

H1 2023 RESULTS ¹

CRÉDIT MUTUEL ALLIANCE FÉDÉRALE GENERATES STRONG RESULTS CONFIRMING THE SOLIDITY OF ITS UNIVERSAL BANKINSURANCE MODEL DESPITE THE ECONOMIC SLOWDOWN

Crédit Mutuel Alliance Fédérale turned in solid first-half results, with net revenue nearly €8 billion (+4%). These results reflect the resilience of the retail banking activities, for which net revenue grew by 1.9% to more than €6 billion, strong commercial momentum in insurance (+13%) and the specialized businesses (+18.4%).

Despite a period of inflation, economic slowdown, and monetary policy upheaval, the group's financial results confirm the relevance and solidity of its diversified mutualist model. Net income for the first half of the year remained high at nearly €2 billion (down 7.3%).

After three years of post-Covid recovery, the cost of risk, up 44.4%, returned to a normative level (€679 million, i.e. 24 basis points of total loans versus 27 basis points in 2019), while expenses increased by 6.7%, mainly due to strong wage measures and significant technological investments for the transformation of our business lines.

These first six months reflect the effectiveness of the locally-focused relationship-based model serving individual, business and corporate customers and the collective dedication of our 77,500 employees and 15,500 mutualist elected directors.

Results for the period ended June 30, 2023 ¹	1 st half 2023	Change over 1 year proforma ¹
NET REVENUE UP IN ALL BUSINESS LINES	€7,984bn	+4.0 %
<i>of which retail banking</i>	€6,062bn	+1.9%
<i>of which insurance</i>	€641m	+13.0%
<i>of which specialized business lines</i>	€1,455bn	+18.4%
INCREASE IN OPERATING EXPENSES REFLECTING STRATEGIC INVESTMENTS	-€4,649bn	+6.7%
INCREASE IN COST OF RISK LINKED TO THE ECONOMIC ENVIRONMENT	-€679m	+44.4%
NET INCOME DOWN BUT KEPT AT A HIGH LEVEL	€1,962bn	-7.3%

GROWTH IN FINANCING		
Home loans €258.1bn +4.1%	Equipment loans and leasing €138.0bn +8.3%	Consumer loans €53.5bn +9.6%

A SOLID FINANCIAL STRUCTURE	
Ratio CET1 ² 18.4%	Shareholders' equity €60.5bn

¹ Unaudited financial statements as at 06/30/2023, limited review procedures by the statutory auditors are in progress. As of January 1, 2023, Crédit Mutuel Alliance Fédérale applies IFRS 17 "Insurance Contracts" at the Group level as well as IFRS 9 "Financial Instruments" for its insurance entities. To ensure a consistent benchmark, data for the first half of 2022 have been restated on a proforma basis.

² Estimated at June 30, 2023, the incorporation of the net income into the regulatory capital is subject to ECB approval.

Crédit Mutuel Alliance Fédérale generated strong H1 results



« Crédit Mutuel Alliance Fédérale demonstrated the excellent resilience of its model by reporting solid first-half results despite changing monetary policy and the economic slowdown, which influenced especially on retail banking in France. The results once again confirm the relevance of universal bankinsurance in serving the common interest. »

Nicolas Théry, Chairman

« Crédit Mutuel Alliance Fédérale closed the first six months of the year on very strong commercial momentum and with solid results, proof of the group's operational efficiency. Our 77,500 employees and 15,500 mutualist elected directors worked tirelessly to support individual, business and corporate customers amid strong inflation and rising interest rates. »

Daniel Baal, Chief Executive Officer



I. Working tirelessly over the period for our members and customers

The war in Ukraine and the inherent geopolitical tensions continued to disrupt the economic outlook, for individuals, businesses and corporates alike. As a mutual bankinsurance provider and the first bank to adopt the status of a benefit corporation ("entreprise à mission"), Crédit Mutuel Alliance Fédérale continued to work hard over the period to support its customers, in particular those most affected by the successive crises. A relevant relationship-focused model for which we were awarded the 2023 "Podium de la Relation Client"³.

A bank that is useful for its customers and members

The mutual banking group continued to work alongside its retail, business and corporate customers providing financing for their projects. Loan outstandings reached €510 billion (+5.0%) despite a significant decrease in home loan releases over the first half (-29.4%), returning to a level close to that of 2019. Consumer credit remained strong, with outstandings rising by 9.6% to €53.5 billion. The group also continued to support businesses and corporates, with equipment loan and finance lease outstandings totaling €138 billion (+8.3%).

The protection and growth of customer savings is a key pillar of the group's activity. Deposits amounted to €461 billion on June 30, 2023, growing by 2.2%.

A bank that meets a growing need for solidarity measures

With annual inflation running at 4.5% in France⁴, of which +13.7% on food prices, the inflationary cycle sparked after Russia's invasion of Ukraine continued to weigh on customers' purchasing power, in particular that of the most vulnerable customers.

True to its mutualist values, Crédit Mutuel Alliance Fédérale spearheaded solidarity and locally-focused measures.

Its 30,000 advisors galvanized into action to support households, in particular through regulated savings. Inflows into Livret A savings accounts, revalued at 3% in February 2023 and secured at this high level until the end of 2024, thus reached €6.5 billion, with outstandings totaling €51.4 billion (+14.4%).

The €1 net per month solidarity account remained in place, allowing people in a fragile financial situation to benefit from all the advantages of a universal local bank and a dedicated advisor without having to pay late-payment fees. Launched in August 2022, this solidarity offer has been taken up by more than 55,000 customers. Intended for those most affected by the current economic situation, this offer was awarded the 2023 "Good Economie Prix d'Or".

The street riots that erupted towards the end of the period also affected individuals and businesses. Exceptional measures are required for exceptional circumstances. With this in mind, Les Assurances du Crédit Mutuel and CIC Assurances eliminated the deductible payable by individuals on claims for damage to their car or home.

The social tension also impacted many retailers. Crédit Mutuel Alliance Fédérale decided to take strong measures to support companies and small retailers that suffered damages as a result of the unrest.

³ 2023 Podium de la Relation Client – Banking category / Kantar & Bearing Point. ⁴ Consumer price index (CPI), INSEE, June 2023. ⁵ The Good Economie Prix d'Or for 2023 in the category of products and services that promote a social impact.

As an insurer it released without delay the first cash advances for craftspeople, merchants and professionals. A "claims expense" estimated at €10 million. As a banker, the Crédit Mutuel and CIC networks offered solutions tailored on a case-by-case basis, including the suspension of credit maturity schedules.

A mutual bank shoulder to shoulder with its employees

Underpinned by a strong social contract, the group once again demonstrated its commitment to its employees. In January 2023, a general wage increase of 3% was granted to group employees in addition to profit-sharing and incentive schemes. The sustainable mobility package increased from €400 to €700 while coverage of the transport subscription increased from 50% to 75%. This solid social policy for the benefit of its employees is also an investment in the development of the group and its subsidiaries. It helps to increase our appeal so that we can attract more new talent.

Solidarity with « Les Restos du Cœur »

€5 million to cope with the rise in food insecurity

Inflation has led to an increase in the number of people seeking support from "Les Restos du Cœur" centers. To address this issue, the NGO launched an appeal to businesses. Crédit Mutuel Alliance Fédérale for its part galvanized into action without waiting for the social dividend to come into play and provided a one-off donation of €5 million via its Foundation, €2 million of which for priority assistance for infants.



II. Strong sales growth driven by the strength of our diversified model

Despite an unstable economic environment and regulatory pressure serving to counter the benefits of universal banking, thanks to the collective dedication and efficiency of the universal local bankinsurance model, we generated growth in net revenue of 4%. As of June 30, 2023, net revenue reached an exceptional level of nearly €8 billion.

Performance of the retail banking and insurance activities

Net revenue from retail banking rose by 1.9% to €6 billion. Net revenue from the branch networks remained stable at +0.7% while consumer credit rose by +5.5%.

The consumer credit business (€1.5 billion) was driven mainly by the performance of Targobank in Germany. Cofidis Group activity remained stable in the first half of the current year and continued to expand in Europe.

A major insurance player in France with 37.2 million policies (+1.6%), Groupe des Assurances du Crédit Mutuel (GACM) posted a strong performance in the first half of 2023, with record revenue of €7.5 billion (+13.6%). Note that GACM España was sold to AXA Seguros Generales on July 12, 2023.

Revenue growth over the period was driven in particular by life insurance, for which the turnover reached €4.2 billion (+16.7%). The life insurance activity benefited from positive net inflows in euros (+€181 million), underpinned by the announcement early in the year of a 1-point increase in the rates paid for 2022 on euro-denominated funds (i.e. an average return of 2.30%).

As of end-June 2023, the number of customers of the Crédit Mutuel bankinsurance branch network rose by 1.0% to more than 8.7 million, while the five CIC regional banks and the CIC network in the Greater Paris region had 5.6 million customers (+1.1%).

Sustained momentum in corporate banking and the specialized businesses

The performance of the specialized businesses accounted for nearly three-quarters of the increase in the group's net revenue. There was a strong rebound in revenue from private banking (+41.2%), corporate banking (+38.1%) and capital markets (+63.3%).

Net revenue from corporate banking rose thanks to the increase in net interest margin on deposits and strong loan production for corporate customers. The group's support for entrepreneurial activity is also reflected in the investment activities carried out by Crédit Mutuel Equity in all regions.

Nearly €140 million was invested in more than 31 companies in the first half of the year.

Private banking benefited from both a market effect and positive inflows. It performed well in all countries, i.e. France, Belgium and Switzerland and in Luxembourg via Banque Transatlantique, Banque de Luxembourg and Banque CIC Suisse. The asset management division had a good first half, with revenue remaining stable at €267 million.

The capital markets business performed very well in the first half of the year, driven by strong commercial momentum.

III. Solid results at a time of monetary pressure and economic slowdown

At a time of changing monetary policy, the resilience of the universal bankinsurance model was once again made plain. The group is on track to meet the financial targets of its 2019-2023 strategic plan, *ensemble#nouveaumonde plus vite, plus loin* (together#today's world, faster, further!), which runs until the end of the year.

First-half net income driven by the insurance activities and specialized businesses

Crédit Mutuel Alliance Fédérale made H1 net income of nearly €2 billion, a year-on-year decrease of 7.3%. It was particularly impacted by the decrease in net interest margin in retail banking in France (-3.7%), in a specific context in France for fixed-rate home loans, regulated savings that protect household purchasing power, and commitments from the profession to limit the increase in retail rates to below 2% in 2023.

The group's comprehensive income benefited from strong results in insurance (€443 million, up 9.0%) and in the specialized businesses (€558 million, up 13.4%), demonstrating the solidity of the integrated universal bankinsurance model.

The asset management and private banking businesses generated income of €161 million, up 39%. Corporate banking made income of €105 million, up 17%. Private equity posted a normative performance after two exceptional years (€181 million).

Confirmed operational efficiency

The mutual group maintained one of the strongest levels of operational efficiency among European banks, with a cost-to-income ratio of 58.2%.

General operating expenses came to €4.6 billion (+6.7%). They reflect sound strategic choices, in particular investment in human resources (53% of the increase) and technologies. Euro-Information, the first French company to join the IBM Quantum Network, has announced that it is continuing to invest in quantum computing. Following a successful initial phase, specific use cases have been identified in many areas of interest to financial services, including customer experience research, fraud management and risk management. These investments are part of the innovation strategy being applied since 2015, particularly around artificial intelligence. In 2023, a volume equivalent to 1,700 FTEs was freed up to carry out numerous administrative tasks (input, signature, research) for customers and members seeking a closer relationship with their dedicated local advisor.

During the period also was recorded an increase in the cost of risk, which returned to a normative level. At €679 million, it rose by 44%. The cost of risk was especially affected by the increase in proven risk on network customers, consumer credit and corporate banking.

The non-performing loan ratio (2.7%) remained lower than at the end of 2019 (3.1%). The cost of risk to customer ratio was 24 basis points, also close to the end-2019 level (27 basis points).

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1. Consolidated earnings

1.1. Financial results

(€ millions)	1 st half 2023	1 st half 2022 proforma	Change
Net revenue	7,984	7,681	+4.0%
General operating expenses <i>of which contribution to the single resolution fund, supervision costs and contributions to the DGF ¹</i>	-4,649	-4,358	+6.7%
	-281	-368	-23.6%
Gross operating income	3,335	3,322	+0.4%
Cost of risk	-679	-470	+44.4%
<i>cost of proven risk</i>	-653	-350	+86.4%
<i>cost of non-proven risk</i>	-26	-120	-78.5%
Operating profit	2,656	2,852	-6.9%
Net gains and losses on other assets and ECC ²	18	46	-60.6%
Income before tax	2,674	2,898	-7.7%
Income tax	-711	-781	-8.9%
Net income	1,962	2,117	-7.3%
Non-controlling interests	87	98	-11.0%
Group net income	1,875	2,019	-7.1%

¹ DGF = Deposit guarantee fund (Fonds de Garantie des Dépôts).

² ECC = equity consolidated companies = share of net income/(loss) of equity consolidated companies.

Net revenue

In the first half of 2023, Crédit Mutuel Alliance Fédérale recorded 4% growth in net revenue to €8 billion, thanks in particular to the strong performance of the specialized business lines, excluding private equity, and insurance. Retail banking rose by 1.9% despite a drastic and far-reaching change in economic conditions.

Net revenue (€ millions)	1 st half 2023	1 st half 2022 proforma	Change
Retail banking	6,062	5,947	+1.9%
<i>banking network</i>	4,194	4,167	+0.7%
<i>consumer credit</i>	1,532	1,452	+5.5%
Insurance ¹	641	567	+13.0%
Specialized business lines	1,455	1,229	+18.4%
Asset management and private banking	646	531	+21.7%
Corporate banking	296	214	+38.1%
Capital markets	293	180	+63.3%
Private equity	220	304	-27.8%
Other business lines ²	-174	-63	x 2.7
Total Net Revenue Crédit Mutuel Alliance Fédérale	7,984	7,681	+4.0%

¹ and ² Reclassification of general operating expenses related to insurance contracts as expenses related to insurance contracts classified under net revenue.

Income from **retail banking** rose by 1.9% to more than €6 billion in the first half of 2023. Consumer credit accounted for most of this increase.

The **insurance** business posted a 13% increase in net revenue largely linked to a more favorable economic environment than in 2022, marked by the start of the conflict in Ukraine and to fewer weather-related claims.

Net revenue from **asset management and private banking** grew by 21.7%. Business development was strong despite an uncertain macroeconomic environment.

Corporate banking posted a 38.1% increase in net revenue, with robust activity in project financing and asset financing. The large corporates activity benefited from the continued financing of customers' investments and medium-term projects

In **capital markets**, net revenue was up 63.3%. Volatility in the financial markets, primarily in March 2023, did not affect the results, including robust growth in net revenue (€293 million) compared with the first half of 2022.

Net revenue from **private equity** (€220 million vs. €304 million in the first half of 2022) remained solid in an uncertain macroeconomic environment.

Net revenue from the **other business lines** was impacted by the IFRS 17 restatements related to the insurance activities carried out through the banking network.

General operating expenses and gross operating income

In the first half of 2023, general operating expenses amounted to €4.6 billion, with an increase of 6.7%.

The employee benefits expense, which includes the effect of salary increases, accounted for 53% of the total increase. They include the effect of wage increases. Other operating expenses were impacted by higher energy costs, IT investment costs and the sponsorship budget related to the societal dividend. Supervision costs and the contribution to the single resolution fund decreased by 24%.

The cost-to-income ratio worsened by 1.5 points vs. the first half of 2022, to 58.2%, but remains in line with the targets of the 2019-2023 strategic plan.

Gross operating income increased slightly (+0.4%) to €3.3 billion. The rise in net revenue helped to cover the increase in operating expenses.

Cost of risk and operating income

The overall cost of risk was €679 million, up 44.4% compared with the first half of 2022. This increase was due to the two opposing trends:

- An increase in the network customer's cost of proven risk, consumer credit and in corporate banking due to the downgrading of large corporates. This deterioration reflects the uncertain macroeconomic environment that has continued since the Covid-19 crisis;
- A decrease in the cost of non-proven risk related to transfers from performing loans to non-performing loans, resulting in a decrease in the cost of non-proven risk and an increase in the cost of proven risk.

The non-performing loan ratio rose to 2.7% compared with the end of 2022, but remains below the level at the end of 2019 (3.1%).

Compared to outstanding loans, the cost of risk for customer loans was 24 basis points, also up compared with the end of 2022, reaching the level at end-2019 (27 basis points).

Outstanding loans (€ millions)	6/30/2023	6/30/2022	12/31/2022
Customer loans (net balance sheet outstandings)	510,090	485,933	502,097
Gross loans	519,956	495,603	511,668
Gross non-performing loans	13,938	12,363	13,181
Provisions for loan losses	-9,866	-9,670	-9,571
<i>provisions for losses on non-performing loans (Stage 3)</i>	-6,546	-6,199	-6,278
<i>provisions for losses on performing loans (Stages 1 & 2)</i>	-3,320	-3,471	-3,293
Non-performing loans as a % of gross loans	2.7%	2.5%	2.6%

As a result of this increase in the cost of risk, operating income fell by 6.9% compared with the first half of 2022.

Other

Net gains and losses on other assets and ECC amounted to €18 million and consisted entirely of the share of net income of equity consolidated companies. In the first half of 2022 (€46 million), this item included the gain on the disposal of FLOA to BNP Paribas.

Income before tax

Income before tax fell by 7.7% compared to the first half of 2022.

Net income

In an uncertain macroeconomic environment, net income amounted to €2 billion and was down by €155 million (-7.3%).

Group net income was €1.9 billion (-7.1%).

1.2. Financial structure

Liquidity and refinancing ¹

Crédit Mutuel Alliance Fédérale's central treasury management is based on prudent rules and an effective system for accessing market funding.

Crédit Mutuel Alliance Fédérale has a number of issuance programs that allow investors in the main international markets to access public and private issues. In addition to these arrangements, the group holds a comfortable cash reserve designed both to comply with regulatory ratios and to enable it to withstand severe stresses.

In the first half of 2023, market volatility remained high with changing expectations as to continued interest rate hikes, fears of an economic slowdown and hawkish statements by central banks.

Despite an uncertain climate, the markets proved resilient. The banking crisis in the spring - with the failure of SVB and Crédit Suisse - did not have any long-term impacts on the soundness of the bond and equity markets.

Bond issuers were able to complete their refinancing program quickly. Indeed, this sharp increase in bond issues was matched by an increase in investor demand driven by the rise in bond yields.

In total, external funding obtained in the markets reached €163 billion at the end of June 2023, an increase of nearly 4% compared with the end of 2022.

The average LCR 164.4% on June 30, 2023 (vs. 153.3% in 2022).

The liquidity reserve (€169.4 billion) amply covers the market funding due over 12 months.

Solvency and capital management

On June 30, 2023, Crédit Mutuel Alliance Fédérale's shareholders' equity totaled €60.5 billion compared with €58.5 billion at the end of December 2022 proforma.

The impacts of IFRS 17 and IFRS 9 on insurance were estimated at €1.7 billion as of December 31, 2022, i.e. less than 3% of shareholders' equity.

In terms of CET1, the impact is estimated at 20 basis points at 12/31/2022, compared with a first-time application impact of 5 basis points at January 1, 2022.

Crédit Mutuel Alliance Fédérale reported very solid solvency position with a Common Equity Tier 1 (CET1) ratio of 18.4% ².

¹ For more details, see the additional information in section 6.1 of this press release.

² Estimated at June 30, 2023, the incorporation of the net income into the regulatory capital is subject to ECB approval.

1.3. Ratings

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

	LT/ST counterparty**	Issuer/LT preferred senior debt	Outlook	ST preferred senior debt	Stand-alone rating***	Date of last publication
Standard & Poor's ¹	AA-/A-1+	A+	Stable	A-1	α	11/30/2022
Moody's ²	Aa2/P-1	Aa3	Stable	P-1	α3	7/21/2023
Fitch Ratings ^{*3}	AA-	AA-	Stable	F1+	α+	12/30/2022

* The Issuer Default Rating is stable at A+.

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

*** The stand-alone rating 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 ratings.

³ Fitch Ratings: Crédit Mutuel Alliance Fédérale rating.

In 2022 and in July 2023, the three main financial rating agencies confirmed the external ratings and stable outlooks assigned to Crédit Mutuel Alliance Fédérale and the Crédit Mutuel group. This reflects operational efficiency, recurring earnings, a low risk profile and strong financial fundamentals.

Unaudited financial statements – limited review currently being conducted by the statutory auditors.

The Board of Directors met on July 27, 2023 to approve the financial statements.

All financial communications are available at www.bfcm.creditmutuel.fr and are published by Crédit Mutuel Alliance Fédérale in accordance with the provisions of Article L. 451-1-2 of the French Monetary and Financial Code and Articles 222-1 et seq. of the General Regulation of the French Financial Markets Authority (Autorité des marchés financiers - AMF).

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1.4. Key figures

Crédit Mutuel Alliance Fédérale ¹

(€ millions)	6/30/2023	12/31/2022 proforma ²
Financial structure and business activity		
Balance sheet total	901,853	883,669
Shareholders' equity (including net income for the period before dividend pay-outs)	60,473	58,469
Customer loans	510,090	502,097
Total savings	856,784	846,890
- of which customer deposits	460,487	456,983
- of which insurance savings	104,727	102,057
- of which financial savings (invested in savings products)	291,570	287,850

	6/30/2023	6/30/2022
Key figures		
Employees, end of period (group-controlled entities)	77,639	76,379
Number of branches	4,465	4,525
Number of customers (in millions)	30.8	29.6
Number of members (in millions)	6.2	6.0
Key ratios		
Cost-to-income ratio	58.2%	56.7% (proforma)
Overall cost of customer risk related to the outstanding loans (annualized)	24 bp	19 bp
Loan-to-deposit ratio	110.8%	107.8%
Overall solvency ratio (estimated at June 30, 2023)	20.8%	20.8% (reported)
CET1 ratio (estimated at June 30, 2023)	18.4%	18.1% (reported)

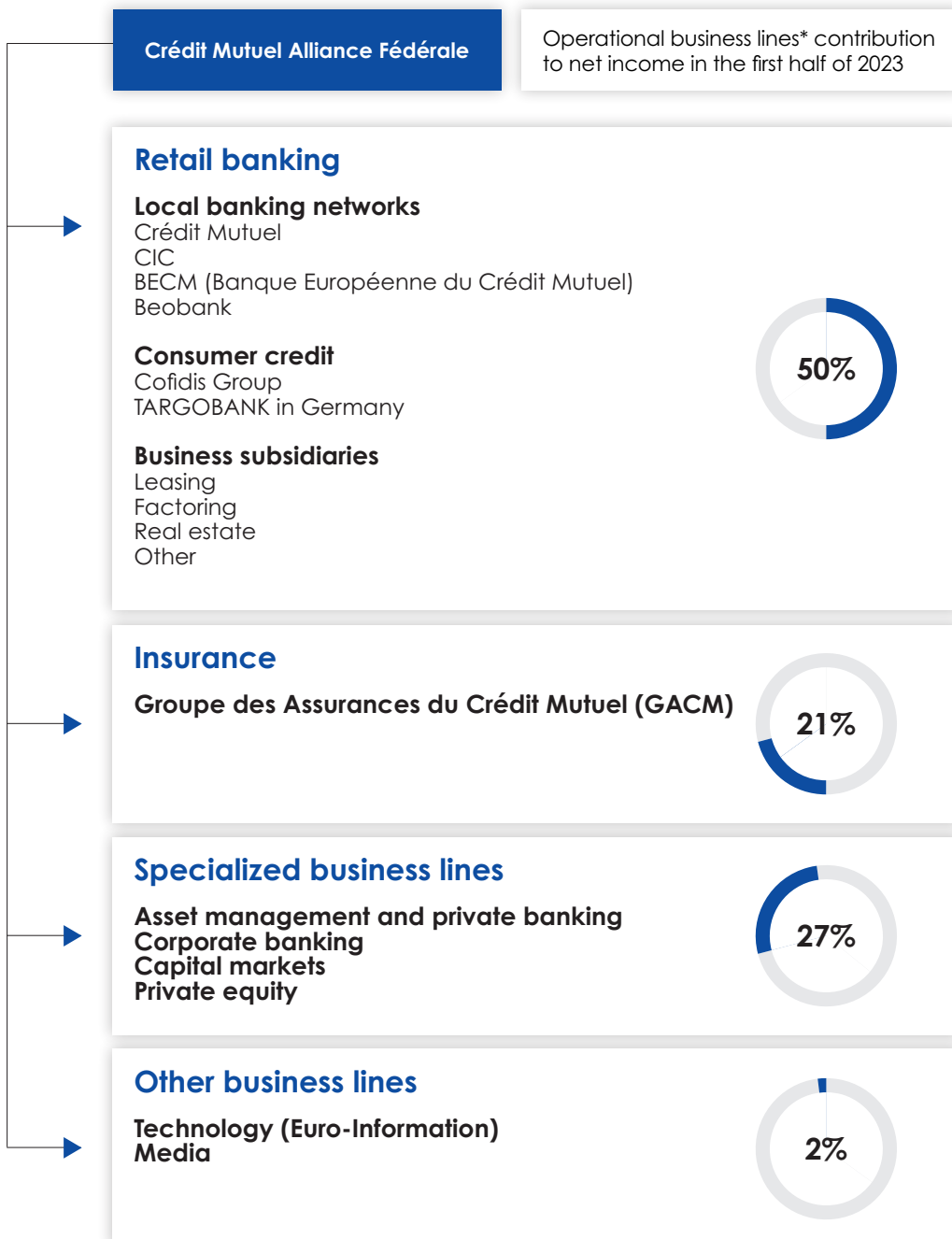
(€ millions)	6/30/2023	6/30/2022 proforma ²
Results		
Net revenue	7,984	7,681
General operating expenses	-4,649	-4,358
Gross operating income	3,335	3,322
Cost of risk	-679	-470
Operating income	2,656	2,852
Net gains and losses on other assets and ECC	18	46
Income before tax	2,674	2,898
Income tax	-711	-781
Net income	1,962	2,117
Non-controlling interests	87	98
Group net income	1,875	2,019

¹ Consolidated results of the local banks of Crédit Mutuel Centre Est Europe, Sud-Est, Ile-de-France, Savoie-Mont Blanc, Midi-Atlantique, Loire-Atlantique et Centre Ouest, Centre, Normandie, Dauphiné-Vivaraïs, Méditerranéen, Anjou, Antilles-Guyane, Massif Central and Nord Europe, and of their joint federal bank Banque Fédérative du Crédit Mutuel (BFCM) and all its subsidiaries, including CIC, Euro-Information, Assurances du Crédit Mutuel (ACM), TARGOBANK, Cofidis Group and Banque Européenne du Crédit Mutuel (BECM).

² As of January 1, 2023, Crédit Mutuel Alliance Fédérale applies IFRS 17 "Insurance Contracts" at the Group level as well as IFRS 9 "Financial Instruments" for its insurance entities. In order to have a consistent reference, the data for the first half of 2022 has been restated on a proforma basis.

1.5. Organization of business lines

Crédit Mutuel Alliance Fédérale offers a wide range of services to individual customers, local professionals and businesses of all sizes. Its offer includes bancassurance, the group's core business, which brings together retail banking and insurance activities. Crédit Mutuel Alliance Fédérale also applies its expertise in other sectors, such as asset management and private banking, corporate banking, capital markets and private equity. Finally, other specialized subsidiaries (technology, press) are at the service of our customers.



* Excluding Holding company services.

2. Retail banking and consumer credit in France and Europe

(€ millions)	1 st half 2023	1 st half 2022 proforma	Change
Net revenue	6,062	5,947	+1.9%
General operating expenses	-3,962	-3,798	+4.3%
Gross operating income	2,100	2,149	-2.3%
Cost of risk	-614	-461	+33.1%
<i>cost of proven risk</i>	-548	-336	+63.0%
<i>cost of non-proven risk</i>	-66	-125	-47.4%
Operating income	1,486	1,687	-11.9%
Net gains and losses on other assets and ECC ¹	2	2	n.s.
Income before tax	1,488	1,689	-11.9%
Income tax	-456	-523	-12.7%
Net income	1,032	1,167	-11.6%

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

The retail banking segment comprises three business lines:

- The banking network, comprising the Crédit Mutuel local banks of the 14 federations, the CIC branch network, Banque Européenne du Crédit Mutuel and Beobank ¹;
- Consumer credit, comprising Cofidis Group and TARGOBANK Germany;
- Specialized business line subsidiaries whose products are marketed by the branch networks: equipment leasing and hire purchase, real estate leasing, factoring, and real estate sales and management.

2.1. The banking network

2.1.1. Crédit Mutuel, Beobank and BECM banking and insurance network

2.1.1.1 Crédit Mutuel and Beobank banking and insurance network

At the end of June 2023, the banking and insurance network of Crédit Mutuel and Beobank local banks – Crédit Mutuel Alliance Fédérale's core business – represented more than 25% of total net revenue. Net revenue grew by 0.5% to €2 billion, driven by the net interest margin (+0.5%) and fee and commission income (+1.3%). Excluding Beobank, the net interest margin fell by 3.1% and fee and commission income increased by 1.4%.

Operating expenses increased by 4% to nearly €1.6 billion; this included the decrease in the contribution to the SRF (new calculation base in 2023), resulted in a €36 million reduction in this expense.

The overall cost of risk rose significantly by 39.3% to €79 million, mainly due to the steep increase in the cost of proven risk, from €39 million to €75 million at the end of June 2023. In the banking and insurance network of Crédit Mutuel local banks (excluding Beobank), the cost of proven risk remained low as a percentage of loans: 8 basis points in the first half of 2023 compared with 5 basis points at end-June 2022.

¹ TARGOBANK Spain was classified under IFRS 5 (assets held for sale) at 6/30/2023 following the Group's announcement on December 22, 2022 of its potential sale to ABANCA.

Income before tax fell by 15.8% (-€74 million) to nearly €400 million.

The banking network's net income therefore fell by 14% to €273 million at the end of June 2023 compared with €317 million a year earlier.

> BUSINESS ACTIVITY: CRÉDIT MUTUEL LOCAL BANKS

At the end of the first half of 2023, the Crédit Mutuel banking and insurance network had over 8.7 million customers, an increase of 1% (+90,000). The number of retail customers, who account for 86% of the total customer base, rose by 0.7%. The increase was even greater in the corporate and business customer market, 7% (+3,800 customers) and 4.5% (+30,000 customers), respectively.

Deposits amounted to €253.1 billion at the end of June 2023, up 4.7% year-on-year.

Given attractive interest rates, inflows from term deposits resulted in a sharp rise in deposits (+88.7%) to €14.8 billion at the end of June 2023. Livret Bleu and Livret A passbook accounts also increased in inflows, with deposits up 8.1% year-on-year to nearly €73.5 billion.

Loans grew by 4.3% to €182.2 billion on June 30, 2023. This increase was driven by investment loans and home loans, which rose by 9.1% and 4%, respectively.

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

- property & casualty and health, protection & creditor insurance contracts (excluding life and creditor insurance) reached 13.1 million, up 2.5% year-on-year;
- The number of mobile phone contracts was 853,000, a 1% increase year-on-year;
- The number of remote home surveillance subscriptions rose 5.4% to more than 221,000 contracts.

In terms of income, the network of Crédit Mutuel local banks posted a decrease in net revenue (-0.8%) to more than €1.8 billion, fueled by a modest increase in fee and commission income (+1.5%) coupled with a decrease in the net interest margin (-3%).

General operating expenses rose by 4.3% to over €1.4 billion.

The cost-to-income ratio worsened by 3.7 percentage points to 77% and gross operating income fell by more than 14% to €429 million.

The overall cost of risk included a net provision of €75 million compared with a net provision of €54 million at the end of the first half of 2022. This increase was driven by the cost of proven risk, which rose 85% year-on-year, reflecting a sharp deterioration in non-performing counterparties.

At the end of June 2023, income before tax fell by more than 21% to €355 million.

Net income was therefore €245 million at the end of June 2023, down 19.4% year-on-year.

> BUSINESS ACTIVITY: BEOBANK

At the end of June 2023, Beobank posted excellent results for most product lines in a still tense environment following monetary tightening and rising interest rates. Beobank continued to expand in its growth areas, recording an increase in mortgage loans (+4.3%), business loans (+8%), consumer credit (+2.3%) and property and casualty insurance, which saw a 12.9% increase in its portfolio. Credit card balances continued to grow, rising by 5% compared with the first half of 2022.

At the end of June, outstanding loans stood at €8.3 billion (+3.8%) while deposits totaled €7.3 billion, up 4.1%, supported by term deposits.

Beobank reported net revenue of €159 million at the end of the first half (+18.7% compared with end-June 2022) and net income around €28 million (x 2.2 compared with earnings at the end of June 2022).

2.1.1.2 Banque Européenne du Crédit Mutuel (BECM)

BECM is the Crédit Mutuel Alliance Fédérale subsidiary that serves regional economies and the market for business and real estate companies. Drawing on the expertise of its employees and all the services provided by Crédit Mutuel Alliance Fédérale's business centers, BECM serves nearly 21,000 customers. The sales network, which consists of 45 branches, is organized on a market basis, with 31 branches serving the general business market and 14 serving the real estate market.

In the first half of the year, new investment loans of €769.2 million for businesses and €744.3 million for real estate companies and investors were generated. Impacted by the decrease in reservations for new homes, short-term lending agreements with real estate professionals totaled €984.4 million.

Measured in terms of monthly average capital, customer loans increased by 0.5% over six months to €18.1 billion. Deposits increased by 2.2% over six months to €10.4 billion.

Net revenue at constant scope ¹ fell by 4.8% to €165.9 million and net income was €72.2 million, down 20.5% compared with the first half of 2022.

2.1.2. CIC banking and insurance network

With nearly 44,000 new customers, CIC's banking network had over 5.6 million customers at end-June 2023, a 1.1% increase year-on-year. The number of business and corporate customers (nearly one million) increased by 3.2% and 4.1%, respectively, and the number of retail customers (79% of the total) rose by 1%.

Deposits amounted to €241.8 billion at the end of June 2023, up 3.8%.

On June 30, 2023, term deposits were particularly robust, with the total tripling over 12 months to €32.6 billion. Inflows from passbook accounts remained stable year-on-year, totaling €41.5 billion. Generally speaking, inflows continued to benefit from rising interest rates and customer interest in safe, liquid products against a backdrop of unstable financial markets.

At end-June 2023, outstanding loans totaled €225.6 billion, with an increase of 3.6% year-on-year. In the first half of 2023, growth in outstanding loans remained strong in all the main loan categories:

- outstanding home loans rose by 5.2% to €100.4 billion; the total amount released in the first half of 2023 fell by 29.8% to €7.2 billion following the slowdown observed since early in the second half of 2022;
- investment loans rose by 9.8% to €52.9 billion;
- outstanding consumer credits rose by +5.9% to €6.4 billion.

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

- property & casualty and health, protection & creditor insurance contracts (excluding life and creditor insurance) reached 6.4 million, up 3.3% year-on-year;
- the number of mobile phone contracts was 567,000, a 1.1% increase year-on-year;
- the number of remote home surveillance subscriptions rose 4.3% to more than 120,000 contracts.

In terms of income, the CIC banking network recorded an increase in net revenue (+1.1%) to nearly €2 billion, fueled by an increase in fee and commission income (+4.5%) coupled with a 2.3% decrease in the net interest margin.

¹ By excluding, in the 2022 data, the figures for the business in Germany sold in the second half of 2022

Operating expenses increased by 5.4% to close to €1.3 billion; this included the decrease in the contribution to the SRF, which resulted in a €10 million reduction in this expense.

The cost-to-income ratio worsened by 2.7 percentage points to 65.4% and gross operating income was down 6.3% to €671 million.

The cost of risk included a net provision of €100 million compared with a net provision of €80 million at the end of the first half of 2022. This increase was driven by the four-fold increase in the cost of proven risk reflecting a deterioration in non-performing counterparties.

At the end of June 2023, income before tax fell by 10.1% to €570 million.

Net income was therefore €406 million at the end of June 2023, down 10% compared with the end of June 2022.

2.2. Consumer credit

2.2.1. Cofidis Group

Cofidis Group operates under three brand names: Cofidis, Créatis and Monabanq. With locations in nine European countries (France, Belgium, Spain, Italy, Portugal, Czech Republic, Hungary, Slovakia and Poland), it employs nearly 5,740 people.

In terms of activity, Cofidis Group had a very good first half of the current year with €4.8 billion of new business, in line with the level of activity in the first half of 2022, despite a voluntary slowdown in marketing investments at a time of high refinancing rates. This good level of activity was mainly apparent in referral business, which grew by 17%. Direct business was down 12% for the reasons mentioned below. Online business increased by 16% compared with June 2022. Outstanding loans increased to €18.8 billion, up 12% versus June 2022.

Monabanq's strategy of ramping up the development of remote banking is yielding results, with deposits up 14% and an increase in the number of accounts.

A crucial factor at the beginning of the year was the continued rise in refinancing rates, which heavily impacted net revenue. However, the sharp increase in outstanding loans and the growth in fee and commission income limited the fall in net revenue, which amounted to €678.8 million.

General operating expenses were virtually unchanged, with automatic increases linked to business development offset by the slowdown in commercial investments.

The cost of risk remained under control at 2.5% of outstanding loans, 30 basis points higher than last year. Defaults and recovery performance are better than or close to the pre-Covid period. Risk has increased in 2023 compared with 2022; however, 2022 still benefited from the Covid-19 period, with historically low overdue payments.

At €23.1 million, net income was down by 74% versus the end of June 2022.

2.2.2. TARGOBANK Germany

TARGOBANK operates in over 250 German cities, meeting the needs of 3.7 million retail and business customers to whom it provides day-to-day banking, consumer credit and insurance solutions for individuals and factoring and finance leasing solutions for businesses, while also covering the needs of companies in the upper "Mittelstand" segment.

New personal installment loans neared €3 billion in June 2023, down slightly compared to June 2022.

In terms of retail banking, outstanding loans grew by 10% compared with the first half of 2022 to €20.8 billion and customer deposit volumes reached €25.5 billion.

TARGOBANK contributed €181 million to the net income of Crédit Mutuel Alliance Fédérale's consumer credit business, an improvement of 29% compared with the same period the previous year. The more favorable interest rate environment and the growth of the retail banking portfolio were the main contributors to this increase. Net revenue rose by 14%.

Business activities, classified under "banking network" and "business subsidiaries", showed a marked recovery with growth in the factoring and leasing businesses.

Again this year and for the 17th straight time, TARGOBANK was among the companies named Best Employer by the Top Employers institute. In particular, the panel recognized the consistency of the actions taken in terms of health, the company's values and its CSR commitment. For example, TARGOBANK has been part of the "Together against sexism" alliance since February. In April, TARGOBANK signed a strategic partnership with the second-division Fortuna Düsseldorf soccer club. The aim of Fortuna for all, a unique initiative in Germany, is to give soccer back to fans by ensuring, among other things, free admission to the club's home matches and use of the stadium as a place to promote societal commitments to young people.

2.3. Business subsidiaries

Within retail banking, the support businesses – leasing, factoring and real estate – generated net revenue of €336.1 million (+2.4%) and net income of €62.4 million at the end of the first half of 2023 (vs. €66.8 million at end-June 2022). These figures are net of commissions paid to the network.

3. Insurance

(€ millions)	1 st half 2023	1 st half 2022 proforma	Change
Net revenue	641	567	+13.0%
General operating expenses	-58	-51	+14.8%
Gross operating income	583	517	+12.8%
Net gains and losses on other assets and ECC ¹	-5	-1	x 5.6
Income before tax	578	516	+12.0%
Income tax	-135	-110	+23.1%
Net income	443	406	+9.0%

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

Groupe des Assurances du Crédit Mutuel (GACM) is the result of over 50 years of innovation in banking and insurance. With the goal of serving Crédit Mutuel Alliance Fédérale's customers and members, its business is driven by the strength of the local networks and technological integration that fosters synergies.

At €7.5 billion, written premiums rose 13.6% compared with the first half of 2022. In line with 2022, savings and retirement insurance business continued to grow, with premiums increasing by 16.7% to €4.2 billion. This business, which is mainly carried out in France (€4.1 billion, up 16.2%) was driven by a sharp increase in euro-denominated payments into the funds. For its part, the share of unit-linked (UL) contracts in premiums fell to 29% (vs. 43% at end-June 2022). In a market that saw substantial net outflows from euro funds at the end of May, GACM, in France, stood out for its positive premium income into these funds (+€0.2 billion). Premium income for unit-linked contracts were also positive at €0.9 billion.

Written premiums for P&C and protection insurance totaled €3.3 billion. Property & casualty insurance rose by 4.8%, with increases of 4.0% in auto insurance and 5.7% in property damage & liability insurance, while health, protection & creditor insurance rose by 4.9%, with increases of 4.7% in health insurance, 4.8% in protection insurance and 4.9% in creditor insurance. Overall, the contract portfolio amounted to €37 million, up 1.6% over the half-year period.

Premiums written by the international subsidiaries totaled €303 million, comprising €87 million in Belgium and €216 million in Spain. On July 12, 2023, GACM sold all of GACM España's capital to Axa Seguros Generales, S.A. de Seguros y Reaseguros for approximately €310 million. This sale will be reflected in the financial statements for the second half of 2023.

Commissions paid to the networks rose to €1.0 billion, of which €0.8 billion was paid to Crédit Mutuel Alliance Fédérale' entities.

At €443 million, GACM's contribution to net income on June 30, 2023, the first time that half-year income was measured under IFRS 17 and IFRS 9, rose by 9.0% compared with IFRS 17/9 proforma contribution to income on June 30, 2022 (€406 million). This was due to fewer weather-related claims and more favorable market conditions than in the first half of 2022. Compared with the contribution to income reported in June 2022 under IFRS 4 (€422 million), it was up 5.0%.

GACM's contribution to net revenue was €641 million, an increase of 13.0%. Under IFRS 17, net revenue includes expenses related to insurance contracts ¹, i.e. the vast majority of expenses. Only unrelated expenses are now included in general operating expenses. The increase in net revenue was mainly fueled in the financial result, in a more favorable economic environment than in 2022, marked by the start of the conflict in Ukraine. In 2023, the rise in the equity markets led to an increase in the valuation of securities backed by GACM's equity portfolios classified at fair value through profit or loss under IFRS 9.

¹ Expenses incurred by the banking network for the distribution of insurance contracts are reclassified under "other business lines".

Income from the insurance and reinsurance businesses was down slightly. Property & casualty insurance was negatively impacted by the effects of inflation on the cost of claims.

This decline was offset by lower costs for natural events in the first half of 2023, in which the only major event was the earthquake in June in the western part of France, the cost of which for GACM is estimated at €20 million. In the first half of 2022, income was adversely affected by a large number of weather-related claims, for which the expense in the company financial statements was €211 million.

GACM's property & casualty insurance combined ratio under IFRS 17 was therefore 96.3%¹ in the first half of 2023.

GACM's equity totaled €11.1 billion, up 0.3% compared with 2022. The change in financial assets classified at fair value through other comprehensive income was partially offset by the change in the discounting of liabilities, as GACM chose the OCI option² made available under IFRS 17.

In accordance with Crédit Mutuel Alliance Fédérale's strategic goals, Assurances du Crédit Mutuel continues to expand in all markets:

- individuals: a new multi-risk home insurance product was rolled out at the end of May 2023, which offers coverage tailored to the various profiles of policyholders and simplified underwriting processes;
- professionals and businesses: a co-insurance partnership was signed with Allianz to offer new insurance products, in addition to those in the range developed by Assurances du Crédit Mutuel, to business and farming customers of the Crédit Mutuel and CIC banking networks;
- international: the plan to set up operations in Germany reached a new milestone with the creation of three companies and the upcoming submission of applications for approval with the German regulator (BaFin).

All these developments are continuing in a spirit of mutualism and solidarity. To support the individual and professional policyholders who suffered damage to their property during the urban violence in late June/early July, Assurances du Crédit Mutuel has taken several exceptional measures to improve and facilitate their compensation.

¹ Excluding GACM España, net of reinsurance.

² Other comprehensive income.

4. Specialized business lines

Private banking and asset management, corporate banking, capital markets and private equity round out the banking and insurance offering of Crédit Mutuel Alliance Fédérale. These four businesses account for 16% of net revenue¹ and 27% of the operational business lines' net income².

4.1. Asset management and private banking

(€ millions)	1 st half 2023	1 st half 2022 proforma	Change
Net revenue	646	531	+21.7%
General operating expenses	-430	-392	+9.6%
Gross operating income	216	139	+55.9%
Cost of risk	-2	-3	-48.0%
Operating income	215	136	+58.2%
Net gains and losses on other assets and ECC ¹	2	15	-87.1%
Income before tax	217	150	+44.1%
Income tax	-56	-35	+62.4%
Net income	161	116	+38.6%

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

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

- **Three asset management entities (Crédit Mutuel Asset Management, CIC Private Debt and Cigogne Management) and the Crédit Mutuel Investment Managers distribution platform;**
- **The La Française group, comprising five asset management companies and a distribution platform;**
- **Banque Transatlantique, Banque de Luxembourg and Banque CIC Suisse.**

At €646 million, net revenue from asset management and private banking accounts for 7% of the net revenue of Crédit Mutuel Alliance Fédérale's operational business lines and rose by 21.7%. This increase was mainly due to the excellent net interest margin for the private banking entities (€100 million, up 88.8%) and robust commercial activity, while income from asset management remained stable despite slightly negative inflows.

At the end of June 2023, general operating expenses rose by 9.6%. Thanks to strong growth in net revenue, gross operating income rose by nearly 56% to €216 million.

Net gains and losses on other assets and ECC amounted to €2 million vs. €15 million in the first half of 2022 and included non-recurring income related to the initial consolidation of Crédit Mutuel Investment Managers and CIC Private Debt.

Net income was therefore €161 million at June 30, 2023 compared with €116 million at end-June 2022. This data does not include private banking carried out through CIC's network and at its five regional banks, i.e. net revenue of €108 million (-8%) and net income of €42 million (-16%).

¹ Excluding intra-group transactions and holding company services.

² Excluding holding company services.

> ASSET MANAGEMENT

Crédit Mutuel Alliance Fédérale's asset management activity is built around **Crédit Mutuel Investment Managers**, a business center created in 2020 that comprises seven asset management entities. Since January 1, 2022 and the entry of Crédit Mutuel Nord Europe into Crédit Mutuel Alliance Fédérale, the La Française group - which includes four asset management companies and a distribution platform - has rounded out this function. A division that encompasses all asset management and distribution activities is being created, with implementation set for 2024 under the Group's new 2024-2027 strategic plan.

Crédit Mutuel Investment Managers and the "La Française" group offer a wide range of products for a diverse French and international clientele that includes institutional investors, large corporates and external distributors (third-party distribution networks, private banks, fund selectors, wealth management advisors, etc.). They also support the networks in all markets, including internationally. The business operates through a number of sites in Europe and Asia. In the first half of the year, business was conducted in a general environment marked by a still tense geopolitical situation that impacted economic and financial trajectories, leading to high inflation, restrictive rates, mixed economic growth prospects and the urgency of the energy and climate transition.

Against this backdrop, continued monetary tightening and questions about the soundness of the international banking system caused investors to adopt a wait-and-see attitude with regard to real estate. In addition, inflows slowed for retail investors and were down significantly for institutional investors, who took a very wait-and-see approach given the valuations of assets, particularly office buildings.

Assets under management totaled €170 billion at the end of June.

With the rise in interest rates, investors continued to show an interest in money market funds, a significant part of Crédit Mutuel Alliance Fédérale's business. Assets totaling €38 billion at June 30 remained stable relative to December 31, 2022.

In the first half of the year, the asset management business for all products except money market funds posted positive net inflows of €1.8 billion, including €0.7 billion in real estate funds. These include structured products – EMTN created by CIC under the **CIC Market Solutions** brand name – which continue to record active inflows of €1.8 billion through the retail, corporate and private banking networks and from external customers with issues of new products at a steady pace.

Sustainability continued to be a factor during the period, with the implementation of various regulations (SFDR, CSRD, taxonomy, etc.). This translates to, for example, the need to respond effectively in terms of products to the constraints of distributors (sustainable managed solution within Crédit Mutuel Alliance Fédérale).

At June 30, the offering includes 137 funds that promote environmental and/or social characteristics (Article 8) and 27 funds with a sustainable investment objective (Article 9). 52 funds have been certified by external organizations. New thematic impact funds have been created to meet investors' new needs: CM-AM Impact First Inclusion as well as Environmental and Solidarity Revolution launched by Crédit Mutuel Capital Privé in connection with the societal dividend.

At the end of March 2023, **La Française Real Estate Managers**, the real estate backbone of the "La Française" group, maintained its leading position in terms of capitalization in the French market for real estate funds in the REIT segment. The attractiveness of the brand was acknowledged for the second straight year by the European Real Estate Brand Institute in June.

In the retail BtoC segment, the 100% digital Moniwan platform took its approach to the next level in the first half of the year by introducing a structured product and integrating discretionary management into the Moniwan Vie life insurance contract.

After the launch of phase 2 of the Tibi initiative was announced, New Alpha resumed the marketing of its Emergence Techs for Good fund, which had €100 million in inflows during its first closing.

At the end of June, the total revenue generated by the business was €267 million, with net income before tax of €73 million.

> PRIVATE BANKING

Despite an uncertain macroeconomic environment, the **Banque Transatlantique group** posted strong growth in its activities in the first half of the year. Business volumes increased both in France and internationally.

The commercial performance of the various subsidiaries and business lines led to an 8% increase in net revenue to €106.5 million compared with €99 million at the end of June 2022.

Net interest income rose by 55% to €40.5 million, partly due to the increase in lending rates, compared with €26.1 million at the end of June 2022. Net income was €32.9 million at the end of the half-year period compared with €27.7 million at the end of June 2022. The cost/income ratio was 57.4%, up 0.7 points compared with the first half of 2022.

Gross capital inflows remained robust in the first half of the year, up by €3.3 billion compared with the end of 2022, for a total of €60.6 billion in savings.

New lending has remained strong since the beginning of the year, with total outstanding loans of €4.8 billion vs. €4.7 billion at the end of 2022.

Despite the rise in key interest rates – deposit facility rate raised by 3% by the European Central Bank at the end of June 2023 – the real estate credit business has gained some momentum since the beginning of the year in terms of number of applications (+10.6%) and volume (+3.1%).

During the half-year period, **Banque de Luxembourg** continued to benefit from a favorable interest rate environment, along with strong commercial growth in all its businesses aimed at individuals, companies and asset management professionals.

Net revenue totaled €214 million at end-June 2023, a significant increase of 32% compared with the same period the previous year. The net interest margin rose from €33.3 million to €95.6 million at the end of June 2023. At the same time, net commission income fell by 7% to €116.3 million in a less buoyant stock market environment. Outstanding customer savings remained stable at more than €120 billion at the end of the half-year period.

In April 2023, Banque de Luxembourg obtained B Corp™ certification. In doing so, it joined the community of over 7,000 certified companies worldwide that meet high societal, environmental governance and transparency requirements. Banque de Luxembourg continues to demonstrate its commitment to a more inclusive, equitable and regenerative economy, as it strives to balance profit and the public interest.

At the end of June 2023, **Banque CIC Suisse** posted a significant increase in income, with total assets of €13 billion.

Several business segments grew in the first half of the year: total savings deposits rose by 0.4% to €17.9 billion, while loan volumes increased by 3.3% to €10.1 billion.

Net revenue was up 42% to €129.2 million. More broadly diversified revenues resulted in record net income of €35.7 million, 46% higher than last year.

4.2. Corporate banking

(€ millions)	1 st half 2023	1 st half 2022 proforma	Change
Net revenue	296	214	+38.1%
General operating expenses	-87	-82	+6.2%
Gross operating income	209	132	+58.0%
Cost of risk	-64	-13	x 4.7
<i>cost of proven risk</i>	-97	-22	x 4.4
<i>cost of non-proven risk</i>	34	9	x 3.8
Income before tax	145	119	+22.2%
Income tax	-40	-29	+40.0%
Net income	105	90	+16.6%

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 €59.8 billion, of which €23.4 billion were drawn.

Net revenue rose by 38.1% to €296 million at the end of the first half of 2023. It benefited from a significant increase in revenue from the large corporates and structured finance business (particularly asset and project financing).

The cost of risk increased 4.7 times, resulting in a net provision of €64 million compared with €13 million at the end of June 2022; this was mainly related to the provisioning of major market transactions.

Net income therefore grew by 16.6% to €105 million on June 30, 2023, compared with €90 million on June 30, 2022.

The **structured finance** business – acquisition financing, project financing, asset financing and securitization – increased overall in the first half of 2023. Project financing and asset financing saw a particularly high level of activity. New lending was robust, totaling €1.6 billion over the first six months of 2023. Earnings on a like-for-like basis rose by 29% compared with June 30, 2022, while the cost of proven risk remained zero during the period despite the increase in portfolio refinancing costs. Income before tax was €98.6 million. Net revenue totaled €134.2 million.

The **large corporates (CIC Corporate)** activity supports the development of listed and unlisted major French and foreign companies and financial institutions with revenue of more than €500 million as part of a long-term relationship. The first half of 2023 was marked by the continued financing of customers' investments and medium-term projects and a significant upturn in the bond market and corporate issues. Income was up significantly thanks to a much more favorable interest rate environment, good loan production and an increase in commissions on several profitable capital or strategic transactions.

In recent months, many factors have had an adverse effect on the efficiency of companies' supply chains. In this environment, the **international business department** has increased the support it provides to companies to help them carry out their international projects. For example, export documentary credit increased in capital by 15.3% compared with the first half of 2022.

To ramp up, secure and simplify the international development of corporate customers during this half-year period, the teams focused on:

- the ability to help customers with environmental and social issues by adapting the CIC Aidexport products; 139 companies received assistance in the first half of the year;
- international risk management and, in particular, operational compliance;
- the desire to coordinate a network of executives through the CIC International Club, whose member companies total 1,084, a 21% increase during the first six months of the year.

4.3. Capital markets

(€ millions)	1 st half 2023	1 st half 2022 proforma	Change
Net revenue	293	180	63.3%
General operating expenses	-139	-129	8.2%
Gross operating income	154	51	x 3
Cost of risk	-1	-0	n.s.
Income before tax	153	51	x 3
Income tax	-41	-15	x 2.7
Net income	112	35	x 3.1

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.

In the first half of 2023, marked by favorable market conditions and strong sales momentum, Capital Markets' net revenue rose significantly by 63.3% to €293 million.

After an 8.2% increase in general operating expenses, gross operating income tripled to €154 million.

Total net income from capital markets activities was €112 million on June 30, 2023 vs. €35 million on June 30, 2022.

The overall performance of **CIC Market Solutions** remained strong in the first half of the year. Net revenue was €113.7 million vs. €54.6 million at end-June 2022. This amount includes €14 million in CVA/DVA provisions. This growth is generally driven by the various business lines within the scope.

During the first six months of the year, the **Investment** business line – including France and the New York, Singapore and London branches – generated net revenue of €156.6 million compared with €112.3 million in the first half of 2022.

The net revenue of the various divisions in France and abroad was largely positive. The business line benefited from opportunities resulting from periods of market volatility during the first half of 2023.

4.4. Private equity

(€ millions)	1 st half 2023	1 st half 2022 proforma	Change
Net revenue	220	304	-27.8%
General operating expenses	-40	-38	+6.0%
Gross operating income	180	267	-32.6%
Income before tax	180	267	-32.6%
Income tax	1	-16	n.s.
Net income	181	251	-27.9%

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 encompasses all the group's equity financing businesses, from innovation capital, growth capital and buyout capital to infrastructure investments and M&A advisory services.

Crédit Mutuel Equity invests the capital of Crédit Mutuel Alliance Fédérale to make a long-term commitment alongside company managers to help them carry out the necessary transformation of their business models and create financial and non-financial value, and progress through the different stages of economic, social and environmental development.

This commitment is borne out by the fact that it has held over a quarter of its 333 equity interests for more than 10 years. However, portfolio turnover remains dynamic and adapted to the economic cycles of the portfolio companies.

In the first half of 2023, more than €140 million was invested as part of a prudent policy, taking into account geopolitical uncertainties, their economic impact on companies' expected growth and the resulting valuation multiples. Over four years, more than €2 billion has been used to finance new projects or support portfolio companies.

The portfolio of invested assets totaled €3.4 billion, demonstrating the strong momentum of these businesses across all segments: from innovation to transmission.

With €220 million in the first half of 2023, total income, more than two-thirds of which consists of capital gains generated by the portfolio, remained strong. This demonstrates the sound management of the portfolio companies, which have performed well on the whole, in the current economic environment.

CIC Conseil again posted strong performance during the half-year period after an already exceptional year in 2022.

The contribution to net income was €181 million, an excellent result after two exceptional post-Covid years and a sign of a return to strong normative performance.

As an investor that is serious about its societal commitments, Crédit Mutuel Equity has adopted a vision that is service-oriented and focused on sustainability and human considerations. It emphasizes balanced financial arrangements and adheres to project timeframes to ensure a fair redistribution of value among all stakeholders.

5. Other business lines: IT, logistics, media and others

This segment mainly comprises:

- the "logistics" business line, which includes the Group's IT companies and logistics organizations;
- the regional daily newspaper business, which comprises nine titles: *Vosges Matin*, *Le Dauphiné Libéré*, *Le Bien Public*, *L'Est Républicain*, *Les Dernières Nouvelles d'Alsace*, *L'Alsace*, *Le Progrès de Lyon*, *Le Républicain Lorrain*, *Le Journal de Saône et Loire*. These regional press titles are distributed in 23 departments in eastern France;
- holding company services.

The net revenue of the "Other business lines" totaled -€174 million compared with -€63 million at end-June 2022 as a result of non-recurring income recognized in the first half of 2022.

Gross operating income was negative (-€107 million), down relative to the end of the first half of 2022. This decrease resulted from:

- an increase in the net expense of holding company services;
- a downturn in the "media" business;
- a decrease in logistics reflecting the increase in IT costs.

Focus on the media business

During the half-year period, the EBRA group continued to increase its digital subscriber portfolio with an annual growth target of +30% compared to last year. Nevertheless, revenues were impacted by a tense economic and social environment, with a structural decline in copy sales and the press advertising market.

Cost control efforts offset energy and raw material price pressures, with the prospect of an improvement in the price of a metric ton of paper at the end of the year. The results at the end of June 2023 were down compared with the first half of 2022.

At the same time, efforts to diversify revenue continued, particularly in the event business. Along these lines, a majority stake was acquired in KCIOP, a company that organizes and markets outdoor events, including the largest sled dog race in Europe, the Grande Odyssée. The group also acquired Live Event, a company that organizes inter-company sports and social events.

The "Media des Massif Français" company was created with the École du Ski Français to launch the site *mon-sejour-en-montagne.com*, which aims to become the leader in year-round mountain activities. Lastly, Humanoid, a subsidiary of the EBRA group, launched a new medium called *Survoltés*, which provides information on electric vehicles.

6. Additional information

6.1. Liquidity and refinancing

Crédit Mutuel Alliance Fédérale's central treasury management is based on prudent rules and an effective system for accessing market funding.

Funding requirements in commercial banking are covered by medium and long-term funding, while the liquidity buffer is refinanced on the money markets. Crédit Mutuel Alliance Fédérale has a number of suitable issue programs that allow investors in the main international markets to access public and private issues. In addition to these arrangements, the group holds a comfortable cash reserve designed both to comply with regulatory ratios and to enable it to withstand severe stresses.

In the first half of 2023, market volatility remained high with changing expectations as to continued interest rate hikes, fears of an economic slowdown and hawkish statements by central banks.

Despite this uncertain environment, the markets proved resilient, as evidenced by the fact that even the banking crisis in the spring – with the failure of SVB and Crédit Suisse – did not have any long-term impacts on the soundness of the bond and equity markets.

Moreover, the ongoing interest rate hikes by the central banks in Europe and the United States are beginning to reduce inflation; however, underlying inflation remains strong and is well above the 2% target. The ECB and FED maintained their restrictive policy, with the key interest rate now 5.25% and 3.50% in the US and the Eurozone, and further rate increases are planned.

Despite this volatility, bond issuers were able to complete their refinancing program quickly. Indeed, this sharp increase in bond issues was matched by an increase in investor demand driven by the rise in bond yields.

BFCM was able to move forward with its €20 billion refinancing program (+11%) with new lending at the end of June of €15.1 billion, i.e. 76% of the program.

In total, external funding obtained in the markets stood at €163.0 billion at the end of June 2023, an increase of nearly 4% compared with the end of 2022.

Short-term money market funding (less than one year) totaled €60.3 billion at the end of June 2023, up 19.0% compared to the previous year. It accounted for 37% of all market funding raised, five percentage points more than in 2022. The decision to increase funding was taken as a precaution to deal with a possible reduction in bank liquidity following repayment of the TLTRO on June 28, 2023. In the end, this reduction in liquidity did not occur thanks to high demand for money market funds.

Medium and long-term (MLT) funding totaled €102.6 billion at the end of June 2023, a 3.2% reduction compared to 2022. In the period to June 30, 2023, Crédit Mutuel Alliance Fédérale raised €15.1 billion in MLT funding, primarily under the BFCM name as well as that of Crédit Mutuel Home Loan SFH, the covered bond issuing entity with the best agency ratings. 81.7% of this MLT funding was raised in euros and the balance in foreign currencies (US dollar, pound sterling and Swiss franc), thereby demonstrating the good diversification of the investor base.

Public issues and private placements represent 88% and 12% of the total, respectively. The average length of medium and long-term funding raised as of June 30, 2023 was 6.09 years, comparable to the average for 2022.

2023 refinancing program

Public issues in the period to June 30, 2023 had a total value of €13.3 billion and were made up as follows:

- BFCM – senior EMTNs:
 - EUR 3.25 billion in senior format in a 5, 6 and 10 year issue in March and June,
 - GBP 1.0 billion in a 3 year and 5 year issue in January and May,
 - CHF 235 million in a 4 year issue in January,
 - USD 1.25 billion in a 3 year issue in January in US144A format;
- BFCM non-preferred senior EMTNs: €2.75 billion in 5, 7 and 10 year issues in January and May in connection with MREL management;
- BFCM Tier2 EMTNs: €1.25 billion in 10 year issues in January;
- Crédit Mutuel Home Loan SFH: €3.5 billion in +4, 6 and 10 year issues in February and April.

LCR and liquidity buffer

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

- an average LCR of 164.4% in 2023 (vs. 153.3% in 2022);
- average HQLA (high quality liquid assets) of €128.1 billion, 81% of which is deposited at central banks (mainly the ECB).

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

Crédit Mutuel Alliance Fédérale (€ billions)	6/30/2023
Cash deposited at central banks	101.0
LCR securities (after LCR haircut)	25.7
Level 1 HQLA included in the above	20.4
Other eligible central bank assets (after ECB haircut)	42.7
Total liquidity reserves	169.4

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

MREL

The Crédit Mutuel Group (the "Group", "Crédit Mutuel") has received notification of its new minimum requirement for own funds and eligible liabilities applicable on a consolidated basis at the level of the resolution group, which is composed of the central body (Confédération Nationale du Crédit Mutuel), its affiliated entities including Banque Fédérative du Crédit Mutuel, and all their subsidiaries (the "MREL requirement").

Crédit Mutuel's external MREL requirement is set at 20.99% of the Group's risk-weighted assets (the "RWA") and at 6.54% of the leverage ratio exposure. This requirement must be met with the Group's consolidated own funds and eligible liabilities directly issued by the central body and its affiliated entities.

The subordinated MREL requirement is set at 14.35% of the RWA and at 6.54% of the leverage ratio exposure.

Crédit Mutuel is well above the new requirements set by the regulator, with a subordinated MREL ratio (own funds, subordinated liabilities, including senior nonpreferred) of 22.84% of the Group's RWA and 9.18% of the leverage ratio exposure as of 31 December 2022.

Therefore, the total and subordinated MREL requirements are met even with just the Group's regulatory consolidated own funds and the senior non preferred debt as of 31 December 2022.

Planned refinancing operations

The various amounts allocated by the EIB continued to be passed on to the final beneficiaries of the Crédit Mutuel Alliance Fédérale network in the first half of 2023.

Thus, the allocation of the "Young Farmers & Climate Action" package was finalized and a new package of €80 million was created.

In addition, the "EIB SME & Midcap III" and "Loans to medical professions" packages continued during the first half of 2023, enabling those customers to receive support.

6.2. Outstanding loans and deposits

Customer deposits

(in € billions)	6/30/2023	6/30/2022	Change	12/31/2022
Current accounts	197.2	231.8	-14.9%	221.7
Livrets Bleu & A	51.4	44.9	+14.4%	47.6
Other passbook accounts	75.2	78.0	-3.6%	78.0
Mortgage savings agreements	39.9	41.8	-4.6%	42.0
Brokered deposits ¹	77.6	42.0	+84.6%	52.4
Other	19.2	12.2	+57.0%	15.3
Customer deposits	460.5	450.7	+2.2%	457.0

¹ Term deposits and PEPs.

Deposits amounted to €460.5 billion at the end of June 2023, up 2.2% year-on-year.

At June 30, 2023, inflows into Livret Bleu and Livret A passbook accounts were particularly high, with deposits up 14.4% year-on-year to more than €51.4 billion. This increase was mainly due to the continuation of favorable regulated savings measures, which resulted in an increase in interest on passbook accounts. In addition, the financial market environment has encouraged customers to opt for products that are both liquid and safe. Brokered deposits (term deposits and PEPs) grew by nearly 85% year-on-year, totaling close to €78 billion. On the other hand, there were significant outflows of more than €34.5 billion from current accounts, and deposits to mortgage savings accounts fell by nearly 5%.

Customer loans

(in € billions)	6/30/2023	6/30/2022	Change	12/31/2022
Home loans	258.1	248.0	+4.1%	254.4
Consumer credit	53.5	48.8	+9.6%	51.0
Equipment and leasing	138.0	127.4	+8.3%	134.8
Operating loans ¹	52.1	55.4	-5.9%	54.5
Other	8.3	6.4	+30.5%	7.4
Customer loans	510.1	485.9	+5.0%	502.1

¹ Current accounts in debit & cash flow loans.

At the end of the first half of 2023, outstanding loans totaled more than €510 billion, an increase of 5.0% year-on-year. Despite higher interest rates, outstanding loans grew in all the main loan categories:

- home loans rose by 4.1% to €258.1 billion;
- consumer credit increased by 9.6% to €53.5 billion;
- equipment loans and leasing grew by 8.3% to nearly €138.0 billion.

6.3. Methodology notes

Restated first-half 2022 results

As of January 1, 2023, Crédit Mutuel Alliance Fédérale applies IFRS 17 "Insurance Contracts" at the Group level as well as IFRS 9 "Financial Instruments" for its insurance entities.

In order to have a consistent reference, the data for the first half of 2022 has been restated on a proforma basis.

The two business lines affected are:

- **Insurance**, on the one hand, with two main effects:
 - Amortization over the contract life of the expected future profits (CSM - Contractual Service Margin) from multi-year contracts (life, creditor, long-term care and burial and funeral insurance).
 - Reclassification of expenses related to insurance contracts from general operating expenses to net revenue.
- **"Other business lines"**, with expenses incurred by the network for the distribution of insurance contracts reclassified as net revenue; to avoid skewing the analysis of the businesses' performance, these expenses were reclassified under "other business lines".

In addition, the restated 2022 half-year financial statements were impacted by two factors:

- The deconsolidation, effective January 1, 2022, of several subsidiaries of Groupe des Assurances du Crédit Mutuel (GACM), including MTRL, Sérénis Assurance, ACM Belgium (formerly Partners Assurances), ICM Life and ACM Courtage;
- The recognition as net revenue of the banking network of expenses related to "development plans", which were previously recognized under "other business lines".

6.4. Alternative performance indicators

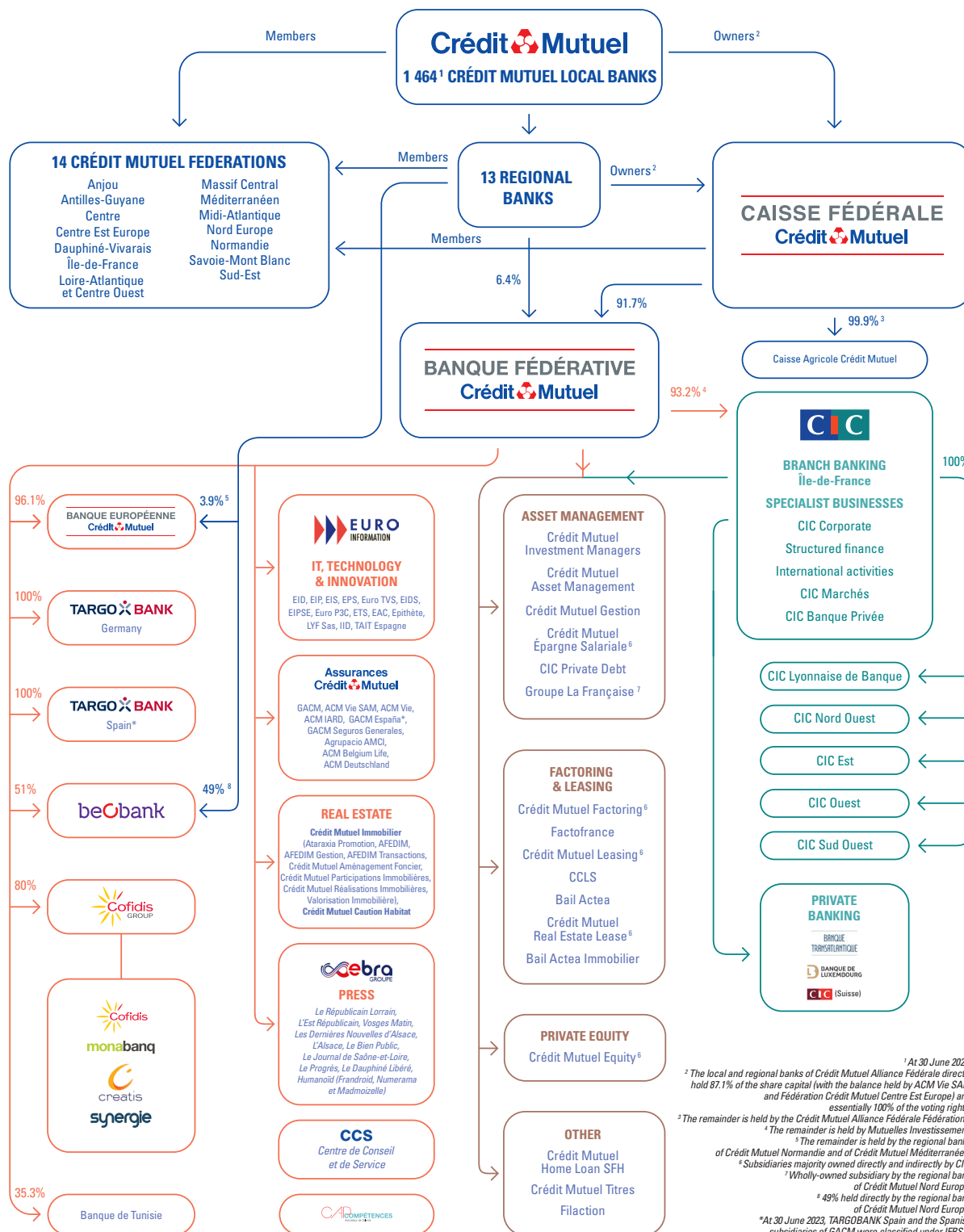
Name	Definition/calculation method	For the ratios, justification of use
cost/income ratio	ratio calculated from items in the consolidated income statement: ratio of general operating expenses (sum of items "employee benefit expense", "other general operating expenses" and "allocations/reversals of depreciation, amortization and provisions for property, plant and equipment and intangible assets") to "revenue"	measure of the bank's operational efficiency
overall cost of customer risk related to the outstanding loans (expressed in % or basis points)	cost of customer risk as stated in 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	item "cost of counterparty risk" in the publishable consolidated income statement	measures the level of risk
customer loans	Item "loans and receivables due from customers at amortized cost" on the asset side of the consolidated balance sheet	measure of customer activity in terms of loans
cost of proven risk	impaired assets (S3): see note "cost of counterparty risk"	measures the level of proven risk (non-performing loans)
cost of non-proven risk	12-month expected losses (S1) + expected losses at maturity (S2): see note "cost of counterparty risk." Application of IFRS 9.	measures the level of non-proven risk (for performing loans)
customer deposits; accounting deposits	item "due to customers at amortized cost" item on the liabilities side of the consolidated balance sheet	measure of customer activity in terms of balance sheet resources
insurance-based savings	life insurance products held by our customers - management data (insurance company)	measure of customer activity in terms of life insurance
bank savings products, customer funds managed and held in custody	off-balance sheet savings products held by our customers or under custody (securities accounts, mutual funds, etc.) - management data (group entities)	representative measure of activity in terms of off-balance sheet funds (excluding life insurance)
total savings	sum of account deposits, insurance-based savings and bank savings products	measure of customer activity in terms of savings
operating expenses, general operating expenses, management fees	sum of lines "employee benefit expense", "other general operating expenses" and "allocations/reversals of depreciation, amortization and provisions for property, plant and equipment and intangible assets" in the publishable consolidated income statement	measures the level of general operating expenses
net interest margin, net interest revenue, net interest income	calculated from items in the consolidated income statement: difference between interest received and interest paid: - interest received = item "interest and similar income" in the publishable consolidated income statement - interest paid = "interest and similar expenses" item in the publishable consolidated income statement	representative measure of profitability
loan-to-deposit ratio	ratio calculated from items in the consolidated balance sheet: ratio expressed as a percentage of total customer loans to customer deposits	measure of dependency on external refinancing
coverage ratio	determined by calculating the ratio of credit risk provisions (S3 impairments) to the gross outstandings identified as in default in accordance with regulations (gross receivables subject to an S3 individual impairment)	this coverage ratio measures the maximum residual risk associated with loans in default ("non-performing loans")
ratio of non-performing loans to gross loans	ratio of gross receivables subject to an S3 individual impairment to gross customer loans (calculated from "loans and receivables due from customers" note to the consolidated financial statements: gross receivables + finance leases)	indicator of asset quality

Alternative performance indicators (APIs): reconciliation with the financial statements

(€ millions)

Cost/income ratio	1st half 2023	1st half 2022 (proforma)
General operating expenses	-4,649	-4,358
Net revenue	7,984	7,681
Cost/income ratio	58.2%	56.7%
Loan-to-deposit ratio	6/30/2023	6/30/2022
Net customer loans	510,090	485,933
Customer deposits	460,487	450,728
Loan-to-deposit ratio	110.8%	107.8%
Coverage ratio of non-performing loans	6/30/2023	6/30/2022
Provisions for impairment of non-performing loans (S3)	-6,546	-6,199
Gross receivables subject to individual impairment (S3)	13,938	12,363
Verified coverage ratio	47.0%	50.1%
Total coverage ratio	6/30/2023	6/30/2022
Provisions for impairment of non-performing (S3) and performing (S1 and S2) loans	-9,866	-9,670
Gross receivables subject to individual impairment (S3)	13,938	12,363
Total coverage ratio	70.8%	78.2%
Non-performing loan ratio	6/30/2023	6/30/2022
Gross receivables subject to individual impairment (S3)	13,938	12,363
Gross customer loans	519,956	495,603
Non-performing loan ratio	2.7%	2.5%
Cost of customer risk related to outstanding loans - annualized	1st half 2023	1st half 2022
Cost of customer risk	-632	-470
Average gross customer loans	519,956	495,603
Cost of customer risk related to outstanding loans (in bp) - annualized	24	19

7. Simplified organisation chart of Crédit Mutuel Alliance Fédérale¹



¹ At 30 June 2023.
² The local and regional banks of Crédit Mutuel Alliance Fédérale directly hold 87.1% of the share capital (with the balance held by ACM Vie SAM and Fédération Crédit Mutuel Centre Est Europe) and essentially 100% of the voting rights.
³ The remainder is held by the Crédit Mutuel Alliance Fédérale Fédérations.
⁴ The remainder is held by Mutuelles Investissement.
⁵ The remainder is held by the regional banks of Crédit Mutuel Normandie and of Crédit Mutuel Méditerranéen.
⁶ Subsidiaries majority owned directly and indirectly by CIC.
⁷ Wholly-owned subsidiary by the regional bank of Crédit Mutuel Nord Europe.
⁸ 49% held directly by the regional bank of Crédit Mutuel Nord Europe.
*At 30 June 2023, TARGOBANK Spain and the Spanish subsidiaries of GACM were classified under IFRS 5.