

# Results for the six-month period ended June 30, 2024

Press release

Wednesday, July 31, 2024

Results for the six-month period ended June 30, 2024	1 <sup>st</sup> half 2024	Change H1 2024 / H1 2023
<b>NET REVENUE UP DESPITE STRONG PRESSURE ON THE MARGIN</b>	<b>€6.178bn</b>	<b>+3.9%</b>
<i>of which retail banking</i>	€4.159bn	-0.9%
<i>of which specialized business lines</i>	€1.491bn	+8.2%
<b>INCREASE IN GENERAL OPERATING EXPENSES REFLECTING STRATEGIC INVESTMENTS</b>	<b>-€3.208bn</b>	<b>+3.6%</b>
<b>INCREASE IN COST OF RISK LINKED TO THE ECONOMIC ENVIRONMENT</b>	<b>-€799m</b>	<b>+32.4%</b>
<b>NET INCOME UP AND KEPT AT A HIGH LEVEL</b>	<b>€1.714bn</b>	<b>+2.1%</b>

GROWTH IN FINANCING		
Home loans <b>€120.4bn</b> +2.8%	Equipment loans and leasing <b>€115.2bn</b> +4.2%	Consumer credit <b>€46.1bn</b> +2.9%

A SOLID FINANCIAL STRUCTURE	
CET1 ratio <sup>1</sup> <b>18.5%</b>	Shareholders' equity <b>€43.7bn</b>

<sup>1</sup> Ratio estimated at June 30, 2024 for Crédit Mutuel Alliance Fédérale which includes BFCM in its scope of consolidation. The integration of earnings into shareholders' equity is subject to approval by the ECB.

*Unaudited financial statements – limited review currently being conducted by the statutory auditors. The Board of Directors met on July 31, 2024 to approve the financial statements.  
All financial communications are available at [www.bfcm.creditmutuel.fr](http://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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## 1.1. Financial results

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

<sup>1</sup> DGF = Deposit Guarantee Fund (*Fonds de Garantie des Dépôts*).

<sup>2</sup> ECC = equity consolidated companies = share of net profit/(loss) of equity consolidated companies.

### Net revenue

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

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

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

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

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

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

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

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

## General operating expenses and gross operating income

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

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

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

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

## Cost of risk and operating income

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

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

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

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

## Other

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

## Income before tax

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

## Net income

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

## 1.2. Financial structure

Banque Fédérative de Crédit Mutuel's shareholders' equity totaled €43.7 billion at June 30, 2024 compared with €40.5 billion at the end of the first half of 2023.

BFCM is a subsidiary of Crédit Mutuel Alliance Fédérale. At end-June 2024, the latter's estimated Common Equity Tier 1 (CET1) ratio was 18.5%<sup>1</sup>.

<sup>1</sup> Ratio estimated at June 30, 2024 for Crédit Mutuel Alliance Fédérale which includes BFCM in its scope of consolidation. The integration of earnings into shareholders' equity is subject to approval by the ECB.

The bank's financial soundness and the relevance of its business model are recognized by the three rating agencies that rate Crédit Mutuel Alliance Fédérale, BFCM and the Crédit Mutuel group.

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

\* The Issuer Default Rating is stable at A+.

\*\* The counterparty ratings correspond to the ratings of the following agencies: Resolution Counterparty Rating 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.

<sup>1</sup> Standard & Poor's: Crédit Mutuel group rating.

<sup>2</sup> Moody's: Crédit Mutuel Alliance Fédérale/BFCM and CIC ratings.

<sup>3</sup> Fitch Ratings: Crédit Mutuel Alliance Fédérale rating.

The external ratings and stable outlook assigned to Crédit Mutuel Alliance Fédérale, BFCM 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.

## 1.3. Results by business

### Retail banking

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

### Insurance

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

General operating expenses of €87 million correspond solely to expenses not attributed to contracts.

The net income contribution was €493 million, up +8.8% compared with end-June 2023.

### Asset management and private banking<sup>1</sup>

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

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

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

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

<sup>1</sup> On January 1, 2024, entry of the La Française Group (GLF) entities following the contribution to GLF by BFCM of several asset management entities to bring together all asset management structures (Crédit Mutuel Asset Management and its subsidiary Crédit Mutuel Gestion, CIC Private Debt and Cigogne Management). As a result, BFCM holds a 60.05% stake in GLF.

## Corporate banking

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

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

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

## Capital markets

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

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

## Private equity

More than €194 million was invested in the first half of 2024. The portfolio now stands at €3.8 billion in invested assets, demonstrating the strong momentum of these businesses across all segments: from venture capital to buyouts.

At €223 million in the first half of 2024, total income also remained solid, three-quarters of which was made up of capital gains generated by the portfolio, demonstrating the quality of our investment management in an economic climate marked by uncertainty.

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

## 1.4. Key figures

### Banque Fédérative du Crédit Mutuel <sup>1</sup>

(€ millions)	06/30/2024	06/30/2023
<b>Financial structure and business activity</b>		
Balance sheet total	728,428	716,370
Shareholders' equity (including net profit for the period, before dividend pay-outs)	43,732	40,495
Customer loans	337,790	327,915
Total savings	652,012	572,451
- of which customer deposits	290,913	282,153
- of which insurance savings	52,672	51,238
- of which financial savings (invested in savings products)	308,428	239,061

	06/30/2024	06/30/2023
<b>Key figures</b>		
Number of branches	2,204	2,301
Number of customers (in millions)	23.0	22.1
<b>Key ratios</b>		
Cost/income ratio	51.9%	52.1%
Cost of cost of customer risk related to outstanding loans - annualized	23 bp	18 bp
Loan-to-deposit ratio	116.1%	116.2%
Overall solvency ratio <sup>2</sup>	20.9%	20.9%
CET1 ratio <sup>2</sup>	18.5%	18.5%

(€ millions)	06/30/2024	06/30/2023
<b>Outcomes</b>		
<b>Net revenue</b>	<b>6,178</b>	<b>5,947</b>
General operating expenses	-3,208	-3,096
<b>Gross operating income</b>	<b>2,970</b>	<b>2,851</b>
Cost of risk	-799	-603
<b>Operating income</b>	<b>2,171</b>	<b>2,248</b>
Net gains and losses on other assets and ECC	39	25
<b>Income before tax</b>	<b>2,210</b>	<b>2,273</b>
Income tax	-496	-595
<b>Net income</b>	<b>1,714</b>	<b>1,678</b>
Non-controlling interests	189	180
<b>Group net income</b>	<b>1,524</b>	<b>1,498</b>

<sup>1</sup> Consolidated results of Banque Fédérative du Crédit Mutuel and its main subsidiaries: CIC, ACM, BECM, Targobank Germany and Cofidis Group, IT, etc.

<sup>2</sup> Estimate as of June 30, 2024 for Crédit Mutuel Alliance Fédérale, the integration of earnings into shareholders' equity is subject to approval by the ECB.

## 1.5. Banque Fédérative du Crédit Mutuel financial statements

### Balance sheet (assets)

(€ millions)	06/30/2024	12/31/2023
Cash and amounts due from central banks	89,527	97,074
Financial assets at fair value through profit or loss	40,318	33,188
Hedging derivatives	2,615	2,325
Financial assets at fair value through OCI	40,731	36,922
Securities at amortized cost	4,097	3,786
Loans and receivables due from credit institutions and similar, at amortized cost	62,355	62,878
Loans and receivables due from customers at amortized cost	337,790	336,388
Remeasurement adjustment on interest-rate hedged portfolios	-1,415	-558
Financial investments of the insurance activities	134,258	131,752
Insurance contracts issued - Assets	15	15
Reinsurance contracts held - Assets	313	312
Current tax assets	949	1,076
Deferred tax assets	914	852
Accruals and other assets	9,642	7,580
Non-current assets held for sale	0	0
Investments in equity consolidated companies	893	865
Investment property	34	38
Property, plant and equipment	2,592	2,426
Intangible assets	493	462
Goodwill	2,308	2,111
<b>Total assets</b>	<b>728,428</b>	<b>719,492</b>

## Balance Sheet - Liabilities and shareholders' equity

(€ millions)	06/30/2024	12/31/2023
Central banks	31	31
Financial liabilities at fair value through profit or loss	24,964	17,939
Hedging derivatives	4,636	4,426
Debt securities at amortized cost	161,008	150,276
Debts due to credit and similar institutions at amortized cost	48,730	59,280
Debts due to customers at amortized cost	290,913	299,302
Revaluation adjustment on rate-hedged books	-28	-27
Current tax liabilities	452	532
Deferred tax liabilities	452	453
Accruals and other liabilities	16,747	10,934
Debt related to non-current assets held for sale	0	0
Insurance contracts issued - liabilities	121,374	119,526
Reinsurance contracts held - liabilities	0	0
Provisions	2,743	2,740
Subordinated debt at amortized cost	12,675	12,003
<b>Total shareholders' equity</b>	<b>43,732</b>	<b>42,079</b>
<b>Shareholders' equity - attributable to the Group</b>	<b>39,206</b>	<b>37,771</b>
Capital and related reserves	6,568	6,568
Consolidated reserves	30,973	28,011
Gains and losses recognized through OCI	140	190
Profit/(loss) for the period	1,524	3,002
<b>Shareholders' equity - Non-controlling interests</b>	<b>4,526</b>	<b>4,308</b>
<b>Total liabilities and shareholders' equity</b>	<b>728,428</b>	<b>719,492</b>



## Income statement

(€ millions)	06/30/2024	06/30/2023
Interest and similar income	17,055	13,206
Interest and similar expense	-13,543	-9,891
Fee and commission income	2,332	2,132
Fee and commission expense	-698	-638
Net gains on financial instruments at fair value through profit or loss	253	467
Net gains/(losses) on financial assets at fair value through OCI	-13	-91
Net gains/(losses) resulting from derecognition of financial assets at amortized cost	0	0
Income from insurance contracts issued	3,712	3,631
Expenses relating to insurance policies issued	-3,085	-3,059
Income and expenses relating to reinsurance contracts held	-51	-42
Financial income or expenses from insurance policies issued	-3,073	-4,329
Financial income or expenses relating to reinsurance contracts held	4	2
Net income from financial investments related to insurance activities	3,189	4,417
Income from other activities	371	404
Expenses on other activities	-275	-263
<b>Net revenue</b>	<b>6,178</b>	<b>5,947</b>
General operating expenses	-3,041	-2,938
Movements in depreciation, amortization and provisions for property, plant and equipment and intangible assets	-166	-158
<b>Gross operating income</b>	<b>2,970</b>	<b>2,851</b>
Cost of counterparty risk	-799	-603
<b>Operating income</b>	<b>2,171</b>	<b>2,248</b>
Share in net income of equity consolidated companies	40	25
Gains/(losses) on other assets	-2	0
Changes in goodwill	0	0
<b>Income before tax</b>	<b>2,210</b>	<b>2,273</b>
Income tax	-496	-595
<b>Net income</b>	<b>1,714</b>	<b>1,678</b>
Income - Non-controlling interests	189	180
<b>Group net income</b>	<b>1,524</b>	<b>1,498</b>