

FIRST-HALF RESULTS 2022

# SOLID RESULTS TO SERVE THE REGIONS AND SOLIDARITY

Crédit Mutuel Alliance Fédérale achieved solid results in the first half of 2022, reflecting the exceptional efforts of its 75,000 employees and 16,000 elected representatives.

These results yielded an increase in net banking income, which was in excess of €8.5 billion (+1.8% vs. 2021). Retail banking in particular generated €4.2 billion (+7.4%), an excellent performance. Net income settled at a record level of €2.1 billion.

As the first bank to become an *entreprise à mission* (benefit corporation), Crédit Mutuel Alliance Fédérale is fully committed to financing the local economy and supporting its members and customers, especially those worst affected by the fall in purchasing power and the economic slowdown. Every Crédit Mutuel or CIC customer has a dedicated advisor, enabling us to provide an effective and personalized service.

	1 <sup>ST</sup> HALF 2022 <sup>1</sup>		
		Change H1 2022 / 2021 (current scope)	Change H1 2022 / 2021 (constant scope) <sup>2</sup>
<b>NET BANKING INCOME RISING STEADILY</b>	<b>€8.556bn</b>	<b>+7.4%</b>	<b>+1.8%</b>
<i>of which banking networks</i>	€4.196bn	+16.5%	+7.4%
<i>of which consumer credit</i>	€1.452bn	+5.8%	+5.8%
<i>of which insurance</i>	€897m	-19.8%	-19.8%
<i>of which asset management and private banking</i>	€531m	+25.2%	+2.1%
<i>of which private equity</i>	€304m	+18.5%	+18.5%
<b>EXPENSES UNDER CONTROL</b>	<b>€5.228m</b>	<b>+10.2%</b>	<b>+3.0%</b>
<b>COST OF RISK UP</b>	<b>€470m</b>	<b>x 2.5</b>	<b>x 2.4</b>
<i>proven risk</i>	€350m	+9.6%	+6.9%
<i>non-proven risk</i>	€120m	+252 M€	+242 M€
<b>NET PROFIT AT RECORD LEVEL</b>	<b>€2.132bn</b>	<b>+2.2%</b>	<b>-0.8%</b>

GROWTH IN LENDING TO SUPPORT THE RECOVERY		
Home loans <b>€248.0bn +9.5%</b>	Equipment loans <b>€108.4bn +8.8%</b>	Consumer loans <b>€48.8bn +6.8%</b>

OPERATIONAL PERFORMANCE AND FINANCIAL STRENGTH		
Cost to income ratio <b>61.1%</b>	CET1 ratio <sup>3</sup> <b>18.1% -70pb<sup>4</sup></b>	Shareholders' equity <b>€56.1bn +€2.9bn<sup>4</sup></b>

<sup>1</sup> Unaudited financial statements as at 6/30/2022 – limited review currently being conducted by the statutory auditors.

<sup>2</sup> After elimination of entities consolidated for the first time in 2022 (Crédit Mutuel Nord Europe, Crédit Mutuel Investment Managers, CIC Private Debt) and entities deconsolidated in 2021 (FLOA). <sup>3</sup> Changes compared to December 31, 2021. <sup>4</sup> Estimate at June 30, 2022 - excluding transitional provisions.

# Solid results to serve the regions and solidarity



*“Crédit Mutuel Alliance Fédérale closed the first six months of 2022 with a remarkable overall performance, in terms of both its financial strength and its solidarity and transformation commitments. In the first half of the year, together with our elected representatives and employees, our mutualist group enhanced the commitments it makes to meet the expectations of its members, its customers and society, especially those worst affected by rising prices. Our results are a promise for the future, a promise to extend our solidarity actions and our commercial and technological innovation and a promise to step up the ecological transformation of the economy”*

**Nicolas Théry, Chairman**

*“Crédit Mutuel Alliance Fédérale has generated solid results this half-year. They reflect the group's ability to adapt, against the background of an unprecedented crisis in Europe, the return of high inflation and an enduring pandemic. As the first bank to become a benefit corporation, we intend to step up our mutualist commitment to build a fairer and more sustainable society. This is the promise of a useful, socially responsible and long-term bank.”*



**Daniel Baal, Chief Executive Officer**

## A bank that is useful to its customers and members

**The return of war to Europe turned the economic outlook for the first half of 2022 upside down. In addition to pre-existing supply and labor market tensions, the first six months of the year were marked by unprecedented inflationary pressure that weighed heavily on purchasing power. With its desire for results-based mutualism, Crédit Mutuel Alliance Fédérale is strongly committed to supporting the customers most affected by the crises and thereby helping to reduce inequality and social fragmentation.**

### Mutual solidarity in action

As a mutualist bank and as the first bank to be a benefit corporation, our banking networks and business lines were all actively engaged in helping customers achieve their goals.

A new study, conducted in partnership with the *Economic Analysis Council*, found that for 10% of customers on modest incomes<sup>1</sup>, the cumulative burden of energy and fuel spending now accounts for 19.6% of monthly earnings. Personalized support measures have therefore been launched.

For the heavily car-dependent residents of rural and suburban areas, the 30,000 dedicated advisors of the two local banking networks organized 100,000 budgeting chats to advise customers affected by the decline in purchasing power.

As of August 1, 2022, the mutual group also offers accounts with a fee of just €1 per month, with no unauthorized overdraft fees or rejected payment charges. This is the cheapest solidarity banking offer for people in financial difficulty.

The non-profit sector has never been more closely involved in creating an inclusive and solidarity-based society. In recognition of this fact, in January 2022, Crédit Mutuel Alliance Fédérale began offering free civil liability insurance to every officer of a sports and cultural association that is a customer of the group.

These initiatives are in addition to the very many solidarity and sponsorship actions taken by the 14 Crédit Mutuel federations, CIC and its five regional banks, all the group's subsidiaries and the Crédit Mutuel Alliance Fédérale Foundation.

#### PURCHASING POWER

**100,000 purchasing power consultations**

Between May and July, Crédit Mutuel and CIC's advisors held more than 100,000 meetings to support customers in vulnerable financial positions.

**Objective:** to review customers' needs and situation alongside them so that they can cope with inflation.

<sup>1</sup> Income of less than €1,500 per month for a single person or €2,700 per month for a couple.

## SOLIDARITY

### An account for just €1 per month with no penalty charges

On August 1, as part of its commitment to support those worst hit by inflation, Crédit Mutuel Alliance Fédérale launched the *Facil'Accès €1* and *Service Accueil* products, which offer a current account with a dedicated adviser at a local bank branch for a net amount of €1 per month, with no unauthorized overdraft fees or rejected payment charges.

**Objective:** to offer the best solidarity accounts on the market, to provide the best support to those worst hit by rising prices.

Crédit Mutuel Alliance Fédérale is also exemplary in terms of its contribution to the national solidarity and redistribution effort. As an integral part of Crédit Mutuel, the group pays the third highest annual corporate income tax charge in France.

### Results-based mutualism – pushing back the limits

The first few months of the year were marked by accelerating climate change and growing awareness of the urgent need for transformation.

Having terminated its financing for coal, shale oil, shale gas and unconventional hydrocarbons in February 2020, as well as that of new oil and gas projects, in March 2022

Crédit Mutuel Alliance Fédérale extended its climate commitments to the farming sector with incentive schemes and subsidized financing solutions for efficient and sustainable agriculture.

As the bank for climate transformation, Crédit Mutuel Alliance Fédérale was also, along with Banque Postale, the first bank to begin marketing the *Prêt Avance Rénovation* home renovation loan in March 2022. Offering a solution to the problem of buildings that leak heat, this unprecedented financing scheme is specifically targeted at 800,000 lower-income homeowners with poorly insulated homes.

### Crédit Mutuel Alliance Fédérale also kept up its commitment to universal access to home ownership and its efforts to eliminate health-related discrimination.

In November 2021, the group and its insurance subsidiary, Assurances du Crédit Mutuel, scrapped the health questionnaire for loyal customers seeking to purchase their main home (up to €500,000 in insured capital). In February 2022, all medical screening was abolished by law for policies covering up to €200,000 in insured capital.

Crédit Mutuel Alliance Fédérale advocates a strong social contract and acts responsibly toward its employees. With inflation squeezing purchasing power, the mutual group granted another general pay raise of 2.2% (with a minimum of €750 gross per year) on July 1, 2022, following on from a 1% increase for all salaries in January 2022 and the payment of a €2,000 exceptional purchasing power bonus in December 2021. In addition, a specific budget equal to 0.5% of payroll was set aside in June 2022 for the elimination of any residual wage gaps between the salaries of women and men.

# A bank that stays close to its customers and promotes regional development

After supporting the economic recovery in 2021, Crédit Mutuel Alliance Fédérale stepped up its engagement in the first half of 2022, with loans to personal customers, professionals and businesses rising by a hefty €37 billion (+8.6% in outstanding loans). A 14<sup>th</sup> member federation, Crédit Mutuel Nord Europe joined the mutual group, further enhancing its engagement in the regions. This followed on from the entry of the Crédit Mutuel Antilles-Guyane and Crédit Mutuel Massif Central federations into Crédit Mutuel Alliance Fédérale in 2020.

## Historic commercial performance

**Total net banking income exceeded €8 billion for the first time in the group's history**, reaching €8.556 billion. This represented a rise of 7.5% at current scope, or 1.8% if changes in scope of consolidation are excluded. Earnings from branch banking, the group's primary business line, rose strongly to reach €4.2 billion (+16.5%, or +7.4% if changes in scope of consolidation are excluded). Branch banking enjoyed a sustained interest margin and an increase in fees and commissions, and was bolstered by the arrival of the Crédit Mutuel Nord Europe federation on January 1, 2022. The consumer credit business, which includes the Cofidis Group and Targobank Germany, also grew strongly to €1.452 billion (+5.8%).

### MARKET PENETRATION

#### Strong performance from the multiservice strategy

Insurance	36.1 million policies
Telephone services	1,390,000 subscribers
Remote surveillance	621,000 subscribers
New homes	4,316 sales

**29.6m** Number of customers

Earnings from insurance, the leading diversification business line, were impacted (-19.8%) by adverse movements in the financial markets and by high losses linked to increasing natural disasters: the thunderstorms and hail in June 2022 had a €134 million impact on claims expenses.

**The overall rise in earnings was also driven by asset management and private banking, these business lines being strengthened by the entry of La Française into the group.** Despite the adverse environment, business increased to €531 million (+25.2%, or +2.1% if changes in scope of consolidation are excluded). Private equity recorded a strong half-year at €304 million (+18.5%).

## Actively committed to regional economic development, Crédit Mutuel Alliance Fédérale continues to stand out in its support for economic recovery.

Lending to personal and business customers increased, helping them to achieve their goals. Outstanding home loans increased by 9.5% to €248.0 billion, while outstanding consumer credit rose by 6.8% to €48.8 billion. Businesses also benefited from strong growth in equipment loans, which were up by 8.8% to €108.4 billion. In total, outstanding customer loans came to €485.9 billion at end-June 2022 (+8.6%) while deposits grew to €450.7 billion (+2.9%).

Through its private equity subsidiary, Crédit Mutuel Alliance Fédérale is also active in financing start-ups, SMEs and mid-tier companies throughout France. €229.4 million was invested in entrepreneurship between January and June 2022, bringing the portfolio of investments in the real economy to €3.1 billion.

At June 30, 2022, the Crédit Mutuel banking networks had 8.6 million customers, with 5.5 million more at CIC. Crédit Mutuel Alliance Fédérale has 29.6 million customers, a rise of 10% at constant scope. During the half-year, 233,000 new customers joined the Crédit Mutuel local banks and 197,000 joined the branches of CIC.

## Relationships bolstered by technology and the local multiservice strategy

### The first half of 2022 was also a time for strengthening close relationships, both in person and online.

While the banks maintained their strong presence in local communities, over a billion logins were made on the Crédit Mutuel and CIC apps in the first half-year (+18%) – in addition to 236 million online banking logins. Video appointments and electronic signatures continued to increase.

Eleven million e-signatures were used to take out and manage products and make day-to-day transactions (+35%), while the rollout of video appointments continued, with 139,000 customer-advisor consultations (+14%) over the half-year.

Close relations were further enhanced by the artificial intelligence that assists our 30,000 advisors on a daily basis. **In the first half of the year, almost 18.3% of sales were generated by an artificial intelligence lead.**

# Solid results to build the future

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For Crédit Mutuel Alliance Fédérale, the first half of 2022 was in line with its strategic plan, “ensemble#nouveau monde, plus vite, plus loin!” (together#today’s world, faster, further!). Net profit was in excess of €2 billion, enabling it to step up its long-term strategy with confidence.

## Top operational performance and financial strength

Sustained investments in technology and people contributed to the group's remarkable operational performance, while ensuring that general operating expenses, which rose by 3.0% on a like-for-like basis over one year to €5.2 billion, were kept in check. Expenses included the growing weight of supervisory fees and contributions to the Single Resolution Fund, which together totaled €379 million, a sharp increase of +37.8%. The cost/income ratio rose slightly, to 61.1%, and remains the best among French banking groups. The cost of risk was €470 million. The group maintained its prudent economic scenarios, resulting in a strong rise in non-proven risk (+€120 million) after a reversal of provisions in the first half of 2021.

The group's financial solidity is also reflected in its high liquidity reserve (€188.9 billion), which amply covers market funding maturities over 12 months.

The regularity of profits also allowed the group's to continue its funding program without difficulty, in spite of a very tough market.

As of June 30, 2022, nearly 70% of the annual funding program had already been completed. With an estimated CET1 of 18.1% and shareholders' equity of €56.1 billion (+2.9 billion euros over 6 months) at the end of the first half, Crédit Mutuel Alliance Fédérale is one of the most robust banks in Europe.

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# 1. Consolidated earnings

## 1.1. Financial results

(€ millions)	1 <sup>st</sup> half 2022	1 <sup>st</sup> half 2021	chg. at const. scp. <sup>1</sup>
<b>Net banking income</b>	<b>8,556</b>	<b>7,962</b>	<b>+1.8%</b>
General operating expenses	(5,228)	(4,736)	+3.0%
<i>of which contribution to the Single Resolution Fund, supervision costs and contributions to the FGD<sup>2</sup></i>	(379)	(268)	+37.8%
<b>Gross operating income</b>	<b>3,329</b>	<b>3,226</b>	<b>+0.1%</b>
Cost of risk	(470)	(188)	x 2.4
<i>cost of proven risk</i>	(350)	(320)	+6.9%
<i>cost of non-proven risk</i>	(120)	132	n.s.
<b>Operating income</b>	<b>2,859</b>	<b>3,038</b>	<b>-8.6%</b>
Net gains/(losses) on other assets and ECC <sup>3</sup>	47	(73)	n.s.
<b>Profit before tax</b>	<b>2,906</b>	<b>2,965</b>	<b>-5.2%</b>
Corporate income tax	(773)	(885)	-15.6%
Net gains/(losses) on discontinued operations	-	7	n.s.
<b>Net profit</b>	<b>2,132</b>	<b>2,087</b>	<b>-0.8%</b>
Non-controlling interests	99	161	-38.6%
<b>Net profit attributable to the group</b>	<b>2,034</b>	<b>1,926</b>	<b>+2.4%</b>

<sup>1</sup> After elimination of entities consolidated for the first time in 2022 (Crédit Mutuel Nord Europe, Crédit Mutuel Investment Managers, CIC Private Debt) and entities deconsolidated in 2021 (Floa) - see methodology notes in section 6.3.2.

<sup>2</sup> FGD = Fonds de Garantie des Dépôts.

<sup>3</sup> ECC = equity consolidated companies = share of net profit/(loss) of equity consolidated companies.

## Net banking income

Net banking income for Crédit Mutuel Alliance Fédérale registered growth of 1.8% in the first half of 2022 to reach €8.6 billion. This was attributable to solid commercial performance, notably in the branch networks, whereas capital markets activities and insurance were dragged down by the tensions in the financial markets.

Net banking income (€ millions)	1 <sup>st</sup> half 2022	1 <sup>st</sup> half 2021	chg. at const. scp.
<b>Retail banking</b>	<b>5,976</b>	<b>5,256</b>	<b>+7.1%</b>
<i>banking networks</i>	4,196	3,601	+7.4%
<i>consumer loans</i>	1,452	1,372	+5.8%
<b>Insurance</b>	<b>897</b>	<b>1,119</b>	<b>-19.8%</b>
<b>Specialized businesses</b>	<b>1,229</b>	<b>1,152</b>	<b>-1.8%</b>
Asset management & private banking	531	424	+2.1%
Corporate banking	214	198	+8.4%
Capital markets	180	273	-34.2%
Private equity	304	257	+18.5%
<b>Other business lines</b>	<b>454</b>	<b>435</b>	<b>+3.2%</b>
<b>TOTAL NBI Crédit Mutuel Alliance Fédérale</b>	<b>8,556</b>	<b>7,962</b>	<b>+1.8%</b>

In the first half of 2022, income from **retail banking** increased by 7.1% to just under €6 billion, reflecting the commercial strength of the network and of consumer credit.

The **insurance business** was affected by the fall in the markets and by unprecedented claims expenses arising from natural events. Net income from insurance activities was €897 million, a drop of 19.8%

Net banking income from **asset management & private banking** rose by 2.1% at constant scope to €531 million in the first half of 2022 compared with the first half of 2021. If the newly consolidated entities are included, NBI was 25.2% higher. The first half of 2022 saw the first-time consolidation of La Française (NBI of €80 million), following the entry into the Alliance of Crédit Mutuel Nord Europe. Crédit Mutuel Investment Managers and CIC Private Debt were also consolidated for the first time.

**Corporate banking** posted excellent performance in the first half of 2022, buoyed by all entities in France and internationally, with income of €214 million, up sharply by 8.4% compared with the already high first half of 2021.

After a recovery in 2021, the financial market environment deteriorated. As a result, net income from **capital markets** (investment and sales) fell by 34.2% to €180 million in the first half of 2022, from €273 million a year earlier.

**In private equity**, net banking income topped €300 million in the first half of 2022, up 18.5% thanks to capital gains generated as a result of numerous transactions on the portfolio investments.

## General operating expenses and gross operating income

In the first half of 2022, general operating expenses amounted to €5.2 billion, an increase of 3.0% compared with the first half of 2021.

They were again significantly impacted by all the expenses related to contributions to the Single Resolution Fund, supervision costs and contributions to the FGD, which totaled €379 million for the first half of the year (compared with €268 million for the first half of 2021). Excluding these contributions, the increase in general operating expenses was limited to +0.9%.

The cost/income ratio worsened by 1.6 percentage points to 61.1%, while gross operating income held steady at €3.3 billion.

## Cost of risk and operating income

The total cost of risk in the first half of 2022 was €470 million compared with €188 million in the first half of 2021, i.e. an increase of €282 million during the period.

The cost of proven risk was €350 million for the first half of 2022, compared with €320 million for the first half of the previous year – a modest increase of 6.9% in a more difficult economic environment.

The cost of non-proven risk for the first half of 2022 was €120 million, as compared with a €132 million reversal in the first half of 2021. The prudent assumptions underlying the IFRS 9 scenarios remained unchanged relative to 2021 and the sectoral provisions established in 2020 remained at a high level.

At 2.5%, the non-performing loan ratio at end-June 2022 was lower than the figure of 2.8% a year earlier, while the coverage ratio was 50.1%.

Expressed as a percentage of outstanding loans, the cost of risk for customer loans remained low at 19 basis points as of June 2022 compared with 10 at end-June 2021 (and 48 at end-June 2020).

Outstanding loans in € millions	6/30/2022	6/30/2021	6/30/2020
Customer loans (net balance sheet outstandings)	485,933	428,551	407,001
Gross loans	495,603	437,737	416,128
Gross non-performing loans	12,363	12,097	12,669
Provisions for loan losses	9,670	9,186	9,127
<i>provisions for losses on non-performing loans (Stage 3)</i>	6,199	6,172	6,676
<i>provisions for losses on non-performing loans (Stages 1 &amp; 2)</i>	3,471	3,014	2,451
<b>Non-performing loans as a % of gross loans</b>	<b>2.5%</b>	<b>2.8%</b>	<b>3.0%</b>

As a result of this increase in the cost of risk, operating income fell by 8.6% year-on-year to €2.9 billion.

## Other

Gains on other assets and ECC came to €47 million. This includes a gain arising on the disposal of Flora to BNPP at the start of the year, as well as gains on the first-time consolidation of the subsidiaries Crédit Mutuel Investment Managers and CIC Private Debt.

## Profit before tax

Profit before tax was €2.9 billion, a 5.2% decline relative to the first half of 2021.

## Net profit

Net profit was €2.1 billion and therefore remained stable relative to 2021 (-0.8%).

Net profit attributable to the group was 2.0 billion (+2.4%).

## 1.2. Financial structure

### Liquidity and refinancing <sup>1</sup>

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 variety of issue programs that allow it to access investors in the main international markets via 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.

The first half of 2022 was one of the worst six-month periods in the financial markets for a considerable time. The start of the war in Ukraine at the end of February triggered a sharp rise in prices, especially for energy and raw materials, along with record levels of inflation.

In this difficult situation, debt markets remained intermittently open, with fairly large issue premiums on offer in an attempt to reassure jittery investors.

BFCM was nevertheless able to take advantage of sporadic windows for new issues to continue all of its issue programs for 2022.

In total, external funding obtained in the markets stood at €150.8 billion at the end of June 2022, a decrease of 4.2% compared to 2021.

The LCR averaged 166.8% over the half-year, compared with a 12-month average of 181.3% in 2021.

The liquidity reserve (€188.9 billion) amply covers the market funding due over 12 months.

### Solvency and capital management

At June 30, 2022, the shareholders' equity of Crédit Mutuel Alliance Fédérale stood at €56.1 billion compared with €53.2 billion at the end of December 2021, the increase of €2.9 billion being due to retained earnings.

At end-June 2022, Crédit Mutuel Alliance Fédérale reported very solid capital adequacy with a Common Equity Tier 1 (CET1) ratio of 18.1%<sup>2</sup>, a decrease of 70 basis points relative to 12/31/2021. This fall is attributable to the loss of approval for the internal method on major accounts. The Tier 1 ratio at end-June 2022 was 18.1%<sup>1</sup> and the overall solvency ratio was 20.8%<sup>1</sup>.

Prudential CET1 capital came to 49.3 billion euros.

Risk-weighted assets (RWA) came to €272.7 billion at June 30, 2022 (compared with €245.1 billion at the end of December 2021, i.e. +11.3% at constant scope).

The return on risk-weighted assets (RoRWA) was 1.67% at end-June 2022, as compared with 1.77% at June 30, 2021.

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

<sup>2</sup> Estimate - without transitional arrangements.

## 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
<b>Standard &amp; Poor's</b>	AA-/A-1+	A+	Stable	A-1	a	12/16/2021
<b>Moody's</b>	Aa2/P-1	Aa3	Stable	P-1	a3	12/10/2021
<b>Fitch Ratings *</b>	AA-	AA-	Stable	F1+	a+	5/10/2022

\* The Issuer Default Rating remains at A+.

\*\* The counterparty ratings correspond to the following agency ratings: 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.

Standard & Poor's: Crédit Mutuel group rating.

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

Fitch Ratings: Crédit Mutuel Alliance Fédérale rating.

The external ratings for both Crédit Mutuel Alliance Fédérale and the Crédit Mutuel group remained unchanged in the first half of 2022.

On December 16, 2021, Standard & Poor's (S&P) raised its long-term issuer credit rating for Crédit Mutuel group from A to A+ with a stable outlook, the extra notch reflecting the fact that its additional loss-absorbing capacity (ALAC ratio) was above the level required by the agency under its new rating methodology. S&P also confirmed its SACP rating of "a", highlighting the recurrent nature of Crédit Mutuel group's results and the solidity of its balance sheet.

On October 28, 2021, Fitch Ratings raised its rating outlook for Crédit Mutuel Alliance Fédérale from negative to stable, given the resilience of its profitability indicators and the quality of its assets and capital structure. The negative outlook had been issued after the start of the pandemic, as part of the general ratings revisions applied to European banks in 2020.

On October 12, 2021, Moody's confirmed its rating and stable outlook for Crédit Mutuel Alliance Fédérale given its very resilient financial fundamentals in the context of the health crisis.

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

*The Board of Directors met on July 28, 2022 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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## 1.4. Key figures

### Crédit Mutuel Alliance Fédérale

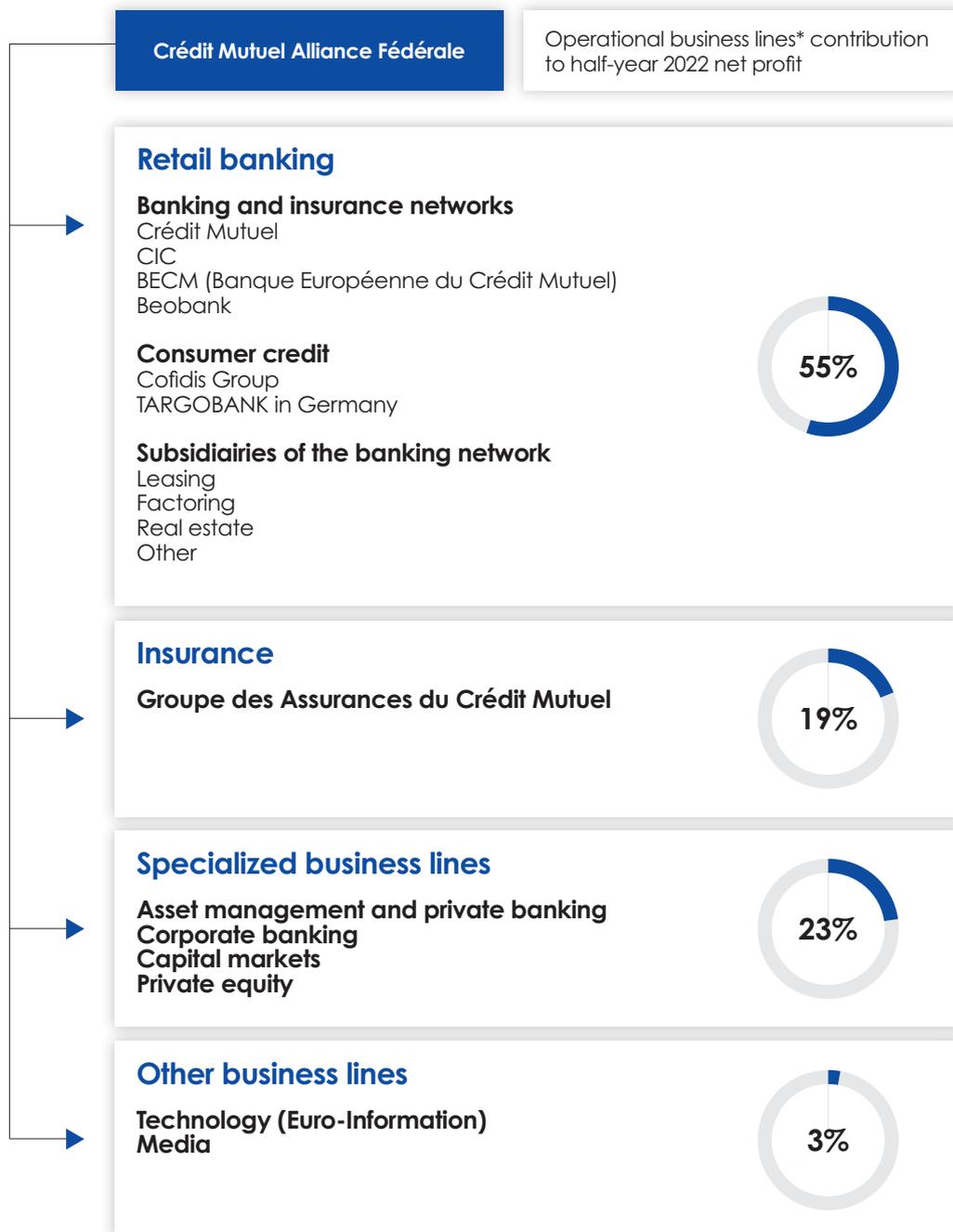
### Key figures<sup>1</sup>

(€ millions)	6/30/2022	6/30/2021	6/30/2020
<b>Financial structure and business activity</b>			
Balance sheet total	867,429	835,478	784,485
Shareholders' equity (including profit for the period before dividend pay-outs)	56,141	51,761	47,524
Customer loans	485,933	428,551	407,001
Total savings	809,348	757,386	685,906
- of which customer deposits	450,728	416,232	381,654
- of which insurance savings	100,975	100,919	97,685
- of which financial savings (managed and held in custody)	257,106	240,236	206,567
<b>Key figures</b>			
Employees, end of period (group-controlled entities)	76,379	72,796	71,794
Number of branches	4,525	4,275	4,387
Number of customers (in millions)	29.6	27.4	26.9
Number of members (in millions)	5.9	5.7	5.6
<b>Key ratios</b>			
Cost/income ratio	61.1%	59.5%	66.4%
Cost of risk as a percentage of outstanding loans	19 bp	10 bp	48 bp
Net profit / regulatory assets	1.67%	1.77%	0.76%
Loan-to-deposit ratio	107.8%	103.0 %	106.6%
Overall solvency ratio (estimated for 06/2022 - without transitional arrangements)	20.8%	21.1%	20.0%
CET1 ratio (estimated for 06/2022 - without transitional arrangements)	18.1%	18.3%	17.1%

(€ millions)	H1 2022	H1 2021	H1 2020
<b>Results</b>			
<b>Net banking income</b>	<b>8,556</b>	<b>7,962</b>	<b>6,858</b>
General operating expenses	(5,228)	(4,736)	(4,552)
<b>Gross operating income</b>	<b>3,329</b>	<b>3,226</b>	<b>2,306</b>
Cost of risk	(470)	(188)	(1,046)
<b>Operating income</b>	<b>2,859</b>	<b>3,038</b>	<b>1,260</b>
Net gains/(losses) on other assets and ECC	47	(73)	-
<b>Profit before tax</b>	<b>2,906</b>	<b>2,965</b>	<b>1,260</b>
Corporate income tax	(773)	(885)	(402)
Net gains/(losses) on discontinued operations	-	7	-
<b>Net profit</b>	<b>2,132</b>	<b>2,087</b>	<b>857</b>
Non-controlling interests	99	161	89
<b>Net profit attributable to the group</b>	<b>2,034</b>	<b>1,926</b>	<b>768</b>

<sup>1</sup> Consolidated results of the local banks of Crédit Mutuel Centre Est Europe, Sud-Est, Île-de-France, Savoie-Mont Blanc, Midi-Atlantique, Loire-Atlantique et Centre-Ouest, Centre, Normandie, Dauphiné-Vivarais, 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.

## 1.5. Organization of business lines



\* Excluding Group holding companies.

## 2. Retail banking and consumer lending in France and Europe

(€ millions)	1 <sup>st</sup> half 2022	1 <sup>st</sup> half 2021	chg. at const. scp. <sup>1</sup>
<b>Net banking income</b>	<b>5,976</b>	<b>5,256</b>	<b>+7.1%</b>
General operating expenses	(3,798)	(3,424)	+3.1%
<i>of which contribution to the Single Resolution Fund, supervision costs and contributions to the FGD<sup>2</sup></i>	(245)	(193)	+22.2%
<b>Gross operating income</b>	<b>2,178</b>	<b>1,832</b>	<b>+14.8%</b>
Cost of risk	(461)	(214)	x 2
<i>cost of proven risk</i>	(336)	(303)	+8.1%
<i>cost of proven risk cost of non-proven risk</i>	(125)	89	ns
<b>Operating income</b>	<b>1,717</b>	<b>1,618</b>	<b>+2.6%</b>
Net gains/(losses) on other assets and ECC <sup>3</sup>	2	(2)	n.s.
<b>Profit before tax</b>	<b>1,719</b>	<b>1,616</b>	<b>+2.8%</b>
Corporate income tax	(530)	(517)	-1.2%
Net gains/(losses) on discontinued operations	-	7	n.s.
<b>Net profit</b>	<b>1,189</b>	<b>1,106</b>	<b>+4.6%</b>

<sup>1</sup> After elimination of entities consolidated for the first time in 2022 (Crédit Mutuel Nord Europe) and entities deconsolidated in 2021 (Floa) - see methodology notes in section 6.3.2.

<sup>2</sup> FGD = Fonds de Garantie des Dépôts.

<sup>3</sup> ECC = equity consolidated companies = share of net profit/(loss) of equity consolidated companies.

**The retail banking segment comprises three business lines:**

- **The branch banking network, comprising the Crédit Mutuel local banks of the 14 federations, the CIC branch network, Banque Européenne du Crédit Mutuel, Beobank and TARGOBANK Spain;**
- **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 branch 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

In terms of earnings, the Crédit Mutuel & Beobank banking and insurance network generated net banking income of €2.0 billion in the first half of 2022, an increase of 4.7%. The interest margin was steady and commission income was up by 11.5%.

General operating expenses rose by 5.4% to €1.5 billion.

The sharp rise in the cost of risk (€72 million in the first half of 2022 vs. a net reversal of €16 million in 2021) was a major component in the 8.7% fall in operating income to €487 million.

Net profit for the first half of 2022 was down 10.1% at €335 million.

#### > BUSINESS ACTIVITY: CRÉDIT MUTUEL LOCAL BANKS

At the end of June 2022, the number of customers in the Crédit Mutuel banking and insurance network stood at 8.6 million, a 12-month rise of 1.2%.

Savings deposits totaled €241.9 billion at the end of June 2022, representing a twelve-month rise of 2.6%.

Following higher disbursements than in the first half of 2021, outstanding external loans and finance reached a total of €178.3 billion, a 6.6% year-on-year increase.

The multiservice strategy is reflected in the rising levels of products sold to customers:

- the number of non-life insurance policies (excluding borrower's insurance) reached 12.7 million, up 2.5% year-on-year;
- the number of remote home surveillance subscriptions rose 3.4% to nearly 210,000 contracts.

#### > BUSINESS ACTIVITY: BEOBANK

During the first half, Beobank sustained the momentum of 2021's record-breaking sales performance, obtaining excellent results in all product lines, particularly consumer lending and credit cards. Against a strained backdrop of tightening monetary policy and rate rises, Beobank continued to expand along its various avenues of growth, namely the markets for home loans (26.9% rise in outstanding receivables), loans to self-employed professionals (9.1% rise in investment loans) and property & casualty insurance (portfolio of more than 60,000 policies, a year-on-year increase of 39%).

At end-June 2022, outstanding loans stood at €7.6 billion (+15.5% year-on-year) while outstanding deposits were €6.9 billion (+6.1%).

#### 2.1.1.2 Banque Européenne du Crédit Mutuel (BECM)

BECM is the Crédit Mutuel Alliance Fédérale subsidiary that serves regional and local economies and the business and real estate markets, operating under the Crédit Mutuel brand. In France, it operates in these markets in tandem with the Crédit Mutuel Alliance Fédérale federations. In Germany, it offers specific support to large German corporates and their French subsidiaries, as well as to French businesses with operations in Germany. In the real estate market, it acts as a first-class partner to real estate developers and property companies.

Drawing on the solid financial base of Crédit Mutuel Alliance Fédérale, BECM is a bank on a human scale, widely decentralized and close to its customers with short decision-making chains. Its values are based on proximity, responsiveness and innovation. It provides businesses and real estate firms with technical know-how and added value that enhance both in-person and online customer relationships, within a multiservice strategy that is strengthened year by year.

To serve its 20,351 customers, BECM puts 411 staff and the full range of services of Crédit Mutuel Alliance Fédérale's business centers at their disposal. It operates a network of 53 active branches, comprising 43 in France and 10 in Germany. It is organized on a market basis, with 38 branches serving the general business market and 15 serving the real estate market.

BECM set up its commercial network for the German business market 23 years ago and has consistently supported it throughout that time. The bank's German activities will be transferred to the TARGOBANK brand in October 2022. This transfer reflects an enhanced growth plan for the corporate market and reaffirms the aims of Crédit Mutuel Alliance Fédérale to become a full-service bank in Germany.

Measured in terms of monthly average capital as at June 2022, customer loans stood at €19.6 billion - a rise of 9.8% relative to the end of 2021. Deposits stood at €14.1 billion, a 20.7% decrease on the figure at the end of 2021.

Excluding BECM Monaco, BECM's net banking income rose by 24.4% to reach €201.4 million at June 30, 2022, while net profit was up by 36.3% at €102.7 million.

## 2.1.2. CIC banking and insurance network

With more than 100,000 new customers, CIC's banking network had over 5.5 million customers as of June 2022, a 1.9% increase year-on-year. The number of business and corporate customers increased by 3.6% to 1.1 million and the number of retail customers (79% of the total) rose by 1.4%.

Deposits amounted to €167 billion at the end of June 2022, up 2.0%.

In the first half of 2022, deposits in current accounts (+5.3%) and passbook accounts (+8.1%) continued to grow, whereas term deposits showed a net outflow (-32.8%).

At end-June 2022, outstanding loans totaled €171.7 billion, an increase of 8.3% year-on-year.

In the first half of 2022, activity was robust in the main loan categories:

- Outstanding home loans rose by 9.6% to €95.4 billion. Disbursements were particularly high at €10.2 billion compared with €9.2 billion in the first half of 2021;
- Investment loans were up 10.5% to €48.1 billion, reflecting the business recovery and the high level of support provided to customers. Disbursements in this category were also high at 8.4 billion (+50%);
- Outstanding consumer credit rose by 2.8% to €6.1 billion.

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

- the number of property and personal insurance policies (excluding life insurance) reached 6.2 million, up 3.8% year-on-year;
- the number of remote home surveillance subscriptions rose 3.1% to nearly 116,000 contracts.

In terms of earnings, CIC's banking network generated net banking income of €1.9 billion in the first half of 2022, an increase of 8.3%. Both the interest margin, as a result of higher loan volumes, and commissions contributed to this increase in income.

General operating expenses rose by 3.7% to €1.2 billion.

The cost/income ratio improved by 2.8 percentage points to 62.5% and gross operating income was up 17.1% to €721 million.

The sharp rise in the cost of risk (€80 million in the first half of 2022 vs. a net reversal of €4 million in 2021) limited the increase in operating income to +3.5%.

Net profit was €456 million in the first half of 2022, up 7.8% year-on-year.

## 2.2. Consumer credit

### 2.2.1. Cofidis Group

Cofidis Group had a very good first half with €4.8 billion of new business, €900 million more than in the first six months of 2021. This good level of activity was visible in both the direct business channel, which rose by 31%, and in referral business, which was up by 24%. Only online business was down, by 11% relative to last year. Outstanding loans increased to €16.653 billion at the end of June 2022, a 10% rise over the figure at end-June 2021.

Net income rose by 63% relative to the last year to reach €90 million. The large increase in outstanding loans led to a €69 million rise in NBI, in spite of a substantial tightening in the interest rate environment. General operating expenses increased by €15 million, mostly in connection with the recovery in business levels. In particular, marketing and sales spending rose by €10 million as business levels revived. Cost of risk remains low at 2.2% of outstanding loans, the same level as last year.

### 2.2.2. TARGOBANK Germany

TARGOBANK operates in over 250 German cities, meeting the needs of 3.6 million retail and business customers to whom it provides banking, insurance, factoring and finance leasing solutions. The bank, which enjoys an especially strong presence in the consumer credit and factoring markets, combines the benefits of online and branch banking, enabling it to offer efficient, personalized service both remotely and at its 336 branches.

New business in direct repayment loans totaled some €3 billion for the period to June 30, 2022, a 30% increase relative to June 2021. Outstanding customer receivables for the factoring and leasing businesses were up by 16%. Total outstanding loans grew by 10% to €23.6 billion. Customer deposits reached €24.2 billion, an increase of 7%.

In May, TARGOBANK extended its partnership with the German Soccer Federation – in place since 2012 – for four more years. TARGOBANK will be one of six exclusive partners for the German Cup until 2026, and is extending its cooperation with the Federation. High visibility in stadiums during matches broadcast on free-to-air TV, as well as a strong social media presence, mean that the partnership enables TARGOBANK to continue increasing its brand recognition.

Since June, TARGOBANK customers have been able to make online and in-store credit card payments using Apple Pay. TARGOBANK thus offers an additional quick, easy and reliable mobile payment solution to its customer base.

The TARGOBANK Germany branch network (excluding factoring and leasing) contributed €210 million to the Group's pre-tax profit for the period to June 30, 2022, following a slight rise in NBI, a slight fall in general operating costs and a rise in cost of risk, the latter being due to higher levels of new loan production as well as prudent provisioning in line with the economic environment.

## 2.3. Business subsidiaries

The supporting business lines within retail banking - i.e. leasing, factoring, real estate - generated net banking income of €328 million (+16.0%) and net profit of €67 million (as compared with €75 million in the first half 2021). These figures are net of commissions paid to the branch networks.

Factoring continued to generate rising operating income, thanks to strong growth in volumes and well-managed costs.

Operating income from leasing was down, despite an increase in new business, due to the rise in the cost of non-proven risk. This was attributable to the overall rise in outstanding receivables, but also to the recognition of substantial reversals in 2021.

## 3. Insurance

(€ millions)	1 <sup>st</sup> half 2022	1 <sup>st</sup> half 2021	Change
<b>Net insurance income</b>	<b>897</b>	<b>1,119</b>	<b>-19.8%</b>
General operating expenses	(374)	(344)	+8.7%
<b>Gross operating income</b>	<b>523</b>	<b>775</b>	<b>-32.5%</b>
Net gains/(losses) on other assets and ECC <sup>1</sup>	0.5	0.4	+48.2%
<b>Profit before tax</b>	<b>523</b>	<b>775</b>	<b>-32.5%</b>
Corporate income tax	(102)	(236)	-56.8%
<b>Net profit</b>	<b>422</b>	<b>540</b>	<b>-21.9%</b>

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

The insurance business, which has been operated for more than 50 years by Groupe des Assurances du Crédit Mutuel (GACM), is fully integrated into Crédit Mutuel Alliance Fédérale in sales and technology terms.

As of end-June 2022, GACM covers more than 13 million insureds via 36.1 million policies. Sales of new insurance policies were up by 1.4% relative to end-June 2021 and GACM's total portfolio has increased by 1.5% since the start of the year. Insurance revenues were €6.6 billion, up 8.5% compared to the first half of 2021.

The increase was mainly driven by growth in the gross premium income for life and endowment policies to €3.6 billion (+13.1%). In France, where almost all premium income arises (€3.5 billion), growth was 12.5%, substantially in excess of market growth to the end of May (+3.6%). Unit-linked policies continued to account for a high level of premium income (42.8%), in line with market trends.

Revenue from property and personal insurance continued to rise, reaching €3.1 billion at end-June 2022 (+3.6% relative to end-June 2021). This breaks down into a 2.7% increase in property insurance and a 4.2% increase in personal insurance (health, personal protection and borrower's insurance).

In line with its strategic aims, GACM continued to expand in the market for self-employed professionals and businesses. The introduction of the new group health insurance offering in March 2022 completed the revision of our entire product and service range for these markets. At the same time, GACM has made significant recruitment in both markets, to ensure that specialist insurance staff are on hand to support the Crédit Mutuel and CIC networks with the marketing of these offerings.

Revenue generated by the international subsidiaries was €310 million, comprising €215 million in Spain and €95 million in Belgium.

Commissions paid to the branch networks came to €940 million. Of the total, €807 million was paid to Crédit Mutuel Alliance Fédérale.

At €422 million, GACM's first-half contribution to the Group's net profit was down by 22% relative to June 30, 2021.

This change is partly the result of very high levels of claims due to natural events, notably the thunderstorms and hail during June 2022, which led to a €134 million expense in relation to nearly 45,000 claims. Following these events, the e-déclaration, which allows customers to submit a claim online, was very widely used, providing another illustration of the relevance of the digital services made available to insureds. Altogether, weather events in the first half of 2022 thus led to a €211 million expense for GACM, much higher than in the first half of 2021 (€65 million). Of this total, €55 million is covered by the reinsurance program.

In addition to natural events, the decline in profit is also due to the movements in the financial markets. During the first half of 2021, rising financial markets made a positive contribution to GACM's results, due to the appreciation of assets recognized at fair value through profit or loss. In the first half of 2022, the fall in the financial markets adversely affected results under IFRS. At the same time, interest rates rose substantially during the first six months of 2022, causing a fall in the value of bond holdings recognized at fair value through other comprehensive income.

The return of inflation in France to levels unheard of for over thirty years increased repair and reconstruction costs in relation to auto and home policies. In auto, however, the strengthening of partnerships with authorized repairer networks enabled the increase in costs for material damage claims to be contained.

With €9.3 billion of shareholders' equity, GACM enjoys a solid balance sheet structure that enables it to face this new economic environment without fear or concern.

## 4. Specialized businesses

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 13% of net banking income<sup>1</sup> and 23% of net profit from operating activities.<sup>2</sup>

### 4.1. Asset management and private banking

(€ millions)	1 <sup>st</sup> half 2022	1 <sup>st</sup> half 2021 <sup>1</sup>	chg. at const. scp. <sup>2</sup>
<b>Net banking income</b>	<b>531</b>	<b>424</b>	<b>+2.1%</b>
General operating expenses	(392)	(293)	+6.7%
<b>Gross operating income</b>	<b>138</b>	<b>131</b>	<b>-8.0%</b>
Cost of risk	(3)	(5)	-40.3%
<b>Operating income</b>	<b>136</b>	<b>126</b>	<b>-6.7%</b>
Net gains/(losses) on other assets and ECC <sup>3</sup>	15	0	n.s.
<b>Profit before tax</b>	<b>150</b>	<b>126</b>	<b>-6.7%</b>
Corporate income tax	(35)	(33)	-14.2%
<b>Net profit</b>	<b>116</b>	<b>93</b>	<b>-4.0%</b>

<sup>1</sup> Comparable scope - See methodology notes in section 6.3.1.

<sup>2</sup> Excluding first-time consolidations in 2022: Crédit Mutuel Investment Managers, CIC Private Debt, La Française - See methodology notes in section 6.3.2.

<sup>3</sup> ECC = equity consolidated companies = share of net profit/(loss) of equity consolidated companies.

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

- **Crédit Mutuel Investment Managers, comprising seven asset management entities;**
- **and La Française group, which contains four management companies and a distribution platform;**
- **Banque Transatlantique, Banque de Luxembourg and Banque CIC (Suisse).**

At €531 million, the net banking income from asset management and private banking accounts for 6% of the NBI of Crédit Mutuel Alliance Fédérale's operational business lines and increased by 2.1% at constant scope in a difficult economic environment.

It benefited from the contributed of the following subsidiaries which were consolidated for the first time in this half-year: La Française (NBI of €80 million), Crédit Mutuel Investment Managers (NBI €8.4 million after fees paid to branch networks) and CIC Private Debt (NBI of €9.2 million).

<sup>1</sup> Excludes intra-group and holding company transactions.

<sup>2</sup> Excluding holding company services.

General operating expenses increased by 6.7%, leading to a fall of 8.4% in gross operating income to €138 million.

Net gains/(losses) on other assets and ECC comprises non-recurring income related to the first-time consolidation of Crédit Mutuel Investment Managers and CIC Private Debt.

Net profit was €116 million in the first half of 2022, compared with €93 million a year earlier.

This data does not include the private banking activity carried out through CIC's network and at its five regional banks, i.e. €117.6 million in NBI (+8.2%) and €54.5 million in net profit (+14.4%).

#### > ASSET MANAGEMENT

Business in the first half of 2022 was conducted amid a complex overall environment marked by the start of the war in Ukraine. This affected the course of all economic, geopolitical and financial factors, leading to high inflation, interest rate rises, substantial volatility in the financial markets, a downgrading of the outlook for economic growth and a further increase in the urgency of the climate and energy transition prompted by the need for European sovereignty.

In this environment, real estate continued to be attractive to investors, who see it as a partial hedge against the risk of ongoing inflation. Investment volumes in European office property, which have hit record highs since early 2022, are an indication of this trend.

Assets under management were €156 billion at end-June.

Net inflows into asset management (excluding money-market) totaled €2 billion, amid very high volumes of business.

With net inflows of €1.2 billion from retail customers, La Française REM, the real estate backbone of the La Française group, maintained its leading position in the French market for real estate funds with €30 billion in retail customer assets under management. The attractiveness of the brand was acknowledged for the second year running by the European Real Estate Brand Institute in June 2022. The various SCPI funds are continuing to gain traction in all retail networks due to their attractive yields. The popularity of unit-linked real estate investments remains undimmed, a trend in which the La Française group is participating.

Investors also opted strongly for private debt: net inflows totaled €380 million. A new theme was launched by CIC Private Debt at the end of the half-year period with CIC Transition Infra Debt 2, an impact fund classified as SFDR Article 9.

#### > PRIVATE BANKING

The first half of the year was satisfactory for the **Banque Transatlantique group** in terms of net banking income, which grew by 20% compared with June 30, 2021.

Customer funds invested in savings products fell to €50 billion as a result of the market downturn. Capital inflows (€750 million) remained strong. Total managed funds resulting from synergies with Crédit Mutuel Alliance Fédérale grew.

The lending activity, particularly real estate loans, remained strong despite the rise in interest rates at the end of the half-year period. Outstanding loans amounted to €4.7 billion, with €486 million in new loans in the first half of 2022 (an increase of €107 million compared with 2021).

The geopolitical, economic and financial environment remains very concerning and the Banque Transatlantique group's financial commissions are expected to fall in the second half of the year as a result of the decline in the financial markets.

In the first half of 2022, **Banque de Luxembourg** posted solid performance across all its business lines, thanks mainly to strong sales momentum at both the retail and business and corporate customer level. In addition, the rise in USD and EUR rates led to an increase in the net interest margin (+15%).

The bank thus posted net banking income of €161.7 million at June 30, 2022, up 4% thanks to a 4% increase in net commissions (77% of NBI) compared with June 2021 and the rise in the interest margin.

These strong results reflect the commercial policies adopted under its BLU25 strategic development plan and confirm their validity. Finally, Banque de Luxembourg has also made the integration of ESG (environmental, social and governance) criteria a centerpiece of its development strategy by defining areas of commitment, particularly on social and societal matters, and began its B Corp. certification process in 2021.

In 2022, **Banque CIC (Suisse)** continued its development and targeted growth. With a balance sheet total of €13.1 billion and nearly 448 employees, Banque CIC (Suisse) is an enduring part of the Swiss banking landscape. It takes advantage of its omnichannel approach by combining personal support and proximity to customers with the e-banking solution, CIC eLounge.

Volumes have continued to grow steadily, with a 13% increase in savings balances to €16.2 billion and a 13.5% increase in loans to €9.6 billion. Net income in the first half of 2022 rose to €24.5 million thanks to an 11.5% increase in NBI and a net decrease in the cost of risk (€1.3 million compared with €6.4 million in June 2021).

With a focus on meeting the changing needs of customers and adapting to new consumption patterns, Banque CIC (Suisse) offers cleverinvest. This digital product allows customers to build up wealth continuously by easily investing their money based on their interests. Self-onboarding is another innovative digital solution. In just five minutes, customers can start a banking relationship and sign up without any paper formalities.

## 4.2. Corporate banking

(€ millions)	1 <sup>st</sup> half 2022	1 <sup>st</sup> half 2021	Change
<b>Net banking income</b>	<b>214</b>	<b>198</b>	<b>+8.4%</b>
General operating expenses	(82)	(69)	+19.2%
<b>Gross operating income</b>	<b>132</b>	<b>129</b>	<b>+2.7%</b>
Cost of risk	(13)	37	n.s.
<i>cost of proven risk</i>	(22)	(5)	x 4.2
<i>cost of non-proven risk</i>	9	43	-79.7%
<b>Profit before tax</b>	<b>119</b>	<b>166</b>	<b>-28.5%</b>
Corporate income tax	(28)	(42)	-33.9%
<b>Net profit</b>	<b>91</b>	<b>124</b>	<b>-26.6%</b>

**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 supports the work of the "corporate" networks with their major customers and contributes to the development of international business and the implementation of specialized financing (acquisitions, assets and projects).**

The **structured finance** activity (acquisition financing, project financing, asset financing and securitization) recorded an overall decline in loan production compared with 2021, particularly in terms of acquisition financing at the branches. As authorizations continued to increase, income from the activity rose slightly.

The **large corporates (CIC Corporate)** activity supports the development of listed and unlisted major French and foreign industrial companies with revenue of more than €500 million as part of a long-term relationship. The first half of 2022 was marked by the continued financing of customers' investments and medium-term projects despite the crisis in Ukraine. Income was up significantly thanks in particular to good loan production and an increase in commissions following several profitable and strategic capital transactions.

The **international business department** helps corporate customers carry out their international projects. In the first half of 2022, trade finance transactions resumed, but the more complicated international environment made it necessary to be more selective in the choice of transactions. The buyer credit financing activity remained robust thanks mainly to the numerous projects covered by BPI insurance.

Commitments amounted to €57.8 billion at June 30, 2022 and were up by €5.8 billion on both drawn and undrawn credit lines, including €4.4 billion for France and €1.4 billion for the branches.

Net banking income increased by €17 million (+8.4%) to €214 million in the first half of 2022. It benefited from a sharp rise in income from the large corporates activity thanks to good loan production, a modest increase in the structured finance activity, and an increase in income from international financing as a result of proactive measures taken to maintain close relations with customers.

The cost of risk increased by €51 million: the cost of proven risk rose to €22 million from €5 million in 2021; the main change stemmed from the base effect on the cost of non-proven risk in the first half of 2021 with €43 million in reversals of provisions compared with €9 million in reversals at June 30, 2022.

Net profit therefore fell by 26.6% to €91 million.

### 4.3. Capital markets

(€ millions)	1 <sup>st</sup> half 2022	1 <sup>st</sup> half 2021 <sup>1</sup>	Change
<b>Net banking income</b>	<b>180</b>	<b>273</b>	<b>-34.2%</b>
General operating expenses	(129)	(132)	-2.2%
<b>Gross operating income</b>	<b>51</b>	<b>141</b>	<b>-64.1%</b>
Cost of risk	(0.1)	-	n.s.
<b>Profit before tax</b>	<b>51</b>	<b>141</b>	<b>-64.2%</b>
Corporate income tax	(15)	(38)	-59.9%
<b>Net profit</b>	<b>35</b>	<b>103</b>	<b>-65.7%</b>

<sup>1</sup> Comparable scope - See methodology notes in section 6.3.1.

**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 2022, the net banking income for capital markets activities was €180 million, down compared with the first half of 2021 due to a negative base effect – given the exceptional post-health crisis performance in the first half of 2021 – and a deterioration in the geopolitical and economic environment during the period which impacted the financial markets.

CIC Market Solutions (France and Asia) generated €65 million in net banking income (€69 million at end-June 2021), after the payment of €56 million in commissions to the network (€37.6 million at end-June 2021) and an additional CVA/FVA provision of €24.5 million compared to a reversal of 10.5 million in the first half of 2021 due to the increase in credit spreads. Over the half-year period, business was mainly driven by interest rate, currency and commodities (TCMP) hedging services and structured investments. The TCMP hedging activity benefited from high customer demand in a volatile market environment and an extension of the product offering, particularly for new commodities. Structured investment solutions generated a high level of activity with €1.8 billion of EMTNs issued during the half-year period.

In the first half of 2022, the investment business line (including France and the New York and Singapore branches - excluding Cigogne Management SA which was moved to "Asset management and private banking" - section 6.3.1) generated NBI of €115 million vs. €205 million at the end of June 2021. Benefiting from the lowering of the risk profile, the business withstood the difficult market environment triggered by the Russia-Ukraine conflict, inflation and the end of the accommodative central bank policies.

CIC Marchés continued to keep a close eye on the cost structure under these market conditions, with costs down 2.2% compared with the first half of 2021.

Gross operating income amounted to €51 million. Total net profit from the capital market activities was €35 million.

## 4.4. Private equity

(€ millions)	1 <sup>st</sup> half 2022	1 <sup>st</sup> half 2021	Change
<b>Net banking income</b>	<b>304</b>	<b>257</b>	<b>+18.5%</b>
General operating expenses	(38)	(36)	+5.4%
<b>Gross operating income</b>	<b>267</b>	<b>221</b>	<b>+20.6%</b>
Cost of risk	-	(7)	n.s.
<b>Profit before tax</b>	<b>267</b>	<b>214</b>	<b>+24.7%</b>
Corporate income tax	(16)	(1)	n.s.
<b>Net profit</b>	<b>251</b>	<b>213</b>	<b>+17.6%</b>

**Crédit Mutuel Alliance Fédérale provides capital financing to start-ups, SMEs and mid-caps through its Crédit Mutuel Equity entity, which encompasses all the group's equity financing businesses: innovation capital, private equity and buyout capital, as well as investment in infrastructure projects and M&A advisory services. Crédit Mutuel Equity finances development projects mainly in France through its eight locations in the regions – Paris, Lyon, Nantes, Bordeaux, Lille, Strasbourg, Marseille and Toulouse – also internationally through its subsidiaries in Germany, Switzerland and Canada.**

Crédit Mutuel Equity invests the capital of Crédit Mutuel Alliance Fédérale and makes a long-term commitment to management teams to help them grow, transform, gain experience and know-how and build paths forward. This commitment is evidenced by the fact that it has held more than one-fourth of its 331 investments for more than 10 years. However, portfolio turnover remains very dynamic and demonstrates Crédit Mutuel Equity's strength, with an average of nearly one billion euros invested and divested every two years.

The first half of 2022 confirmed the high quality of the investments held by Crédit Mutuel Equity which, so far, have been able to offset and correct the current economic and geopolitical instability.

Proper management of the companies in the portfolio enables them to speed up their development and merger projects to make up for unstable growth at a time of price increases for raw materials and supply chain disruptions.

Investment activity was robust during this half-year period with €229.4 million in investments through 29 transactions, including 48% in new projects.

The portfolio of invested assets is now €3.1 billion after taking into account €180 million in disposals during this first half of the year.

Total income exceeded €300 million as of June 30, 2022, including more than €240 million in capital gains generated as a result of numerous transactions on the portfolio investments, which are still valued very carefully despite their strong performance.

After a record year in 2021 in terms of fees invoiced for mergers and acquisitions, CIC Conseil again had a very good first half with commissions already equivalent to three-fourths of those for all of the previous year.

Net profit at June 30 was €251 million. This high level of half-year profitability will allow Crédit Mutuel Equity to more confidently tackle the economic and financial challenges that await its investments, which we will continue to support over the long term.

## 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*, and *Le Journal de Saône et Loire*. These regional press titles are distributed in 23 départements in eastern France;
- holding company activities.

The “Other business lines” segment generated a net profit of €30 million in the first half of 2022, compared with a €92 million loss in the first half of 2021.

Net banking income was €454 million compared with €435 million at June 30, 2021.

Gross operating income returned to positive territory in the first half of 2022 at €39 million, compared with a €4 million loss a year earlier. The main notable changes concerned:

- a €28 million improvement in the logistics segment, for which revenues rose at a faster rate than costs;
- a slight deterioration in the “media” activity due to the increase in costs;
- a lower residual expense for the holding company activities.

Profit before tax was €77 million, compared with a loss before tax of €73 million in 2021. This was mainly driven by the “Gains and losses on other assets” item, which benefited from a favorable base effect, the first half of 2021 having been impacted by non-recurring impairment charges in respect of goodwill.

### **Focus on the media business**

After achieving a positive operating profit in 2021, the EBRA group is now operating in a complex economic environment, with very sharp rises in paper prices, energy tariffs and the costs of the industrial consumables needed for the daily production of its newspapers.

Nevertheless, the group’s revenues grew by 2% relative to the same period last year, with a growth in online revenues as well as a resumption of regional publicity activities and events.

To offset the historic rises in paper and energy costs, the group made plans to scale back its manufacturing facilities and implemented savings measures to keep its finances on an even keel.

Furthermore, the group is continuing to grow its online revenues and expand its audiences. The addition to the EBRA group of Humanoid, publisher of the iconic *Frandroid*, *Numerama* and *Madmoizelle* websites, will enable it to capture new readers via new topics.

At end-June 2022, the group succeeded in partly offsetting the increase in paper and energy prices and kept the fall in net profit to €5.3 million compared to end-June 2021.

## 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 variety of well-designed issue programs that allow it to access investors in the main international markets via 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.

The first half of 2022 was one of the worst six-month periods in the financial markets for a considerable time. The start of the war in Ukraine at the end of February triggered a sharp rise in prices, especially for energy and raw materials, along with record levels of inflation.

Central banks were obliged to make a very aggressive change to monetary policy, with sustained and consistent programs of rate rises. This determination to fight uncontrolled inflation at all costs despite the possible risk of recession prompted sharp volatility and a great deal of uncertainty in all markets.

In a worrying geopolitical context, this unprecedented situation is already weighing on economic prospects; it is expected to have an impact on household consumption and purchasing power and thus ultimately on growth.

In this difficult situation, debt markets remained intermittently open, with fairly large issue premiums on offer in an attempt to reassure jittery investors.

BFCM was nevertheless able to take advantage of sporadic windows to continue all of its programs for 2022.

In total, external funding obtained in the markets stood at €150.8 billion at the end of June 2022, a decrease of 4.2% compared to 2021.

Short-term money market funding (less than one year) totaled €42.7 billion at June 2022, 1.0% down on the previous year. It accounted for 28% of all market funding raised, two percentage points less than at the end of 2021. The tangible improvement in the Group's loan-to-deposit ratio enabled the central treasury department to continue reducing its use of short-term funding.

Medium and long-term (MLT) funding totaled €108.1 billion at the end of June 2022, a 6.4% increase compared to the year 2021. In the period to June 30, 2022, Crédit Mutuel Alliance Fédérale raised €11.0 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. 90% of this MLT funding was raised in euros and the balance in foreign currencies (pound sterling, Swiss franc and Norwegian krone), thereby demonstrating the good diversification of the investor base.

Public issues and private placements represent 89% and 11% of the total respectively. The average length of medium and long-term funding raised in 2022 was 5.95 years, comparable to the average for 2021.

## 2021 refinancing program

Public issues in the period to June 30, 2022 had a total value of €9.9 billion and were made up as follows:

BFCM – senior EMTNs:

- EUR 1.5 billion in senior format at 3 years and above,
- GBP 600 million in a 3 year and 6 year issue in January,
- CHF 175 million in a 5 year issue in June,

BFCM non-preferred senior EMTNs: €3.0 billion in issues of 5/10 years and 7 years in January and May in connection with MREL management;

Crédit Mutuel Home Loan SFH: €3.25 billion in issues of 5/10 years and 5 years in March and June.

## LCR and liquidity buffer

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

- average LCR of 166.8% over the half-year, compared with a 12-month average of 181.3% in 2021;
- average HQLA (high quality liquid assets) of €142.1 billion, 82% of which is deposited at central banks (mainly the ECB).

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

Crédit Mutuel Alliance Fédérale (in € billions)	6/30/2022
Cash deposited at central banks	106.4
LCR securities (after LCR haircut)	25.7
<i>Level 1 HQLA included in the above</i>	21.0
Other eligible central bank assets (after ECB haircut)	56.8
<b>Total liquidity reserves</b>	<b>188.9</b>

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

## Planned refinancing operations

In 2021, BFCM made drawdowns on its allocations under the various EIB finance programs. These amounts continued to be passed on to the final beneficiaries in the Crédit Mutuel Alliance Fédérale networks in the first half of 2022. These are SMEs and mid-tier businesses in the farming industry under the "Young Farmers & Climate Action" package and SMEs and mid-tier businesses monitored by our Corporate network for the "COVID-19 crisis response for SMEs and midcaps" program, which is about to be wound up. The latter customers will be able to continue enjoying assistance in this regard under the "EIB SME & Midcap III" package, marketing of which has recently begun.

The same was the case for the "Loans to the medical professions" package for professionals and/or SMEs operating in the pharmaceutical and healthcare sectors, notably in regions where access to medical experts is suboptimal/underserved.

## 6.2. Outstanding loans and deposits

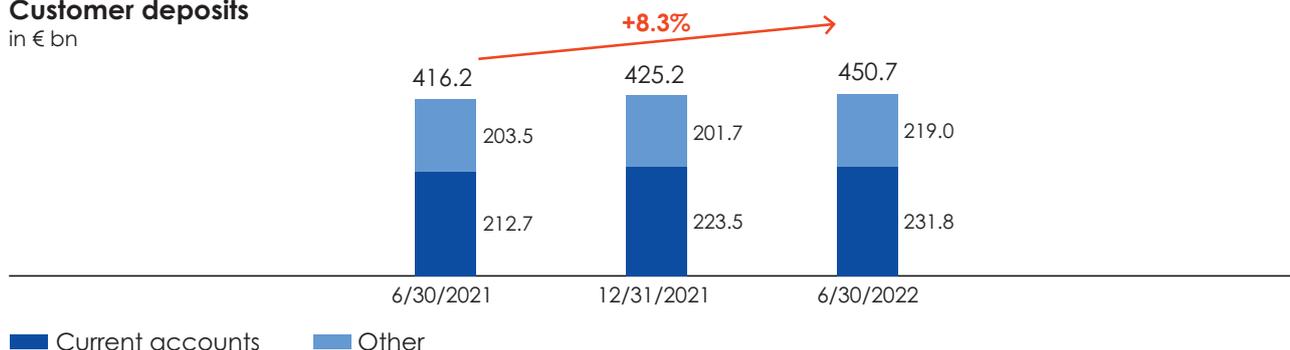
### Customer deposits

Deposits amounted to €450.7 billion as of June 2022, up 8.3% year-on-year. As from January 1, 2022, this figure includes deposits for Crédit Mutuel Nord Europe, which stood at €22.3 billion at end-June 2022. Deposits rose by 2.9% at constant scope.

As in 2021, current accounts continued to grow steadily (+5.3%) and inflows on regular passbook accounts were high, with deposits increasing by 9.1% to nearly €78 billion.

### Customer deposits

in € bn



### Customer loans

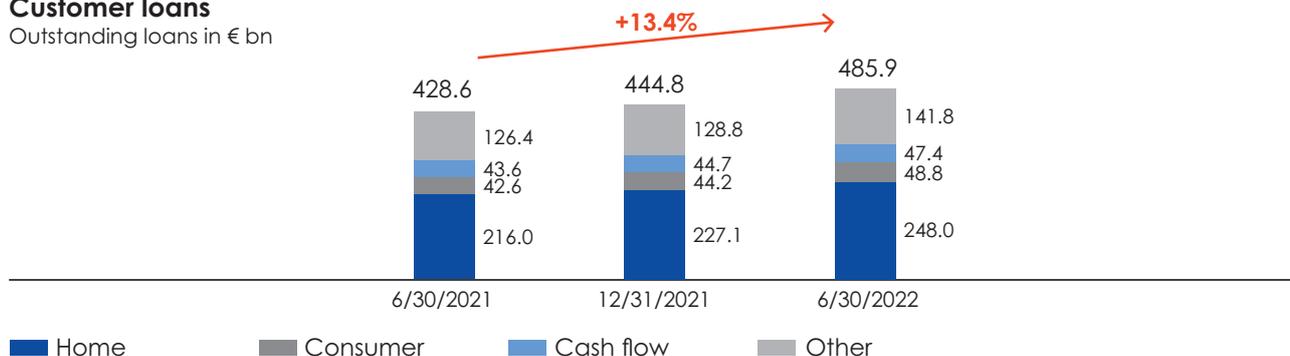
At the end of June 2022, outstanding loans totaled €485.9 billion, an increase of 13.4% year-on-year. As from January 1, 2022, this figure includes outstanding loans for Crédit Mutuel Nord Europe, which stood at €19.9 billion at end-June 2022. Customer loans rose by 8.6% at constant scope.

Demand for loans to support the recovery was high, and support for customers was evidenced by significant increases in outstandings in the main loan categories:

- home loans rose by 9.5% to €248 billion;
- equipment loans rose by 8.8% to €108.4 billion;
- outstanding consumer credit rose by 6.8% to €48.8 billion;
- leasing receivables rose by +8.0% to €19 billion.

### Customer loans

Outstanding loans in € bn



## 6.3. Methodology notes

### 6.3.1. Change in segmentation

With effect from the first half of 2022, the income statement is now subdivided into four segments, namely Retail banking, Insurance, Specialized business lines and Other business lines. The segments are themselves split into business lines as shown in the organization chart on page 35.

The main changes relative to the data for the first half of 2021 published in July and August 2021 are set out below:

#### Analysis of income statement by business segment - NEW SEGMENTATION

6/30/2021 (€ millions)	Retail banking	Insurance	Specialized businesses	Other business lines	Total
Net banking income	5,256	1,119	1,152	435	7,962
General operating expenses	(3,424)	(344)	(529)	(439)	(4,736)
<b>Gross operating income</b>	<b>1,832</b>	<b>775</b>	<b>622</b>	<b>(4)</b>	<b>3,226</b>
Cost of counterparty risk	(214)	-	25	2	(188)
Gains on other assets	(2)	0	0	(71)	(73)
<b>Profit before tax</b>	<b>1,616</b>	<b>775</b>	<b>647</b>	<b>(73)</b>	<b>2,965</b>
Income tax	(517)	(236)	(114)	(19)	(885)
Gains and losses net of tax on discontinued assets	7	-	-	-	7
<b>Net profit</b>	<b>1,106</b>	<b>540</b>	<b>533</b>	<b>(92)</b>	<b>2,087</b>
Non-controlling interests	-	-	-	-	161
<b>Net profit attributable to the group</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,926</b>

#### Analysis of income statement by business segment - OLD SEGMENTATION page 104 of the Universal Registration Document 2020, first amendment, filed August 12, 2021

6/30/2021 (in € millions)	Retail banking	Insurance	Financing and markets	Private banking	Private equity	Logistics and holding company services	Intra-group elimination	Total
Net banking income	5,340	1,119	490	319	257	924	(486)	7,962
General operating expenses	(3,486)	(344)	(204)	(225)	(36)	(928)	486	(4,736)
<b>Gross operating income</b>	<b>1,854</b>	<b>775</b>	<b>286</b>	<b>94</b>	<b>221</b>	<b>(4)</b>	<b>-</b>	<b>3,226</b>
Cost of counterparty risk	(214)		37	(5)	(7)	2		(188)
Gains on other assets	(2)	0				(72)		(73)
<b>Profit before tax</b>	<b>1,638</b>	<b>775</b>	<b>324</b>	<b>89</b>	<b>214</b>	<b>(74)</b>	<b>-</b>	<b>2,965</b>
Income tax	(523)	(236)	(84)	(23)	(0)	(19)		(885)
Gains and losses net of tax on discontinued assets	7							7
<b>Net profit</b>	<b>1,122</b>	<b>540</b>	<b>240</b>	<b>66</b>	<b>213</b>	<b>(93)</b>	<b>-</b>	<b>2,087</b>
Non-controlling interests	-	-	-	-	-	-	-	161
<b>Net profit attributable to the group</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,926</b>

- Retail banking: some specialized subsidiaries were transferred to the "Specialized business lines" segment ("Asset management and private banking" business line) and to the "Other business lines" segment ("Holding company activities" business line);
- Insurance: no change;
- The new "Specialized business lines" segment encompasses the former "Financing and markets", "Private banking" and "Private equity" segments as well as some entities previously reported under "Retail banking".
- "Other business lines" covers the former "Logistics and holding company services" and "Intra-group elimination" columns as well as one entity formerly reported under "Retail banking".

Additional details on the business lines in the "Other business lines" segment are provided in the tables below:

### NEW SEGMENTATION

#### Details for the "Specialized business lines" segment

6/30/2021 (in € millions)	Asset management & private banking	Corporate banking	Capital markets	Private equity	Specialized businesses
Net banking income	424	198	273	257	1,152
General operating expenses	(293)	(69)	(132)	(36)	(529)
<b>Gross operating income</b>	<b>131</b>	<b>129</b>	<b>141</b>	<b>221</b>	<b>622</b>
Cost of counterparty risk	(5)	37	0	(7)	25
Gains on other assets	0	-	-	-	0
<b>Profit before tax</b>	<b>126</b>	<b>166</b>	<b>141</b>	<b>214</b>	<b>647</b>
Income tax	(33)	(42)	(38)	(0)	(114)
Gains and losses net of tax on discontinued assets	-	-	-	-	-
<b>Net profit</b>	<b>93</b>	<b>124</b>	<b>103</b>	<b>213</b>	<b>533</b>

### OLD SEGMENTATION

#### Details for the "Specialized business lines" segment

6/30/2021 (€ millions)	Private banking	Corporate banking	Capital markets	Private equity	Specialized businesses
Net banking income	319	198	293	257	1,066
General operating expenses	(225)	(69)	(135)	(36)	(464)
<b>Gross operating income</b>	<b>94</b>	<b>129</b>	<b>157</b>	<b>221</b>	<b>602</b>
Cost of counterparty risk	(5)	37	0	(7)	25
Gains on other assets	0	-	-	-	0
<b>Profit before tax</b>	<b>89</b>	<b>166</b>	<b>157</b>	<b>214</b>	<b>627</b>
Income tax	(23)	(42)	(42)	(0.4)	(108)
Gains and losses net of tax on discontinued assets	-	-	-	-	-
<b>Net profit</b>	<b>66</b>	<b>124</b>	<b>115</b>	<b>213</b>	<b>519</b>

- The new "Asset management & private banking" business line includes:
  - All subsidiaries previously included in "Private banking";
  - Crédit Mutuel Asset Management and Crédit Mutuel Épargne Salariale, which were previously reported under "Retail Banking" / "Subsidiaries of the banking network", and Cigogne Management, which was previously reported under "Capital Markets";
  - Entities consolidated for the first time in the first half-year: La Française, Crédit Mutuel Investment Managers and CIC Private Debt.
- "Capital markets activities": one entity previously reported under this business line was transferred to the new "Asset management & private banking" business line: Cigogne Management.

### 6.3.2. Changes at constant scope

Changes at constant scope are calculated after eliminating:

- For the first half of 2022: data for newly consolidated entities, namely Crédit Mutuel Nord Europe, Crédit Mutuel Investment Managers and CIC Private Debt (affects "Retail banking, "Asset management" and "Other business lines");
- For the first half of 2021: data for Floa Bank, which was deconsolidated with effect from January 2022 (affects the "Retail banking" segment).

## Crédit Mutuel Alliance Fédérale

(€ millions)	1 <sup>st</sup> half 2022	Change in scope	1 <sup>st</sup> half 2022 excl. change in scope	1 <sup>st</sup> half 2021	Change in scope	1 <sup>st</sup> half 2021 excl. change in scope	2022/ 2021	2022/ 2021 at const. scp.
<b>Net banking income</b>	<b>8,556</b>	<b>448</b>	<b>8,108</b>	<b>7,962</b>	-	<b>7,962</b>	<b>+7.5%</b>	<b>+1.8%</b>
General operating expenses <i>of which: supervisory and resolution expenses</i>	(5,228)	(349)	(4,879)	(4,736)	-	(4,736)	+10.4%	+3.0%
<b>Gross operating income</b>	<b>3,329</b>	<b>99</b>	<b>3,230</b>	<b>3,226</b>	-	<b>3,226</b>	<b>+3.2%</b>	<b>+0.1%</b>
Cost of risk	(470)	(18)	(452)	(188)	-	(188)	x 2.5	x 2.4
<i>Cost of proven risk</i>	(350)	(9)	(342)	(320)	-	(320)	+9.6%	+6.9%
<i>Cost of non-proven risk</i>	(120)	(10)	(110)	132	-	132	n.s.	n.s.
<b>Operating income</b>	<b>2,859</b>	<b>80</b>	<b>2,778</b>	<b>3,038</b>	-	<b>3,038</b>	<b>-5.9%</b>	<b>-8.6%</b>
Net gains/(losses) on other assets and ECC	47	15	32	(73)	-0	(72)	n.s.	n.s.
<b>Profit before tax</b>	<b>2,906</b>	<b>95</b>	<b>2,810</b>	<b>2,965</b>	<b>(0)</b>	<b>2,966</b>	<b>-2.0%</b>	<b>-5.2%</b>
Corporate income tax	(773)	(26)	(747)	(885)	-	(885)	-12.6%	-15.6%
Net gains/(losses) on discontinued operations	(0)	(0)	-	7	7	-	n.s.	n.s.
<b>Net profit</b>	<b>2,132</b>	<b>69</b>	<b>2,064</b>	<b>2,087</b>	<b>7</b>	<b>2,081</b>	<b>+2.2%</b>	<b>-0.8%</b>
Non-controlling interests	99	-	99	161	-	161	-38.6%	-38.6%
<b>Net profit attributable to the group</b>	<b>2,034</b>	<b>69</b>	<b>1,965</b>	<b>1,926</b>	<b>7</b>	<b>1,920</b>	<b>+5.6%</b>	<b>+2.4%</b>

## Retail banking

(€ millions)	1 <sup>st</sup> half 2022	Change in scope	1 <sup>st</sup> half 2022 excl. change in scope	1 <sup>st</sup> half 2021	2022/ 2021	2022/ 2021 at const. scp.
<b>Net banking income</b>	<b>5,976</b>	<b>345</b>	<b>5,631</b>	<b>5,256</b>	<b>+13.7%</b>	<b>+7.1%</b>
General operating expenses <i>of which: supervisory and resolution expenses</i>	(3,798)	(270)	(3,528)	(3,424)	+10.9%	+3.1%
	(245)	(9)	(236)	(193)	+27.0%	+22.2%
<b>Gross operating income</b>	<b>2,178</b>	<b>75</b>	<b>2,103</b>	<b>1,832</b>	<b>+18.9%</b>	<b>+14.8%</b>
Cost of risk	(461)	(18)	(443)	(214)	x 2.1	x 2
<i>Cost of proven risk</i>	(336)	(9)	(328)	(303)	+10.9%	+8.1%
<i>Cost of non-proven risk</i>	(125)	(10)	(115)	89	n.s.	n.s.
<b>Operating income</b>	<b>1,717</b>	<b>57</b>	<b>1,660</b>	<b>1,618</b>	<b>+6.1%</b>	<b>+2.6%</b>
Net gains/(losses) on other assets and ECC	2	0	2	(2)	n.s.	n.s.
<b>Profit before tax</b>	<b>1,719</b>	<b>57</b>	<b>1,662</b>	<b>1,616</b>	<b>+6.3%</b>	<b>+2.8%</b>
Corporate income tax	(530)	(19)	(511)	(517)	+2.6%	-1.2%
Net gains/(losses) on discontinued operations	-	-	-	7	n.s.	n.s.
<b>Net profit</b>	<b>1,189</b>	<b>38</b>	<b>1,151</b>	<b>1,106</b>	<b>+7.4%</b>	<b>+4.6%</b>

## Asset management & private banking

(€ millions)	1 <sup>st</sup> half 2022	Change in scope	1 <sup>st</sup> half 2022 excl. change in scope	1 <sup>st</sup> half 2021	2022/ 2021	2022/ 2021 at const. scp.
<b>Net banking income</b>	<b>531</b>	<b>98</b>	<b>433</b>	<b>424</b>	<b>+25.2%</b>	<b>+2.1%</b>
General operating expenses	(393)	(79)	(313)	(293)	+34.0%	+6.9%
<b>Gross operating income</b>	<b>138</b>	<b>18</b>	<b>120</b>	<b>131</b>	<b>+5.7%</b>	<b>-8.4%</b>
Cost of risk	(3)	-	(3)	(5)	-40.3%	-40.3%
<b>Operating income</b>	<b>135</b>	<b>18</b>	<b>117</b>	<b>126</b>	<b>+7.6%</b>	<b>-7.1%</b>
Net gains/(losses) on other assets and ECC	15	15	(0)	0	n.s.	n.s.
<b>Profit before tax</b>	<b>150</b>	<b>33</b>	<b>117</b>	<b>126</b>	<b>+19.2%</b>	<b>-7.1%</b>
Corporate income tax	(35)	(6)	(28)	(33)	+4.6%	-14.2%
<b>Net profit</b>	<b>115</b>	<b>27</b>	<b>88</b>	<b>93</b>	<b>+24.4%</b>	<b>-4.6%</b>

## Other business lines

(€ millions)	1 <sup>st</sup> half 2022	Change in scope	1 <sup>st</sup> half 2022 excl. change in scope	1 <sup>st</sup> half 2021	2022/ 2021	2022/ 2021 at const. scp.
<b>Net banking income</b>	<b>454</b>	<b>5</b>	<b>449</b>	<b>435</b>	<b>+4.3%</b>	<b>+3.2%</b>
General operating expenses	(415)	(0)	(415)	(439)	-5.5%	-5.5%
<b>Gross operating income</b>	<b>39</b>	<b>5</b>	<b>34</b>	<b>(4)</b>	<b>n.s.</b>	<b>n.s.</b>
Cost of risk	8	(0)	8	2	x 5.2	x 5.2
<b>Operating income</b>	<b>47</b>	<b>5</b>	<b>42</b>	<b>(2)</b>	<b>n.s.</b>	<b>n.s.</b>
Net gains/(losses) on other assets and ECC	30	-	30	(71)	n.s.	n.s.
<b>Profit before tax</b>	<b>77</b>	<b>5</b>	<b>72</b>	<b>(73)</b>	<b>n.s.</b>	<b>n.s.</b>
Corporate income tax	(48)	(1)	(47)	(19)	x 2.5	x 2.4
<b>Net profit</b>	<b>30</b>	<b>4</b>	<b>26</b>	<b>(92)</b>	<b>n.s.</b>	<b>n.s.</b>

## 6.4. Alternative performance indicators

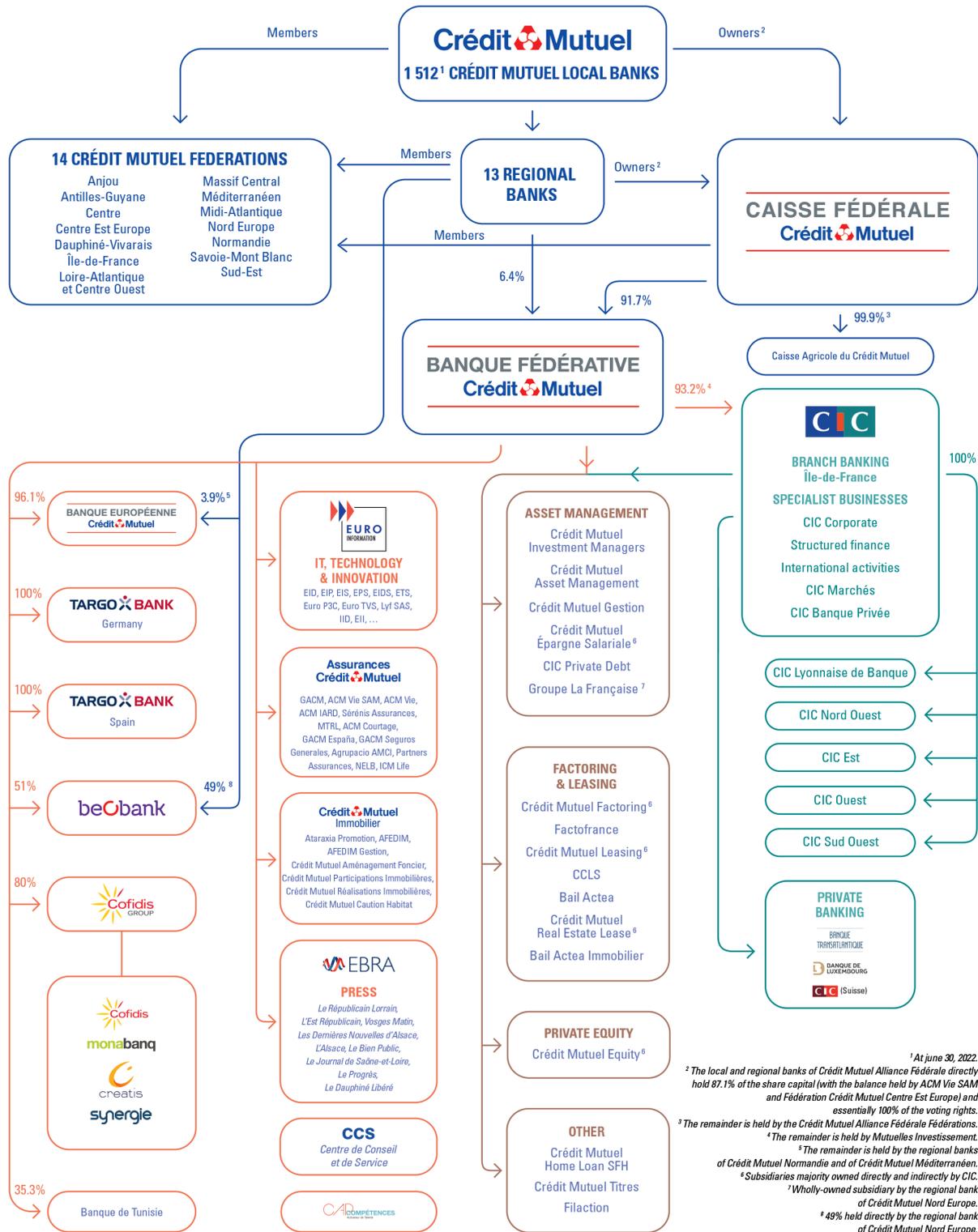
Name	Definition/calculation method	For the ratios, justification of use
cost/income ratio	ratio calculated from items in the consolidated income statement: ratio of general operating expenses (sum of items "employee benefit expense", "other general operating expenses" and "allocations/reversals of depreciation, amortization and provisions for property, plant and equipment and intangible assets") to "net banking income"	measure of the bank's operational efficiency
overall net additions to provisions for customer loan losses as a percentage of outstanding loans (expressed in % or basis points)	net additions to provisions for customer loan losses as stated in the notes to the consolidated financial statements as a percentage of 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
net additions to/reversals of provisions for loan losses	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	"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
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 = "interest and similar income" item 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 to the financial statements

(€ millions)

<b>Cost/income ratio</b>	<b>H1 2022</b>	<b>H1 2021</b>	<b>H1 2020</b>
General operating expenses	(5,228)	(4,736)	(4,552)
Net banking income	8,556	7,962	6,858
<b>Cost/income ratio</b>	<b>61.1%</b>	<b>59.5%</b>	<b>66.4%</b>
<b>Net profit / risk-weighted assets (RoRWA) - annualized</b>	<b>H1 2022</b>	<b>H1 2021</b>	<b>H1 2020</b>
Net profit	2,132	2,087	857
Average risk-weighted assets (RWA)	255,777	235,200	224,176
<b>Net profit / risk-weighted assets - annualized</b>	<b>1.67%</b>	<b>1.77%</b>	<b>0.76%</b>
<b>Loan-to-deposit ratio</b>	<b>6/30/2022</b>	<b>6/30/2021</b>	<b>6/30/2020</b>
Net customer loans	485,933	428,551	407,001
Customer deposits	450,728	416,232	381,654
<b>Loan-to-deposit ratio</b>	<b>107.8%</b>	<b>103.0%</b>	<b>106.6%</b>
<b>Coverage ratio</b>	<b>6/30/2022</b>	<b>6/30/2021</b>	<b>6/30/2020</b>
Expected losses on impaired assets (S3)	(6,199)	(6,172)	(6,676)
Gross receivables subject to individual impairment (S3)	12,363	12,097	12,669
<b>Total coverage ratio</b>	<b>50.1%</b>	<b>51.0%</b>	<b>52.7%</b>
<b>Non-performing loan ratio</b>	<b>6/30/2022</b>	<b>6/30/2021</b>	<b>6/30/2020</b>
Gross receivables subject to individual impairment (S3)	12,363	12,097	12,669
Gross customer loans	495,603	437,737	416,128
<b>Non-performing loan ratio</b>	<b>2.5%</b>	<b>2.8%</b>	<b>3.0%</b>
<b>Customer cost of risk as a percentage of outstanding loans - annualized</b>	<b>H1 2022</b>	<b>H1 2021</b>	<b>H1 2020</b>
Cost of risk for customer loan losses	(470)	(228)	(1,005)
Gross customer loans	495,603	437,737	416,128
<b>Customer cost of risk</b>	<b>0.19%</b>	<b>0.10%</b>	<b>0.48%</b>

# 7. Simplified organisation chart of Crédit Mutuel Alliance Fédérale



<sup>1</sup> At June 30, 2022.  
<sup>2</sup> 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.  
<sup>3</sup> The remainder is held by the Crédit Mutuel Alliance Fédérale Fédérations.  
<sup>4</sup> The remainder is held by Mutuelles Investissement.  
<sup>5</sup> The remainder is held by the regional banks of Crédit Mutuel Normandie and of Crédit Mutuel Méditerranéen.  
<sup>6</sup> Subsidiaries majority owned directly and indirectly by CIC.  
<sup>7</sup> Wholly-owned subsidiary by the regional bank of Crédit Mutuel Nord Europe.  
<sup>8</sup> 49% held directly by the regional bank of Crédit Mutuel Nord Europe.