




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

**Crédit  Mutuel**  
Home Loan SFH

The purpose of this report is to present the Company's activity during the first half of 2024, in accordance with the provisions of Article L.451-1-2 III of the French Monetary and Financial Code and Article 222-4 of the General Regulation of the French Financial Markets Authority.

It consists of:

-  The certification of the person responsible for the interim financial report
-  The Board of Directors' management report
-  The Statutory Auditors' report on the interim financial information for the period ended June 30, 2024

# DISSEMINATION OF INFORMATION

Regulatory reports, prospectuses and issue documentation are available on **Crédit Mutuel Home Loan SFH's** website:

<https://www.creditmutuel-homeloansfh.eu/en/index.html>

## Publication

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# Crédit Mutuel

## Home Loan SFH

A French limited company (*société anonyme*) with share capital of €220,000,000

Registered office: 6 avenue de Provence – 75452 Paris Cedex 9

Paris Trade and Companies Register No. 480 618 800

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Person responsible for the interim financial report

Eric Cuzzucoli - Chief Executive Officer

### **Certification of the person responsible for the interim financial report**

I certify that, to the best of my knowledge, the condensed financial statements for the six months just ended have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the company and that the attached interim activity report gives a true and fair view of the key events that occurred during the first half of the year, of their impact on the financial statements, of the main transactions between related parties, as well as a description of the main risks and uncertainties the company faces in the second half of the year.

Paris, July 24, 2024

Eric Cuzzucoli  
Chief Executive Officer

# BOARD OF DIRECTORS' MANAGEMENT REPORT

## Interim Financial Statements at June 30, 2024

July 2024

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## I. COMPANY STATUS AND ACTIVITIES

Crédit Mutuel Home Loan SFH was created after being authorized by the ACPR to opt for the status of “home loan financing company” (*Société de Financement de l’Habitat - SFH*) at its meeting on March 28, 2011. The company’s sole purpose is to contribute to the refinancing of Crédit Mutuel Alliance Fédérale.

### 1. KEY EVENTS DURING THE FIRST SIX MONTHS OF THE YEAR

Expectations at the end of 2023 of a sharp and rapid fall in interest rates in the eurozone and the United States have greatly diminished since the start of the year. In the face of sustained inflationary pressures, short-term interest rates have remained at high levels, resulting in a permanently “inverted” yield curve.

However, in Europe, the inflationary situation has gradually improved and the ECB was able to start its monetary easing cycle in June with the first 25bp cut in its key rates since 2019. Nevertheless, further easing is likely to be gradual, with only one additional cut between now and the end of the year.

This delayed and gradual fall in interest rates led to a rise in yields on the 10-year French treasury bond (OAT) of around 70bp in the first half of 2024, recouping part of the sharp fall in 2023.

Since June 7, the surprise dissolution of the French National Assembly has significantly increased French political risk and weighed on OAT levels. Most significantly, it caused the OAT/Bund spread to widen from 48bp to over 80bp (currently 65bp), demonstrating the idiosyncratic risk for France.

On the secondary market, liquidity spreads, which had tightened sharply due to strong structural demand, began to rise again, but are still below their levels at the start of the year.

Despite this difficult end to the first half of the year, H1 was characterized, much like 2023, by strong and consistent structural demand from investors for covered bonds. The high yields offered and the prospect of falling interest rates fueled bond buyers’ appetites, with a preference for long maturities.

Against this generally favorable backdrop, SFH carried out the following issues:

- €1.25 billion SFH 6-year “long” at MS+31, *i.e.* a coupon of 3.0%;
- €1.5 billion SFH 7 years at MS+40, *i.e.* a coupon of 3.0%;

In addition, to increase our volume of eligible collateral, we issued the following “retained” SFH:

- €1 billion SFH 14 years at MS+50, *i.e.* a coupon of 3.23%;
- €1 billion SFH 15 years at MS+50, *i.e.* a coupon of 3.23%.

At end-June, outstanding SFH retained by BFCM was €8 billion.

The anticipated persistence of political risk in France is forcing us to increase more quickly the outstanding amount of these retained SFH. We therefore plan to issue an additional €10 billion in July.

Outstanding retained SFH will therefore be €18 billion at the end of July.

## 2. FUTURE OUTLOOK

For the second half of the year, French political uncertainties will continue to weigh on the markets. We plan to complete our program as fully as possible and SFH should remain the preferred format for navigating the crisis.

Of course, we reserve the right to issue more if necessary as part of our refinancing strategy.

## 3. KEY EVENTS BETWEEN THE END OF THE REPORTING PERIOD AND THE DATE OF THIS REPORT

Since June 30, 2024, Crédit Mutuel Home Loan SFH has carried out six issues for a total of €11.5 billion:

- Five “retained” by BFCM for a total of €10 billion:
  - o €2 billion on 7/12/2024 with an 11-year maturity (coupon of 3.30%);
  - o €2 billion on 7/17/2024 with a 12-year maturity (coupon of 3.26%);
  - o €2 billion on 7/22/2024 with a 13-year maturity (coupon of 3.25%);
  - o €2 billion on 7/24/2024 with a 14-year maturity (coupon of 3.23%);
  - o €2 billion on 7/26/2024 with a 14.5-year maturity (coupon of 3.24%).
- One issue of €1.5 billion on 7/23/2024 with a 5-year maturity (coupon of 3.00%).

In addition, the collateral pool was increased to €65 billion.

## 4. BRANCHES

As of June 30, 2024, the company had no branches.

## 5. SUBSIDIARIES AND INVESTMENTS

In accordance with Article L.233-13 of the French Commercial Code regarding information on control of companies, the company has no subsidiaries.

## 6. EMPLOYEE SHARE OWNERSHIP

Not applicable.

## 7. OWNERSHIP

Crédit Mutuel Home Loan SFH is a 99.99%-owned subsidiary of Banque Fédérative du Crédit Mutuel.

Readers are reminded that the company has no employees.



## II. RESULTS, FINANCIAL POSITION AND DEBT

### 1. STATEMENT OF FINANCIAL POSITION

#### a. ASSETS

ASSETS (€ millions)	Note	2024 June 30	2023 December 31
Cash and amounts due from central banks			
Government securities			
Receivables due from credit institutions	2	31,246.6	33,139.0
Customer transactions			
Bonds and other fixed-income securities			
Shares and other variable-income securities			
Investments in subsidiaries and other long-term investments			
Investments in associates			
Lease and similar transactions			
Intangible assets			
Property, plant and equipment			
Subscribed capital unpaid			
Treasury shares			
Other assets	3	3.9	3.9
Accruals	4	89.4	86.2
<b>Total assets</b>		<b>31,339.9</b>	<b>33,229.0</b>
<b>Off-statement of financial position items</b>		<b>2024 June 30</b>	<b>2023 December 31</b>
<b>Commitments received</b>			
<b>Financing commitments</b>			
Commitments received from credit institutions			
<b>Guarantee commitments</b>			
Commitments received from credit institutions	10	43,001.0	43,001.2
<b>Securities commitments</b>			
Optional repurchase agreements			
Other commitments received			

## b. LIABILITIES

LIABILITIES (€ millions)	Note	2024 June 30	2023 December 31
Central banks			
Due to credit institutions			
Customer transactions			
Debt securities	5	30,958.4	29,588.6
Other liabilities	3	0.2	3,256.2
Accruals	4	89.2	86.6
Provisions			
Subordinated debt	6	60.7	60.8
Fund for general banking risks (FGBR)			
Shareholders' equity	7	231.3	236.8
- Subscribed capital		220.0	220.0
- Issue premiums			
- Reserves		3.4	2.7
- Revaluation reserve			
- Untaxed provisions			
- Retained earnings		0.1	0.1
- Profit/(loss) for the period		7.9	14.1
<b>Total liabilities and shareholders' equity</b>		<b>31,339.9</b>	<b>33,229.0</b>

Off-statement of financial position items	2024 June 30	2023 December 31
<b>Commitments given</b>		
<b>Financing commitments</b>		
Commitments given to credit institutions		
Commitments given to customers		
<b>Guarantee commitments</b>		
Commitments given on behalf of credit institutions		
Commitments given on behalf of customers		
<b>Securities commitments</b>		
Optional resale agreements		
Other commitments given		

Liabilities mainly consist of securities issued by SFH.

In addition, the "Other liabilities" item, which represents the collateral provided by BFCM to cover regulatory liquidity requirements at 180 days, amounting to €3.25 billion at December 31, 2023, is no longer funded by this mechanism. Due to the redemption of the last significant hard bullet issues, this is no longer necessary.

Assets correspond to the on-lending of these funds to BFCM.

The off-statement of financial position assets of €43 billion correspond to home loans offered as collateral by SFH's providers of collateral.

### c. PROFIT/(LOSS)

(€ millions)	Note	2024 June 30	2023 June 30
+ Interest and similar income	13	304.3	248.9
+ Interest and similar expense	13	(292.9)	(240.0)
+ Income from variable-income securities			
+ Fee and commission income			
+ Fee and commission expense			
+/- Gains/(losses) on trading portfolio transactions		(0.0)	(0.1)
+/- Gains/(losses) on investment portfolio and similar transactions			
+ Other banking income			
+ Other banking expense			
<b>= Net banking income</b>		<b>11.4</b>	<b>8.8</b>
+ Employee benefits expense			
+ Other administrative expenses		(0.9)	(0.9)
+ Depreciation and amortization			
<b>= Operating expenses</b>		<b>(0.9)</b>	<b>(0.9)</b>
<b>= Gross operating income</b>		<b>10.5</b>	<b>7.9</b>
+ Cost of risk			
<b>= Operating income</b>		<b>10.5</b>	<b>7.9</b>
+/- Gains/(losses) on non-current assets			
<b>= Income before non-recurring items</b>		<b>10.5</b>	<b>7.9</b>
+/- Non-recurring items			
+ Corporate income tax	14	(2.7)	(2.0)
+/- Movements in fund for general banking risks			
+/- Movements in untaxed provisions			
<b>= Net profit/(loss)</b>		<b>7.9</b>	<b>5.9</b>

Net profit for the first half of 2024 was €7.9 million, compared with €5.9 million at end-June 2023.

**d. STATEMENT OF NET CASH FLOWS**

(€ thousands)	6/30/2024	6/30/2023
Net profit	7,875	5,874
Tax	2,672	2,027
<b>Profit before tax</b>	<b>10,547</b>	<b>7,901</b>
+/- Net depreciation and amortization of property, plant and equipment and intangible assets		
- Impairment of goodwill and other current assets		
+/- Net charges to provisions		
+/- Share of profit/(loss) of equity-consolidated companies		
+/- Net (loss)/gain from investing activities		
+/- Expense from financing activities		
+/- Other movements	2,478	(6,384)
<b>= Total non-monetary items included in net profit/(loss) before tax and other adjustments</b>	<b>2,478</b>	<b>(6,384)</b>
+/- Cash flows relating to transactions with credit institutions	1,750,913	(3,442,746)
+/- Cash flows relating to customer transactions		
+/- Cash flows relating to other transactions affecting financial assets or liabilities		
+/- Cash flows relating to other transactions affecting non-financial assets or liabilities	(3,249,329)	(393,321)
- Tax paid	(5,186)	(1,786)
<b>= Net decrease in assets and liabilities from operating activities</b>	<b>(1,503,602)</b>	<b>(3,837,853)</b>
<b>TOTAL NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(1,490,577)</b>	<b>(3,836,336)</b>
+/- Cash flows relating to financial assets and investments		
+/- Cash flows relating to investment property		
+/- Cash flows relating to property, plant and equipment and intangible assets		
<b>TOTAL NET CASH FLOWS RELATING TO INVESTING ACTIVITIES</b>		
+/- Cash flows relating to transactions with shareholders	(13,420)	(6,160)
+/- Other net cash flows relating to financing activities	1,500,000	3,850,000
<b>TOTAL NET CASH FLOWS RELATING TO FINANCING ACTIVITIES</b>	<b>1,486,580</b>	<b>3,843,840</b>
<b>IMPACT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS</b>		
<b>Net increase in cash and cash equivalents</b>	<b>(4,148)</b>	<b>7,500</b>
Net cash flows from operating activities	(1,490,728)	(3,836,340)
Net cash flows relating to investing activities		
Net cash flows relating to financing activities	1,486,580	3,843,840
Impact of changes in exchange rates on cash and cash equivalents		
<b><u>Cash and cash equivalents at beginning of period</u></b>	<b><u>286,172</u></b>	<b><u>278,858</u></b>
Cash, central banks and postal checking accounts		
Demand loans and accounts at credit institutions	286,172	278,858
<b><u>Cash and cash equivalents at end of period</u></b>	<b><u>282,024</u></b>	<b><u>286,358</u></b>
Cash, central banks and postal checking accounts		
Demand loans and accounts at credit institutions	282,024	286,358
<b>CHANGE IN NET CASH AND CASH EQUIVALENTS</b>	<b>(4,148)</b>	<b>7,500</b>

### e. COVER POOL

Collateral for secured loans consists of a portfolio of receivables made up entirely of mortgage-backed receivables, totaling €43,001,015,593 at June 30, 2024.

The main characteristics of the home loan portfolio recognized at June 30, 2024, based on the principal amount outstanding at May 31, 2024, were as follows:

	5/31/2024
Principal amount outstanding	€43,001,015,593
Average principal amount outstanding	€102,541
Number of loans	419,356
Number of borrowers	371,366
Average age of loans (months)	70
Average residual maturity (months)	182
Proportion of fixed-rate loans	98.87%
Average interest rate on fixed-rate receivables	1.59%
Average interest rate on variable-rate receivables	3.23%

Breakdown by type of security		
Type of security	Total principal amount outstanding	Proportion by type of security
Crédit Logement guarantee	€12,790,208,351	30%
First-rate mortgage or lender's priority lien	€30,210,807,242	70%
<b>TOTAL</b>	<b>€43,001,015,593</b>	<b>100%</b>

Breakdown by type of loan		
Type of loan	Total principal amount outstanding	Number of loans
Standard	€39,121,260,993	372,975
Home savings plans/accounts	€4,515,501	1,074
Interest-free loans	€0	-
Low-income housing loans	€2,653,336,551	33,268
Regulated loans	€1,221,902,548	12,039
<b>TOTAL</b>	<b>€43,001,015,593</b>	<b>419,356</b>

Breakdown by number of loans in arrears		
Number of monthly repayments missed	Total principal amount outstanding	Number of loans
0	€43,001,015,593	419,356
> 0	-	-
<b>TOTAL</b>	<b>€43,001,015,593</b>	<b>419,356</b>

These loans are taken out by customers of CIC's regional banks and Crédit Mutuel's local banks and offered as collateral by BFCM.

## 2. FINANCIAL POSITION AND PRUDENTIAL RATIOS

At the request of Crédit Mutuel Home Loan SFH, on June 19, 2014 the General Secretariat of the ACPR (SGACPR) agreed to allow the company to be exempt from the application on an individual basis of prudential requirements related to solvency ratios, the leverage ratio and major risks, as well as from application of the 75% ceiling on cash receipts for calculating liquidity coverage.

The company is subject to the LCR on an individual basis but benefits from an exemption from application of the 75% ceiling on cash receipts, granted to it by the Supervisory College of the ACPR in a letter dated August 1, 2014. Accordingly, given the company's operating model (issues of securities on-lent to BFCM with the same characteristics), this ratio is always observed.

## 3. DEBT

Readers are reminded that the company's borrowing capacity is limited by its articles of association: it may only take on debt in the form of housing finance bonds (*obligations de financement à l'habitat*) and subordinated debt.

In accordance with the company's corporate purpose, issues of housing finance bonds are intended to refinance personal home loans granted by the Crédit Mutuel Alliance Fédérale banks, full ownership of which is transferred as collateral by Banque Fédérative du Crédit Mutuel. As principal and interest repayments become due, BFCM repays the corresponding amounts in respect of the loans granted to it.

Furthermore, Crédit Mutuel Home Loan SFH's borrowing capacity is dependent upon its compliance with prudential ratios laid down in applicable regulations.

### III. DESCRIPTION OF KEY RISKS AND UNCERTAINTIES AND RISK MANAGEMENT SYSTEM

The sole corporate purpose of Crédit Mutuel Home Loan SFH is to contribute to the refinancing of Crédit Mutuel Alliance Fédérale by issuing covered bonds based on a home loan portfolio pledged as collateral on the basis of Article L.211-36, paragraph II and Articles L.211-38 to L.211-40 of the French Monetary and Financial Code.

#### 1. CREDIT AND COUNTERPARTY RISK

Due to its limited corporate purpose, Crédit Mutuel Home Loan SFH's credit risk is strictly regulated. Funds may only be used as follows:

- On-lending of funds raised by issuing securities: these funds may only be lent to BFCM. This lending is itself secured by collateral in the form of home loans granted by Crédit Mutuel Alliance Fédérale, on the basis of Article L.211-36, paragraph II and Articles L.211-38 to L.211-40 of the French Monetary and Financial Code. The overall amount of lending and compliance with loan eligibility criteria are checked monthly and documented in an "Asset Cover Test" report.
- On-lending of capital is governed by the following limits:
  - o Regulatory limits: Articles L.513-7 and R.513-6 set minimum credit quality levels for these investments.
  - o Contractual limits: rating agencies have set minimum credit ratings that vary according to the term of the investments.

Duration/Minimum rating	S&P	Fitch	Moody's
< 30 days	A-1 or A	F1 and A	P-1
30 to 60 days	A-1	F1+ and/or AA-	P-1
60 days to 3 months	A-1+ or AA-	F1+ and/or AA-	P-1
< 1 year	A-1+ or AA-	F1+ and/or AA-	P-1

- Should BFCM default, the company would become the owner of the home loans offered as collateral. An analysis of this collateral by internal rating demonstrates the portfolio's high credit quality and is presented in the table below.

Rating	Outstandings (€m) <sup>(1)</sup>	Percentage	Aggregate percentage
A	25,644	59.7%	59.7%
B	11,882	27.6%	87.3%
C	3,987	9.3%	96.6%
D+	910	2.1%	98.7%
D-	474	1.1%	99.8%
E+	104	0.2%	100.0%
E-	0	0.0%	100.0%
E=	0	0.0%	100.0%
F	0	0.0%	100.0%
<b>TOTAL</b>	<b>43,001</b>	<b>100%</b>	<b>-</b>

<sup>(1)</sup> Outstandings at 5/31/2024 shown as guarantee commitments received in SFH's financial statements at 6/30/2024

There are no non-performing or overdue loans in the portfolio offered as collateral.

The breakdown of these home loans by type of security is as follows:

Type of security	Outstandings (€m) <sup>(1)</sup>
Home mortgage guarantees	30,211
Guarantees provided by a credit institution	12,790
<b>TOTAL</b>	<b>43,001</b>

<sup>(1)</sup> Outstandings at 5/31/2024 shown as guarantee commitments received in SFH's financial statements at 6/30/2024

Guaranteed loans are secured by Crédit Logement.

The present LTV (ratio of the principal amount outstanding to the present value of the assets) of these loans is 58% on average.

## 2. INTEREST RATE, FOREIGN EXCHANGE AND MARKET RISK

### *Interest rate risk*

Crédit Mutuel Home Loan SFH is required to operate in such a way that it is not exposed to interest rate risk.

- Funds collected by issuing securities must be lent to BFCM at the same interest rates and for the same terms (plus 10% of the margin generated relative to an unsecured issue, with a minimum of 2bp). This means that assets and liabilities are perfectly matched by term and interest rate.
- The only way the company could be exposed to interest rate risk would be if BFCM were to default. The company would then need to enforce its security and would become the owner of the home loans.

In accordance with the update to the issue program in July 2015 and with the approval of the rating agencies, this potential interest rate risk using a look-through approach is covered by a natural matching of assets and liabilities and by overcollateralization.

In fact, the vast majority (approximately 99%) of the cover pool assets are fixed-rate loans, and these assets are matched to liabilities by fixed-rate issues in the same proportion. The average interest rate of the cover pool (1.60% at 5/31/2024) and the average interest rate of bonds issued (1.69% at 5/31/2024) are monitored monthly. The overcollateralization rate resulting from the Asset Cover Test calculation negotiated with the rating agencies is always more than 74.9% (= Asset Percentage). The company is committed to maintaining this level of overcollateralization to meet the rating targets and regulatory requirements.

In addition, an *ex-ante* analysis of the potential interest rate risk using a look-through approach was carried out. It entails monitoring changes in the loans in the pool and issues within the Group's asset-liability management tool. This highlights the interest-rate sensitivity (plus or minus 200bp) of these two large volumes. SFH can easily bear this impact given its equity and overcollateralization.



### Currency risk

The program allows Crédit Mutuel Home Loan SFH to carry out issues in foreign currencies. In such cases, the loan to BFCM is also made in the issue currency.

- At the reporting date, Crédit Mutuel Home Loan SFH's issues in foreign currencies were limited to:

Nominal amount in foreign currency	Foreign currency	Equivalent nominal amount in euros	Issue date	Maturity date
750,000,000	NOK	96,961,862	10/7/2011	10/7/2024

The funds raised *via* this issue were lent to BFCM under the same terms.

- The only way the company could be exposed to foreign exchange risk would be if BFCM were to default. The company would then need to enforce its security and would become the owner of the home loans, all of which are denominated in euros, while having to make repayments in foreign currencies. The issue program documentation requires Crédit Mutuel Home Loan SFH to enter into specific foreign currency swaps with counterparties that must meet detailed rating criteria in order to hedge this risk as soon as BFCM's rating is downgraded.
- Since a first-level rating criterion has been met, hedging swaps have been set up. BFCM has the necessary rating level and so is the counterparty to these swaps. It meets the following ratings-based eligibility criteria provided for in the issue program documentation: A-1 (short-term) and A+ (long-term) from Standard & Poor's, P-1 (short-term) and Aa3 (long-term) from Moody's and F1+ (short-term)/AA- (long-term) from Fitch.  
Furthermore, since no collateral has been transferred, the company does not need these swaps to hedge its risk. They have therefore been neutralized with BFCM.

### Market risk

In accordance with its limited corporate purpose, Crédit Mutuel Home Loan SFH is not involved in any capital market activity other than issuing covered bonds and on-lending the funds raised in this way to BFCM under the same terms.

An adverse change in market conditions would only affect Crédit Mutuel Home Loan SFH's ability to raise funds in the bond market.

## 3. LIQUIDITY RISK

Crédit Mutuel Home Loan SFH operates in such a way that it is not exposed to liquidity risk. Since its sources and uses of funds are perfectly matched by term, Crédit Mutuel Home Loan SFH does not engage in maturity transformation.

- The only way the company could be exposed to liquidity risk would be if BFCM were to default. As indicated above, the company would then need to enforce its security and would become the owner of the home loans. The issue program documentation provides for a pre-maturity test to address this risk.
- The pre-maturity test requires BFCM to set aside a cash security deposit in the 180 business days before a covered bond issue matures. This deposit must be sufficient to cover the principal repayments falling due during the period in question. Failure to meet this obligation would represent default by BFCM.

- This pre-maturity test was triggered after Fitch Ratings downgraded BFCM's short-term credit rating to F1 on July 17, 2013. As a result, collateral was put in place to cover issues due to mature within 180 business days, and the funds thus obtained were deposited in term accounts maturing in less than 30 days.
- Fitch Ratings upgraded BFCM's short-term rating from F1 to F1+ on March 30, 2020. The use of the pre-maturity test is therefore no longer contractually required, but the decision had been made to maintain the cash collateral for the 180-day regulatory liquidity requirement to cover hard bullet issues. The company's management decided to stop providing this cash collateral in 2024 due to the redemption of the last hard bullet issues.

These mechanisms are considered compliant with the requirements of Article R.513-7 of the French Monetary and Financial Code.

Crédit Mutuel Home Loan SFH does not have a cash shortfall within 180 days of 6/30/2024.

Total cash inflows in €	2,287,961,312
Total cash outflows in €	- 130,452,177
Cash balance in € <sup>1</sup>	<b>2,439,533,095</b>

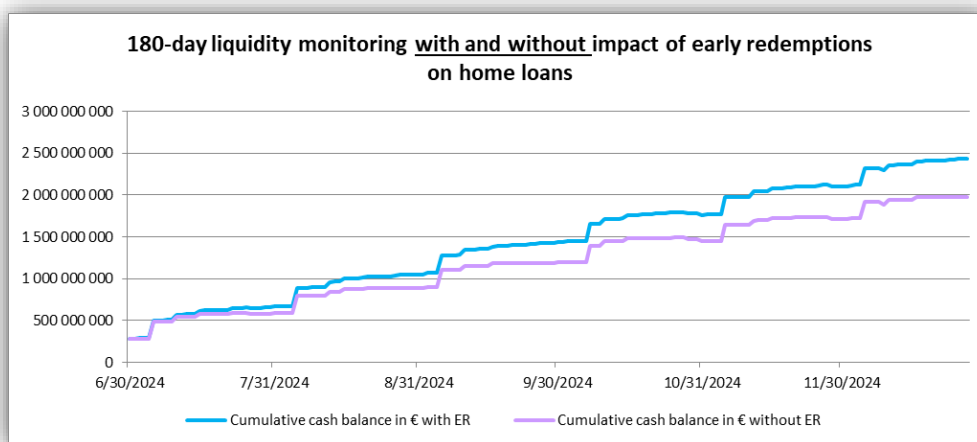
<sup>1</sup> The cash balance at D+180 takes into account the initial balance of the current account of €282,023,961.

Cash inflows consist of projected cash flows resulting from assets received as collateral, either pledged or owned outright, and not projected cash flows from receivables recorded as assets. The total of €2,287,961,312 corresponds to principal and interest repayments on home loans after applying an early repayment rate of 2.40% and an estimated cost of risk of 0.043%.

The graph below shows the projected liquidity situation with and without the impact of early repayments. In both cases, these situations do not give rise to a cash shortfall. Requirements at 180 days are covered.

The amount corresponding to repayments of principal and interest on home loans before application of the early repayment rate and the cost of risk is €1,831,075,365.

The impact of early repayments is €456,885,947.



- Should BFCM default, the company would become the owner of the home loans offered as collateral. The chart below shows the amortization profile of this portfolio compared to the amortization of the issues.



This simulation shows that at any given time the collateral is sufficient to cover issue maturities, including taking into account early repayments and the cost of risk.

- The company is subject to the LCR on an individual basis but benefits from an exemption from application of the 75% ceiling on cash receipts, granted to it by the Supervisory College of the ACPR in a letter dated August 1, 2014. Accordingly, given the company's operating model (issues of securities on-lent to BFCM with the same characteristics), this ratio is always observed.

#### 4. OPERATIONAL RISK

In line with its articles of association, Crédit Mutuel Home Loan SFH has no resources of its own. All tasks are subcontracted to BFCM, CIC and Caisse Fédérale de Crédit Mutuel under various agreements. Internal control of outsourced activities is organized in accordance with the process defined by Group Compliance. The company's operational risk policy is in line with the global policy implemented by Crédit Mutuel Alliance Fédérale, particularly in terms of the Emergency and Business Continuity Plan.

#### 5. LEGAL RISK

Legal risk has been analyzed in detail by the rating agencies, which have assigned their top rating (AAA) to Crédit Mutuel Home Loan SFH's program.

To help it achieve its corporate purpose, Crédit Mutuel Home Loan SFH is advised by external legal advisers, including law firms.

More broadly, under the above-mentioned agreements, Crédit Mutuel Home Loan SFH receives assistance from Crédit Mutuel Alliance Fédérale for all its activities.

## **IV. RESEARCH AND DEVELOPMENT ACTIVITIES**

In light of Article L.232-1 of the French Commercial Code, readers are informed that the company has not engaged in any research and development activity during the year under review.

## **APPENDICES**

### **STATUTORY AUDITORS' REPORT ON INTERIM FINANCIAL INFORMATION FINANCIAL STATEMENTS**

**Crédit Mutuel Home Loan SFH**

**Statutory Auditors' report  
on interim financial information**

**(Period from January 1 to June 30, 2024)**

**PricewaterhouseCoopers Audit**  
63, rue de Villiers  
92208 Neuilly-sur-Seine Cedex  
S.A.S. (French simplified limited company)  
with share capital of €2,510,460  
Nanterre Trade and Companies Register No.  
672 006 483

**Ernst & Young et Autres**  
Tour First  
TSA 14444  
92037 Paris-La Défense Cedex  
S.A.S. à *capital variable*  
(French simplified limited company with variable  
capital) Nanterre Trade and Companies  
Register No. 438 476 913

Statutory Auditor Member of the Regional  
Association of Accountants  
of Versailles and Centre

Statutory Auditor Member of the Regional  
Association of Accountants  
of Versailles and Centre

## **Statutory Auditors' report on interim financial information**

**(Period from January 1 to June 30, 2024)**

To the Shareholders  
**Crédit Mutuel Home Loan SFH**  
6 avenue de Provence  
75452 Paris Cedex 9

In fulfillment of the assignment entrusted to us by your shareholders' meeting, and pursuant to Article L.451-1-2 III of the French Monetary and Financial Code, we have:

- conducted a limited review of the interim financial statements of Crédit Mutuel Home Loan SFH for the period from January 1 to June 30, 2024, as appended to this report;
- verified the information provided in the interim activity report.

These interim financial statements were prepared under the responsibility of the Board of Directors. It is our duty, on the basis of our limited review, to report our conclusions on these financial statements.

### **I - Conclusions on the financial statements**

We conducted our limited review according to auditing standards applicable in France.

A limited review primarily entails speaking with the members of management in charge of accounting and financial matters and applying analytical procedures. This review is less extensive than that required for an audit conducted according to auditing standards applicable in France. Therefore, the assurance obtained through a limited review that the financial statements as a whole are free of material misstatements is moderate and not as high as the assurance obtained through an audit.

Based on our limited review, we have not identified any material misstatements that could lead us to question, in accordance with French accounting rules and principles, that the interim financial statements are accurate and present a true and fair view of the company's assets, liabilities and financial position at the end of the half-year period and of the results for said period.

## **II - Specific verifications**

We have also verified the information provided in the interim activity report regarding the interim financial statements covered by our limited review.

We have no comments regarding the fairness of this information and its consistency with the interim financial statements.

Neuilly-sur-Seine and Paris-La Défense, July 24, 2024

The Statutory Auditors

PricewaterhouseCoopers Audit

Ernst & Young et Autres

Laurent Tavernier

Vanessa Jolivald

Partner

Partner

# **CREDIT MUTUEL HOME LOAN SFH**

## **Statutory financial statements**

**for the period ended JUNE 30, 2024**

- Statement of financial position
- Income statement
- Notes



## STATUTORY FINANCIAL STATEMENTS

### STATEMENT OF FINANCIAL POSITION

ASSETS (€ thousands)	Note	June 30, 2024	December 31, 2023
Cash, central banks			
Government securities and similar			
Receivables due from credit institutions	2	31,246,647	33,138,965
Customer transactions			
Bonds and other fixed-income securities			
Shares and other variable-income securities			
Investments in subsidiaries and other long-term investments			
Investments in associates			
Lease and similar transactions			
Intangible assets			
Property, plant and equipment			
Subscribed capital unpaid			
Treasury shares			
Other assets	3	3,874	3,865
Accruals	4	89,383	86,205
<b>Total assets</b>		<b>31,339,903</b>	<b>33,229,034</b>
<b>Off-statement of financial position items</b>		<b>2024</b>	<b>2023</b>
		<b>June 30</b>	<b>December 31</b>
<b>Commitments received</b>			
<b>Financing commitments</b>			
Commitments received from credit institutions			
<b>Guarantee commitments</b>			
Commitments received from credit institutions	10	43,001,016	43,001,211
<b>Securities commitments</b>			
Optional repurchase agreements			
Other commitments received			

## STATEMENT OF FINANCIAL POSITION

LIABILITIES (€ thousands)	Note	June 30, 2024	December 31, 2023
Central banks			
Due to credit institutions			
Customer transactions			
Debt securities	5	30,958,375	29,588,620
Other liabilities	3	206	3,256,103
Accruals	4	89,235	86,642
Provisions			
Subordinated debt	6	60,742	60,779
Fund for general banking risks (FGBR)			
Shareholders' equity	7	231,345	236,890
- Subscribed capital		220,000	220,000
- Issue premiums			
- Reserves		3,377	2,671
- Revaluation reserve			
- Untaxed provisions			
- Retained earnings		93	105
- Profit/(loss) for the period		7,875	14,114
<b>Total liabilities and shareholders' equity</b>		<b>31,339,903</b>	<b>33,229,034</b>

Off-statement of financial position items	June 30, 2024	December 31, 2023
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### Commitments given

#### Financing commitments

Commitments given to credit institutions  
Commitments given to customers

#### Guarantee commitments

Commitments given on behalf of credit institutions  
Commitments given on behalf of customers

#### Securities commitments

Optional resale agreements  
Other commitments given

## INCOME STATEMENT

(€ thousands)	Note	June 30, 2024	June 30, 2023
+ Interest and similar income	13	304,312	248,877
+ Interest and similar expenses	13	(292,914)	(240,013)
+ Income from variable-income securities			
+ Fee and commission income			
+ Fee and commission expense			
+/- Gains/(losses) on trading portfolio transactions		(1)	(93)
+/- Gains/(losses) on investment portfolio and similar transactions			
+ Other banking income			
+ Other banking expense			
<b>= Net banking income</b>		<b>11,397</b>	<b>8,771</b>
+ Employee benefits expense			
+ Other administrative expenses		(850)	(870)
+ Depreciation and amortization			
<b>= Operating expenses</b>		<b>(850)</b>	<b>(870)</b>
<b>= Gross operating income</b>		<b>10,547</b>	<b>7,900</b>
+ Cost of risk			
<b>= Operating income</b>		<b>10,547</b>	<b>7,900</b>
+/- Gains/(losses) on non-current assets		10,547	7,900
<b>= Income before non-recurring items</b>		<b>10,547</b>	<b>7,900</b>
+/- Non-recurring items			
+ Corporate income tax	14	(2,672)	(2,027)
+/- Movements in fund for general banking risks			
+/- Movements in untaxed provisions			
<b>= Net profit/(loss)</b>		<b>7,875</b>	<b>5,874</b>

## INFORMATION ON STATEMENT OF FINANCIAL POSITION, OFF-STATEMENT OF FINANCIAL POSITION AND INCOME STATEMENT ITEMS

The notes to the financial statements are presented in millions of euros.

### Significant events during the period under review

In the first half of 2024, Crédit Mutuel Home Loan SFH issued €4.75 billion in EMTN bonds. Taking into account issues that had reached maturity, total issues on the statement of financial position were €30.8 billion at June 30, 2024.

Crédit Mutuel Home Loan SFH is a 99.99%-owned subsidiary of Banque Fédérative du Crédit Mutuel.

### NOTE 1: Accounting principles, valuation and presentation methods

The statutory financial statements are prepared in accordance with *Autorité des normes comptables* (ANC - French Accounting Standards Authority) regulation 2014-07 related to the financial statements of banking sector firms and included in the compendium of French accounting standards for the banking sector.

#### Loans

Loans are recorded on the statement of financial position at their nominal value.

#### Assets and liabilities denominated in foreign currencies

Assets and liabilities denominated in a currency other than the local currency are translated at the official exchange rate on the reporting date. Unrealized foreign exchange gains or losses resulting from these translations are recognized on the income statement with the exchange gains or losses realized or incurred on transactions carried out during the period.

#### Interest and commission income and expense

Interest is recognized on the income statement on a *pro rata temporis* basis. Commissions are recorded using the cash receipt criterion, with the exception of commissions relating to financial transactions, which are recorded at the close of the issue or when invoiced.

### NOTE 2 - Receivables due from credit institutions

	June 30, 2024		December 31, 2023	
	Demand	Term	Demand	Term
Current accounts	282.0		286.2	
Loans and securities received under repurchase agreements (*)		30,815.8		32,566.7
Securities delivered under repurchase agreements				
Accrued interest		148.8		286.1
Non-performing loans				
Impairment				
<b>Total</b>	<b>282.0</b>	<b>30,964.6</b>	<b>286.2</b>	<b>32,852.8</b>
<b>Total receivables due from credit institutions</b>		<b>31,246.6</b>		<b>33,139.0</b>

of which non-voting loan stock

of which subordinated loans

(\*) BFCM is the only counterparty to the loans granted.

### NOTE 3 - Other assets and liabilities

	June 30, 2024		December 31, 2023	
	Assets	Liabilities	Assets	Liabilities
Option premiums				
Guarantee deposits	3.9		3.9	3,250.1
Securities settlement accounts				
Debt representing borrowed securities				
Deferred tax		0.2		6.1
Other receivables and payables				
Related debt and receivables				
Impairment				
<b>Total</b>	<b>3.9</b>	<b>0.2</b>	<b>3.9</b>	<b>3,256.2</b>

At June 30, 2024, the financial asset recognized in respect of the SRF was €3.9 million and is recorded under other assets.

The amount of irrevocable payment commitments made during fiscal year 2024 was zero.

### NOTE 4 - Accruals

	June 30, 2024		December 31, 2023	
	Assets	Liabilities	Assets	Liabilities
Collection accounts				
Currency adjustments and off-statement of financial position items	2.7	2.7	1.1	1.1
Other accruals	86.7	86.5	85.1	85.5
<b>Total</b>	<b>89.4</b>	<b>89.2</b>	<b>86.2</b>	<b>86.6</b>

Accruals - liabilities mainly concern EMTN issue premiums. Accruals - assets reflect accruals - liabilities at the loan level.

## NOTE 5 - Debt securities

	June 30, 2024	December 31, 2023
Certificates of deposit		
Interbank instruments and negotiable debt securities Bonds	30,815.8	29,316.7
Other debt securities		
Related debt	142.6	271.9
<b>Total</b>	<b>30,958.4</b>	<b>29,588.6</b>

Borrowings are in EUR and NOK

## NOTE 6 - Subordinated debt

	December 31, 2023	Issue	Re-payments	Other changes	June 30, 2024
Subordinated debt					
Non-voting loan stock					
Perpetual subordinated debt	60.0				60.0
Related debt	0.8			(0.1)	0.7
<b>Total</b>	<b>60.8</b>			<b>(0.1)</b>	<b>60.7</b>

Main subordinated debt issues:

	OUTSTANDINGS	INTEREST RATE	MATURITY
PERPETUAL SUBORDINATED LOAN STOCK 2007	60.0	3-month Euribor + 1.41	**
<b>TOTAL</b>	<b>60.0</b>		

This is a "perpetual" subordinated loan, in euros, with the possibility of early repayment (without payment conditions) at each interest payment date, subject to ACPR approval.

## NOTE 7 - Shareholders' equity and fund for general banking risks (FRBG)

	Share capital	Additional paid-in capital	Reserves	Retained earnings	Profit/(loss) for the period	Total	FRBG
<b>Balance at January 1, 2023</b>	<b>220.0</b>		<b>2.3</b>	<b>0.1</b>	<b>6.6</b>	<b>228.9</b>	
Profit/(loss) for the period					14.1	14.1	
Appropriation of earnings from previous year			0.3	6.3	(6.6)		
Dividends paid				(6.2)		(6.2)	
Capital increase							
Impact of revaluations							
Other changes			0.1			0.1	
Merger impact							
<b>Balance at December 31, 2023</b>	<b>220.0</b>		<b>2.7</b>	<b>0.1</b>	<b>14.1</b>	<b>236.8</b>	
<b>Balance at January 1, 2024</b>	<b>220.0</b>		<b>2.7</b>	<b>0.1</b>	<b>14.1</b>	<b>236.8</b>	
Profit/(loss) for the period					7.9	7.9	
Appropriation of earnings from previous year			0.7	13.4	(14.1)		
Distribution of dividends				(13.4)		(13.4)	
Capital increase							
Impact of revaluations							
Other changes							
Merger impact							
<b>Balance at June 30, 2024</b>	<b>220.0</b>		<b>3.4</b>	<b>0.1</b>	<b>7.9</b>	<b>231.3</b>	

At June 30, 2024, the share capital comprised 22,000,000 shares with a par value of €10 each. BFCM held 99.99% of the capital of Crédit Mutuel Home Loan SFH at June 30, 2024. As such, it is fully consolidated in the consolidated financial statements of Crédit Mutuel Alliance Fédérale and at the Crédit Mutuel national consolidation level.

## NOTE 8 – Analysis of certain assets/liabilities by residual maturity

	< 3 months and demand	> 3 months < 1 year	> 1 yr < 5 years	> 5 years	Perpetual	Related debt and receivables	Total at June 30, 2024
<b>ASSETS</b>							
Receivables due from credit institutions	282.0	2,571.0	15,676.4	12,568.4		148.8	31,246.6
Receivables due from customers							
Bonds and other fixed-income securities							
<b>LIABILITIES</b>							
Due to credit institutions Due to customers							
Debt securities							
- Certificates of deposit							
- Interbank instruments and negotiable debt securities							
- Bonds		2,570.5	15,679.2	12,566.0		142.6	30,958.4
- Other							
Subordinated debt					60.0	0.7	60.7

## NOTE 9 - Euro equivalent of foreign currency-denominated assets and liabilities

The euro equivalent of foreign currency-denominated assets and liabilities was -€70.6 million and €70.6 million, respectively, at June 30, 2024.

## NOTE 10 - Guarantee commitments

The loans granted by Crédit Mutuel Home Loan SFH to BFCM are guaranteed by eligible home loans from the Crédit Mutuel Alliance Fédérale's branch network, in accordance with Article L.211-38 of the French Monetary and Financial Code.

At June 30, 2024, the amount of this collateral was €43.0010 billion, versus €43.0012 billion at December 31, 2023.

## NOTE 11 - Forward financial instruments - Counterparty risk

The counterparty risk related to forward financial instruments is estimated based on the method used for the calculation of prudential ratios.

Credit risk on forward financial instruments	6/30/2024	12/31/2023
<b>GROSS EXPOSURE</b>		
Credit institution risk	29.3	30.4
Company risk		
<b>TOTAL</b>	<b>29.3</b>	<b>30.4</b>

Fair value of forward financial instruments	6/30/2024		12/31/2023	
	Assets	Liabilities	Assets	Liabilities
Fair value of forward financial instruments	0.4	0.4	1.2	1.2

## NOTE 12 - Other off-statement of financial position commitments

	6/30/2024	12/31/2023
<b>Foreign currency transactions</b>		
- Currencies receivable		
- Currencies payable		
<b>Commitments on forward financial instruments</b>		
<b>Transactions on organized markets and similar</b>		
- Forward foreign exchange transactions		
. Hedging		
. Other transactions		
- Financial foreign exchange swaps		
. Unmatched open position		
. Micro-hedging	162.8	163.7
. Overall interest rate risk		
. Specialized management		

## NOTE 13 - Interest income and expense

	June 30, 2024		June 30, 2023	
	Income	Expense	Income	Expense
Credit institutions	303.6	(38.7)	247.5	(29.7)
Customers				
Finance leases and operating leases				
Bonds and other fixed-income securities		(254.2)		(210.3)
Other	0.7		1.4	
<b>Total</b>	<b>304.3</b>	<b>(292.9)</b>	<b>248.9</b>	<b>(240.0)</b>
of which subordinated debt expense				

**NOTE 14 - Corporate income tax**

	June 30, 2024	June 30, 2023
Current income tax – Amount for the period	(2.7)	(2.0)
Current income tax – Prior-period adjustments		
Current income tax – Effect of tax consolidation		
<b>Total</b>	<b>(2.7)</b>	<b>(2.0)</b>
On ongoing operations	(2.7)	(2.0)
On non-recurring items		
<b>Total</b>	<b>(2.7)</b>	<b>(2.0)</b>

Effective January 1, 2016, Caisse Fédérale de Crédit Mutuel opted for “mutual tax consolidation” in accordance with Article 223 A, paragraph 5 of the French General Tax Code.

There are no tax loss carryforwards.

**NOTE 15 - Subsequent events:**

An issue of €11.5 billion in EMTN bonds is scheduled for July 2024.

The SFH pool has been increased to €65 billion.

## STATEMENT OF NET CASH FLOWS

(€ thousands)	6/30/2024	6/30/2023
Net profit	7,875	5,874
Tax	2,672	2,027
<b>Profit before tax</b>	<b>10,547</b>	<b>7,901</b>
+/- Net depreciation and amortization of property, plant and equipment and intangible assets		
- Impairment of goodwill and other fixed assets		
+/- Net charges to provisions		
+/- Share of profit/(loss) of equity-consolidated companies		
+/- Net (loss)/gain from investing activities		
+/- Expense from financing activities		
+/- Other movements	2,478	(6,384)
<b>= Total non-monetary items included in net profit/(loss) before tax and other adjustments</b>	<b>2,478</b>	<b>(6,384)</b>
+/- Cash flows relating to transactions with credit institutions	1,750,913	(3,442,746)
+/- Cash flows relating to customer transactions		
+/- Cash flows relating to other transactions affecting financial assets and liabilities		
+/- Cash flows relating to other transactions affecting non-financial assets or liabilities	(3,249,329)	(393,321)
- Tax paid	(5,186)	(1,786)
<b>= Net decrease in assets and liabilities from operating activities</b>	<b>(1,503,602)</b>	<b>(3,837,853)</b>
<b>TOTAL NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(1,490,577)</b>	<b>(3,836,336)</b>
+/- Cash flows relating to financial assets and investments		
+/- Cash flows relating to investment property		
+/- Cash flows relating to property, plant and equipment and intangible assets		
<b>TOTAL NET CASH FLOWS RELATING TO INVESTING ACTIVITIES</b>		
+/- Cash flows relating to transactions with shareholders	(13,420)	(6,160)
+/- Other net cash flows relating to financing activities	1,500,000	3,850,000
<b>TOTAL NET CASH FLOWS RELATING TO FINANCING ACTIVITIES</b>	<b>1,486,580</b>	<b>3,843,840</b>
<b>IMPACT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS</b>		
<b>Net increase in cash and cash equivalents</b>	<b>(4,148)</b>	<b>7,500</b>
Net cash flows from operating activities	(1,490,728)	(3,836,340)
Net cash flows relating to investing activities		
Net cash flows relating to financing activities	1,486,580	3,843,840
Impact of changes in exchange rates on cash and cash equivalents		
<b><u>Cash and cash equivalents at beginning of period</u></b>	<b><u>286,172</u></b>	<b><u>278,858</u></b>
Cash, central banks and postal checking accounts		
Demand loans and accounts at credit institutions	286,172	278,858
<b><u>Cash and cash equivalents at end of period</u></b>	<b><u>282,024</u></b>	<b><u>286,358</u></b>
Cash, central banks and postal checking accounts		
Demand loans and accounts at credit institutions	282,024	286,358
<b>CHANGE IN NET CASH</b>	<b>(4,148)</b>	<b>7,500</b>