executive Officer
Crédit Industriel et Commercial
Member of the Management Board
Euro-Information Telecom
Permanent representative of CIC, member of the Management Board
Euro-Information
Permanent representative of CIC, member of the Supervisory Board
Banque Transatlantique
Permanent representative of CICOVAL, member of the Board of Directors
Crédit Mutuel Investment Managers
Permanent representative of ACM Vie SAM, member of the Board of Directors
ACM Vie SA

3.3 PREPARATION AND ORGANIZATION OF THE WORK OF 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 CIC 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 key executives, directors and censors of CIC adheres 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 CIC adopted a charter for members of the supervisory bodies – Ethics, conflicts of interest and personal declaration in 2022, amended in 2024. 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 Crédit Industriel et Commercial amended its internal rules of the Board of Directors, which provide for the role of Lead Director for the Vice-Chairman of the Board, who is now in charge of collecting potential conflicts of interests of the Chairman.

As of June 30, 2024, there are no service contracts linking any member of the Board of Directors or Executive Management, and providing benefits to, CIC or any of its subsidiaries.

3.4 WORK OF THE BOARD DURING THE FIRST HALF-YEAR 2024

3.4.1 Work of the board

The Board of Directors meets as often as the company's interests require.

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:

- Supervisory relations;
- 2024 review of the CIC 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 CIC's risk appetite framework;
- Formalization of CIC's overrun management procedure.

Meeting of February 6, 2024

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

- Group news;
- Presentation of CIC's annual and consolidated financial statements at December 31, 2023;
- Network activities;
- Presentation of specialized business lines and market activities;
- Renewal of issuance authorizations;
- Group Auditing and Accounting Committee report of December 7, 2023, January 18 and February 5, 2024;
- Observations of the statutory auditors;
- Approval of the CIC annual and consolidated financial statements at December 31, 2023;
- Letters on regulated agreements;

- Update on the study of an ongoing file;
- Summary of the Group Risk Monitoring Committee meetings of December 18, 2023 and January 31, 2024;
- Update on supervisory relations;
- Review of CIC Marchés rules;
- Breaches of the risk appetite framework;
- Update on risk monitoring and ALM;
- 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;
- Change of the representative of the approved auditor of CIC Brussels.

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;
- Application of the Hydrocarbons sector policy in the context of a project;
- Information on the end of the BDL dispute;
- Capital certification authorization for the New York branch;
- Update of the internal rules.

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 Head of permanent control of the AML/CFT system;
- Presentation of an intra-group disposal project;
- Appointment of the Head of Risk, Compliance and Permanent Control and Head of Risk Management;
- Summary of the GRMC of March 18, 2024;
- Update on supervisory relations;
- Update on breaches of the risk appetite framework at December 31, 2023;
- Update on risk monitoring;
- 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 Board members;
- 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;
- Mission Committee report and reasoned opinion of the ITO;
- Management report and corporate governance report;
- Preparation and convening of the Ordinary Shareholders' Meeting of May 14, 2024.

Meeting of June 26, 2024

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

- Results of the 2024 “You have the floor” barometer (*baromètre Vous avez la parole*);
- Presentation of a project;
- 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;
- Group Risk Monitoring Committee report of June 21, 2024;
- Risk, Permanent Control and Compliance department news;
- Update of the risk mapping;
- Report of the Appointments Committee of May 22, June 5 and June 24;
- New organization of the governance of project companies.

3.5 PRINCIPLES FOR DETERMINING THE COMPENSATION GRANTED 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*	Caisse Fédérale de Crédit Mutuel	475,000.02		2,384.70		477,384.72
Eric Charpentier-*Chief Executive Officer*	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
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).

4 RISKS AND CAPITAL ADEQUACY – PILLAR 3

4.1 KEY FIGURES (EU KM1)

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	18,673	18,284	18,489	18,020	17,974
2 – Tier 1 capital	18,673	18,284	18,489	18,020	17,974
3 – Total equity	21,935	21,575	20,957	20,673	20,635
RISK-WEIGHTED ASSETS					
4 – Total amount of risk-weighted assets	151,302	147,094	145,323	141,722	139,268
CAPITAL RATIOS (AS A PERCENTAGE OF THE RISK-WEIGHTED EXPOSURE AMOUNT)					
5 – Common Equity Tier 1 capital ratio	12.3%	12.4%	12.7%	12.7%	12.9%
6 – Tier 1 capital ratio	12.3%	12.4%	12.7%	12.7%	12.9%
7 – Total equity ratio	14.5%	14.7%	14.4%	14.6%	14.8%
ADDITIONAL SREP CAPITAL REQUIREMENTS (PILLAR 2 REQUIREMENTS AS A PERCENTAGE OF RISK-WEIGHTED ASSETS)					
EU 7a – Pillar 2 capital requirements	n/a	n/a	n/a	n/a	n/a
EU 7b – of which: to be met with CET1 capital	n/a	n/a	n/a	n/a	n/a
EU 7c – of which: to be met with Tier 1 capital	n/a	n/a	n/a	n/a	n/a
EU 7d – Total SREP capital requirements	9.8%	9.8%	9.5%	8.0%	8.0%
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 *(in %)*	n/a	n/a	n/a	n/a	n/a
9 – Countercyclical capital buffer	0.9%	0.9%	0.5%	0.4%	0.4%
EU 9a – Systemic risk buffer *(in %)*	n/a	n/a	n/a	n/a	n/a
10 – Buffer for global systemically important institutions *(in %)*	n/a	n/a	n/a	n/a	n/a
EU 10a – Buffer for other systemically important institutions *(in %)*	n/a	n/a	n/a	n/a	n/a
11 – Total buffer requirement	3.4%	3.4%	3.0%	2.9%	2.9%
EU 11a – Total capital requirements	13.1%	13.1%	12.5%	10.9%	10.9%
12 – CET1 capital available after compliance with the total SREP capital requirements	-0.8%	-0.7%	0.2%	1.8%	2.0%
LEVERAGE RATIO					
13 – Total exposure measurement	407,594	401,793	393,321	403,750	401,978
14 – Leverage ratio	4.6%	4.6%	4.7%	4.5%	4.5%
ADDITIONAL CAPITAL REQUIREMENTS TO ADDRESS THE RISK OF EXCESSIVE LEVERAGE (AS A PERCENTAGE OF THE EXPOSURE MEASURE)					
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 EXPOSURE MEASURE)					
EU 14d – Leverage ratio buffer requirement	0.0%	0.0%	0.0%	0.0%	0.0%
EU 14e – Total leverage ratio requirement	0.0%	0.0%	0.0%	0.0%	0.0%
LIQUIDITY COVERAGE RATIO (LCR)[1]					
15 – Total liquid assets (HQLA)	54,592	59,491	63,195	66,614	68,142
EU 16a – Cash outflows	64,471	66,634	68,200	70,271	74,154
EU 16b – Cash inflows	26,128	26,048	25,923	24,933	24,703
16 – Total net cash outflows	38,343	40,586	42,278	45,338	49,450
17 – Liquidity coverage ratio (LCR)	142.6%	146.3%	149.1%	147.9%	140.0%
NET STABLE FUNDING RATIO (NSFR)					
18 – Total available stable funding	257,493	257,510	247,062	244,760	243,741
19 – Total required stable funding	230,570	229,885	230,104	224,277	223,728
20 – Net stable funding ratio (NSFR)	111.7%	112.0%	107.4%	109.1%	108.9%

(1) Number of dates used in the calculation of averages: 12.

4.2 RISK FACTORS (EU OVA)

This section describes the principal risks to which CIC (hereinafter "the group") is exposed.

CIC is exposed to multiple risks associated with Retail Banking, Insurance, Corporate Banking, Capital Markets, Asset Management, 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 can significantly influence the group's risks are mentioned below, with major risks being addressed first within each category.

4.2.1 Credit risks related to the group's banking activities

CCIC's primary risk is credit risk, because of its business model. Gross exposures (on-balance sheet, off-balance sheet, derivatives and repurchase agreements) to credit risk represented €481 billion at December 31, 2023, and mobilized about 91% 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 29 "Performing and non-performing exposures and related provisions – EU CR1" and 25 "Credit quality of loans and advances to non-financial corporations by industry – EU CQ5".

Given its business model and the nature of its exposures, the following risk factors could adversely impact CIC's profitability and solvency:

a. Significant financial losses due to the inability of counterparties to meet their contractual obligations (risk of default). This risk concerns the financing activities which appear on CIC's balance sheet or guarantee activities which appear off balance sheet as well as other activities exposing the group to a risk of counterparty default, notably its activities related to the trading and settlement/delivery of financial instruments on the Capital Markets, and to insurance. The risk of default would immediately take the form of more non-performing loans (NPL, an indicator of default risk) and a major point of concern to European regulators and supervisors. It would also be reflected in a higher cost of risk due to the provisioning of those non-performing loans.
While the counterparties concerned may be banks, financial institutions, industrial or commercial companies, governments, investment funds or natural persons, the weight of gross corporate exposures in total credit risk exposures (33% at December 31, 2023), makes CIC particularly sensitive to the deterioration of the economic environment, in particular due to the rise in interest rates affecting a corporate clientele mainly borrowing at variable rates.

At December 31, 2023, CIC's NPL ratio (NPL/gross customer loans) was 2.72% and the cost of customer risk was €408 million. In relation to gross outstanding loans, the cost of risk was 0.159%. CIC had a stock of provisions for non-proven risks (provisions for performing loans – stage 1 and stage 2) of €932 million at December 31, 2023, which could prove insufficient to cover the increase in risks.

b. A **massive deterioration in property prices could affect collection rates**. Due to the size of its home loan portfolio representing nearly 45% of net loans to customers, i.e. €114 billion at December 31, 2023, mainly in France, CIC group is exposed to a fall in prices, in particular in the context of rising interest rates and inflation in construction costs since the end of the COVID-19 crisis. In this scenario, the impact would be an increase in defaults but also, in the case of financing guaranteed by mortgages, the fall in the value of the homes pledged as collateral could reduce recovery rates. In 2023, the cost of home risk in relation to gross loans in the balance sheet reached 0.01%, whereas it was not material in 2022.

c. The default of one or more of the group's largest customers could also degrade its profitability. CIC has relatively significant unitary exposures to certain States, banking counterparties or major groups, mainly French. Among States and similar entities, i.e. €80 billion of gross exposure at December 31, 2023, the group is mainly exposed to France for €62 billion, mainly to the Banque de France (€39 billion), which is a member of the Eurosystem, and to the Caisse des Dépôts et Consignations (€14 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 exposures, on- and off-balance sheet, exceeding €300 million to banks represented €4 billion to three counterparties. For corporates, it represented €29 billion to 47 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. Given the extensive use of internal credit risk rating methods, **the calculation of risk-weighted assets in the denominator of the solvency ratio could deteriorate in line with that of the quality of its portfolio.** Under the standardized method, the change in credit quality has little impact on the calculation of weighted risks and therefore on the solvency ratio. But if the credit portfolios have been authorized by the supervisor to use internal models (IRB) to calculate weighted risks, any deterioration of the affected portfolios would deteriorate the denominator of the solvency ratio. Within CIC, 73% of the total exposures to credit risk are assigned an internal rating[1], the quality of which affects the calculation of the credit risk-related capital requirements under Basel III, and therefore the group's solvency ratio. Lower ratings on all or part of the portfolio would consequently result in lower solvency of the group in terms of risk of changed ratings. A recession could increase this credit risk, also given the increased indebtedness of economic agents and the decline in their financial income. A new increase, or shortage, of commodities (see the situation following the war between Russia and Ukraine) may worsen the situation of particularly sensitive sectors (chemicals, steel, transport, automotive, agro-food industry, etc.) where the group is exposed (see 2023 universal registration document, Table 25 "Credit quality of loans and advances granted to non-financial corporations by business sector EU CQ5").

4.2.2 Financial risks related to the group's activities and macroeconomic conditions

Financial risks related to the macroeconomic and market environments are defined as risks related to the changes in market conditions and in particular those affecting income, price levels and the macroeconomic environment such as the existing or anticipated economic environment.

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

CIC 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, CIC has a liquidity reserve, consisting of deposits with central banks, mainly the European Central Bank, securities and receivables eligible for ECB refinancing. CIC group's reserve amounted to €64.6 billion at June 30, 2024. CIC's short-term risk is managed using the LCR ratio, whose average level for the first half year of 2024 is 142.9%, which represents an average surplus of €15.9 billion over the minimum regulatory requirements.

b. An unbalanced change in the commercial gap

As a universal bank, CIC is active in both the loan and savings markets. With a loan-to-deposit ratio of more than 100%, CIC is structurally a borrower and relies on the group's refinancing to balance its balance sheet. An increase in the ratio, and therefore an increase in the commercial gap, increases its exposure to liquidity risk.
By controlling the loan to deposit ratio, CIC limits this risk. The actions taken since 2023 to defend deposits in a context of strong competition enabled CIC to maintain the ratio at around its management threshold.

[1] According to the level of estimated risk associated with a counterparty, an internal rating is assigned to it, which will influence the capital requirements for credit risk.

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 CIC'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

CIC has short-term and medium-term issuance programs with a structured EMTN program. The resources raised are included in the centralized refinancing management and market refinancing is mainly carried by BFCM.

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. As of June 31, 2024, CIC's NSFR amounted to 111.7% with a stable surplus of resources of €26.9 billion.

f. A significant deterioration in the ratings of BFCM and Crédit Mutuel Alliance Fédérale entities

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. These ratings also benefit CIC issues.

A decrease in these credit ratings could have an impact on the refinancing of Crédit Mutuel Alliance Fédérale. Reflecting a lower credit quality, it could be more complicated to raise resources and would squeeze out some investors depending on their investment constraints. The relative cost of refinancing would also be instantly increased and this deterioration could also result in increased collateral requirements in certain activities or bilateral contracts.

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 the 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. CIC's receivables are part of the collateral pool used under the centralized system.

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

CIC'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 (NPV) sensitivity of CIC's balance sheet, determined according to six regulatory scenarios, is below the 15% threshold for Common Equity (Tier 1) capital. CIC is sensitive to an increase in the entire yield curve of 200 bps, with an NPV sensitivity of -12.85% 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 bps, 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 in interest rates is the most unfavorable scenario for CIC with an impact of -38.45% over two years, i.e. -€1,259 million at March 31, 2024. The sensitivity of CIC'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) capital.

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.

CIC'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 CIC 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 CIC, 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 3% of CIC's overall regulatory capital (€21.9 billion at June 30, 2024). 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 €4.85 million on average for the group.

4.2.3 Risks related to the group's regulatory environment

The regulatory environment in which Crédit Mutuel Alliance Fédérale operates is described in the dedicated section 2.1.2 "Regulatory environment" of Chapter 2.

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).

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.

4.2.4 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 *Ensemble Performant Solidaire* (Togetherness Performance Solidarity). This includes financial targets related to revenues, expenses and profitability. As CIC is part of Crédit Mutuel Alliance Fédérale, it contributes to the objectives defined in the strategic plan.

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. CIC 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. Failure to achieve the objectives defined in the 2024-2027 strategic plan could significantly affect Crédit Mutuel Alliance Fédérale's results and financial position as well as those of CIC.

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, €973 million of shareholders' equity was allocated to cover the losses generated by this risk. The proven claims ratio for the first half of 2024 amounted to €10.15 million, representing approximately 0.31% of its net revenue. Fraud accounted for 74% of proven claims. The risks with the greatest impact on the proven claims for the first half of 2024 for CIC were: (i) fraud, (ii) employment and occupational safety practices, and (iii) damage to tangible assets.

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 CIC'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 CIC would be detrimental to its financial position. Such circumstances would 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 CIC 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. The group's business model could be impacted by physical risks resulting 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 devaluations due to high sensitivity of securities, increased volatility, capital losses), accentuating market risk.

b. The group'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 CIC 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);
- risks weighing on solvency (increase in risk-weighted assets) and operating profitability (decrease in the net interest margin).

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 and environmental impacts, including climate risks, are the most significant. These policies are applicable CIC-wide and are monitored at Crédit Mutuel Alliance Fédérale level. 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.

CIC’s direct carbon footprint in France related to the group’s energy consumption, refrigerants, vehicle fleet and business travel decreased by 34% between 2018 and 2022, and the indirect carbon footprint of the financing in CIC's corporate portfolio, measured in tons of CO_2 per million euros lent, decreased by 8% between 2022 and 2023. More information concerning the non-financial performance and climate commitments of Crédit Mutuel Alliance Fédérale and CIC is available in Crédit Mutuel Alliance Fédérale's 2023 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

5.1 FINANCIAL STATEMENTS

5.1.1 Balance sheet (assets)

(in € millions)	Notes	06/30/2024	12/31/2023
Cash and central banks	4	42,648	45,611
Financial assets at fair value through profit or loss	5a	39,670	31,676
Hedging derivatives	6a	1,977	1,907
Financial assets at fair value through equity	7a	22,432	19,587
Securities at amortized cost	8a	4,377	4,010
Loans and receivables to credit institutions and similar at amortized cost	8b	48,297	47,338
Loans and receivables due from customers at amortized cost	8c	251,826	252,182
Revaluation adjustment on rate-hedged books	6b	-1,148	-460
Current tax assets	10a	696	624
Deferred tax assets	10b	435	414
Accruals and miscellaneous assets	11	7,229	5,693
Non-current assets held for sale		0	0
Investments in equity consolidated companies	12	1,514	1,503
Investment property	13	26	28
Property, plant and equipment	14a	1,791	1,672
Intangible assets	14b	157	143
Goodwill	15	33	33
TOTAL ASSETS		421,960	411,961

5.1.2 Balance sheet (liabilities)

(in € millions)	Notes	06/30/2024	12/31/2023
Central banks	17a	31	31
Financial liabilities at fair value through profit or loss	16	25,639	17,571
Hedging derivatives	6a	864	1,597
Due to credit and similar institutions at amortized cost	17a	95,891	96,258
Amounts due to customers at amortized cost	17b	224,472	230,348
Debt securities at amortized cost	17c	38,524	34,784
Revaluation adjustment on rate-hedged books	6b	-28	-26
Current tax liabilities	10a	283	376
Deferred tax liabilities	10b	283	292
Accruals and miscellaneous liabilities	18	10,058	5,808
Debt related to non-current assets held for sale		0	0
Provisions	19a	1,457	1,318
Subordinated debt at amortized cost	20	4,310	3,305
Total shareholders' equity		**20,176**	**20,299**
Shareholders' equity – Attributable to the group		**20,153**	**20,278**
Capital		612	612
Issue premiums		1,172	1,172
Consolidated reserves		17,489	16,500
Gains and losses recognized directly in equity	21a	39	8
Profit (loss) for the period		841	1,986
Shareholders' equity – Non-controlling interests		**23**	**21**
TOTAL LIABILITIES		421,960	411,961

5.1.3 Income statement

(in € millions)	Notes	06/30/2024	06/30/2023
Interest and similar income	23	9,371	7,397
Interest and similar expenses	23	-7,752	-5,723
Commissions (income)	24	1,647	1,632
Commissions (expenses)	24	-379	-394
Net gains on financial instruments at fair value through profit or loss	25	383	494
Net gains or losses on financial assets at fair value through shareholders' equity	26	-2	-65
Income from other activities	27	54	73
Expenses on other activities	27	-48	-47
Net revenue		**3,274**	**3,367**
Employee benefit expense	28a/28c	-1,820	-1,874
Movements in depreciation, amortization and provisions for property, plant and equipment and intangible assets	28e	-104	-99
Gross operating income		**1,350**	**1,394**
Cost of counterparty risk	29	-267	-159
Operating income		**1,083**	**1,235**
Share of net income of equity consolidated companies	12	75	69
Net gains and losses on other assets	30	-2	-0
Income before tax		**1,156**	**1,304**
Income tax	31	-312	-289
Net income		**844**	**1,015**
Net profit/(loss) – Non-controlling interests		3	0
GROUP NET INCOME		841	1,015
Earnings per share (in €)	32	22.12	26.70
Diluted earnings per share (in €)	32	22.12	26.70

5.1.4 Statement of net income and profits and losses recognized in shareholders' equity

(in € millions)	06/30/2024	06/30/2023
Net income	**844**	**1,015**
Translation adjustments	29	-8
Revaluation of financial assets at fair value through equity – capital instruments	23	50
Remeasurement of hedging derivatives	-0	0
Share of unrealized or deferred gains and losses of associates	-33	-17
Total recyclable gains and losses recognized directly in equity	**19**	**25**
Revaluation of financial assets at fair value through equity – equity instruments at closing	-5	3
Actuarial gains and losses on defined benefit plans	-4	11
Share of non-recyclable gains and losses of equity consolidated companies	21	66
Total non-recyclable gains and losses recognized directly in equity	**12**	**80**
Net profit/(loss) and gains and losses recognized directly in equity	**875**	**1,120**
o/w attributable to the group	872	1,120
o/w percentage of non-controlling interests	3	0

The terms net to gains and losses recognized directly in equity are presented for the amount net of tax.

5.1.5 Changes in shareholders' equity

(in € millions)	Shareholders' equity, attributable to the group										Non-controlling interests	Total consolidated shareholders' equity
	Capital	Premiums	Elimination of treasury shares	Reserves[1]	Gains and losses recognized directly in equity: Translation adjustments	Assets at FVOCI[2]	Instr. for hedging	Actuarial gains and losses	Net profit/(loss)	Total		
BALANCE AT 01/01/2023	612	1,172	-56	14,192	160	-325	0	-34	2,291	18,012	30	18,042
Appropriation of earnings from previous year	-	-	-	2,291	-	-	-	-	-2,291	0	-	-
Distribution of dividends	-	-	-	-	-	-	-	-	-	0	-4	-4
Subtotal of movements related to relations with shareholders	0	0	0	2,291	0	0	0	0	-2,291	0	-4	-4
Consolidated income for the period	-	-	-	-	-	-	-	-	1,015	1,015	-	1,015
Changes in gains and (losses) recognized directly in equity	-	-	-	-	-8	102	-	11	-	105	-	105
Subtotal	0	0	0	0	-8	102	0	11	1,105	1,120	0	1,120
Other change	-	-	-	1	-	-	-	-	-	1	-	1
BALANCE AT 06/30/2023	612	1,172	-56	16,484	152	-223	0	-23	1,015	19,133	26	19,159
BALANCE AT 07/01/2023	612	1,172	-56	16,484	152	-223	0	-23	1,015	19,133	26	19,159
Consolidated income for the period	-	-	-	-	-	-	-	-	971	971	3	974
Changes in gains and (losses) recognized directly in equity	-	-	-	-	-	112	-	-9	-	103	-	103
Subtotal	0	0	0	0	0	112	0	-9	971	1,074	3	1,077
Impact of acquisitions and disposals on non-controlling interests	-	-	-	-	-	-	-	-	-	0	-8	-8
Other change	-	-	-	72	-3	2	-	-	-	71	-	71
BALANCE AT 12/31/2023	612	1,172	-56	16,556	149	-109	0	-32	1,986	20,278	21	20,299
BALANCE AT 01/01/2024	612	1,172	-56	16,556	149	-109	0	-32	1,986	20,278	21	20,299
Appropriation of earnings from previous year	-	-	-	1,986	-	-	-	-	-1,986	0	-	0
Distribution of dividends	-	-	-	-987	-	-	-	-	-	-987	-	-987
Subtotal of movements related to relations with shareholders	0	0	0	999	0	0	0	0	-1,986	-987	0	-987
Consolidated income for the period	-	-	-	-	-	-	-	-	841	841	3	844
Changes in gains and (losses) recognized directly in equity	-	-	-	-10	28	6	-	-4	-	20	-	20
Subtotal	0	0	0	-10	28	6	0	-4	841	861	3	864
Other change	-	-	-	-	1	-	-	-	-	1	-1	0
BALANCE AT 06/30/2024	612	1,172	-56	17,545	178	-103	0	-36	841	20,153	23	20,176

(1) *Total reserves amounted to €17,545 million and comprise, at June 30, 2024, the legal reserve for €61 million, the special reserve for long-term capital gains for €287 million, retained earnings for €74 million, other CIC reserves for €9,020 million and consolidated reserves for €8,103 million.*

(2) *FVOCI: Fair value through other comprehensive income.*

CIC capital as at June 30, 2024 consisted of 38,241,129 shares of a nominal value of €16, of which 231,711 were treasury shares.

5.1.6 Net cash flow statement

(in € millions)	1st half 2024	1st half 2023
Net income	844	1,015
Taxes	312	289
Income before tax	**1,156**	**1,304**
+/- Net depreciation and amortization of property, plant and equipment and intangible assets	106	97
- Impairment of goodwill and other fixed assets	-3	1
/- Net provisions and impairments	186	65
+/- Share of income from companies consolidated using the equity method	-75	-69
+/- Net loss/gain from investing activities	4	1
+/- (Income)/expenses from financing activities	-	-
+/- Other movements	619	950
Total non-monetary items included in net income before tax and other adjustments	**837**	**1,045**
+/- Flows related to transactions with credit institutions	281	-7,737
ated to client transactions	-6,379	-5,511
+/- Flows related to other transactions affecting financial assets or liabilities	-828	2,764
+/- Flows related to other transactions affecting non-financial assets or liabilities	4,194	1,239
+ Dividends received from equity consolidated companies	52	79
- Taxes paid	-354	-212
Net decrease/(increase) in assets and liabilities from operating activities	**-3,034**	**-9,378**
TOTAL NET CASH FLOW GENERATED BY OPERATING ACTIVITIES (A)	-1,041	-7,029
+/- Flows related to financial assets and investments	-386	-51
+/- Flows related to investment property	2	1
+/- Flows related to property, plant and equipment and intangible assets	-94	-57
TOTAL NET CASH FLOW RELATED TO INVESTING ACTIVITIES (B)	-478	-107
+/- Cash flow to or from shareholders	-986	-4
+/- Other net cash flows from financing activities	2,471	1,623
TOTAL NET CASH FLOW RELATED TO FINANCING TRANSACTIONS (C)	1,485	1,619
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS (D)	-19	-77
Net increase/(decrease) in cash and cash equivalents (A + B + C + D)	**-53**	**-5,594**
Net cash flow generated from operating activities (A)	-1,041	-7,029
Net cash flow related to investing activities (B)	-478	-107
Net cash flow related to financing transactions (C)	1,485	1,619
Effect of foreign exchange rate changes on cash and cash equivalents (D)	-19	-77
Cash and cash equivalents at opening	**49,010**	**67,574**
Cash, central banks (assets and liabilities)	45,567	65,891
Accounts (assets and liabilities) and demand loans/borrowings from credit institutions	3,443	1,683
Cash and cash equivalents at closing	**48,957**	**61,980**
Cash, central banks (assets and liabilities)	42,606	59,520
Accounts (assets and liabilities) and demand loans/borrowings from credit institutions	6,351	2,460
CHANGE IN NET CASH POSITION	-53	-5,594

5.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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. 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

Crédit Industriel et Commercial (CIC) 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.
CIC does not anticipate any significant impact in relation to this amendment.

Macroeconomic and geopolitical context

CIC 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 CIC 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.
CIC 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, CIC'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), CIC 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, CIC 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, CIC 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;

- 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:

	2024 average	2025 average	2026 average	2027 average
Macroeconomic assumptions				
France				
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%
Market rate				
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 CIC's economists.
Changes in weightings result from the methodological changes described above:

	Central scenario	Pessimistic scenario	Optimistic scenario
At 06/30/2023	19%	80%	1%
At 12/31/2023	60%	30%	10%
At 06/30/2024	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 €985 million, varying by €34 million compared to December 31, 2023.

Since 2023, CIC 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 CIC's business model.

At June 30, 2024, these two post-model adjustments amounted to €71 million, €54 million and €94 million, respectively. They represent 23% of total expected credit losses.

Sensitivity analysis

CIC 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 10.5%, or €104 million;
- optimistic scenario would, on the other hand, lead to a 13.6% reduction in expected credit losses, or €134 million;
- central scenario would lead to a decrease in expected credit losses of 6.3%, or €63 million.

1. Consolidation scope

Principles for inclusion in the 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 controlled exclusively by the group are included in the consolidation scope when their full consolidation, taken individually, has an impact of at least 1% on the main items of the consolidated balance sheet and consolidated income statement. Moreover, all non-consolidated subsidiaries taken together must account for less than 5% of the main items of the consolidated balance sheet and consolidated income statement. However, smaller entities may be included in the consolidation scope in the following cases: if the group considers that they represent a strategic investment; if they are engaged in an activity which is one of the group's core business lines; or if they hold shares in consolidated companies.

The consolidation scope comprises:

- *controlled entities:* control is deemed to exist 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 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. Companies that are owned by private equity companies and over which joint control or significant influence is exercised are excluded from the scope of consolidation and accounted for under the fair value through profit or loss option.

2. Consolidation methods and principles

2.1 Consolidation methods

The consolidation methods used are the following:

2.1.1 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.

2.1.2 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.

2.2 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.

2.3 Reporting date

The reporting date for all of the group's consolidated companies is December 31.

2.4 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.

2.5 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.

2.6 Goodwill

2.6.1 Fair value adjustments

At the date of acquisition of a controlling interest in a new entity, said entity's assets, liabilities and contingent operating liabilities are measured at their fair values. Fair value adjustments correspond to the difference between the carrying amount and fair value.

2.6.2 Goodwill

In accordance with IFRS 3R, when CIC acquires 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, and which it continues to control, 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.

3. Accounting policies and principles

3.1 Financial instruments under IFRS 9

3.1.1 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.

3.1.1.1 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 (Solely Payments of Principal and Interest) 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. 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 provided:

- 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 had not taken out an SGL since March 2020 or who had 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 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 €5,660 million. Outstandings downgraded to stage 3 amounted to €1,063 million.
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 €141 million.

Financial assets at fair value through equity

Since CIC does not sell its loans, 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 3.1.7 "Derecognition of financial assets and liabilities" and 3.1.8 "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 3.1.7 "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).

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.

3.1.1.2 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 3.1.7 "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.

3.1.2 Classification and measurement of financial liabilities

Financial liabilities are classified in one of the following two categories:

3.1.2.1 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.

3.1.2.2 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, 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

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 group could borrow depended 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 could 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. Certain target parameters were recalibrated. 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.

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.

This change was accompanied by the opening of three additional early redemption dates.

In 2023, the last transactions were completed (maturing and early repayments).

Since December 31, 2023, there have been no TLTRO outstandings in CIC's financial statements.

3.1.3 Debt-equity distinction

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.

3.1.4 Foreign currency transactions

Financial assets and liabilities denominated in a currency other than the functional currency are translated at the exchange rates prevailing at the reporting date.

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".

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) on portfolio 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.

3.1.5 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 group uses in 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.

3.1.5.1 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.

3.1.5.2 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 with 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

CIC 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 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, CIC is easing its hedge accounting policies for changes related to the IBOR reform:

- before defining the substitution indices:
  - maintaining 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:
  - updating 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.

3.1.6 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.

3.1.7 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.

3.1.8 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.

3.1.8.1 Governance

As a subsidiary of Crédit Mutuel Alliance Fédérale, CIC has the same organizational structure as the Crédit Mutuel's other regional groups.

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.

3.1.8.2 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 CIC, this involves measuring the risk at the level of the borrower, where the counterparty rating system is common to the entire group. All of CIC'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 presents a low default risk;
- the borrower demonstrates a solid ability to meet its short-term contractual cash flow obligations;
- the borrower's ability to meet its 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.

3.1.8.3 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, neutral 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.

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.

3.1.8.4 Stage 3 – Non-performing loans

In stage 3, 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 group applies the new definition of prudential default in accordance with EBA guidelines and regulatory technical standards on applicable materiality thresholds.

The main developments related to the implementation of this new definition are the following:

- 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 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.

CIC 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.

3.1.8.5 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.

3.1.8.6 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 3.1.6 "Financial guarantees and financing commitments" and 3.2.2 "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.

3.1.9 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.

3.1.9.1 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.

3.1.9.2 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.

3.1.9.3 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 quoted by at least three contributors and derivatives quoted 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 activities, 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.

3.2 Non-financial instruments

3.2.1 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 is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Ownership may or may not eventually be transferred.
An operating lease is any lease that is not a finance lease.

3.2.1.1 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 3.1.8 "Measurement of credit risk").

3.2.1.2 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.

3.2.2 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.

3.2.3 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" except for the portion resulting from actuarial gains and losses, which is recognized in unrealized or deferred gains and losses, under equity.

3.2.3.1 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).

In France, retirement benefits in the group's banks are at least 60% covered by insurance from ACM Vie – an insurance company which is part of the Crédit Mutuel group and is consolidated under the equity method.

3.2.3.2 Supplementary pensions covered by pension funds

The AFB interim agreement dated September 13, 1993, modified pension plans for banking institutions. Since January 1, 1994, banks affiliate with the national plans, Arrco and Agirc. The four pension funds to which the group's banks contributed were merged. They pay the various benefits covered by the transitional agreement. In the event that fund assets are not sufficient to cover these benefit obligations, the banks are required to make additional contributions. The average contribution rate for the next ten years is capped at 4% of the payroll. The pension fund resulting from the mergers was converted into an IGRS (a French supplementary pension management institution) in 2009. It does not have an asset shortfall.

3.2.3.3 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.

3.2.3.4 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 give rise to a provision.

3.2.3.5 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.

3.2.3.6 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.

3.2.4 Non-current assets

3.2.4.1 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 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 non-current assets such as lease rights are tested for impairment 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”.

3.2.4.2 Non-current assets of which the group is lessee

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. 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.

3.2.5 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.

3.2.6 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.

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.

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.

3.2.7 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 "Debts 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".

3.3 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;
- 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.

4. Related-party information

Parties related to CIC are companies consolidated by CIC, as well as by Crédit Mutuel Alliance Fédérale.

Transactions carried out between CIC and its subsidiaries and associates are carried out under normal market conditions, at the time these transactions are completed.

The list of the CIC's consolidated companies is presented in Note 2a of quantified data, hereinafter. As transactions carried out and outstandings that exist at the end of the period between the group's fully 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.

Note 2a Consolidation scope

			06/30/2024			12/31/2023		
			Percentage			Percentage		
Companies	Currency	Country	Control	Interest	Method[1]	Control	Interest	Method[1]
Consolidated company: Crédit Industriel et Commercial – CIC								
CIC Brussels (branch)		Belgium	100	100	FC	100	100	FC
CIC Hong Kong (branch)	USD	Hong Kong	100	100	FC	100	100	FC
CIC London (branch)	GBP	United Kingdom	100	100	FC	100	100	FC
CIC New York (branch)	USD	USA	100	100	FC	100	100	FC
CIC Singapore (branch)	USD	Singapore	100	100	FC	100	100	FC
A. Banking network								
CIC Est		France (i)	100	100	FC	100	100	FC
CIC Lyonnaise de Banque		France (i)	100	100	FC	100	100	FC
CIC Lyonnaise de Banque Monaco (branch)		Monaco	100	100	FC	100	100	FC
CIC Nord Ouest		France (i)	100	100	FC	100	100	FC
CIC Ouest		France (i)	100	100	FC	100	100	FC
CIC Sud Ouest		France (i)	100	100	FC	100	100	FC
B. Business line subsidiaries								
Crédit Mutuel Factoring		France (i)	100	100	FC	100	100	FC
Crédit Mutuel Leasing		France (i)	100	100	FC	100	100	FC
Crédit Mutuel Leasing Benelux		Belgium	100	100	FC	100	100	FC
Crédit Mutuel Leasing Spain (branch)		Spain	100	100	FC	100	100	FC
Crédit Mutuel Leasing Gmbh		Germany	100	100	FC	100	100	FC
Crédit Mutuel Leasing Nederland (branch)		The Netherlands	100	100	FC	100	100	FC
Crédit Mutuel Real Estate Lease		France	54	54	FC	54	54	FC
FCT Crédit Mutuel Factoring		France	100	100	FC	100	100	FC
Gesteurop		France (i)	100	100	FC	100	100	FC
C. Corporate banking and capital markets[2]								
Caroline 1		France (i)	100	100	FC	100	100	FC
Satellite		France	100	100	FC	100	100	FC
D. Asset management and private banking								
Banque CIC (Suisse)	CHF	Switzerland	100	100	FC	100	100	FC
Banque de Luxembourg		Luxembourg	100	100	FC	100	100	FC
Banque de Luxembourg Belgique (branch)		Belgium	100	100	FC	100	100	FC
Banque de Luxembourg Investments SA		Luxembourg	100	100	FC	100	100	FC
Banque Transatlantique		France (i)	100	100	FC	100	100	FC
Banque Transatlantique London (branch)	GBP	United Kingdom	100	100	FC	100	100	FC
Banque Transatlantique Belgium		Belgium	100	100	FC	100	100	FC
Banque Transatlantique Luxembourg		Luxembourg	100	100	FC	100	100	FC
Crédit Mutuel Épargne Salariale		France (i)	100	100	FC	100	100	FC
Dubly Transatlantique Gestion		France (i)	100	100	FC	100	100	FC
E. Private equity								
CIC Capital Belgium		Belgium	100	100	FC	100	100	FC
CIC Capital Canada Inc.	CAD	Canada	100	100	FC	100	100	FC
CIC Capital Deutschland Gmbh		Germany	100	100	FC	100	100	FC
CIC Capital Suisse SA	CHF	Switzerland	100	100	FC	100	100	FC
CIC Capital Ventures Quebec	CAD	Canada	100	100	FC	100	100	FC
CIC Conseil		France (i)	100	100	FC	100	100	FC
Crédit Mutuel Capital		France (i)	100	100	FC	100	100	FC
Crédit Mutuel Innovation		France	100	100	FC	100	100	FC
Crédit Mutuel Equity		France (i)	100	100	FC	100	100	FC
Crédit Mutuel Equity SCR		France	100	100	FC	100	100	FC
F. Structure and logistics								

Companies	Currency	Country	06/30/2024 Percentage Control	Inte-est	Method[1]	12/31/2023 Percentage Control	Interest	Method[1]
CIC Participations		France (i)	100	100	FC	100	100	FC
G. Insurance companies								
Groupe des Assurances du Crédit Mutuel (GACM)[3]		France	16	16	EM	16	16	EM

(1) *Method: ME = merger; FC = full consolidation; EM = equity method; NC = not consolidated.*

(2) *Corporate banking and capital markets activities are mainly carried out by Crédit Industriel et Commercial – consolidating entity; see note 3.*

(3) *Based on the consolidated financial statements.*

(i) = members of the tax consolidation group set up by CIC.

Note 2b Fully consolidated entities with significant non-controlling interests

06/30/2024	Percentage of non-controlling interests in the consolidated financial statements: 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	Financial information regarding fully-consolidated entities[1]: Balance sheet total	OCI	Net revenue	Net profit/(loss)
Crédit Mutuel Real Estate Lease	46%	3	20	0	5,746	-0	11	7

(1) Amounts before elimination of intercompany balances and transactions.

12/31/2023	Percentage of non-controlling interests in the consolidated financial statements: 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	Financial information regarding fully-consolidated entities[1]: Balance sheet total	OCI	Net revenue	Net profit/(loss)
Crédit Mutuel Real Estate Lease	46%	1	19	-2	6,043	-0	19	2

(1) *Amounts before elimination of intercompany balances and transactions.*

Note 3 Analysis of the balance sheet and income statement by business line and geographic area

Business line analysis principle

- Retail Banking comprises a) the banking network, made up of the regional banks and the CIC network in Ile-de-France, and b) the specialized activities whose product marketing is performed by the network: real estate and equipment leasing, factoring, real estate. The insurance business line – which is consolidated using the equity method – is included in this business segment.
- Corporate banking and Capital Markets comprise a) corporate and institutional financing, specialized financing and international activities, and b) Capital Markets, which include investments in interest-rate, equity and credit-related activities (ITAC) and stock market intermediation.
- Asset management and private banking include asset management, collective third-party management and employee savings; for private banking, companies for which this is the main purpose, both in France and abroad.
- Private equity includes proprietary trading and financial engineering services *via* dedicated entities. The entire portfolio is accounted for under the fair value option.
- The holding company covers all activities not assigned to another business.
  Each consolidated company is included in only one business line, corresponding to its core business in terms of contribution to the group's results, with the exception of CIC, whose annual financial statements are allocated on a cost accounting basis.

BREAKDOWN OF THE INCOME STATEMENT BY BUSINESS LINE

06/30/2024	Retail banking	Corporate banking and Capital Markets	Asset management and private banking	Private Equity	Holding company	Total
Net revenue	1,957	630	437	223	27	3,274
General operating expenses	-1,338	-225	-287	-45	-29	-1,924
Gross operating income	**619**	**405**	**150**	**178**	**-2**	**1,350**
Cost of counterparty risk	-208	-37	-22	-	-	-267
Gains on other assets[1]	74	-1	-	-	-	73
Income before tax	**485**	**367**	**128**	**178**	**-2**	**1,156**
Income tax	-108	-94	-32	-2	-76	-312
Net profit/(loss)	**377**	**273**	**96**	**176**	**-78**	**844**

(1) Including net profit/(loss) of entities accounted for using the equity method and impairment losses on goodwill.

06/30/2023	Retail banking	Corporate banking and Capital Markets	Asset management and private banking	Private Equity	Holding company	Total
Net revenue	2,033	587	493	220	34	3,367
General operating expenses	-1,362	-224	-284	-40	-63	-1,973
Gross operating income	**671**	**363**	**209**	**180**	**-29**	**1,394**
Cost of counterparty risk	-101	-56	-2	-	-	-159
Gains on other assets[1]	68	-	1	-	-	69
Income before tax	**638**	**307**	**208**	**180**	**-29**	**1,304**
Income tax	-169	-84	-50	1	13	-289
Net profit/(loss)	**469**	**223**	**158**	**181**	**-16**	**1,015**

(1) Including net profit/(loss) of entities accounted for using the equity method and impairment losses on goodwill.

NOTES TO THE BALANCE SHEET – ASSETS

Note 4 Cash, central banks

	06/30/2024	12/31/2023
Cash and central banks		
Central banks	42,369	45,319
of which mandatory reserves	*1,870*	*1,887*
Local bank	279	292
TOTAL	42,648	45,611

Note 5 Financial assets and liabilities at fair value through profit or loss

Note 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	**11,827**	**815**	**4,866**	**17,508**	**8,267**	**786**	**4,784**	**13,837**
Government securities	2,101	0	0	2,101	694	0	0	694
Bonds and other debt securities	7,669	815	332	8,816	6,309	786	253	7,348
▪ Listed	7,669	0	8	7,677	6,309	0	9	6,318
▪ Non-listed	0	815	324	1,139	0	786	244	1,030
of which UCIs	*0*	-	*57*	*57*	*0*		*62*	*62*
Shares and other equity instruments	2,057	-	4,012	6,069	1,264	-	4,026	5,290
▪ Listed	2,057	-	234	2,291	1,264	-	256	1,520
▪ Non-listed	0	-	3,778	3,778	0	-	3,770	3,770
Long-term investments	-	-	522	522	-	-	505	505
▪ Equity investments	-	-	134	134	-	-	134	134
▪ Other long-term investments	-	-	44	44	-	-	43	43
▪ Investments in associates	-	-	343	343	-	-	327	327
▪ Other long-term investments			1	1	-	-	1	1
Derivative instruments	**6,363**			**6,363**	**5,228**	**-**	**-**	**5,228**
Loans and receivables	**15,633**	**0**	**15**	**15,648**	**12,442**	**0**	**17**	**12,459**
of which pensions	*15,633*	*0*		*15,633*	*12,442*	*0*		*12,442*
Other assets classified as FVPL[1]	**-**	**-**	**151**	**151**	**-**	**-**	**152**	**152**
TOTAL	33,823	815	5,032	39,670	25,937	786	4,953	31,676

(1) Reimbursement rights concerning the defined benefit plan for retirement benefits.

Note 5b Analysis of trading derivatives

	06/30/2024			12/31/2023		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Trading derivatives						
Rate instruments	148,739	4,164	4,060	149,543	3,245	3,151
Swaps	52,570	3,293	3,764	52,645	2,594	2,812
Other firm contracts	53,908	0	0	54,144	0	0
Options and conditional instruments	42,261	871	296	42,754	651	339
Foreign exchange instruments	112,609	1,919	1,811	107,183	1,755	1,655
Swaps	53,740	37	34	56,485	47	72
Other firm contracts	14,832	1,598	1,493	13,631	1,474	1,349
Options and conditional instruments	44,037	284	284	37,067	234	234
Other derivatives	21,963	280	254	19,192	228	220
Swaps	6,377	97	108	6,711	83	98
Other firm contracts	11,911	63	80	8,541	44	57
Options and conditional instruments	3,675	120	66	3,940	101	65
TOTAL	283,311	6,363	6,125	275,918	5,228	5,026

Derivatives are discounted in line with the rate of return on the collateral to which they relate:

- if the derivative is cleared in a CCP (LCH or Eurex): the RFR curve of the corresponding currency defined by the CCP;
- if the derivative remained bilateral (bank counterparty): almost exclusively Ester discounting curve (as the CSA or ARG provide almost exclusively for the exchange of collateral in EUR);
- if the derivative is not collateralized (in the case of customers): EURIBOR discounting 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

Note 6a Hedging derivatives

	06/30/2024			12/31/2023		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Hedging derivatives						
Fair value hedges	106,802	1,977	864	101,934	1,907	1,597
Swaps	106,801	1,977	864	101,933	1,907	1,597
Other firm contracts	0	0	0	0	0	0
Options and conditional instruments	1	0	0	1	0	0
TOTAL	106,802	1,977	864	101,934	1,907	1,597

Derivatives are discounted in line with the rate of return on the collateral to which they relate:

- if the derivative is cleared in a CCP (LCH or Eurex): the RFR curve of the corresponding currency defined by the CCP;
- if the derivative remained bilateral (bank counterparty): almost exclusively Ester discounting curve (as the CSA or ARG provide almost exclusively for the exchange of collateral in EUR);
- if the derivative is not collateralized (in the case of customers): EURIBOR discounting 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.
Hedging derivatives consist solely of interest rate instruments.

Note 6b Revaluation adjustment on rate-hedged books

	06/30/2024	12/31/2023
Fair value of portfolio interest rate risk		
▪ in financial assets	-1,148	-460
▪ in financial liabilities	-28	-26

Note 7 Financial assets at fair value through equity

Note 7a Financial assets at fair value through shareholders' equity, by type of product

	06/30/2024	12/31/2023
Government securities	5,294	4,147
Bonds and other debt securities	16,730	15,024
Listed	15,579	14,081
Non-listed	1,151	943
Receivables related	149	141
Debt securities subtotal, gross	**22,173**	**19,312**
Of which impaired debt securities (S3)	3	3
Impairment of performing loans (S1/S2)	-13	-16
Other impairment (S3)	-3	-3
Debt securities subtotal, net	**22,157**	**19,293**
Shares and other equity instruments	0	0
Listed	0	0
Non-listed	0	0
Long-term investments	275	294
Equity investments	68	89
Other long-term investments	158	158
Investments in associates	49	47
Loaned securities	0	0
Non-performing current account advances to non-trading real estate company	0	0
Receivables related	0	0
Subtotal, equity instruments	**275**	**294**
TOTAL	**22,432**	**19,587**
of which unrealized capital gains or losses recognized under equity	5	-41
of which listed equity investments	0	0

Note 7b Fair value hierarchy of financial instruments carried at fair value on the balance sheet

06/30/2024	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS				
Fair value through equity	18,603	3,554	275	22,432
▪ Government and equivalent securities	5,101	216	0	5,317
▪ Bonds and other debt securities	13,502	3,338	0	16,840
▪ Shares and other equity instruments	0	0	0	0
▪ Investments and other long-term securities	0	0	226	226
▪ Investments in subsidiaries and associates	0	0	49	49
Trading/Fair value option/Other	9,934	22,501	7,082	39,517
▪ 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	5,623	1,414	632	7,669
▪ Bonds and other debt securities – Fair value option	0	0	815	815
▪ Bonds and other debt securities – Other FVPL	273	51	7	331
▪ Shares and other equity instruments – Trading	2,057	0	0	2,057
▪ Shares and other equity instruments – Other FVPL	234	0	3,778	4,012
▪ Investments and other long-term securities – Other FVPL	1	0	177	178
▪ Investments in subsidiaries and associates – Other FVPL	0	0	344	344
▪ Loans and receivables due from credit institutions – Fair value option	0	0	0	0
▪ Loans and receivables due from credit institutions – Other FVPL	0	0	0	0
▪ Loans and receivables due from customers – Fair value option	0	0	0	0
▪ Loans and receivables due from customers – Other FVPL	0	14	0	14
▪ Loans and receivables – Trading	0	15,633	0	15,633
▪ Derivatives and other financial assets – Trading	66	4,974	1,323	6,363
Hedging derivatives	1	1,976	0	1,977
TOTAL	28,538	28,031	7,357	63,926
FINANCIAL LIABILITIES				
Trading/Fair value option	2,146	21,565	1,928	25,639
▪ 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	16,670	0	16,670
▪ Derivatives and other financial liabilities – Trading	2,146	4,690	1,928	8,764
Hedging derivatives	0	864	0	864
TOTAL	2,146	22,429	1,928	26,503

There is no transfer between levels 1 and 2 whose amount exceeds 10% of the amount of the "Total" line for the concerned category of assets or liabilities.

Description of levels:

- 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 incorporate risks that would not be captured by the model, liquidity risks associated with the instrument or parameter in question, and the counterparty risk present in the fair value of over-the-counter derivatives. The methods used may change.

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.

12/31/2023	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS				
Fair value through equity	16,117	3,140	330	19,587
▪ Government and equivalent securities	4,059	72	36	4,167
▪ Bonds and other debt securities	12,058	3,068	0	15,126
▪ Shares and other equity instruments	0	0	0	0
▪ Investments and other long-term securities	0	0	247	247
▪ Investments in subsidiaries and associates	0	0	47	47
Trading/Fair value option/Other	6,972	17,763	6,790	31,525
▪ 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	1,060	621	6,309
▪ Bonds and other debt securities – Fair value option	0	0	786	786
▪ Bonds and other debt securities – Other FVPL	191	55	9	255
▪ Shares and other equity instruments – Trading	1,264	0	0	1,264
▪ Shares and other equity instruments – Other FVPL	256	0	3,770	4,026
▪ Investments and other long-term securities – Other FVPL	1	0	176	177
▪ Investments in subsidiaries and associates – Other FVPL	0	0	327	327
▪ Loans and receivables due from credit institutions – Fair value option	0	0	0	0
▪ Loans and receivables due from credit institutions – Other FVPL	0	0	0	0
▪ Loans and receivables due from customers – Fair value option	0	0	0	0
▪ Loans and receivables due from customers – Other FVPL	0	17	0	17
▪ Loans and receivables – Trading	0	12,442	0	12,442
▪ Derivatives and other financial assets – Trading	50	4,077	1,101	5,228
Hedging derivatives	1	1,906	0	1,907
TOTAL	23,090	22,809	7,120	53,019
FINANCIAL LIABILITIES				
Trading/Fair value option	1,254	14,872	1,445	17,571
▪ Due to credit institutions – Fair value option	0	84	0	84
▪ Amounts due to customers – Fair value option	0	61	0	61
▪ Debt securities – Fair value option	0	0	0	0
▪ Subordinated debt – Fair value option	0	0	0	0
▪ Debt – Trading	0	11,059	0	11,059
▪ Derivatives and other financial liabilities – Trading	1,254	3,668	1,445	6,367
Hedging derivatives	0	1,597	0	1,597
TOTAL	1,254	16,469	1,445	19,168

There is no transfer between levels 1 and 2 whose amount exceeds 10% of the amount of the "Total" line for the concerned category of assets or liabilities.

Note 7c 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 other comprehensive income 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.

Synthèse	06/30/2024	12/31/2023
RMBS	1,415	1,356
CMBS	0	0
CLO	3,820	3,851
Autres ABS	4,954	4,259
TOTAL	10,189	9,466

Unless otherwise indicated, securities are not hedged by CDS.

EXPOSURES TO RMBS, CMBS, CLO AND OTHER ABS

06/30/2024	RMBS	CMBS	CLO	Other ABS	Total
Fair value through profit or loss	113	-	-	33	146
Amortized cost	16	-	331	3,049	3,396
Fair value – Others	1	-	12	118	131
Fair value through equity	1,285	-	3,477	1,754	6,516
TOTAL	1,415	0	3,820	4,954	10,189
France	582	-	760	1,657	2,999
Spain	53	-	-	342	395
United Kingdom	210	-	131	270	611
Europe excluding France, Spain and the UK	516	-	236	1,289	2,041
USA	2	-	2,693	1,124	3,819
Other	52	-	-	272	324
TOTAL	1,415	0	3,820	4,954	10,189
US Branches	-	-	-	-	0
AAA	1,391		3,512	1,753	6,656
AA	14		217	526	757
A	8		79	3	90
BBB	-	-	-	-	0
BB	-	-	-	-	0
B or below	2	-	-	7	9
Not rated	-	-	12	2,665	2,677
TOTAL	1,415	0	3,820	4,954	10,189
Origination 2005 and earlier	6	-	-	-	6
Origination 2006-2008	14	-	-	7	21
Origination 2009-2011	-	-	-	-	0
Origination 2012-2024	1,395		3,820	4,947	10,162
TOTAL	1,415	0	3,820	4,954	10,189

Note 8 Financial assets at amortized cost

	06/30/2024	12/31/2023
Securities at amortized cost	4,377	4,010
Loans and receivables to credit institutions	48,297	47,338
Loans and receivables to customers	251,826	252,182
TOTAL	304,500	303,530

Note 8a Securities at amortized cost

	06/30/2024	12/31/2023
Securities	4,417	4,049
Government securities	1,334	1,313
Bonds and other debt securities	3,083	2,736
▪ Listed	1,589	1,434
▪ Non-listed	1,494	1,302
Receivables related	17	18
TOTAL BRUT	4,434	4,067
of which impaired assets (S3)	*100*	*78*
Impairment of performing loans (S1/S2)	-2	-2
Other impairment (S3)	-55	-55
TOTAL NET	4,377	4,010

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.

Note 8b Loans and receivables due from credit institutions at amortized cost

	06/30/2024	12/31/2023
Performing loans (S1/S2)	47,964	46,856
Current accounts	22,674	19,431
Loans	21,143	21,926
Other receivables	3,009	4,089
Pensions	1,138	1,410
Gross receivables subject to individual impairment (S3)	0	0
Receivables related	336	483
Impairment of performing loans (S1/S2)	-3	-1
Other impairment (S3)	0	0
TOTAL	48,297	47,338

Note 8c Loans and receivables due from customers at amortized cost

	06/30/2024	12/31/2023
Performing loans (S1/S2)	233,360	233,925
Commercial loans	7,371	8,148
Other customer receivables	225,399	225,255
▪ home loans	113,047	113,465
▪ other loans and receivables	108,037	107,739
▪ pensions	4,315	4,051
Receivables related	590	522
Gross receivables subject to individual impairment (S3)	6,623	6,366
Gross receivables	239,983	240,291
Impairment of performing loans (S1/S2)	-883	-840
Other impairment (S3)	-2,707	-2,541
Subtotal I	236,393	236,910
Finance leases (net investment)	14,996	14,916
Equipment	9,697	9,558
Real estate	5,299	5,358
Gross receivables subject to individual impairment (S3)	663	580
Impairment of performing loans (S1/S2)	-84	-92
Other impairment (S3)	-142	-132
Subtotal II	15,433	15,272
TOTAL	251,826	252,182
of which equity loans	*15*	*15*
of which subordinated loans	*12*	*12*

STATE-GUARANTEED LOANS

At June 30, 2024, State-guaranteed loans issued by the group amounted to €5,660 million.
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.

	Outstandings			Write down		
06/30/2024	S1	S2	S3	S1	S2	S3
Amount	2,883	1,714	1,063	-2	-7	-132

	Outstandings			Write down		
12/31/2023	S1	S2	S3	S1	S2	S3
Amount	5,140	899	1,012	-3	-4	-113

FINANCE LEASE TRANSACTIONS WITH CUSTOMERS

	12/31/2023	Increase	Decrease	Other	06/30/2024
Gross carrying amount	15,496	1,240	-1,077	0	15,659
Impairment of non-recoverable lease payments	-224	-72	70	0	-226
Net carrying amount	15,272	1,168	-1,007	0	15,433

Note 9 Gross values and movements in impairment provisions

Note 9a 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	**47,339**	**14,017**	**-13,134**	**0**	**78**	**48,300**
▪ 12-month expected losses (S1)	47,330	13,989	-13,130	0	80	48,269
▪ expected losses at termination (S2)	9	28	-4	0	-2	31
Financial assets at amortized cost – loans and receivables due from customers, subject to [2]	**255,787**	**38,770**	**-39,074**	**0**	**159**	**255,642**
▪ 12-month expected losses (S1)	233,051	37,715	-36,915	-5,022	-140	228,689
▪ expected losses at termination (S2)	15,790	1,007	-1,163	3,937	96	19,667
▪ expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	6,784	36	-973	1,085	202	7,134
▪ expected losses on assets credit-impaired (S3) at the end of the period and on initial recognition	162	12	-23	0	1	152
Financial assets at amortized cost – securities	**4,067**	**2,474**	**-2,095**	**0**	**-12**	**4,434**
▪ 12-month expected losses (S1)	3,981	2,452	-2,094	-1	-12	4,326
▪ with 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	78	22	-1	1	0	100
▪ 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 other comprehensive income – debt securities	**19,312**	**10,593**	**-8,087**	**0**	**355**	**22,173**
▪ 12-month expected losses (S1)	19,302	10,593	-8,087	5	355	22,168
▪ 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	326,505	65,854	-62,390	0	580	330,549

(1) Of which conversion.

(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.

BREAKDOWN OF IMPAIRMENT

	Outstandings			Write down					
06/30/2024	S1	S2	S3	S1	Of which adjustment[1]	S2	Of which adjustment[1]	S3	Net outst-andings
Loans and receivables due from credit institutions	48,269	31	0	-2		-1		0	48,296
Loans and receivables due from customers	228,689	19,667	7,286	-319	-46	-648	-154	-2,849	251,827
Financial assets at amortized cost – securities	4,326	8	100	-1		-1		-55	4,377
Financial assets at FVOCI – debt securities	22,168	2	3	-13		0		-3	22,157
Financial assets at FVOCI – Loans	0	0	0	0		0		0	0
TOTAL	303,452	19,708	7,389	-335	-46	-650	-154	-2,907	326 657

(1) Post-model adjustment and further depreciation of €50 million on leveraged transactions.

	Outstandings			Write down					
12/31/2023	S1	S2	S3	S1	Of which adjustment[1]	S2	Of which adjustment[1]	S3	Net outst-andings
Loans and receivables due from credit institutions	47,330	9	0	-1		0		0	47,338
Loans and receivables due from customers	233,446	15,395	6,946	-335	-88	-597	-181	-2,673	252,183
Financial assets at amortized cost – securities	3,981	8	78	-1		-1		-55	4,010
Financial assets at FVOCI – debt securities	19,302	7	3	-16		0		-3	19,293
Financial assets at FVOCI – Loans	0	0	0	0		0		0	0
TOTAL	304,059	15,419	7,027	-353	-88	-598	-181	-2,731	322,824

(1) *Post-model adjustment and further depreciation of €50 million on leveraged transactions.*

Note 9b Movements in impairment provisions

	12/31/2023	Dotation	Reprise	Autres	06/30/2024
Financial assets at amortized cost – loans and receivables due from credit institutions	**-1**	**-2**	**-0**	**0**	**-3**
▪ 12-month expected losses (S1)	-1	-1	-0	0	-2
▪ expected losses at termination (S2)	0	-1	0	0	-1
Financial assets at amortized cost – loans and receivables due from customers	**-3,605**	**-1,035**	**823**	**1**	**-3,816**
▪ 12-month expected losses (S1)	-335	-160	226	-50	-319
▪ expected losses at termination (S2)	-597	-373	271	51	-648
▪ expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	-2,673	-502	326	0	-2,849
▪ 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	**-57**	**0**	**0**	**0**	**-57**
▪ 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	-55	0	0	0	-55
▪ 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	**-19**	**-5**	**8**	**0**	**-16**
▪ 12-month expected losses (S1)	-16	-5	8	0	-13
▪ 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	-3,682	-1,042	831	1	-3,892

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 increase in expected credit losses of 10.55%, or €104 million;
- optimistic scenario would, on the other hand, lead to a 13.62% reduction in expected credit losses, or €134 million;
- central scenario would lead to a decrease in expected credit losses of 6.34%, or €63 million.

Note 10 Taxes

Note 10a Current tax

	06/30/2024	12/31/2023
Assets (through profit or loss)	696	624
Liabilities (through profit or loss)	283	376

Note 10b Deferred tax

	06/30/2024	12/31/2023
Assets (through profit or loss)	371	353
Assets (through shareholders' equity)	64	61
Liabilities (through profit or loss)	265	276
Liabilities (through shareholders' equity)	18	16

Note 11 Accruals and miscellaneous assets

	06/30/2024	12/31/2023
Accruals		
Collection accounts	53	72
Currency adjustment accounts	111	15
Accrued income	546	483
Other accruals	2,460	1,263
Subtotal	3,170	1,833
Other assets		
Securities settlement accounts	175	98
Miscellaneous receivables	3,854	3,733
Inventories and similar	27	26
Other miscellaneous uses	3	3
Subtotal	4,059	3,860
TOTAL	7,229	5,693

Accruals and miscellaneous receivables consist mainly of suspense accounts relating to interbank payment systems.
Expense accounts payable and receivables concern employee benefit expenses and general operating expenses and do not concern lending or borrowing for which accrued interest not yet due constitutes debts or related debt obligations.

Note 12 Investments in equity consolidated companies

Note 12a Share of net income of equity consolidated companies

06/30/2024	Country	% interest	Value of equity consolidation(1)	Share of net profit/(loss)	Dividends received
Groupe ACM	France	16.06%	1,514	75	52
TOTAL			1,514	75	52

(1) *Crédit Mutuel Asset Management was sold in July 2023 to BFCM.*

12/31/2023	Country	% interest	Value of equity consolidation(1)	Share of net profit/(loss)	Dividends received
Groupe ACM	France	16.06%	1,503	119	179
Crédit Mutuel Asset Management(2)	France	0.00%	0	1	0
TOTAL			1,503	120	179

(1) *Comprises goodwill of €52 million for Groupe ACM.*
(2) *Crédit Mutuel Asset Management was sold in July 2023 to BFCM.*

Note 13 Investment property

	12/31/2023	Increase	Decrease	Other	06/30/2024
Historical cost	61	2	-5	1	59
Depreciation and impairment	-33	-1	1	0	-33
NET AMOUNT	28	1	-4	1	26

The fair value of investment property carried at amortized cost is comparable to its carrying amount.

Note 14 Property, plant and equipment and intangible assets

Note 14a Property, plant and equipment

	12/31/2023	Increase	Decrease	Other	06/30/2024
Historical cost					
Operating sites	339	0	0	0	339
Operating buildings	2,528	25	-20	-0	2,533
Usage rights – Real estate	795	30	-25	145	945
Other property, plant and equipment	583	38	-12	0	609
TOTAL	4,245	93	-57	145	4,426
Depreciation and impairment					
Operating sites	0	0	0	0	0
Operating buildings	-1,755	-36	15	0	-1,776
Usage rights – Real estate	-379	-51	15	1	-414
Other property, plant and equipment	-439	-10	4	-0	-445
TOTAL	-2,573	-98	35	1	-2,635
NET AMOUNT	1,672	-5	-22	146	1,791

Note 14b Intangible assets

	12/31/2023	Increase	Decrease	Other	06/30/2024
Historical cost					
Internally developed intangible assets	0	0	0	0	0
Purchased intangible assets	376	22	-2	-3	393
▪ software	204	8	0	-3	209
▪ other	172	14	-2	0	184
TOTAL	376	22	-2	-3	393
Depreciation and impairment					
Internally developed intangible assets	0	0	0	0	0
Purchased intangible assets	-233	-8	3	2	-236
▪ software	-163	-7	0	2	-168
▪ other	-70	-1	3	0	-68
TOTAL	-233	-8	3	2	-236
NET AMOUNT	143	14	1	-1	157

Note 15 Goodwill

	12/31/2023	Increase	Decrease	Other	06/30/2024
Gross goodwill	33	0	0	0	33
Write down	0	0	0	0	0
NET GOODWILL	33	0	0	0	33

Subsidiaries	12/31/2023	Increase	Decrease	Other	06/30/2024
Banque Transatlantique	6	0	0	0	6
Dubly Transatlantique Gestion	6	0	0	0	6
Crédit Mutuel Equity SCR	21	0	0	0	21
TOTAL	33	0	0	0	33

NOTES TO THE BALANCE SHEET – LIABILITIES

Note 16 Financial liabilities at fair value through profit or loss

	06/30/2024	12/31/2023
Financial liabilities held for trading	25,433	17,426
Financial liabilities at fair value through profit or loss on option	206	145
TOTAL	25,639	17,571

Note 16a 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	16,669	11,059
Trading derivatives	6,125	5,026
Other financial liabilities held for trading	610	572
TOTAL	25,433	17,426

Note 16b Financial liabilities at fair value through profit or loss on option

	06/30/2024			12/31/2023		
	Carrying amount	Amount due	Difference	Carrying amount	Amount due	Difference
Securities issued	0	0	0	0	0	0
Subordinated debt	0	0	0	0	0	0
Interbank debt	96	96	0	84	84	0
Due to customers	110	110	0	61	61	0
TOTAL	206	206	0	145	145	0

Note 17 Financial liabilities at amortized cost

Note 17a Due to central banks and credit institutions

	06/30/2024	12/31/2023
Central banks	**31**	**31**
Due to credit institutions	**95,891**	**96,258**
Current accounts	3,679	3,342
Borrowings	80,374	81,564
Other debt	3,315	3,392
Pensions	7,938	7,320
Related debt	585	640

Note 17b Due to customers at amortized cost

	06/30/2024	12/31/2023
Special savings accounts	53,310	54,871
▪ demand	41,679	42,287
▪ term	11,631	12,584
Related liabilities on savings accounts	601	0
Subtotal	53,911	54,871
Demand accounts	97,071	99,544
Term deposits and borrowings	69,805	72,512
Pensions	2,645	2,605
Other debt	13	6
Related debt	1,027	810
Subtotal	170,561	175,477
TOTAL	224,472	230,348

Note 17c Debt securities at amortized cost

	06/30/2024	12/31/2023
Certificates of deposit	41	43
Interbank certificates and negotiable debt instruments	25,265	23,026
Bonds	12,802	11,280
Non-preferred senior securities	0	0
Related debt	416	435
TOTAL	38,524	34,784

Note 18 Accruals and miscellaneous liabilities

	06/30/2024	12/31/2023
Accruals – Liabilities		
Accounts unavailable due to recovery procedures	356	398
Currency adjustment accounts	42	205
Accrued expenses	1,074	1,022
Deferred income	517	489
Other accruals	6,071	2,031
Subtotal	8,060	4,145
Other liabilities		
Lease obligations – Real estate	544	429
Securities settlement accounts	328	135
Outstanding amounts payable on securities	216	247
Miscellaneous creditors	910	852
Subtotal	1,998	1,663
TOTAL	10,058	5,808

Note 18a Lease obligations by residual term

06/30/2024	D ≤ 1 year	1 year < D ≤ 3 years	3 years < D ≤ 6 years	6 years < D ≤ 9 years	D > 9 years	TOTAL
Lease obligations						
▪ Real estate	104	206	158	58	18	544

12/31/2023	D ≤ 1 year	1 year < D ≤ 3 years	3 years < D ≤ 6 years	6 years < D ≤ 9 years	D > 9 years	TOTAL
Lease obligations						
▪ Real estate	65	125	145	68	26	429

Note 19 Provisions and contingent liabilities

Note 19a 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	**380**	**157**	**-2**	**-179**	**-0**	**356**
On guarantee commitments	277	104	-1	-125	0	255
of which 12-month expected losses (S1)	*58*	*19*	*0*	*-30*	*0*	*47*
of which expected losses at termination (S2)	*72*	*49*	*0*	*-42*	*-0*	*79*
On financing commitments	65	34	-1	-37	0	61
of which 12-month expected losses (S1)	*48*	*17*	*0*	*-27*	*0*	*38*
of which expected losses at termination (S2)	*13*	*16*	*0*	*-9*	*-0*	*20*
Provisions for taxes	3	0	0	-1	0	2
Provisions for claims and litigation	8	1	-0	-2	0	7
Provision for risk on miscellaneous receivables	27	18	0	-14	0	31
Other provisions	**607**	**171**	**-5**	**-51**	**30**	**752**
Provisions for mortgage saving agreements	80	8	0	-7	0	81
Provisions for miscellaneous contingencies	79	9	-5	-29	16	70
Other provisions[1]	448	154	0	-15	14	601
Provisions for retirement commitments	**331**	**16**	**-1**	**0**	**3**	**349**
TOTAL	1,318	344	-8	-230	33	1,457

(1) *Other provisions notably relate to provisions for French economic interest groups (SPV) totaling €495 million.*

Note 19b 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	238	10	-0	5	253
Supplementary pensions	21	3	-1	-2	21
Obligations for long service awards (other long-term benefits)	63	3	-0	0	66
Subtotal	322	16	-1	3	340
Supplementary defined-benefit pensions covered by pension funds					
Commitments to employees and retirees[1]	9	0	-0	-0	9
Subtotal	9	0	-0	-0	9
TOTAL	331	16	-1	3	349

(1) *The provisions covering shortfalls in pension funds relate to entities located abroad.*

Defined-benefit plans: Main actuarial assumptions	06/30/2024	12/31/2023
Discount rate[1]	3.69%	3.19%

(1) *The discount rate, which is determined by reference to the long-term rate on private-sector borrowings, is based on the Iboxx index.*

Note 20 Subordinated debt at amortized cost

	06/30/2024	12/31/2023
Participating loans	153	153
Perpetual subordinated debt	26	26
Other debt	4,105	3,112
Related debt	26	14
TOTAL	4,310	3,305

SUBORDINATED DEBT REPRESENTING MORE THAN 10% OF TOTAL SUBORDINATED DEBTS

	Issue Date	Issue Amount	Currency	Rate	Term
Participating loan	05/28/1985	€137m	EUR	(1)	(2)
Redeemable subordinated notes/TSR	03/24/2016	€414m	EUR	3 month EURIBOR +2.05%	03/24/2026
Redeemable subordinated notes/TSR	11/04/2016	€700m	EUR	3 month EURIBOR +1.70%	11/04/2026
Subordinated debt	12/16/2022	€1,000m	EUR	3 month EURIBOR +2.00%	12/16/2032
Subordinated debt	01/11/2024	€1,000m	EUR	3 month EURIBOR +1.96%	01/11/2034

(1) 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).*

(2) 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

Note 21 Unrealized or deferred gains and losses

Note 21a Unrealized or deferred gains and losses

	06/30/2024	12/31/2023
Unrealized or deferred gains or losses[1] relating to:		
▪ translation adjustments	178	149
▪ financial assets at fair value through recyclable equity – debt instruments	-99	-121
▪ financial assets at fair value through non-recyclable equity – equity instruments	-73	-69
▪ share of unrealized or deferred gains and losses of associates	69	81
▪ actuarial gains and losses on defined benefit plans	-36	-32
TOTAL	39	8

(1) *Balances net of corporate tax.*

Note 21b Recycling of gains and losses recognized directly in shareholders' equity

	06/30/2024 Operations	12/31/2023 Operations
Translation adjustments		
Reclassification in income	0	0
Other movement	29	-11
Subtotal	29	-11
Revaluation of financial assets at FVOCI		
Reclassification in income	0	0
Other movement	18	138
Subtotal	18	138
Remeasurement of hedging derivatives		
Reclassification in income	0	0
Other movement	-0	0
Subtotal	-0	0
Actuarial gains and losses on defined benefit plans	-4	2
Share of unrealized or deferred gains and losses of associates	-12	78
TOTAL	31	207

Note 21c 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	29	0	29	-11	0	-11
Revaluation of financial assets at FVOCI	20	-2	18	179	-41	138
Remeasurement of hedging derivatives	-0	0	-0	-0	0	-0
Actuarial gains and losses on defined benefit plans	-5	1	-4	-2	4	2
Share of unrealized or deferred gains and losses of associates	-21	9	-12	91	-13	78
CHANGES IN GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY	23	8	31	257	-50	207

Note 22 Commitments given and received

Commitments given	06/30/2024	12/31/2023
Financing commitments	**50,678**	**50,725**
Liabilities due to credit institutions	600	504
Commitments to customers	50,078	50,221
Guarantee commitments	**21,605**	**21,421**
Credit institution commitments	2,232	2,598
Customer commitments	19,373	18,823
Securities commitments	**10,723**	**2,863**
Securities acquired with option to repurchase	0	0
Other commitments given	10,723	2,863

Commitments received	06/30/2024	12/31/2023
Financing commitments	**331**	**234**
Commitments received from credit institutions	331	234
Commitments received from customers	0	0
Guarantee commitments	**97,829**	**96,760**
Commitments received from credit institutions	62,362	64,017
Commitments received from customers	35,467	32,743
Securities commitments	**7,530**	**655**
Securities sold with option to repurchase	0	0
Other commitments received	7,530	655

NOTES TO THE INCOME STATEMENT

Note 23 Interest income and expense

	06/30/2024		06/30/2023	
	Income	Expenses	Income	Expenses
Credit institutions and central banks[1]	2,721	-2,678	2,493	-2,272
Customers	3,900	-2,560	3,008	-1,644
▪ of which finance leasing	361	-79	261	-53
▪ of which lease obligations	-	-5	-	-3
Hedging derivatives	1,305	-786	954	-595
Financial assets at fair value through profit or loss	831	-580	516	-341
Financial assets at fair value through equity	530	0	387	0
Securities at amortized cost	84	0	39	0
Debt securities	0	-1,147	0	-871
Subordinated debt	0	-1	0	-0
TOTAL	9,371	-7,752	7,397	-5,723
of which interest income and expense calculated at the effective interest rate	7,235	-6,386	5,926	-4,787

Note 24 Commissions

	06/30/2024		06/30/2023	
	Income	Expenses	Income	Expenses
Credit institutions	3	-3	2	-4
Customers	543	-6	520	-5
Securities	317	-50	317	-63
Derivative instruments	2	-4	2	-4
Currency transactions	10	-0	10	-1
Funding and guarantee commitments	32	-25	43	-41
Services provided	740	-291	738	-276
TOTAL	1,647	-379	1,632	-394

Note 25 Net gains on financial instruments at fair value through profit or loss

	06/30/2024	06/30/2023
Trading instruments	139	141
Instruments accounted for under the fair value option	47	9
Ineffective portion of hedges	14	8
On fair value hedges (FVH)	14	8
▪ Change in the fair value of hedged items	-726	142
▪ Change in fair value of hedging instruments	740	-134
Foreign exchange gains/(losses)	6	125
Other financial instruments at fair value through profit or loss[1]	177	211
TOTAL CHANGES IN FAIR VALUE	383	494

(1) of which €148 million came from private equity business as at June 30, 2024 compared to €175 million as at June 30, 2023.

Note 26 Net gains or losses on financial assets at fair value through shareholders' equity

	06/30/2024	06/30/2023
Dividends	3	3
Realized gains and losses on debt instruments	-5	-68
TOTAL	-2	-65

Note 27 Income/expenses generated by other activities

	06/30/2024	06/30/2023
Income from other activities		
Investment property:	0	0
▪ reversal of provisions/depreciation	0	0
▪ capital gains on disposals	0	0
Rebilled expenses	17	17
Other income	37	56
Subtotal	54	73
Expenses on other activities		
Investment property:	-1	-1
▪ additions to provisions/depreciation	-1	-1
▪ capital losses on disposals	0	0
Other expenses	-47	-46
Subtotal	-48	-47
NET TOTAL OF OTHER INCOME AND EXPENSES	6	26

Note 28 General operating expenses

	06/30/2024	06/30/2023
Employee benefit expense	-1,104	-1,011
Other general operating expenses	-716	-863
Movements in depreciation, amortization and impairment for property, plant and equipment and intangible assets	-104	-99
TOTAL	-1,924	-1,973

Note 28a Employee benefit expense

	06/30/2024	06/30/2023
Wages and salaries	-661	-625
Social security contributions	-285	-248
Short-term employee benefits	0	0
Employee profit-sharing and incentive schemes	-67	-51
Payroll-based taxes	-91	-87
Other	0	-0
TOTAL	-1,104	-1,011

Note 28b Average workforce

	06/30/2024	06/30/2023
Bank technical staff	10,044	9,934
Managers	9,923	9,439
TOTAL	19,967	19,373
France	*17,982*	*17,473*
Rest of the world	*1,985*	*1,900*

Note 28c Other general operating expenses

	06/30/2024	06/30/2023
Taxes and duties[1]	-73	-224
Leases		
▪ short-term asset leases	-17	-19
▪ low value/substitutable asset leases[2]	-27	-29
▪ other leases	-2	-2
Other external services	-618	-611
Other income and expenses	21	22
TOTAL	-716	-863

(1) *The entry "Taxes and duties" includes an expense of -€4 million as part of the contribution to the Single Resolution Fund at June 30, 2024, compared to -€149 million at June 30, 2023.*

(2) *Includes IT equipment.*

Note 28d Movements in depreciation, amortization and impairment for property, plant and equipment and intangible assets

	06/30/2024	06/30/2023
Depreciation and amortization:	-107	-99
▪ property, plant and equipment	-99	-90
including usage rights	*-52*	*-44*
▪ intangible assets	-8	-9
Write-downs:	3	0
▪ property, plant and equipment	0	0
▪ intangible assets	3	0
TOTAL	-104	-99

Note 29 Cost of counterparty risk

	06/30/2024	06/30/2023
▪ 12-month expected losses (S1)	90	3
▪ Expected losses at termination (S2)	-116	24
▪ Impaired assets (S3)	-241	-186
TOTAL	-267	-159

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)	**-203**	**293**	**-**	**-**	**-**	**90**
▪ Loans and receivables due from credit institutions at amortized cost	-1	1	-	-	-	0
▪ Customer loans and receivables at amortized cost	-159	226	-	-	-	67
of which finance leases	*-27*	*26*	-	-	-	*-1*
▪ 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	-38	58	-	-	-	20
Expected losses at termination (S2)	**-440**	**324**	**-**	**-**	**-**	**-116**
▪ Loans and receivables due from credit institutions at amortized cost	-1	0	-	-	-	-1
▪ Customer loans and receivables at amortized cost	-373	271	-	-	-	-102
of which finance leases	-26	35	-	-	-	9
▪ Commitments given	-66	53	-	-	-	-13
Impaired assets (S3)	**-530**	**353**	**-60**	**-10**	**6**	**-241**
▪ Loans and receivables due from credit institutions at amortized cost	0	0	0	0	0	0
▪ Customer loans and receivables at amortized cost	-476	286	-60	-10	6	-254
of which finance leases	-3	2	-2	-2	0	-5
▪ 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
▪ Commitments given	-54	67	0	0	0	13
TOTAL	-1,173	970	-60	-10	6	-267

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)	**-194**	**197**	**-**	**-**	**-**	**3**
▪ Loans and receivables due from credit institutions at amortized cost	-1	1	-	-	-	0
▪ Customer loans and receivables at amortized cost	-134	141	-	-	-	7
of which finance leases	-17	14	-	-	-	-3
▪ Financial assets at amortized cost – Securities	-0	0	-	-	-	-0
▪ Financial assets at fair value through equity – Debt securities	-15	15	-	-	-	0
▪ Financial assets at fair value through equity – Loans	0	0	-	-	-	0
▪ Commitments given	-44	40	-	-	-	-4
Expected losses at termination (S2)	**-316**	**340**	**-**	**-**	**-**	**24**
▪ Loans and receivables due from credit institutions at amortized cost	-0	0	-	-	-	0
▪ Customer loans and receivables at amortized cost	-287	304	-	-	-	17
of which finance leases	*-23*	*26*	-	-	-	*3*
▪ 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	-29	35	-	-	-	6
Impaired assets (S3)	**-393**	**271**	**-61**	**-8**	**5**	**-186**
▪ Loans and receivables due from credit institutions at amortized cost	0	0	0	-0	0	-0
▪ Customer loans and receivables at amortized cost	-325	235	-61	-8	5	-154
of which finance leases	-2	2	-1	-1	0	-2
▪ 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	-68	35	0	-0	0	-33
TOTAL	-903	808	-61	-8	5	-159

Note 30 Net gains and losses on other assets

	06/30/2024	06/30/2023
Property, plant and equipment and intangible assets	-2	0
Capital losses on disposals	-4	-2
Capital gains on disposals	2	2
Gains/(losses) on disposals of shares in consolidated entities	0	0
TOTAL	-2	0

Note 31 Income tax

	06/30/2024	06/30/2023
Current taxes	-338	-305
Deferred tax expense/income	29	13
Adjustments in respect of prior years	-3	3
TOTAL	-312	-289

Of which -€249 million for securities in companies located in France and -€63 million for companies located outside France.

Note 32 Earnings per share

	06/30/2024	06/30/2023
Group net income	841	1,015
Number of shares at beginning of year	38,009,418	38,009,418
Number of shares at end of year	38,009,418	38,009,418
Weighted average number of shares	38,009,418	38,009,418
BASIC EARNINGS PER SHARE (IN €)	22.12	26.70
Weighted average number of shares that may be issued	0	0
DILUTED EARNINGS PER SHARE (IN €)	22.12	26.70

CIC's share capital amounts to €611,858,064 made up of 38,241,129 shares with a par value of €16 each, including 231,711 treasury shares.

Note 33 Fair value hierarchy of financial instruments carried at amortized cost or at cost on the balance sheet

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, 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
Assets					
▪ Financial assets at amortized cost	289,669	304,500	1,473	55,354	232,872
Loans and receivables due from credit institutions	46,505	48,297	0	46,505	0
Loans and receivables due from customers[1]	238,894	251,826	0	6,182	232,712
Securities	4,300	4,377	1,473	2,667	160
Liabilities					
▪ Due to credit institutions	96,340	95,891	0	96,340	0
▪ Due to customers	224,822	224,472	0	95,676	129,146
▪ Debt securities	38,384	38,524	0	24,633	13,751
▪ Subordinated debt	4,454	4,310	0	4,454	0

(1) *Including unrealized capital gains on hedging swaps (€1,141 million), the unrealized capital loss on loans amounted to €11,791 million.*

	12/31/2023				
	Market value	Carrying amount	Level 1	Level 2	Level 3
Assets					
▪ Financial assets at amortized cost	287,197	303,530	1,829	51,877	231,491
Loans and receivables due from credit institutions	45,958	47,338	0	45,948	0
Loans and receivables due from customers	237,300	252,182	0	5,972	231,328
Securities	3,949	4,010	1,829	1,957	163
Liabilities					
▪ Due to credit institutions	96,758	96,258	0	96,758	0
▪ Due to customers	230,779	230,348	0	97,843	132,936
▪ Debt securities	34,568	34,784	0	22,849	11,719
▪ Subordinated debt	3,380	3,305	0	3,380	0

Note 34 Outstandings on related party transactions

	06/30/2024		12/31/2023	
	Associates (companies accounted for using the equity method)	Parent company	Associates (companies accounted for using the equity method)	Parent company
Assets				
▪ Financial assets at fair value through profit or loss	1,187	28	182	24
▪ Financial assets at FVOCI	0	0	0	0
▪ Financial assets at amortized cost	2,802	27,405	3,128	26,691
▪ Other assets	0	19	0	41
Liabilities				
▪ Due to credit institutions	305	74,289	277	74,780
▪ Liabilities at fair value through profit or loss	1,050	5	40	4
▪ Due to customers	2,696	188	2,649	199
▪ Debt securities	2,717	990	2,475	1,006
▪ Subordinated debt	0	4,270	0	3,264
Off-balance sheet				
▪ Financing commitments given	0	5	0	7
▪ Guarantee commitments given	0	27	0	10
▪ Financing commitments received	0	1	0	0
▪ Guarantees commitments received	0	7,322	0	8,687
	06/30/2024		06/30/2023	
▪ Interest income	67	1,149	46	844
▪ Interest expense	-72	-2,142	-54	-1,747
▪ Commission income	256	47	294	8
▪ Commission expense	-7	-69	-19	-76
▪ Net gains/(losses) on financial assets at FVOCI and FVPL	52	6	87	3
▪ Other income and expenses	0	-4	1	-4
▪ General operating expenses	-38	-304	-35	-310

The parent company consists of BFCM, CIC's majority shareholder, Caisse Fédérale de Crédit Mutuel (CFCM), which controls BFCM, and all their subsidiaries.
Relations with the parent company consist primarily of loans and borrowing as part of cash flow management, BFCM being the body for the group's refinancing and IT services invoiced with the Euro-Information entities.
The company consolidated by the equity method is Groupe des Assurances du Crédit Mutuel.

5.3 STATUTORY AUDITORS' REPORT ON THE 2024 INTERIM FINANCIAL STATEMENTS

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Statutory auditors' report on the 2024 interim financial statements
Period from January 1 to June 30, 2024

Dear Shareholders,

In accordance with the task 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 company's interim financial statements 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 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 interim 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 interim financial statements, of which we provided a 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 SA

Arnaud Bourdeille
Partner

Paris la Défense, August 9, 2024
Ernest & Young et Autres

Vanessa Jolivalt
Partner

6 SHARE CAPITAL

At June 30, 2024, the share capital amounted to €611,858,064. It is divided into 38,241,129 shares each with a nominal value of €16, all of the same class and fully paid up.

There was no change in share capital for the period covered by the historical financial information.

CIC has no unissued authorized capital or exchangeable or redeemable convertible bonds granting access to capital.

CIC shares are not listed or traded on any market.

7 ADDITIONAL INFORMATION

7.1 DOCUMENTS AVAILABLE TO THE PUBLIC

This amendment to the universal registration document is available on CIC's website (www.cic.fr) and the AMF's website. The same holds true for all reports and historical financial information. The information provided on the website does not form part of the universal registration document or this amendment.

Any person wishing to obtain additional information on CIC can ask for the documents, with no obligation to commit:

- by postal mail: CIC – Relations extérieures 6, avenue de Provence – 75009 Paris, France
- by email: compresse@cic.fr

The charter, the articles of association, the minutes of the shareholders' meetings and the reports may be accessed at the registered office: 6, avenue de Provence in Paris 9th (General Secretariat).

7.2 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Person with overall responsibility for the universal registration document

Eric Charpentier,
Chief Executive Officer

Declaration by the person responsible for the interim financial report

I hereby certify 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 certify that, to the best of my knowledge, the condensed financial statements for the half-year just ended were prepared in accordance with applicable accounting standards and present an accurate picture of the assets, financial position and net income of the company, and of all of the companies included in the consolidation, and that the interim business report made up of sections indicated in the cross-reference table located at the end of this document presents an accurate picture of the important events that occurred in the first six months of the fiscal year, their impact on the financial statements, the principal transactions between related parties as well as a description of the main risks and uncertainties for the remaining six months of the fiscal year.

Paris, August 13, 2024

Eric Charpentier,
Chief Executive Officer

7.3 PERSONS RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS

The statutory auditors, Ernst & Young et Autres, and KPMG SA, belong to the Regional Institute of statutory auditors of Versailles (*Compagnie régionale des commissaires aux comptes de Versailles*).

Principal statutory auditors

Name: Ernst & Young et Autres
Address: 1/2 place des Saisons, 92400 Courbevoie - Paris La Défense Cedex, France
Represented by Vanessa Jolivalt
First appointed: May 26, 1999
Current term of office: six years from May 10, 2023
Expiration of term of office: at the close of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2028.

Name: KPMG SA
Address: Tour Eqho - 2, avenue Gambetta, 92066 Paris La Défense Cedex, France
Represented by Arnaud Bourdeille
First appointed: May 25, 2016
Current term of office: six years from May 10, 2022
Expiration of term of office: at the close of the Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2027.

7.4 CROSS REFERENCE TABLES

7.4.1 Cross-reference table of the 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**	**108**	**612**
2.	**Statutory auditors**	**108-109**	**613**
3.	**Risk factors**	**41-48**	**206-213**
4.	**Information about the issuer**	**114**	**608**
5.	**Business overview**		
5.1	Main activities	7-19	2; 6-7; 13-26
5.2	Main markets	7-19	2; 6-7; 504; 508
5.3	Significant events in business development	19	47
5.4	Strategy and objectives	19	9
5.5	Degree of dependence with respect to patents or licenses, industrial, commercial or financial agreements or new manufacturing processes	N/A	608
5.6	Elements on which the declarations of the issuer concerning its competitive position are based	N/A	13-26; 39-44
5.7	Investments	9 ; 63 ; 78	N/A
6.	**Organizational structure**		
6.1	Description of the group	2	12
6.2	Main subsidiaries	2; 76-77	12; 555-599
7.	**Review of the financial position and of net income**		
7.1	Financial position	7-19	29-49
7.2	Operating income	7-19	29-49
8.	**Cash and equity**		
8.1	Information on the issuer's equity	51	478
8.2	Source and amount of the issuer's cash flows	52	479
8.3	Information on the borrowing conditions and the issuer's financing structure	7	N/A
8.4	Information concerning any restrictions on the use of equity that noticeably influences or may noticeably influence the issuer's transactions	N/A	N/A
8.5	Information on the expected financing sources necessary to honor the commitments set out in point 5.7.2	N/A	N/A
9.	**Regulatory environment**	**4; 6**	**30-34**
10.	**Information on trends**	**19**	**47**
11.	**Profit forecasts or estimates**	**N/A**	**N/A**
12.	**Administrative, management, supervisory and executive bodies**		
12.1	Information concerning the members of CIC's administrative and management bodies	20-39	174-174
12.2	Conflicts of interest concerning the administrative, management, supervisory and executive bodies	37	188
13.	**Compensation and benefits**	**39**	**192; 194**
14.	**Operation of the administrative and management bodies**		
14.1	Expiration date of current terms of office	20-36	176-185
14.2	Service agreements binding the members of the administrative bodies to the issuer or to one of its subsidiaries	N/A	188
14.3	Information on the auditing committee and the remuneration committee	N/A	191
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	N/A	175
14.5	Potentially significant impacts on corporate governance	N/A	173-195
15.	**Employees**		
15.1	Number of employees	101	540
15.2	Interests in the issuer's share capital and directors' stock-options	N/A	N/A
15.3	Agreement providing for employee ownership of the issuer's shares	N/A	N/A
16.	**Major shareholders**		
16.1	Shareholders holding more than 5% of the share capital or voting rights	N/A	602-603
16.2	Existence of different voting rights of the aforementioned shareholders	N/A	607
16.3	Control of the issuer	N/A	603
16.4	Knowledge by the issuer of an agreement likely to result in a change in control at a later date	N/A	N/A
17.	**Related-party transactions**	**19; 75; 105**	**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.	**Financial information on the issuer's assets and liabilities, financial position and results**		
18.1	Historical financial information	49-105	473-533; 614; 555-599
18.2	Interim and other financial information	49-105	N/A
18.3	Verification of the annual historical financial information	106	555-599
18.4	Pro forma financial information	N/A	474-547
18.5	Dividend distribution policy	107	603
18.6	Legal and arbitration proceedings	48	608
18.7	Material change in the financial position	N/A	608
19.	**Additional information**		
19.1	Share capital	108	602
19.2	Charter and articles of association	N/A	608
20.	**Major contracts**	**N/A**	**608**
21.	**Documents available to the public**	**108**	**608; 611**

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
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
1.2	Issuer's statement	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 annual and consolidated financial statements and the group management report for the fiscal year ended December 31, 2023 and the statutory auditors' reports on the annual and consolidated financial statements as of December 31, 2023, presented on pages 29 to 49, 197 to 470, 51 to 170, 473 to 547, 555 to 594, 548 to 552 and 595 to 599, respectively, of the universal registration document No. D.23-0274 (https://www.cic.fr/partage/fr/CC/CIC-2015/telechargements/rapports-annuels/CIC_rapport-annuel_2023.pdf) filed with the Autorité des marchés financiers (AMF – French Financial Markets Authority) on April 13, 2022;
- the annual and consolidated financial statements and the group management report for the year ended December 31, 2022 and the statutory auditors' reports on the annual and consolidated financial statements as of December 31, 2022, presented on pages 29 to 51, 191 to 400, 53 to 168, 403 to 465, 4739 to 512, 466 to 470 and 513 to 517 respectively, of the universal registration document No. D. 23-0274 (https://www.cic.fr/partage/fr/CC/CIC-2015/telechargements/rapports-annuels/CIC_rapport-annuel_2022.pdf) filed with Autorité des marchés financiers (AMF - French Financial Markets Authority) on April 13, 2022;
- the annual and consolidated financial statements and the group management report for the year ended December 31, 2021 and the statutory auditors' reports on the annual and consolidated financial statements as of December 31, 2021, presented on pages 29 to 47, 177 to 3481, 49 to 154 and 351 to 414, 421 à 459. 415 to 419 andt 460 to 463 respectively, of the universal registration document No. D. 22-0285 (https://www.cic.fr/telechargements/institutionnel/cic/information-reglementee/CIC_rapport-annuel_2021.pdf) filed with the Autorité des marchés financiers (AMF - French Financial Markets Authority) on April 27, 2020.

The chapters of universal registration documents No. D. 23-0274, No. D. 22-0285 and No. D. 21-0335 not mentioned above are either not applicable for the investor or covered elsewhere in this universal registration document.

7.4.2 Cross-reference table of the interim financial report

Pursuant to Article 212-13 of the AMF general regulation, this universal registration document includes the information from the interim financial report mentioned in Article L. 451-1-2 of the French monetary and financial code and Article 222-4 of the AMF general regulation.

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	7-19
- Description of the main risks and uncertainties for the remaining 6 months of the fiscal year	41-48
- Principal transactions that occurred between related parties	19; 75; 105
2. Financial statements on June 30 juin 2024	49-105
3. Declaration by the person responsible	108
4. Statutory auditors' report on the interim financial statements	106

Websites :
www.cic.fr

Financial information officer
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Chief Financial Officer 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.

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