July 27, 2023
Press release

RESULTS FOR THE YEAR ENDED JUNE 30, 2023 [1]

	1st half 2023	Change over 1 year
Net revenue is up, driven by good performance in the specialized businesses and the resilience of the banking network	**€3.367bn**	**+5.8%**
of which banking network	€1.943bn	+0.4%
of which specialized business lines	€1.299bn	+20.4%
General operating expenses have risen	**€1.973bn**	**+6.3%**
Cost of risk is up, reflecting changes in the economic environment	**€159m**	**+60.2%**
Slight increase in net income	**€1.015bn**	**+0.4%**

		1st half 2023	Change over 1 year
Strong business momentum in customer services	Customer loans	€243.6bn	+5.4%
	Customer deposits	€221.0bn	+0.8%
	Insurance [2]	6.5 million	+0.2 million
	New home sales [2]	941	-40
	Remote surveillance [2]	120,900	+5,000
A solid financial structure	CET1 ratio [3]	12.8%	N/A
	Shareholders' equity	€19.2bn	N/A

CIC turned in a solid first-half performance, with record net revenues of €3.4 billion (+5.8%). These results reflect the strong resilience of retail banking activities, with a net revenue of €1.9 billion, a slight increase of +0.4%, and the commercial momentum of specialized businesses (+20.4%).

In a period of inflation and upheaval in monetary policies, CIC is posting financial results at an all-time high, confirming the relevance and strength of its diversified model. The net income for the first half of the year, showing a slight increase, remains at its highest level, at 1 billion euros (+0.4%).

After three years of post-Covid recovery, the cost of risk, up 60.2%, returned to a normative level (€159 million), while expenses increased by 6.3%.

These first six months reflect the effectiveness of the relationship-focused model serving individual, business and corporate customers and the dedication of CIC's employees, its regional banks and its specialized business lines.

[1] Unaudited financial statements as at 06/30/2023, limited review procedures by the statutory auditors are in progress.

[2] In number of off-plan property reservation contracts.

[3] Estimated at June 30, 2023. The integration of the result into equity is subject to the approval of the ECB

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1. Consolidated earnings

1.1. Financial results

(€ millions)	1st half 2023	1st half 2022	Change
Net revenue	**3,367**	**3,182**	**+5.8%**
General operating expenses	-1,973	-1,856	+6.3%
of which contribution to the Single Resolution Fund, supervision costs and contributions to the FGD (1)	*-177*	*-209*	*-15.3%*
Gross operating income	**1,394**	**1,326**	**+5.2%**
Cost of risk	-159	-99	+60.2%
cost of proven risk	*-186*	*-42*	*x 4.4*
cost of non-proven risk	*27*	*-57*	*n.s.*
Operating profit	**1,235**	**1,227**	**+0.7%**
Net gains/(losses) on other assets and ECC (2)	69	72	-4.7%
Income before tax	**1,304**	**1,299**	**+0.4%**
Income tax	-289	-288	+0.4%
Net income	**1,015**	**1,011**	**+0.4%**
Non-controlling interests	0	1	n.s.
Net income attributable to the Group	**1,015**	**1,009**	**+0.5%**

(1) FDG = Fonds de Garantie des Dépôts.

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

Net revenue

CIC recorded growth of 5.8% in its net revenue in the first half of 2023 to €3.4 billion, thanks in particular to solid performance in the specialized businesses. Retail banking recorded a slight decline of 0.7%, following a sudden and profound change in economic conditions.

Net revenue (€ millions)	1st half 2023	1st half 2022	Change
Retail banking	**2,034**	**2,048**	**-0.7%**
of which banking network	*1,943*	*1,934*	*+0.4%*
Specialized businesses	**1,299**	**1,079**	**+20.4%**
Asset management and private banking	493	384	+28.4%
Corporate banking	294	211	+38.9%
Capital markets	293	180	+63.3%
Private equity	220	304	-27.8%
Holding company services	**34**	**55**	**-38.7%**
TOTAL CIC NBI	**3,367**	**3,182**	**+5.8%**

Retail banking revenues slightly declined by 0.7%. The stability of the banking network (+0.4%) enabled poorer performance by the business line subsidiaries (lease financing and factoring) to be contained.

In the first half of 2023, net revenue from **asset management and private banking** increased by 28.4%. Business activity benefited from good commercial development, despite an uncertain macroeconomic backdrop.

Net revenue from **corporate banking** was up by 38.9%. There was a sustained level of business in project financing and asset financing. Business in the large corporates segment benefited from ongoing investing activities and medium-term clients' projects.

Capital markets posted a substantial increase of 63.3% in net revenue. The volatile conditions in the financial markets, which hit primarily in March 2023, did not affect the results, which came out at a robust level of net revenue (€293 million), substantially ahead of the first half of 2022.

Net revenue from **private equity** (€220 million, compared with €304 million in the first half of 2022) remains solid amid an uncertain macroeconomic climate.

General operating expenses and gross operating income

General operating expenses amounted to €1.9 billion in 2023 with an increase of 6.3%.

Personnel expenses (+5.6%) include the effect of pay raises. They account for about half the total increase. Other operating expenses and depreciation/amortization rose by 7%.

The cost/income ratio deteriorated by 0.3 points to 58.6% versus the first half of 2022. It remains among the best in French banks.

Gross operating income rose by 5.2% to €1.4 billion.

Cost of risk and operating income

Total cost of risk was €159 million, up to more than 60% compared with the first half of 2022. This increase is the result of two opposing tendencies:

- An increase in the network customer's cost of proven risk, consumer credit and in corporate finance due to downgraded receivables. This deterioration reflects the uncertain macroeconomic climate that continues to prevail since the COVID-19 crisis;
- A fall in the cost of non-proven risk due to transfers of loans from performing to non-performing, leading to a reduction in the cost of non-proven risk and an increase in the cost of proven risk.

The non-performing loan ratio of 2.5% is higher than it was at the end of 2022 but still below the level of 2019 (2.7%).

Expressed as a percentage of total outstanding loans, the cost of risk for customer loans was 10 basis points; also increasing since the end of 2022. It remains below the level of the end of 2019 (16 basis points).

Income before tax

After taking into account the €68 million gain from equity consolidated companies (Groupe des Assurances du Crédit Mutuel), income before tax rose slightly by 0.4% to €1.3 billion.

Net income

Amid an uncertain macroeconomic climate, net income was €1.015 billion. It was thus slightly above (by €4 million) the equivalent figure for the first half of 2023.

Net income attributable to the group was €1.015 billion (+0.5%).

Increasing since the end of 2022

1.2. Financial structure

Liquidity and refinancing[1]

Banque Fédérative du Crédit Mutuel (BFCM), CIC's parent company, raises the necessary medium- and long-term market funds on behalf of Crédit Mutuel Alliance Fédérale and monitors liquidity. Like the other group entities, CIC is part of this mechanism, which ensures that its own liquidity and refinancing needs are covered.

Shareholders' equity and solvency

At June 30, 2023, CIC's shareholders' equity totaled €19.2 billion (€16.7 billion on June 30, 2022).

At end-June 2023, the Common Equity Tier 1 (CET1) capital ratio was estimated at 12.8% and the estimated overall solvency ratio was 14.7%.

1.3. Ratings

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

	LT/ST Counterparty**	Issuer/LT preferred senior debt	Outlook	ST preferred senior debt	Stand-alone rating ***	Date of last publication
Standard & Poor's [1]	AA-/A-1+	A+	Stable	A-1	a	11/30/2022
Moody's [2]	Aa2/P-1	Aa3	Stable	P-1	a3	7/21/2023
*Fitch Ratings** [3]	AA-	AA-	Stable	F1+	a+	12/30/2022

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

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

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

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

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

3 *Fitch Ratings: Crédit Mutuel Alliance Fédérale rating.*

In July 2023, the three main rating agencies confirmed the external ratings and stable outlooks attributed to Crédit Mutuel Alliance Fédérale and the Crédit Mutuel group. This reflects their operational efficiency, recurring profitability, low risk profile and sound financial fundamentals.

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

The Board of Directors met on July 26, 2023 to approve the financial statements.

All financial communications are available at: www.cic.fr/fr/banques/institutionnel/actionnaires-et-investisseurs/index.html under the heading "regulated information" and are published by CIC 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] For more information, please refer to the Crédit Mutuel Alliance Fédérale press release.

Key figures

CIC

(€ millions)	6/30/2023	6/30/2022	6/30/2021
Financial structure and business activity			
Balance sheet total	**418,366**	402,166	363,418
Shareholders' equity (including net income for the period before dividend pay-outs)	**19,167**	16,667	15,860
Customer loans (including leasing)	**243,595**	231,024	212,297
Total savings	**471,437**	451,746	460,087
- of which customer deposits	472,033	219,215	213,051
- of which insurance savings	36,835	35,698	36,096
- of which financial savings (invested in savings products)	214,165	196,833	210,940

	6/30/2023	6/30/2022	6/30/2021
Key figures			
Average workforce (full-time equivalent)	**19,373**	19,266	19,526
Number of branches (banking network)	**1,735**	1,765	1,815
Number of customers (banking network) – in millions	**5,580**	5,522	5,419
of which personal customers	4,416	4,372	4,309
of which business and corporate customers	1,163	1,149	1,110
Key ratios			
Cost-to-income ratio	**58.6%**	58.3%	58.2%
Total cost of risk as a percentage of outstanding loans	**10 bp**	8 bp	-3 bp
Loan-to-deposit ratio	**110.2%**	105.4%	99.6%
Overall solvency ratio (estimated at June 30, 2023)	**14.7%**	13.5%	14.5%
CET1 ratio (estimated at June 30, 2023)	**12.8%**	11.6%	12.3%

(€ millions)	1st half 2023	1st half 2022	1st half 2021
Results			
Net revenue	**3,367**	**3,182**	**3,031**
General operating expenses	-1,973	-1,856	-1,765
Gross operating income	**1,394**	**1,326**	**1,267**
Cost of risk	-159	-99	33
Operating profit	**1,235**	**1,227**	**1,300**
Net gains/(losses) on other assets and ECC	69	72	82
Income before tax	**1,304**	**1,299**	**1,382**
Income tax	-289	-288	-323
Net income	**1,015**	**1,011**	**1,058**
Non-controlling interests	0	1	9
Net income attributable to the Group	**1,015**	**1,009**	**1,049**

2. Results by business line

CIC implement solutions that meet the needs of all its personal, business and non-profit customers via a network of five regional banks, network subsidiaries and four skills hubs for its specialized businesses. As a mission-oriented corporation (entreprise à mission) with entrepreneurship at the coreof its DNA, CIC has the support of employees who drive forward development, diversification and mutuality in the interests of all its customers.

CIC	Operational business lines' contribution to net income in the first half of 2023
Retail banking	**45%**
Banking network	
Subsidiaries of the banking network	
Leasing	
Factoring	
Specialized businesses	**55%**
Asset management and private banking	
Corporate banking	
Capital markets	
Private equity	

*Excludes "Holding" segment.

2.1. Retail banking

2.1.1. Banking network

(€ millions)	1st half 2023	1st half 2022	Change
Net revenue	**1,943**	**1,934**	**+0.4%**
General operating expenses	-1,267	-1,202	+5.4%
Gross operating income	**676**	**732**	**-7.7%**
Cost of risk	-100	-80	+25.7%
cost of proven risk	*-87*	*-21*	*x 4*
cost of non-proven risk	*-13*	*-58*	*-77.6%.*
Operating profit	**576**	**652**	**-11.8%**
Net gains/(losses) on other assets and ECC (1)	-0	-1	n.s.
Income before tax	**576**	**651**	**-11.6%**
Income tax	-164	-185	-11.1%
Net income	**411**	**466**	**-11.8%**

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

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

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

At June 30, 2023, business was especially buoyant in term deposits, which tripled in volume over 12 months to €32.6 billion. Inflows to passbook accounts remained steady, with total balances outstanding of €41.5 billion. More generally, inflows continued to benefit from rising interest rates and customers' desire for safe and liquid products against a backdrop of instability in the financial markets.

At end-June 2023, outstanding loans reached €225.6 billion, a year-on-year rise of 3.6%. Thus, in the first half of 2023, growth in outstanding loans remained favorable in all of the main loan categories:

- home loans rose by 5.2% to €100.4 billion; the total amount released over the first half of 2023 fell by 29.8% to €7.2 billion following the slowdown observed since the second half of 2022;
- investment loans rose by 9.8% to €52.9 billion;

- consumer credit rose by 5.9% to €6.4 billion;

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

- property and health & provident insurance policies (excluding life insurance and borrower's insurance) reached 6.4 million, representing growth of 3.3% year-on-year;
- the number of mobile phone contracts was 567,000, up by 1.1% year-on-year;
- the number of remote home surveillance subscriptions rose by 4.3% to more than 120,000 contracts.

In terms of earnings, the CIC branch network recorded a rise of 0.4% in its net revenue, which reached nearly €2 billion. This was driven by an increase in fee and commission income (+4.5%) coupled with a reduction in the interest margin to 2.3%.

Operating expenses rose by 5.4% to nearly€1.3 billion; including the reduced contribution to the Single Resolution Fund, which led to a fall in expenses of €10 million.

The cost/income ratio went down by 3.1 points to 65.2% and gross operating income fell 7.7% to €676 million.

The cost of risk was a net addition to provisions of €100 million, compared with €80 million at end-June 2022. The increase is driven by the four-fold rise of the cost of proven risk due to a deterioration in non-performing counterparties.

Income before tax at end-June 2023 was down 11.6% to €576 million.

Thus net income was €411 million at end-June 2023, down 11.8% versus the end-June 2022.

2.1.2. Subsidiaries of the banking network

Within the retail banking activity, the supporting business lines made net revenue of €91 million (-20.2%), including fees paid to the network. Net income amounted to €57 million (€66 million on June 30, 2022) after taking into account the group’s €68 million share of the profit of Groupe des Assurances du Crédit Mutuel (€62 million at end-June 2022).

2.2. Specialized businesses

Asset management and private banking, corporate banking, capital markets and private equity round out CIC's banking and insurance offering. These four businesses account for 39% of net revenue and 55% of the net income of the operational business lines.

2.2.1. Asset management and private banking

(€ millions)	1st half 2023	1st half 2022	Change
Net revenue	**493**	**384**	**+28.4%**
General operating expenses	-284	-260	+9.6%
Gross operating income	**208**	**124**	**+67.7%**
Cost of risk	-2	-3	-48.0%
Operating profit	**207**	**121**	**+70.6%**
Net gains/(losses) on other assets and ECC (1)	1	12	-93.2%
Income before tax	**208**	**133**	**+56.1%**
Income tax	-50	-29	+71.9%
Net income	**158**	**104**	**+51.8%**

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

The companies that make up this business line operate in France and internationally through Banque Transatlantique, Banque de Luxembourg and Banque CIC Suisse. During the first hald of 2022, two other assets management subsidiaries have joined this business lines: CréditMutuel Épargne Salariale and CIC Private Debt.

At €493 million, net revenue from **asset management and private banking** accounted for 15% of the net revenue of CIC's operational business lines, having increased by 28.4% amid a difficult economic environment and tensions in the financial markets. This increase was mainly due to the excellent interest margin at the private banking entities (+€100 million; +88.8%) and to the sustained sales activity, while revenues from asset management held steady despite a slight fall in inflows.

General operating expenses at end-June 2023 were up by 9.6%. Due to the good level of the interest margin, gross operating income rose by more than 67% to €208 million.

Net gains on other assets and equity consolidated companies were €1 million, compared with €12 million in the first half of 2022. The figure included non-recurring income related to the first-time consolidation of CIC Private Debt.

Thus net income reached €158 million on June 30, 2023 versus €104 million at end-June 2022.

This data does not include the private banking activity carried out through CIC's network and its five regional banks, i.e. net revenue of €108 million (-8%) and net income of €42 million (-16%).

Despite the uncertain economic environment, business at **Banque Transatlantique group** grew energetically in the first half. Volumes rose in the various business lines both in France and abroad.

Commercial performance at the subsidiaries and business lines led to an 8% increase in net revenue, which amounted to €106.5 million versus €99 million at the end of June 2022.

Net interest income rose 55% to €40.5 million compared to €26.1 million at end-June 2022, partly as a result of the rise in lending rates. Net income was €32.9 million at the end of the first half, compared to €27.7 million at end-June 2022. The cost/income ratio was 57.4%, increasing by 0.7 points versus the first half of 2022.

Gross fundraising remained lively during the first half, rising by €3.3 billion compared to the end of 2022 to reach total savings of €60.6 billion.

Loan production has remained buoyant since the start of the year, with receivables reaching €4.8 billion, compared with €4.7 billion at the end of 2022.

Despite a backdrop of rising key interest rates, with the European Central Bank having raised its deposit facility rate by over 3% by the end of June 2023, mortgage lending registered a certain increase in terms of both the number of loans (+10.6%) and volume (+3.1%) since the start of the year.

During the first half, **Banque de Luxembourg** continued to benefit from a favorable interest-rate environment together with strong sales development across all of its retail and corporate business lines as well as its institutional asset management services.

Net revenue for the first half of 2023 was €214 million, up by 32% versus the same period of the previous year. First-half net interest income rose from €33.3 million to €95.6 million. At the same time, net fees and commissions dropped 7% to €116.3 million, amid a less dynamic climate in the stock markets in the first half of 2023. Customer savings balances remain stable at over 120 billion euros as of the end of June 2023.

Banque de Luxembourg obtained B Corp™ certification in April 2023. Thus it joins a community of more than 7,000 certified businesses worldwide that seek to comply with higher societal, environmental, governance and transparency requirements. Banque de Luxembourg remains committed to a fairer, more inclusive and regenerative economy that seeks to reconcile profitability with the common good.

Banque CIC Suisse reported a net increase in profit for the first half of 2023. Total balance sheet assets reached €13 billion.

Several business segments grew during the first half: total savings under management rose by 0.4% to 17.9 billion, while loans receivable grew by 3.3% to €10.1 billion.

Net revenue rose 42% to €129.2 million. Earnings sources were diversified more widely, enabling the bank to achieve a record net income of €35.7 million, growing by 46% compared to the previous year.

2.2.2. Corporate banking

(€ millions)	1st half 2023	1st half 2022	Change
Net revenue	**294**	**211**	**+38.9%**
General operating expenses	-84	-78	+7.2%
Gross operating income	**210**	**133**	**+57.6%**
Cost of risk	-55	-6	x 9.5
okcost of proven risk	*-89*	*-14*	*x 6.1*
cost of non-proven risk	*33*	*9*	*x 3.8*
Income before tax	**154**	**127**	**+21.3%**
Income tax	-42	-31	+37.7%
Net income	**112**	**97**	**+16.1%**

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

Corporate banking commitments remained steady at €59.8 billion, of which €23.4 billion has been drawn.

Net revenue increased by 38.9% to €294 million at the end of the first half. It benefited from a substantial rise in income from the large corporates and structured financing businesses (notably asset finance and project finance).

The cost of risk rose ninefold, with a net €55 million increase in provisions at end-June 2023, relative to €6 million at end-June 2022.

Overall, net income went up by 16.1% to €112 million on June 30, 2023, compared to €97 million the previous year.

The **structured financing** business line - acquisition finance, project finance, asset finance and securitization - increased overall in the first half of 2023. Business was particularly buoyant in project finance and asset finance. Loan origination was solid in the first half-year, totaling €1.6 billion. Ignoring changes in the scope of consolidation, income was up by 29% versus June 30, 2022, while the cost of proven risk remained zero for the period despite the increase in the funding costs of the portfolio. Income before tax was €98.6 million. Net revenue came to €134.2 million.

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

Numerous factors have affected the supply chain efficiency of businesses in recent months. In this environment, the **international business department** has intensified its provision of support firms seeking to do business internationally. By way of illustration, export documentary credits rose by 15.3% in capital terms compared to the first half of 2022.

In order to accelerate, safeguard and simply the international growth of its customers during these six months, departmental staff focused on:

- being able to assist customers with environmental and societal issues, through adapting its CIC Aidexport offerings: support was provided to 139 business during the first half;
- risk management at international level, in particular operational compliance;
- coordinating a network of managers in the Club CIC International, membership of which now extends to 1,084 businesses, up 21% over the first six months of the year.

2.2.3. Capital markets

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

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

The first half of 2023 was marked by favorable market conditions and strong sales momentum, leading to a 63.3% increase in net revenue to €293 million.

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

Overall net income from capital markets activities was €112 million at end-June 2023, compared to €35 million a year earlier.

CIC Market Solutions enjoyed good overall business momentum during the first half. Net revenue reached €113.7 million, versus €54.6 million at end-June 2022. This amount is net of a €14 million increase in CVA/DVA provisions.

Overall growth was driven by the different business lines within the segment.

The **Investment** business line – including France and New York, Singapore and London branches – generated first-half net revenue of €156.6 million, compared to €112.3 million in the first half of 2022.

2.2.4. Net revenue from the various divisions in France and abroad was largely positive. The business line was able to profit from opportunities in the periods of market volatility during the first half. **Private equity**

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

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

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

This commitment is borne out by the fact that it has held more than a quarter of its 333 equity interests for more than ten years. Nevertheless, portfolio rotation remains dynamic and in line with the economic cycles of the investments held.

More than €140 million was invested in the first half of 2023, with due prudence in line with the prevailing geopolitical uncertainty and the resulting economic impact on projected corporate growth and valuation multiples. Over four years, more than €2 billion has been used to finance new projects or support portfolio companies.

Meanwhile, the investment portfolio now stands at €3.4 billion, demonstrating the strong momentum of the Equity business lines in all segments, from innovation capital to buyouts.

Overall income remains solid at €220 million in the first half. Two-thirds of the total derives from gains on the portfolio, demonstrating the quality of asset management amid the current economic climate, and the overall performance of investments has been good.

CIC Conseil experienced continued dynamic growth during the first half, following on from an exceptional 2022.

The contribution to net income was €181 million – a very good level, which marks a return to a normal level of sound performance following two exceptional post-Covid years.

As a socially engaged investor, Crédit Mutuel Equity adopts a vision that focuses on social utility, sustainability and human considerations, favoring balanced financial structures, respecting project timeframes and ensuring that value is shared fairly among all stakeholders.

3. Additional information

3.1. Outstanding loans and deposits – consolidated scope

Customer deposits

(€ billions)	6/30/2023	6/30/2022	Change in %	12/31/2022
Current accounts	104.1	131.1	-20.6%	120.7
Livret Bleu / Livret A passbook accounts	14.4	12.0	+19.9%	12.9
Other passbook accounts	28.6	31.6	-9.7%	32.8
Mortgage saving accounts	11.7	12.3	-4.9%	12.4
Term deposits [1]	59.2	29.3	x 2	34.5
Other	3.1	2.8	+10.0%	8.8
CUSTOMER DEPOSITS	**221.0**	**219.2**	**+0.8%**	**222.0**

(1) Includes PEP accounts

Deposits stood at more than €221 billion at the end of June 2023, up by 0.8% year-on-year.

On June 30, 2023, inflows into Livret A passbook accounts remained especially high, rising 19.9% year-on-year to reach more than €14.4 billion. This increase is mainly due to the continuation of measures favorable to regulated savings, leading to an increase in the interest paid on these accounts. Conditions in financial markets are also encouraging customers to turn toward products that are both liquid and safe. Term deposits (including PEP and term accounts) consequently doubled over the last twelve months to exceed €59 billion. Current accounts, by contrast, saw outflows of more than €27 billion, while home savings account deposits also fell by almost 5%.

Customer loans

(€ billions)	6/30/2023	6/30/2022	Change in %	12/31/2022
Home loans	110.3	104.8	+5.3%	108.6
Consumer	6.8	6.3	+7.5%	6.6
Equipment and leasing	88.9	82.0	+8.4%	86.8
Operating [2]	23.0	25.7	-10.4%	24.2
Other	14.6	12.2	+19.2%	13.8
CUSTOMER LOANS	**243.6**	**231.0**	**+5.4%**	**240.0**

(2) Current account overdrafts & working capital loans

At the end of the first half of 2023, outstanding loans amounted to €243.6 billion, an increase of 5.4% year-on-year.

Despite the rise in interest rates, growth in loan receivables remained favorable in all of the main loan categories:

- home loans rose by 5.3% to €110.3 billion;
- consumer credit rose by 7.5% to €6.8 billion;
- equipment loans and leasing receivables rose by 8.4% to nearly reached €88.9 billion;
- other types of loan rose by 19.2% to €14.6 billion.

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 revenue"	measure of the bank's operational efficiency
overall cost of risk for customer loans as a percentage of outstanding loans (expressed in % or basis points)	cost of risk for customer loans 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	item "due to customers at amortized cost" 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 = item "interest and similar income" in the publishable consolidated income statement - interest paid = item "interest and similar expenses" in the publishable consolidated income statement	representative measure of profitability
loan to deposit ratio	ratio calculated from items in the consolidated balance sheet: ratio expressed as a percentage of total customer loans to customer deposits	measure of dependency on external refinancing
coverage ratio	determined by calculating the ratio of credit risk provisions (S3 impairments) to the gross outstandings identified as in default in accordance with regulations (gross receivables subject to an S3 individual impairment)	this coverage ratio measures the maximum residual risk associated with loans in default ("non-performing loans")
ratio of non-performing loans to gross loans	ratio of gross receivables subject to an S3 individual impairment to gross customer loans (calculated from "loans and receivables due from customers" note to the consolidated financial statements: gross receivables + finance leases)	indicator of asset quality

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

(€ millions)

Cost/income ratio	1st half 2023	1st half 2022	1st half 2021
General operating expenses	-1,973	-1,856	-1,765
Net revenue	3,367	3,182	3,031
Cost/income ratio	**58.6%**	**58.3%**	**58.2%**

Loan-to-deposit ratio	6/30/2023	6/30/2022	6/30/2021
Net customer loans	243,595	231,024	212,297
Customer deposits	221,033	219,215	213,051
Loan-to-deposit ratio	**110.2%**	**105.4%**	**99.6%**

Coverage ratio of non-performing loans	6/30/2023	6/30/2022	6/30/2021
Provisions for losses on non-performing loans (S3)	2,367	2,198	3,504
Gross receivables subject to individual impairment (S3)	6,233	5,129	5,419
Coverage ratio	**38.0%**	**42.9%**	**64.7%**

Total coverage ratio	6/30/2023	6/30/2022	6/30/2021
Provisions for impairment of non-performing loans (S3) and performing loans (S1 and S2)	3,389	3,459	2,355
Gross receivables subject to individual impairment (S3)	6,233	5,159	5,419
Total coverage ratio	**54.4%**	**67.1%**	**43.5%**

Non-performing loan ratio	6/30/2023	6/30/2022	6/30/2021
Gross receivables subject to individual impairment (S3)	6,233	5,159	5,419
Gross customer loans	246,984	234,483	215,800
Non-performing loan ratio	**2.5%**	**2.2%**	**2.5%**

Annualized cost of risk as a percentage of outstanding loans	1st half 2023	1st half 2022	1st half 2021
Total cost of risk for customer loan losses	-129	-94	6
Gross customer loans	246,984	234,483	215,800
Annualized cost of risk as a percentage of outstanding loans (in bp)	**10**	**8**	**-1**