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2 avenue Gambetta
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CCF Holding S.A.S.

Statutory Auditors' Limited Review Report on the half yearly Financial Information

For the period from January 1st, 2024, to June 30th, 2024
CCF Holding S.A.S.
103, rue de Grenelle - 75007 Paris

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This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

CCF Holding S.A.S.

103, rue de Grenelle - 75007 Paris

Statutory Auditors' Limited Review Report on the half yearly Financial Information

For the period from January 1st, 2024, to June 30th, 2024

To the President of the Company,

In our quality of statutory auditor of the CCF Holding S.A.S. and in answer to your request, we conducted a review of the condensed half-yearly consolidated financial statements ("the financial statements") in accordance with IAS 34 - standard of the IFRS as adopted by the European Union applicable to interim financial information of CCF Group for the period from January 1st, 2024 to June 30th, 2024, which are attached to this report.

These condensed half-yearly consolidated financial statements have been approved by the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France and the professional doctrine of the French national auditing body (Compagnie nationale des commissaires aux comptes) related to this engagement.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRS as adopted by the European Union applicable to interim financial information.

Paris la Défense and Paris, July 31th, 2024

KPMG S.A.

French original signed by Nicolas Bourhis for KPMG S.A. and Mohamed Bennani for RSM Paris.

GROUPE CCF

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30.06.2024

CONTENTS

I. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

IN THOUSANDS OF EUROS	Notes	30.06.2024	31.12.2023
Cash due from central banks		244 468	37 926
Hedging derivatives	6.1	220 526	262 343
Financial assets at fair value through profit and loss	6.2	62 389	41 664
Financial assets at fair value through other comprehensive income	6.3	188 888	174 302
Financial assets at amortised cost	6.4	4 233 475	87 763
Loans and receivables due from banks and credit institutions at amortised cost	6.4	8 132 822	558 606
Loans and receivables due from customers at amortised cost	6.4	17 649 115	6 678 396
Current tax assets	6.5	14	7 661
Deferred tax asset	6.5	160 030	8 533
Other assets	6.6	729 153	257 730
Non-current assets held for sale	6.7	4 670	14 828
Investment property	6.8	-	-
Property, plant and equipment	6.8	253 415	38 586
Intangible assets	6.8	1 438 792	37 516
Total assets		**33 317 756**	**8 205 856**

IN THOUSANDS OF EUROS	Notes	30.06.2024	31.12.2023
Due to central banks		-	-
Financial liabilities at fair value through profit and loss	6.2	10 677	34 422
Hedging derivatives	6.1	356 024	269 132
Debt securities issued	6.4	5 147 779	1 803 319
Due to bank and credit institutions	6.4	37 817	284 292
Due to customers	6.4	23 189 939	4 536 385
Current tax liabilities	6.5	227	-
Deferred tax liabilities	6.5	-	-
Other liabilities	6.6	650 045	205 050
Provisions	6.9	101 636	49 192
Subordinated liabilities	6.4	96 190	93 425
Total liabilities		**29 590 332**	**7 275 217**
Shareholders' equity, Group share		**3 727 424**	**930 639**
Share capital		387 174	117 157
Other capital		266 764	97 820
Consolidated reserves		510 241	670 434
Unrealised or deferred capital gains and losses		174 131	203 849
Net income		2 389 114	(158 620)
Non-controlling interests		**-**	-
Total equity		**3 727 424**	**930 639**
Total liabilities and equity		**33 317 756**	**8 205 856**

II. CONSOLIDATED INCOME STATEMENT

IN THOUSANDS OF EUROS	Notes	30.06.2024	30.06.2023
Interest and similar income	7.1	751 906	205 536
Interest and similar expense	7.1	(496 886)	(125 906)
Fee income	7.2	120 664	15 252
Fee expense	7.2	(27 303)	(5 470)
Net gains and losses on financial instruments at fair value through profit and loss	7.3	245	(258)
Net gains and losses on financial instruments at fair value through other comprehensive income	7.4	40 597	28 327
Net gains and losses from the derecognition of financial assets at amortised cost	7.5	94	-
Income from other activities	7.6	12 247	4 963
Expenses from other activities	7.6	(1 918)	(1 696)
Net banking income		**399 647**	**120 749**
Operating expenses	7.7	(360 347)	(151 520)
Amortisation, depreciation and impairment of tangible and intangible fixed assets	7.8	(94 572)	(7 040)
Gross operating income		**(55 271)**	**(37 812)**
Cost of risk	7.9	(22 473)	(35 097)
Operating income		**(77 745)**	**(72 908)**
Net income/expense from other assets	7.10	275	51
Other income		-	-
Bargain purchase gain	1.1	2 465 893	-
Earnings before tax		**2 388 423**	**(72 857)**
Income tax	7.11	691	15 958
Consolidated net income		**2 389 114**	**(56 899)**
Non-controlling interests		-	-
Net income, Group share		**2 389 114**	**(56 899)**

III. Statement of net income and unrealised or deferred gains and losses

IN THOUSANDS OF EUROS	Notes	30.06.2024 *Variation*	31.12.2023 *Stock*	30.06.2023 *Variation*
Net income		**2 389 114**	**(158 620)**	**(56 899)**
Unrealised or deferred gains and losses that will be reclassified subsequently to income		**(31 699)**	**186 358**	**(30 377)**
Revaluation of financial assets at fair value through other comprehensive income	6.3	476	(1 358)	1 353
Revaluation of hedging derivative instruments of recyclable items	6.1	-	-	-
Hedge cost reserve	6.1	(43 214)	252 616	(42 309)
Tax related		11 039	(64 900)	10 579
Unrealised or deferred gains and losses that will not be reclassified subsequently to income		**1 981**	**17 490**	**(244)**
Actuarial gains and losses on defined benefit plans	9	2 147	23 395	-
Remeasurement of equity instruments at fair value through equity	6.3	524	187	(329)
Tax related		(690)	(6 091)	85
Total unrealised or deferred gains and losses		**(29 718)**	**203 849**	**(30 621)**
Net income and unrealised or deferred gains and losses		**2 359 397**	**45 229**	**(87 520)**
o/w Group share		*2 359 397*	*45 229*	*(87 520)*
o/w non-controlling interests		*-*	*-*	*-*

IV. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The Group's shareholders' equity consists of the resources contributed by the sole shareholder in the form of capital and cumulative and retained earnings: reserves and retained earnings. Resources are also received when financial instruments are issued that meet the definition of an equity instrument as defined in IAS 32 Financial Instruments, eligible as "Additional Tier 1" capital and entailing no contractual obligation for the issuer to deliver cash to the holders of these instruments.

The remuneration paid to the holders of other equity instruments reduces the amount of reserves within shareholders' equity.

During the first half of 2024, the Sole Shareholder resolved to increase the cash capital of CCF Holding by:

- 10 000 000 euros, by issuing 2 656 250,000 ordinary shares each with a par value of 0.01 euro and an issue premium of 0.054 per share, on 2 January 2024; and
- 16 124 025 euros, by issuing 1 612 402 500 ordinary shares each with a par value of 0.01 euro and an issue premium of 0.052 euro per share, on 9 January 2024.

The newly issued shares have been fully subscribed by Promontoria Holding 101 B.V. and are fully paid up.

On 15 March 2024, a capital increase was carried out under the plan to allocate free shares to certain members of CCF Holding's salaried staff and managers benefiting from the long-term incentive plan. These are non-voting preference shares convertible into ordinary shares (see note 9.5).

On 3 June 2024, the Group launched a public offer for the early redemption of these AT1 instruments, subject to the success of the issue of new AT1 securities announced at the same time (see note 1.3).

The following table "Changes in equity" shows the different movements over the period.

IN THOUSANDS OF EUROS	Share capital	Items treated as capital	Unrealised or deferred gains and losses	Consolidated reserves	Net income, Group share	Total consolidated equity
Shareholders' equity at 01.01.2023	**59 000**	**97 820**	**197 632**	**683 456**	**(6 563)**	**1 031 345**
Increase in capital	86	-	-	(86)	-	**-**
Share-based payment plan	-	-	-	1 700	-	**1 700**
Sub-total of changes linked to relations with shareholders	**86**	**-**	**-**	**1 614**	**-**	**1 700**
Unrealised or deferred gains and losses	-	-	11 688	-	-	**11 688**
Appropriation of 2022 net income	-	-	-	(6 563)	6 563	**-**
1st half of 2023 Net income for the period	-	-	-	-	(56 899)	**(56 899)**
Attributable remuneration to equity instruments	-	-	-	(4 000)	-	**(4 000)**
Hedge cost reserve	-	-	(42 309)	-	-	**(42 309)**
Other changes	-	-	-	-	-	**-**
Sub-total	**-**	**-**	**(30 621)**	**(10 563)**	**(50 337)**	**(91 520)**
Shareholders' equity at 30.06.2023	**59 086**	**97 820**	**167 011**	**674 507**	**(56 899)**	**941 525**
Increase in capital	58 071	-	-	(71)		**58 000**
Share-based payment plan	-	-	-	-	-	**-**
Sub-total of changes linked to relations with shareholders	**58 071**	**-**	**-**	**(71)**	**-**	**58 000**
Unrealised or deferred gains and losses	-	-	(10 789)	-	-	**(10 789)**
2nd half of 2023 Net income for the period	-	-	-	-	(101 720)	**-**
Attributable remuneration to equity instruments	-	-	-	(4 000)	-	**(4 000)**
Hedge cost reserve	-	-	47 627	-	-	**47 627**
Other changes	-	-	-	(2)	-	**(2)**
Sub-total	**-**	**-**	**36 837**	**(4 002)**	**(101 720)**	**(68 885)**
Shareholders' equity at 31.12.2023	**117 157**	**97 820**	**203 849**	**670 434**	**(158 620)**	**930 639**
Increase in capital	270 017	-	-	(48)	-	**269 969**
Share-based payment plan	-	-	-	3 115	-	**3 115**
Sub-total of changes linked to relations with shareholders	**270 017**	**-**	**-**	**3 066**	**-**	**273 084**
Unrealised or deferred gains and losses	-	-	13 497	-	-	**13 497**
Appropriation of 2023 net income	-	-	-	(158 620)	158 620	**-**

1st half of 2024 Net income for the period	-	-	-	-	2 389 114	**2 389 114**
Attributable remuneration to equity instruments	-	-	-	162 216	-	**162 216**
Hedge cost reserve	-	-	(43 214)	-	-	**(43 214)**
Other changes	2 089	-	-		-	**2 089**
Sub-total	**2 089**	**-**	**(29 718)**	**3 596**	**2 547 734**	**2 523 702**
Shareholders' equity at 30.06.2024	**389 264**	**97 820**	**174 131**	**677 096**	**2 389 114**	**3 727 425**

V. Cash flow statement

IN THOUSANDS OF EUROS	30.06.2024	31.12.2023	30.06.2023
Net income before tax	**2 388 423**	**(171 703)**	**(72 860)**
Non-monetary items included in pre-tax net income	**(2 451 802)**	**(20 444)**	**(16 634)**
Net depreciation/amortisation expense on tangible and intangible fixed assets	2 399	9 404	3 477
Net addition to provisions	5 567	(1 387)	6 554
Net income/loss from investments activities	-	(28 327)	(28 327)
Net income/loss from financing activities	2 611	-	-
Bargain purchase gain	(2 465 893)	-	-
Other changes[1]	3 514	(133)	1 662
Net increase/decrease in cash related to operating assets and liabilities	**(562 069)**	**559 888**	**409 086**
Interbank transactions	26 822	5 380	5 113
Customer current account transactions	(606 856)	(414 763)	(26 458)
Customer transactions	(285 214)	824 068	291 994
Transactions related to other financial assets and liabilities	4 412	149 049	149 000
Transactions related to non-financial assets and liabilities	290 558	4 306	(6 402)
Taxes paid	8 209	(8 152)	(4 161)
Net cash inflow (outflow) related to operating activities (A)	**(625 448)**	**367 741**	**319 592**
Net cash inflow (outflow) related to acquisition and disposal of financial assets	(4 170 787)	(105 340)	(125 309)
Net cash inflow (outflow) related to tangible and intangible fixed assets	87 659	(13 539)	(10 832)
Net cash inflow (outflow) related to investment activities (B)	**(4 083 128)**	**(118 879)**	**(136 141)**
Cash flow from/to shareholders	269 969	58 000	-
Other net cash flows arising from financing activities	(40 014)	(169 891)	(93 977)
Net cash inflow (outflow) related to financing activities (C)	**229 955**	**(111 891)**	**(93 977)**
Net inflow (outflow) in cash and cash equivalents (A + B+ C)[2]	**(4 478 620)**	**136 971**	**89 474**
Cash and cash equivalents at the start of the year	**12 773 493**	**458 555**	**458 555**
Cash due from central banks (assets)	9 574 658	191 802	191 802
Current accounts with banks	3 199 047	271 217	271 217
Demand deposits and current accounts with banks	(212)	(4 464)	(4 464)
Cash and cash equivalents at the end of the year	**8 294 873**	**595 526**	**548 029**
Cash due from central banks (assets)	244 468	37 926	97 319
Current accounts with banks	8 050 618	557 812	451 522
Current accounts and loans from credit institutions	(213)	(212)	(812)
Net inflow (outflow) in cash and cash equivalents	**(4 478 620)**	**136 971**	**89 474**

[1] The item "Other Changes" consists mainly of deferred commissions.

[2] The opening on 1 January 2024 is impacted by the acquisition of HBCE activities and CCF SFH

VI. NOTES TO THE FINANCIAL STATEMENTS

1. MAJOR EVENTS OF THE PERIOD

1.1. ACQUISITION OF HBCE ACTIVITIES

Our Group, now renamed Groupe CCF began a new chapter on January 1, 2024 with the acquisition of HBCE's activities and is now positioned as a wealth management bank with a human scale. The Crédit Commercial de France (CCF), whose historical origins date back to 1917, offers tailor-made solutions to both individuals and professional customers, offering excellence in customer relations, expertise, fluidity and simplicity. CCF has a strong network of 244 branches and a staff of around 3,000 employees serving 800,000 customers.

This operation forms part of the Group's strategic diversification, with the addition of retail banking and wealth management activities to complement My Money Bank's specialty finance franchises.

IFRS 3R (B7) states that a business consists of inputs, the processes applied to those inputs, and outputs. To be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together contribute to the ability to create output (IFRS 3 - B8). The analysis carried out by the Group show that the activities acquired meet the definition of a business.

IFRS 13 defines fair value as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”. The Group has consulted independent experts for the fair value measurement of transferred assets and liabilities applying the references and techniques best suited to their nature, such as market prices, specific benchmarks, etc.

The scope of this acquisition essentially consists of the following items:

Assets:

- Cash contribution for 9.9 billion euros;
- Customer loans and credits (mainly mortgage loans), standing at 12.6 billion euros; and
- Property, plant and equipment (chiefly consisting of bank branches) of around 50 million euros.

Liabilities:

- Amounts due to customers of 20.1 million euros in the form of term deposits, savings accounts and current accounts; and
- Covered bonds for 3.5 billion euros obtained through the transfer of 100% of HSBC SFH securities.

While measuring the fair value of the assets and liabilities acquired, CCF Group identified and determined the existence of a "CDI - Core Deposit Intangible" asset corresponding to the economic benefit associated with the deposits acquired, which represent a more advantageous source of financing for CCF than the market. This amount was calculated using the incremental cash flow method, which consists of discounting the refinancing cost savings generated by these deposits at the acquirer's cost of capital over the term of the deposits. The calculated amount stands at 1 479 million euros and will be amortised on a straight-line basis over 10 years.

Covered bonds have been measured at their market value, using market software (Bloomberg). The calculated amount stands at 3 366 million euro, or a discount of 133.5 million euro. This amount will be amortised on a pro rata basis over each of CCF SFH's four covered bond series (1 billion euros maturing in 2025, 1.25 billion maturing in 2027, 750 million maturing in 2028 and 500 million maturing in 2032).

Under IFRS 3r, loans and receivables have also been measured at fair value. A discount of 1 040 million euros has been determined and is amortised using the EIR (Effective Interest Rate) method.

IN MILLIONS OF EURO	Transfer Value at 01.01.2024	Fair Value at 01.01.2024
Assets		
Cash contribution	9 926	9 926
Customer loans and credits	12 622	11 582
Property, plant and equipment	50	164
Intangible assets - CDI	-	1 479
Liabilities		
SFH - Covered bonds	3 500	3 367

Deferred taxes assets were determined solely based on the fair value differences between French and IFRS accounting standards and amounted to 139.5 million euros.

This operation will give rise to an acquisition gain (a “bargain purchase” under IFRS 3.34 or badwill), to be directly accounted for in profit or loss under “Acquisition income”. The latter is essentially the result of the particularly advantageous terms of the transaction given that HBCE had wanted to sell this business for several years in order to pursue its strategy of divesting from retail banking and specialising in private banking and asset management. The acquisition gain resulting from this transaction amounts to 2 466 million euros.

The total value of the transferred business was determined by HBCE and Groupe CCF on the basis of an agreed price of one euro.

The CCF Group was subject to a statutory period of 168 calendar days from the completion date of the transaction to finalise and confirm the accounts of the business transferred between the two parties.

Under IFRS 3, the Group also has a period of 12 months after the acquisition date in which to finalise the recognition of a given business combination.

The main variations of the first half of 2024 in the Group’s balance sheet and income statement are linked to the acquisition of HBCE’s retail banking activities.

1.2. Unwinding the acquisition Portfolio Hedge

Following the acquisition of HSBC France's retail portfolio, the Group unwound the last hedges covering this portfolio as a highly probable transaction. These operations were unwound on 4 January, resulting in a net premium gain for the CCF Group of 44.675 million euros (total derivatives valuation of 73.595 million euro). These gains have been accounted for in OCI and will be recognised in the income statement on a pro rata basis for each derivative instrument unwound (see section 6.1.c).

1.3. AT1 redemption and issue

In October 2019, CCF Holding issued Additional Tier One ("AT1") equity instruments amounting to 100 million euros. These instruments had a perpetual maturity but included a redemption option at the end of five years, namely in October 2024, exercisable by the issuer subject to the regulator's approval.

On 3 June 2024, the Group launched a public offer for the early redemption of these AT1 instruments, subject to the success of the issue of new AT1 securities announced at the same time.

CCF Holding successfully completed this transaction, issuing 225 million euros of new AT1 instruments on 5 June after having raised almost 500 million euros of interest (an oversubscription rate of 2.2) from almost 60 international investors. The public offer to redeem existing shares continued until 10 June. Investors who decided to take part in the offer and accept early redemption finally represented 51.8% of the issued shares (i.e. 51.8 million euros).

CCF Holding also bought back a further 4.6 million euros of shares on the secondary market, on terms strictly identical to those offered in the public buyback offer. A total of 43.6 million euros of the AT1 instruments issued in 2019 therefore remained in circulation at the end of June 2024.

This transaction will enable the Group to consolidate its solvency ratios, with a positive impact on the capital ratio of 115 bps (based on ratios at end-March 2024).

1.4. Liquidation of Securitization SVP's

In accordance with its refinancing strategy, the Group has proceeded during the first quarter of 2024 to the full redemption of the portfolios transferred to the EmeraldOne and SapphireOne Auto 2022-1 funds, leading to the liquidation of these funds, for an amount of 269 and 480 million euros respectively with full impairment of all liabilities at 26 February April 2024.

1.5. Tax Audits

On 12 July 2023, the entity CCF was notified by the national and international audit directorate (DVNI) of a tax audit of all the company's returns for the 2021 and 2022 financial years (and up to 30 April 2023 in the case of VAT).

On 8 September 2023, CCF Holding was notified by the DVNI of a tax audit of all the company's returns for the 2020, 2021 and 2022 reporting periods (and for the 2018 and 2019 financial years insofar as they contributed to the overall deficit of the consolidated group).

Two reassessment proposals were made on 6 and 7 May 2024 for CCF and CCF Holding respectively, which the Group decided not to contest. The impacts of the two adjustments are without significance. Spillover effects have been taken into account in corporation tax returns for the 2023 reporting period. The assessments were not received at 30 June 2024.

1.6. My Money Bank Collective Redundancy Scheme

On 30 January 2024, following negotiations launched in November 2023, management and the representative trade unions signed an agreement on collective redundancy within My Money Bank (MMB). Departures are phased over May to September 2024 (see note 6.9).

2. Significant post-balance sheet events

None

3. Accounting standards applied

3.1. Accounting standards applicable

The consolidated interim accounts of the CCF Group have been prepared in accordance with International Financial Reporting Standards (IFRSs) as endorsed in the European Union and applicable at this date.

This set of consolidated interim financial statements at 30 June 2024 was prepared in compliance with IAS 34 - Interim Financial Reporting.

The notes presented therefore relate to the most significant events in the first half of the reporting period, and must be read in conjunction with the Group's consolidated financial statements at 31 December 2023.

This body of standards includes the IFRS themselves, the International Accounting Standards (IAS), and their interpretations by the International Financial Reporting Standards Interpretations Committee (IFRS IC) and the Standing Interpretations Committee (SIC).

The Group's activities are not seasonal or cyclical in nature, so the first half results are not influenced by such factors. The Group's intermediary consolidated financial statements at 30 June 2024 were adopted by the Board of Directors on 26 July 2024.

3.2. Consolidated Financial statements presentation

As there is no model required by IFRS, the format of the summary statements used to present the data for the first quarter of the 2024 financial year was determined in line with the format proposed by the French accounting standards authority (ANC), in its Recommendation No. 2022-01 of 11 March 2022. The presentation of comparative data for the 2023 financial year has not been modified and complies with the provisions of ANC Recommendation No. 2022-01 of 11 March 2022.

The notes to the consolidated financial statements relate to significant events and transactions in order to understand the changes in the Group's financial position and performance during the first half 2024. The disclosures presented in these notes focus on information that is relevant and material to the Group's financial statements, its activities and the circumstances in which they were conducted during the period.

3.3. Reporting currency

The consolidated accounts are published in euro.

The amounts presented in the financial statements are expressed in THOUSANDS OF EUROS, except where stated otherwise. The effect of rounding can generate discrepancies between the figures presented in the financial statements and those presented in the notes.

3.4. New standards

a. Standards, amendments and interpretations coming into force and applied at 1 January 2024

The standards and interpretations used and described in the annual financial statements at 31 December 2023 have been supplemented by the standards, amendments and interpretations that are of mandatory application to annual periods beginning on or after 1 January 2024.

New standards or amendments	Theme	Date of endorsement by the European Union (EU)	Effective date within EU
Amendments to IFRS 16	Lease liability in a sale and leaseback	20 November 2023	1 January 2024
Amendments to IAS 1	Classification of liabilities as current or non-current	19 December 2023.	1 January 2024
Amendments to IAS 1	Non-current debts with covenants	19 December 2023.	1 January 2024
Amendments to IAS 7 & IFRS 7	Supplier finance arrangements	N/A	1 January 2024

Amendments to IFRS 16 – Lease liability in a sale and leaseback

This amendment clarifies how a seller-lessee should measure the right-of-use asset resulting from a sale-and-leaseback and, consequently, how it should determine the gain or loss on a sale-and-leaseback transaction when the transaction qualifies as a sale under IFRS 15 and the lease payments include variable lease payments that are not dependent on an index or rate. The amendment also indicates how to account subsequently for lease liabilities arising from such transactions.

The requirements of the amendment do not prevent the seller-lessee from accounting in the income statement for any gain or loss relating to the partial or total termination of a lease.

The amendment applies retrospectively to transactions entered into after the initial application of IFRS 16.

The Group is unaffected by this amendment.

AMENDMENTS TO IAS 1 – CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

The amendment clarifies that liabilities are classified as current or non-current depending on the rights that exist at the end of the reporting period.

The amendment states that an entity will classify a liability as non-current if it has a right to defer settlement for at least 12 months after the reporting date. The assessment determines whether a right exists but does not consider whether the entity will exercise that right.

The right to defer only exists if the entity complies with all the relevant conditions on or before the reporting date.

A liability is classified as current if any covenant is not met by the reporting date at the latest, and a waiver is obtained after that date.

In accordance with IAS 1, the Group has opted for a balance-sheet presentation by order of liquidity and due date, this presentation being considered as faithful and relevant. The maturity table is presented in the annual financial statements.

AMENDMENTS TO IAS 1 – NON-CURRENT LIABILITIES WITH COVENANTS

The amendment aims to improve the disclosures made by an entity when its right to defer settlement of a liability is subject to compliance with covenants within twelve months following the reporting period.

The amendment states that if an entity has the right, at the end of the reporting period, to refinance or renew borrowing for a period of at least twelve months after the reporting date using an existing loan facility, it classifies the loan as non-current even if it would otherwise fall due over a shorter term.

If the entity does not have this right, it takes no account of the refinancing potential and classifies the liability as a current item.

In accordance with IAS 1, the Group has opted for a balance-sheet presentation by order of liquidity and due date, this presentation being considered as faithful and relevant. The maturity table is presented in the annual financial statements.

AMENDMENTS TO IAS 7 AND IFRS 7 – SUPPLIER FINANCE ARRANGEMENTS

The amendments include new disclosure requirements for entities using Supplier Finance Arrangements (SFAs).

These new disclosures will concern:

- The terms and conditions of SFAs,
- The carrying amount of financial liabilities covered by the arrangement and the line items in which these liabilities are presented,
- The carrying amount of those financial liabilities for which suppliers have already received payment from the finance providers,
- The range of payment due dates both for financial liabilities covered by the arrangement and comparable trade payables that are not part of a supplier finance arrangement,

- The concentration of liquidity risk with finance providers.

The Group is unaffected by this amendment.

b. Main new standards that have been published but are not yet effective

The estimated timeline for the application of these standards is as follows:

Accounting standards	Themes	Decision date	Start date
Amendments to IAS 21	Lack of exchangeability	Not adopted	1 January 2025
Amendments to IFRS 9 & IFRS 7	Classification and measurement of financial instruments	Not adopted	1 January 2026
IFRS 18	Presentation and disclosure in financial statements	Not adopted	1 January 2027
IFRS 19	Subsidiaries without public accountability: disclosures	Not adopted	1 January 2027

3.5. Use of judgment and estimates

The preparation of the financial statements involves making assumptions and estimates in certain areas that may or may not prove accurate in the future. These sources of uncertainty can affect the determination of income and expenses in the profit or loss account, the measurement of balance sheet assets and liabilities, and some items of information presented in the notes. These estimates using information available at the reporting date call for the use of judgment by preparers. The eventual future result may differ materially from these estimates in response to changes in the Group's economic and regulatory environment and may have a significant influence on the financial statements.

As in the previous year, the main measurements requiring the use of assumptions and estimates are the following:

- the balance sheet fair value of financial instruments not quoted in an active market based on internal models recorded under the headings *Financial assets or liabilities at fair value in profit or loss, Hedging derivatives* and *Financial assets at fair value through equity*;
- impairment and credit risk provisions for financial assets at amortised cost, financial assets at fair value through equity and loan undertakings and financial guarantees whose measurement depends on internal models and parameters based on historical, current or forward-looking data. The inclusion of macroeconomic effects (updated quarterly) in the assumptions for the calculation of forward-looking ("FWL") information, notably by using the macro-economic forecasts of public institutions. These effects are also taken into account for the new CCF portfolio;
- the provisions recorded under liabilities in the statement of financial position;
- deferred tax assets and liabilities accounted for in the statement of financial position.

The assumptions on which the Group's main estimates are based have been reviewed at 30 June 2024 in light of the current economic context described above.

4. Principles for drafting the consolidated financial statements

4.1. Determining the consolidation perimeter

The consolidation of the Group's financial statements at 30 June 2024 includes the accounts of CCF Holding S.A.S. and of all the entities which it controls.

The scope of the entities consolidated by CCF Holding is set out in note 5.1.

4.2. Consolidation methods

Under IFRS 10, control of an entity is assessed using three cumulative criteria:

- power over the investee, i.e., the effective rights that give it the current ability to direct the activities that significantly affect the entity's returns (e.g. though voting or other rights);
- exposure, or rights, to variable returns from its involvement with the investee, such as dividends, changes in the fair value of an investment, or tax benefits;
- the ability to use its power over the investee to affect the amount of the investor's returns.

For entities governed by voting rights, the Group generally controls an entity if it directly or indirectly holds the majority of the voting rights and if there are no other agreements that change the power of these voting rights.

The scope of the voting rights taken into consideration for assessing the nature of the control exercised by the Group includes the existence and impact of substantive potential voting rights, such as those that may be exercised to take decisions on the relevant activities during the next General Meeting.

The Group exercises joint control in a joint arrangement when the decisions regarding the entity's relevant activities contractually require the unanimous consent of the partners.

Significant influence is defined as the power to participate in the financial and operating policy decisions of an investee, but not to control them. It may result from representation on the board of directors or supervisory bodies, participation in strategic decisions, the existence of material transactions between the entity and the investee, the interchange of managerial personnel, or technical dependence.

Consolidation methods are applied depending on the nature of the control exercised by CCF Holding over its subsidiaries.

4.3. Consolidation rules

a. Retreatments and eliminations

Before consolidation, the statutory accounts of the consolidated companies undergo certain restatements to bring them into line with the accounting principles applied by the Group.

Balances and reciprocal revenues and expenses resulting from internal operations are eliminated, including dividends and the gains and losses due to intra-group disposals.

b. Business combinations

Business combinations have been accounted for by applying the acquisition method in accordance with IFRS 3 (amended) for business combinations carried out after 1 January 2010.

Under this method, the identifiable assets acquired, and the liabilities assumed from the acquiree are accounted for at their fair value on the measurement date.

The acquisition cost is equal, at the acquisition date, to the sum of the fair values of the assets given, the liabilities incurred, and the equity instruments issued in exchange for control of the acquiree. Any price adjustments are included in the acquisition cost at their estimated fair value at the acquisition date and remeasured at each reporting date. Subsequent adjustments are recorded in profit or loss.

Costs directly attributable to the combination operation constitute a separate transaction and are recorded in profit or loss.

Goodwill corresponds (except for acquisitions in stages) to the difference between the consideration transferred and the acquirer's share of the fair value of the identifiable assets and liabilities at the acquisition date. This difference is recorded as goodwill in the acquirer's assets if it is positive and is recognised immediately in the income statement as a "bargain purchase gain" if it is negative.

On the date that control is obtained, non-controlling interests can be measured for each combination, at the Group's discretion:

- Either on the basis of their share in the fair value of the identifiable net assets of the acquiree at the acquisition date, without accounting for goodwill for non-controlling interests (the "partial goodwill" method).
- Or at their fair value. In this case, a fraction of the goodwill will then be attributed to them (the "full goodwill" method).

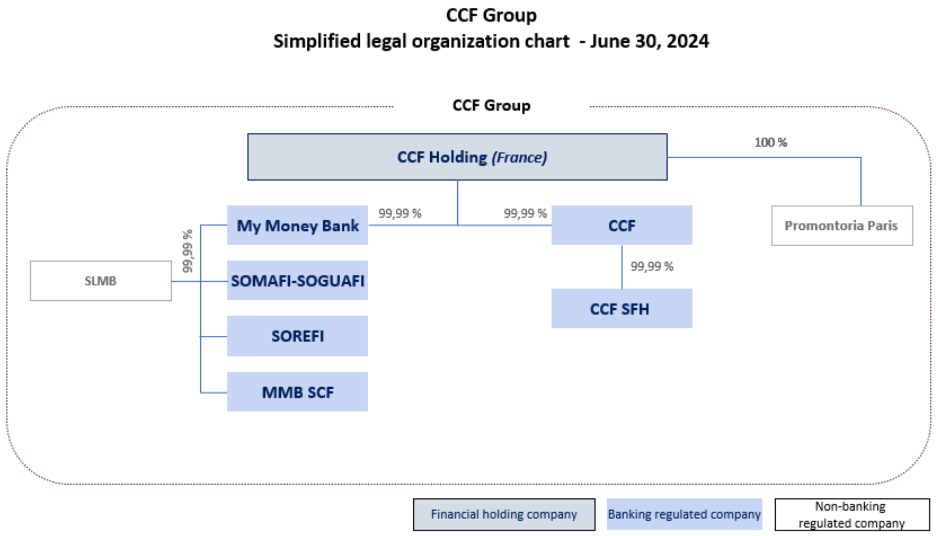
5. Consolidation scope

5.1. Consolidation scope at 30 June 2024

The simplified organisational chart below shows under their legal names the companies held directly or indirectly by the financial holding company CCF Holding as at 30 June 2024.

The main changes to the Group's consolidation scope at 30 June 2024 occurring since 31 December 2023 are:

- The acquisition of HBCE's business portfolio, incorporated into CCF on 1 January 2024, and
- The acquisition of CCF SFH on 1 January 2024.



There is no change in the interest percentage compared to December 31, 2023.

Entity	Country	Method of consolidation	% of interest
CCF Holding S.A.S.	Metropolitan France	Parent	
Promontoria Paris S.A.S.	Metropolitan France	Full consolidation	100%
My Money Bank S.A.	Metropolitan France	Full consolidation	100%
SOREFI S.A.	Reunion	Full consolidation	100%
SOMAFI-SOGUAFI S.A.	Caribbean	Full consolidation	100%
Crédit Commercial de France S.A.	Caribbean / Metropolitan France	Full consolidation	100%
MMB SCF S.A.	Metropolitan France	Full consolidation	100%
CCF SFH S.A.	Metropolitan France	Full consolidation	100%
SLMB S.A.	Metropolitan France	Full consolidation	100%

All the subsidiaries are regarded as controlled by CCF Holding and are consolidated through full integration. This consolidation method consists of replacing the carrying value of the holding with the items of the investee's assets and liabilities in the parent company's accounts.

6. Notes on the balance sheet

6.1. Hedging derivative assets and liabilities

The Group applies the provisions of IFRS 9 to its all hedging relationships, except for fair value hedges of the rate risk of a portfolio of financial assets or liabilities, to which the Group applies the provisions of IAS 39 as endorsed by the European Union.

A derivative can qualify as a hedging instrument if it meets a number of criteria set out in IFRS 9. The hedging relationship will be documented at inception, indicating the hedging strategy pursued, the designation of the hedged risk and the hedged item, the hedging instrument, and the method of measuring hedge effectiveness. Effectiveness depends on three criteria reflecting the risk management objectives:

- there is an economic relationship between the hedged item and the hedging instrument (inverse correlation);
- the changes in the value of the derivative are mainly due to credit risk changes (except in the special case where changes in the underlying factor and the credit risk are both reduced);
- the hedge ratio, i.e. the relationship between the quantity of the hedged items and the quantity of the hedging instruments, corresponds to the ratio used by the Group in its operational risk management.

These instruments will be classified on the statement of financial position under the heading "Derivative hedging instruments". IFRS 9 recognises three types of hedging relationships, depending on the objective and the risk:

- **Fair Value Hedge (FVH):** hedging the risk of change in the value of an existing asset or liability, or of a firm commitment;
- **Cash Flow Hedge (CFH):** the aim is to hedge against exposure to variability in future cash flows for a highly probable forecast transaction or an existing operation with variable flows;
- **Hedge of net investments in foreign operations**: this type of hedge is used for the foreign exchange risk of a net investment (equity investments, long-term loans, unremitted income) in a consolidated entity abroad.

Existing hedging relationships within the Group are either "cash flow hedges" or "fair value hedges". All hedging relationships aim to hedge the interest rate risk

a. Determining fair value of financial instruments

For the needs of financial reporting, IFRS 13 introduces a three-level fair value hierarchy, based on the decreasing order of observability of the values and parameters used for valuation. Some instruments can use inputs available at several levels, in which case the fair value measurement is categorised at the lowest level input that is significant to the entire measurement, based on the application of judgment.

- **Level 1:** fair value is determined using quoted prices in an active market that are immediately accessible and directly usable.
- **Level 2:** the instruments are measured using valuation techniques whose significant inputs are observable on the markets, directly (prices) or indirectly (derived from prices).
- **Level 3:** this level includes the instruments valued based on significant parameters that are not observable on the markets, for example in the absence of liquidity of the instrument, risks inherent in measurement model or in the inputs used. Unobservable inputs shall be the subject of internal assumptions that best

reflect the assumptions that market participants would use when pricing the asset or liability. Developing these assumptions calls for judgment.

For financial instruments presented at level 3 of the fair value hierarchy, there may be a difference between the transaction price and the market value. Where it results in a gain for the Group, this margin ("day one profit") is deferred and spread in profit or loss over the anticipated period during which valuation inputs will not be observable. When originally unobservable inputs become observable, the unrecognised portion of the margin is then recognised in profit or loss.

A day one loss is immediately recognised in profit or loss in its entirety.

The majority of financial instruments held by the Group are considered as belonging in level 2. These loans are measured by a discounted cash flow technique based on significant indirectly observable inputs (including discount rates based on Euribor).

IN THOUSANDS OF EUROS	30.06.2024 Fair value Level 1	Fair value Level 2	Fair value Level 3	31.12.2023 Fair value Level 1	Fair value Level 2	Fair value Level 3
Hedging derivatives	-	220 526	-	-	185 796	76 547
Financial assets at fair value through profit and loss	-	62 389	-	-	40 638	1 026
Financial assets at fair value through other comprehensive income	129 678	42 431	16 778	112 548	45 500	16 254
Financial assets at amortised cost	3 637 854	595 621	-	87 763	-	-
Loans and receivables due from banks and credit institutions at amortised cost	-	8 132 822	-	-	558 606	-
Loans and receivables due from customers at amortised cost	-	17 649 115	-	-	6 678 396	-
Non-current assets held for sale	-	4 670	-	-	14 828	-
Total financial assets	**3 767 532**	**26 707 575**	**16 778**	**200 311**	**7 523 765**	**93 827**
Financial liabilities at fair value through profit and loss	-	(10 677)	-	-	(33 312)	(1 111)
Hedging derivatives	-	(356 021)	-	-	(269 132)	-
Debt securities issued	-	5 147 779	-	-	1 803 319	-
Due to bank and credit institutions	-	37 817	-	-	284 292	-
Due to customers	-	23 189 939	-	-	4 536 385	-
Total financial liabilities	**-**	**28 008 837**	**-**	**-**	**6 321 553**	**(1 111)**

The Group holds financial products classified as hedging instruments and assessed as belonging in level 3. These are BGS interest rate swaps (Balance Guaranteed Swaps) for which the nominal value is always adjusted to the nominal amount of the hedged item. Regarding the characteristics of the BGS, CCF Holding must use valuation assumptions taking account of early repayments or extensions of the hedged loans, or any other parameters that may affect the maturity or amortisation profile of these instruments. These estimates are based on the scenarios of changes in the associated yield curve and on the probability of these events occurring attributed to these different scenarios.

b. Derecognition of financial assets or liabilities

According to IFRS 9, financial assets are derecognised when the contractual rights to the cash flows on the asset expire, or these rights and substantially all the risks and rewards of ownership of the asset are transferred.

Where the Group has neither transferred nor retained substantially all the risks and rewards associated with the asset, the transfer of control of the asset is analysed. If control is lost, the asset is derecognised. If control is retained, the asset continues to be accounted for on the balance sheet to the extent of the continuing involvement (for example, in the form of a guarantee or a written and/or purchased option on the transferred asset). A liability representing the obligations resulting from the transfer is also recognised.

A financial liability is derecognised if the contractual obligation is discharged, cancelled or expires.

c. Hedging instruments

IN THOUSANDS OF EUROS	30.06.2024 Notional amount	30.06.2024 Carrying amount Assets	30.06.2024 Carrying amount Liabilities	30.06.2024 Ineffective portion accounted for in profit or loss	31.12.2023 Notional amount	31.12.2023 Carrying amount Assets	31.12.2023 Carrying amount Liabilities	31.12.2023 Ineffective portion accounted for in profit or loss
Fair value hedge								
Interest rate swaps	14 209 727	220 526	(356 024)	192	4 621 262	185 796	(269 132)	(959)
Cash flow hedge								
Interest rate swaps	-	-	-	-	3 300 000	76 547	-	-

Hedging the acquisition portfolio

Since 21 June 2021 and the signature of the Memorandum of Understanding, the Group has entered into several interest rate hedging derivatives (swaps and swaptions) in order to hedge the HSBC France portfolio against rate risk before acquisition. These hedges were recognised as cash flows hedging a highly probable transaction.

Following the acquisition on 1 January 2024, the Group unwound the remaining hedges, resulting in a net premium gain of 44.675 million euros. In total, the Group has recorded 249.664 million euros in OCI. This amount will be recycled in the income statement over the next 10 years.

IN THOUSANDS OF EUROS	OCI at the beginning of the period	Profit & Loss
2024	249 664	80 525
2025	169 139	47 648
2026	121 491	36 895
2027	84 596	36 895
2028	47 701	29 652
2029	18 049	3 947
2030	14 102	3 947
2031	10 155	3 947
2032	6 208	3 947
2033	2 261	2 261
Total	**0**	**249 664**

Once these hedges had been unwound, CCF contracted vanilla swaps to hedge its interest rate risk. The entity has a structural surplus of variable-rate assets, mainly due to the very large surplus cash position. In order to hedge this risk, in early January, CCF entered into 5.6 billion of fixed-rate receiver swaps: 3.5 billion euros to hedge CCF SFH's covered bonds and 2.1 billion euros to hedge the bank's demand deposits.

In May 2024, CCF contracted an additional 1.2 billion euros of swaps to strengthen the hedge on demand deposits. In addition to these swaps hedging the balance sheet, the entity also hedges its investment portfolio, at the level of each security. All these hedges are accounted for at fair value.

The table below breaks down the notional amounts of hedging derivatives by maturity date and their average rate by maturity bands:

IN THOUSANDS OF EUROS	Less than 1 month		1 to 3 months		3 months to 1 year		1 to 5 years		More than 5 years		Total
	Notional amount	Average price/rate	Notional amount	Average price/rate	Notional amount	Average price/rate	Notional amount	Average price/rate	Notional amount	Average price/rate	
Fair value hedge	56 153	0.56%	135 351	2.97%	1 063 883	2.91%	10 151 493	2.27%	2 972 846	0.57%	14 379 727
Cash flow hedge	-	-	-	-	-	-	-	-	-	-	-
Total hedging derivatives	**56 153**	**0.56%**	**135 351**	**2.97%**	**1 063 883**	**2.91%**	**10 151 493**	**2.27%**	**2 972 846**	**0.57%**	**14 379 727**

d. Hedged items

The table below presents detailed information on the items hedged in a fair value hedging relationship.

Fair value hedge - Interest rate risk IN THOUSANDS OF EUROS	Balance sheet item including hedging instrument	30.06.2024			31.12.2023		
		Carrying value of hedged item		Change in fair value for the calculation of the ineffective portion	Carrying value of hedged item		Change in fair value for the calculation of the ineffective portion
		Assets	Liabilities		Assets	Liabilities	
Fixed rate restructured mortgage loans	Loans and receivables due from customers at amortised cost	(185 104)	-	(26 673)	(158 431)	-	101 651
Vehicle loans	Loans and receivables due from customers at amortised cost	(104)	-	(2 404)	2 300	-	(3 253)
Fixed rate restructured consumer loans	Loans and receivables due from customers at amortised cost	(7 720)	-	(251)	(7 469)	-	4 787
Covered bonds	Debt securities issued	-	(313 283)	64 907	-	(248 375)	(116 304)
Securities	Financial assets at fair value through equity	(10 536)	-	(1 053)	(9 483)	-	6 444
Investment securities	Financial assets measured at amortised cost	(10 317)	-	(11 383)	1 066	-	
Tier 2	Subordinated debt	-	(7 540)	(154)	-	(7 694)	(4 800)
Deposits	Due to customers	-	(29 278)	29 278			

The effectiveness resulting from the Group's fair value hedges amounted to 40 597 thousand euros at 30 June 2024 and is recognised under "Net gains or losses on financial instruments at fair value through profit or loss" (see Note 7.3).

The following information provides details on the items hedged in cash flow hedges.

Cash flow hedge - Interest rate risk IN THOUSANDS OF EUROS	30.06.2024 Change in fair value for the calculation of the ineffective portion	30.06.2024 Cash flow hedge reserve on hedging instruments	30.06.2024 Cash flow hedge reserve on discontinuation of the hedging relationship	31.12.2023 Change in fair value for the calculation of the ineffective portion	31.12.2023 Cash flow hedge reserve on hedging instruments	31.12.2023 Cash flow hedge reserve on discontinuation of the hedging relationship
Floating rate notes	-	-	-	-	-	-
Highly probable future transaction	-	209 402	-	-	252 616	-

e. Cash flow hedge effectiveness

Cash flow hedge - Interest Rate Risk IN THOUSANDS OF EUROS	30.06.2024 Gains / Losses recognised in OCI	30.06.2024 Ineffective portion accounted in profit or loss	30.06.2024 Item in comprehensive income including ineffective portion of hedge	31.12.2023 Gains / Losses recognised in OCI	31.12.2023 Ineffective portion accounted in profit or losses	31.12.2023 Item in comprehensive income including ineffective portion of hedge
Interest rate swaps	209 402	-	Net gains and losses on financial instruments at fair value through other comprehensive income	252 616	-	Net gains and losses on financial instruments at fair value through other comprehensive income

f. Equity components related to Cash Flow Hedge

Interest Rate Risk - CFH IN THOUSANDS OF EUROS	Total
CFH Reserve at 31.12.2022	**247 298**
Fair value of derivatives recognised in equity	5 318
CFH Reserve at 31.12.2023	**252 616**
Fair value of derivatives recognised in equity	(43 214)
CFH Reserve at 30.06.2024	**209 402**

6.2. Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss include assets which satisfy one of the following conditions:

The financial asset is mandatorily measured at fair value from initial recognition because:

- Either its contractual cash flows cannot be regarded as constituting a simple loan (failure to respect the SPPI criterion); or
- Its cash flows meet the SPPI criterion but the financial asset is managed under an "Other" business model.
- IFRS 9 allows for the designation of a financial asset as measured at fair value through profit or loss only when this designation eliminates or significantly reduces an accounting mismatch.

The market value of these assets is reviewed at each reporting date following the approach described in Note 6.1.a. The fair value variations resulting from these remeasurements, the dividends on variable-yield securities and gains or losses on disposals are accounted for in profit or loss on the line "Gains or losses on financial instruments at fair value in profit or loss" on the consolidated income statement.

Income on fixed-yield securities is presented separately on the line "Interest and similar income" in the consolidated income statement.

The financial assets and liabilities of this category carried by the Group correspond to:

- loans and securities that do not meet the SPPI criteria in accordance with IFRS 9.
- derivatives held for trading, meaning that they are not entered into and documented as part of a hedging relationship. These derivatives are only swaps.

IN THOUSANDS OF EUROS	30.06.2024	31.12.2023
Loans	44 637	209
Bonds	7 075	7 118
Trading derivatives (*)	10 677	34 337
Total financial assets at fair value through profit and loss	**62 389**	**41 664**
Trading derivatives (*)	(10 677)	(34 422)
Total financial liabilities at fair value through profit and loss	**(10 677)**	**(34 422)**

(*) Interest rate swaps and "mirror" swaps. Since the implementation of EMIR, it is no longer possible to cancel hedging instruments, they must be offset by a back-to-back or "mirror" swap.

IN THOUSANDS OF EUROS	30.06.2024			31.12.2023		
	Notional amount	Carrying amount		Notional amount	Carrying amount	
		Assets	Liabilities		Assets	Liabilities
Trading derivatives	134 160	10 677	(10 677)	1 455 360	34 337	(34 422)

6.3. Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income are mainly debt instruments (bonds and other fixed-income securities). These debt instruments stood to 182 million euros at 30 June 2024 compared with 167 million euros at 31 December 2023.

a. Remeasurement of financial assets at fair value through equity with recycling

At 30 June 2024, the Group records on these assets:

- an unrealised capital loss of (1 101) thousand euros versus (1 605) thousand euros at 31 December 2023, and
- an impairment, measured under IFRS 9, of (246) thousand euros versus (233) thousand euros at 31 December 2023.

The net variation of impairment, recorded in equity at end of June 2024, amounted to 1 346 thousand euros versus 1 838 thousand euros at 31 December 2023.

The remeasurement of securities backed by hedging instruments stands at 10 million euros compared with 9 million euros at 31 December 2023.

b. Remeasurement of equity instruments at fair value through equity without recycling

CCF Holding holds 6 066 354 ordinary shares for a total value of 16 778 262 million euros at 30 June 2024.

An analysis of control was conducted in accordance with IFRS 10, showing that the Group does not have control.

These are ordinary shares without redemption rights and with no maturity date. The Group has made an irrevocable election to classify and measure this batch of shares at fair value through non-recyclable equity, in accordance with IFRS 9.5.7.5.

The changes in fair value thus accumulated in equity will not be reclassified to profit or loss during subsequent financial periods.

At 30 June 2024, the Group recorded a foreign exchange gain of 711 thousand euros recognised in unrecyclable equity in accordance with IAS 21.

6.4. Financial assets measured at amortised cost

a. Financial assets measured at amortised cost

A financial asset must be measured at amortised cost if the following two conditions are fulfilled:

- the financial asset is held in a business model in which the objective is to hold financial assets in order to collect their contractual cash flows ("hold to collect");
- the contractual cash flows correspond solely to payments of principal and interest (the SPPI criterion).

PRODUCT SEGMENTATION

Business models were then assigned in accordance with IFRS 9 to each type of portfolio presented below:

Specialized Banking				Retail Banking	
Metropolitan France			Overseas	Overseas	Metropolitan France
Debt Consolidation - DC	REAL ESTATE	NON-CORE	DOM[3]	BDC	CCF
- DC Secured	- Real Estate	- Structured Finance (LBO)	- Auto	- Commercial	- MMIF (My Mortgage in France)
- DC Unsecured		- Other	- Personal loan	- Mortgage	- Real Estate
			- Revolving Credit	- SME	- Personal loan
			- Dealer	- Particular	- Current accounts

Since the integration of HBCE's retail banking and wealth management activities into the CCF portfolio, the first level of segmentation is the distinction between retail and specialised banking.

Segmentation within the specialised bank remains the same as in 2023. The first level of segmentation groups financial assets into portfolios segmented by two criteria: the product type and the geographical area, (distinguishing between Metropolitan France and the Overseas departments).

Therefore, a geographical segmentation has been added to the Overseas portfolio, an analysis of the recent past having shown a significant difference in customer behaviours. PD/LGD models have been adjusted to take account of this segmentation.

Within retail banking, the first level of segmentation is also based on geographical criteria: Metropolitan France and the Overseas departments.

The BDC business was integrated into the Group in 2020, and an analysis was carried out to segment the following assets using two criteria: type of customer and product type.

In 2022, the “My Mortgage in France” segment was incorporated into the Banque des Caraïbes (“BDC”) portfolio. This business involves mortgage financing for non-resident customers. It is now a separate segment of the business in mainland France.

The Retail Banking portfolio in Metropolitan France corresponds to all receivables arising from the acquisition of HBCE's activities and CCF’s new production. This portfolio is segmented according to product type.

Following the acquisition of HBCE's activities, a second portfolio of financial securities was introduced at CCF. This portfolio consists of highly liquid financial products (HQLA) purchased as part of the Group's liquidity management, in particular covered and uncovered bonds (issued by governments, corporates and financial institutions) as well as securitisations (ABS, RMBS, CLOs). The vast majority of financial securities held by the Group are carried at amortised cost, with a minor portion carried at fair value through equity (My Money Bank's HQLA portfolio).

A study of the business model criteria and the results of the SPPI test criteria has led the Group to conclude that all of CCF portfolio and the majority of MMB portfolio are held in accordance with the “hold to collect” business model. In consequence, they are measured at amortised cost.

The evaluation of the few remaining securities in the MMB portfolio led the Group to qualify them as falling under the “hold to collect and sale” business model and to recognize them at fair value through equity.

[3] The DOM portfolio includes the Overseas entities Sorefi and Somafi-Soguafi as they have similar activities. The Banque des Caraïbes is analysed as another portfolio with different segments.

FINANCIAL ASSETS AT AMORTISED COST

IN THOUSANDS OF EUROS	30.06.2024	31.12.2023
Bonds and other fixed-income securities	4 235 819	87 783
Shares and other variable-income securities	0	-
Other investment securities	0	-
Investment securities before provisions	**4 235 819**	**87 783**
Individual provisions	**(2 344)**	**(20)**
Investment securities at amortised cost	**4 233 475**	**87 763**
Current accounts	8 132 865	558 650
Loans and receivables due from banks and credit institutions before provisions	**8 132 865**	**558 650**
Individual provisions	**(43)**	**(43)**
Loans and receivables due from banks and credit institutions	**8 132 822**	**558 606**
Debt consolidation (mortgages and personal loans)	3 693 034	3 722 980
DOM	1 204 677	1 174 196
BDC	360 989	373 103
Real Estate	1 525 033	1 664 048
Non-core	17 330	21 477
CCF	11 247 821	-
Loans and receivables at amortised cost before provisions	**18 048 883**	**6 955 804**
Collective provisions	**(206 840)**	**(113 809)**
Remeasurement of hedged items	**(192 928)**	**(163 599)**
Loans and receivables due from customers	**17 649 115**	**6 678 396**
Total financial assets at amortised cost	**30 015 412**	**7 324 766**

b. Fair value of financial assets measured at amortised cost

IN THOUSANDS OF EUROS	FV at 30.06.2024	NBV at 30.06.2024
Bonds and other fixed-income securities	4 231 140	4 233 475
Investment securities at amortised cost	**4 231 140**	**4 233 475**

c. Depreciations for loans and receivables at amortised cost

Credit risk is expressed through the impairment provisions recognised for expected credit losses as defined by IFRS 9.

The calculation of expected losses relies on three main parameters: probability of default (PD), loss given default (LGD) and exposure at default (EAD), taking account of amortisation profiles. Expected losses are calculated using the formula PD x LGD x EAD and are discounted at the effective interest rate determined on initial recognition of the financial instrument. For all exposures, the assessment of the ECL is carried out in a way that reflects the reasonable and justifiable information on past events, current conditions and forecasts for future economic conditions that can be obtained at the reporting date without excessive costs or efforts (“forward-looking”).

MANAGEMENT OF THE RISKS ENGENDERED BY THE CRISIS AND MEASURES APPLIED

Since the application of IFRS 9, CCF Holding has included a forward-looking parameter in the calculation of impairment for expected credit losses.

Historically, the scenarios and weightings were revised annually. The most adverse scenarios were based on observations made during the 2008/2009 crisis. In the last quarter of 2019, three scenarios were used: favourable, baseline and adverse. Ever since, the Group conducted a quarterly review of economic forecasts.

Until March 2022, existing internal models for debt consolidation and DOM portfolios were used to estimate the additional risk due to the economic crisis.

In 2022, international events and an unprecedented economic context heavily influenced the economic indicators used by our internal models, making it necessary to make an appropriate adjustment when determining credit risk.

Accordingly, the Group has decided to enhance its credit risk estimates by taking account of the following elements:

- an analytical approach to the impact of the fall in purchasing power has been carried out on the debt consolidation portfolios and on individual customers in our other portfolios.
- for professional customers (excepted Real Estate and Non-Core), a sectoral impact analysis has been used to determine the forward-looking impact. Counterparties were segmented according to their sector of activity (based on the NAF code). Four levels of risk were identified based on the impact that the current crisis could have on these activities. The forward-looking impact is therefore dependent on the activity and risk associated with each counterparty.

Over the third quarter of 2023, since the introduction of this method of analysis and despite an adverse economic situation, we have seen no significant increase in default probability. However, there were signs of a rise in stage impairments (confirmed by the Risk and Collection teams, etc.), which led to an increase in core provisions. These increases ultimately amounted to no more than the materialisation of the difficulties anticipated in the forward-looking scenario. We monitor economic developments (through Group’s analyses) to be sure that the situation is not deteriorating.

For the retail banking portfolio in mainland France, internal models are used to add the forward-looking factor to the assessment of credit risk.

From the first quarter of 2024, following the integration of the activities transferred to CCF, the macro-economic assumptions for the different portfolios have been harmonised.

Three common scenarios have been identified:

	Probability	Description	Assumption
Favourable	10%	Optimistic vision	Inflation will fall sharply from 2024, as will the unemployment rate, leading to significant growth in the country. Prices will also stagnate, making transactions easier and enabling the property market to regain some momentum.
Baseline	70%	Most probable	Inflation will continue to slow, allowing households to gradually increase their purchasing power. Borrowing rates will remain high, curbing real estate activity in the coming years.
Adverse	20%	Pessimistic vision	Inflation will remain very high, with shrinking purchasing power in France. Economic activity will contract, leading to business failures and rising unemployment. In the real estate sector, reduced borrowing capacity and high interest rates will curb demand, leading to a sharp fall in prices.

SUMMARY OF WEIGHTINGS FROM 2023 TO 2024

Period	Favourable	Baseline	Adverse	Severely adverse
30 June 2023		50%	50%	
31 December 2023		50%	50%	
30 June 2024	10%	70%	20%	

SENSITIVITY OF THE SCENARIOS AT 30 JUNE 2024

Segments subject to analysis by portfolio:

IN THOUSANDS OF EUROS	Real Estate		Personal Loans		Current accounts	
Reserve before FWL and adjustments						
	Amount	**Delta**	**Amount**	**Delta**	**Amount**	**Delta**
Favourable scenario	31 112	(141)	18 757	(422)	19 482	(300)
Baseline scenario	32 319	1 066	19 054	(124)	19 697	(84)
Adverse scenario	32 875	1 622	19 422	244	20 021	239
Adjustments amount	3 203		4 405		1 795	

Note that for the specialised bank and BDC portfolios, these sensitivity calculations have no longer been carried out since the introduction of forward-looking consumption methodologies in the third quarter of 2023.

For the retail banking segments, a reading of this table shows, for example, that on the real estate portfolio, the provision calculated by the models in June 2024 was set at 31.2 million euros. In a baseline forward-looking scenario, the additional provision is 1.1 million euro, i.e. a provision of 32.3 million euros. In an adverse forward-looking scenario, the additional provision is 1.6 million euro, i.e. a provision of 32.8 million euros. The sensitivity of each scenario was therefore assessed in comparison with the ECL models before forward-looking.

At end-June 2024, the additional forward-looking provision for the Group CCF (including specialized banking is 12.8 million euros.

Segments subject to individual analysis:

On the professional mortgage and non-core portfolios, an individual analysis is carried out to estimate the additional risk related to the economic crisis.

The nature of the risk is linked to a decrease in the valuation of the guarantee for all commercial real estate contracts and to the increase in the risk of counterparty default for corporate contracts (PD downgraded by rating and business sector). At the end of June 2024, the estimated additional amount to cover this risk was 10.7 million euros.

MANAGEMENT OVERLAYS

On the professional real estate portfolio, in addition to these analysis a management overlay has been determined and applied since the third quarter of 2021 to stage 1. This is because the level of provision obtained using the models was below a reasonable estimate for this parameter. This is due to an overall improvement in the quality of the portfolio at acquisition and increased monitoring of non-performing loans. However, given the volatility of the professional real estate portfolio due to the high disparity of tickets and the unfavourable economic climate (particularly the rise in interest rates and the cost of raw materials), it was decided to maintain a minimum level of provision (above the model level). The rule is as follows: two minimum thresholds have been set, a threshold in terms of the provision amount of 5.5 million euros and a threshold in terms of the provision rate of 0.4%. The highest of these amounts is retained. This management overlay is assessed during quarterly credit risk monitoring meetings. At 30 June 2024, it was the rate threshold that was retained on stage 1 of this portfolio, or a management overlay of 0.1 million euros. Following the severe deterioration observed in recent quarters, statistical PD has increased significantly, and statistical provision rates are now very close to the minimum threshold.

In the case of the BDC portfolio, a management overlay was determined at end-December 2023 in order to anticipate future deterioration and collection difficulties given the cessation of commercial activities. An additional provision of 4 million euros was estimated and included in the forward-looking scenario. As a deterioration materialised during the first quarter of 2024, we reversed this overlay, which was absorbed by the increase in provisions per stage.

For the retail banking portfolio in mainland France, two types of post-model adjustments are calibrated each quarter: post-model adjustments (PMA), which are a temporary solution until the models are updated, and *Forward Economic Guidance Adjustments* (FEG) adjustments to compensate for the absence of a forward-looking LGD model for CRELOG real estate loans, personal loans, equipment loans and current accounts. These adjustments result in a 6.3 million euros impact on the stock of provisions at the end of June 2024.

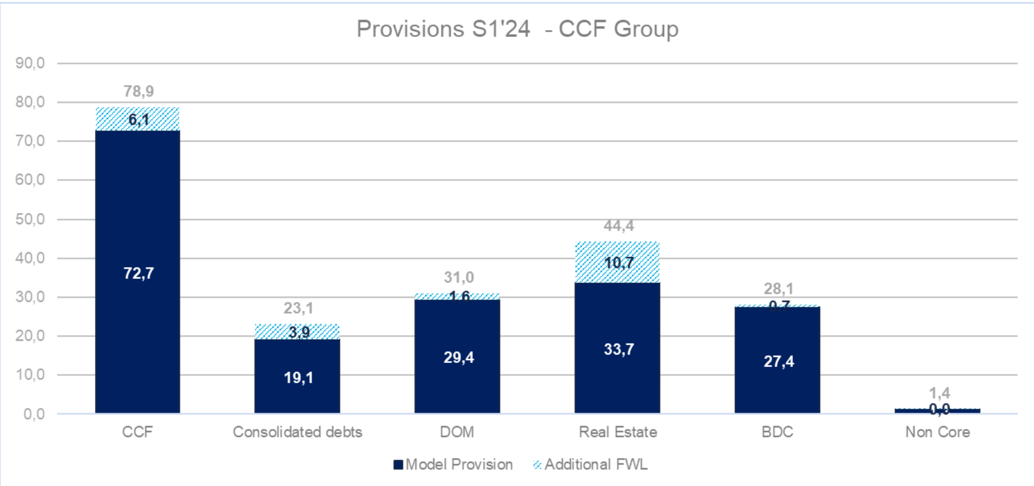
EXPECTED LOSSES ON CCF GROUP PRODUCTS

The “expected losses” on CCF Group tables below present only the loans classified at stages 1, 2 and 3 (S1, S2 and S3) and hence exclude the financial assets classified as POCI (Purchased or Originated Credit Impaired).

Book value IN THOUSANDS OF EUROS	Expected losses at 12 months (S1)	Expected losses at maturity (collective evaluation) (S2)	Expected losses at maturity (individual evaluation) (S3)
Book value at 01.01.2024	**5 841 624**	**594 816**	**309 292**
Financial assets transferred to S1	-	(69 874)	(7 010)
Financial assets transferred from S1	-	314 911	35 005
Financial assets transferred to S2	(328 866)	-	(12 439)
Financial assets transferred from S2	65 735	-	99 118
Financial assets transferred to S3	(38 018)	(106 711)	-
Financial assets transferred from S3	6 273	11 580	-
Financial assets created or acquired during the year	400 059	1 042	7 879
Write-offs	(171)	(115)	(561)
Financial assets derecognised during the year	-	-	-
Assets held for sale	-	-	-
Amortisation	(484 462)	(61 526)	(20 691)
Other changes	-	-	-
CCF integration	9 353 161	1 716 343	178 317
Book value at 30.06.2024	**14 815 334**	**2 400 466**	**588 910**

At 30 June 2024, outstanding POCI loans, not included above, stand at 51.5 million euros versus 59 million euros at 31 December 2023:

IN THOUSANDS OF EUROS	30.06.2024	31.12.2023
Consolidated debts	28 844	32 920
DOM	-	-
BDC	6 172	6 907
Real estate	15 708	18 065
Non-core	794	723
Total POCI	**51 518**	**58 615**



Provisions on the balance sheet stand at 206.9 million euros of which 23.5 million euros additional forward-looking.

IFRS 9 provisions	Expected losses at 12 months	Expected losses at maturity	Expected losses at maturity (individual evaluation)
IN THOUSANDS OF EUROS	(S1)	(S2)	(S3)
Provisions at 01.01.2024	**33 129**	**22 497**	**58 184**
Variations attributable to financial instruments recognised at 1 January:	(2 898)	(1 605)	24 891
- Transfer to S1	280	(3 859)	(1 838)
- Transfer to S2	(2 923)	9 515	(1 869)
- Transfer to S3	(255)	(7 260)	28 598
Amortisation	(3 593)	(1 425)	(6 033)
Financial assets derecognised during the year	-	(372)	(67)
Financial assets created or acquired during the year	2 777	136	2 998
Write-offs	(1)	(15)	(235)
Change of models / re-estimation of parameters)	(3 119)	1 416	1 322
Assets held for sale	-	-	-
Foreign exchange effects and other movements	-	-	-
CCF integration	4 997	6 760	67 098
Provisions at 30.06.2024	**31 292**	**27 394**	**148 158**

d. Finance undertakings and guarantees given

Finance undertakings (confirmed credit facilities, overdrafts) and guarantees (rental deposits, sureties against completion of works) are subject to impairment for expected losses due to credit risk.

These impairments are also presented under the heading “6.9. Provisions for risks and expenses”.

	30.06.2024		31.12.2023	
IN THOUSANDS OF EUROS	Outstandings	Provision	Outstandings	Provision
Loan undertakings	754 984	3 575	305 389	2 844
Guarantees	57 805	328	67 968	356

e. Recognition date of financial assets

Securities acquired or sold are respectively recognised and derecognised on the settlement date, whatever the accounting category to which they belong.

Derivative financial instruments are recognised on the negotiation date. Changes in fair value between the negotiation date and the settlement date are accounted for in profit or loss or in equity, depending on their accounting classification. Loans and receivables at amortised cost are registered on the balance sheet at the disbursement date.

f. Financial liabilities measured at amortised cost

IN THOUSANDS OF EUROS	30.06.2024	31.12.2023
Debt securities	5 443 593	2 050 000
Related payables	17 469	1 695
Remeasurement of hedged items	(313 283)	(248 375)
Sub-total debt securities	**5 147 779**	**1 803 319**
Current account and related payables	260	29 181
Term loans and advances	31 260	250 768
Other financial liabilities	6 297	4 343
Sub-total due to bank and credit institutions	**37 817**	**284 292**
Current account	17 791 623	866 423
Term loans and advances	5 171 566	3 604 056
Related payables	223 282	62 239
Other financial liabilities	3 468	3 668
Sub-total due to customers	**23 189 939**	**4 536 385**
Subordinated term loans	100 000	100 000
Related payables	3 730	1 119
Remeasurement of hedged items	(7 540)	(7 694)
Subordinated debts	**96 190**	**93 425**
Total financial liabilities at amortised cost	**28 471 724**	**6 717 421**

Debts which are not classified in financial liabilities at fair value are initially recorded at their fair value, corresponding to the acquisition price at this date or at their issue date, net of any directly attributable transaction costs.

At the reporting date, they are measured at amortised cost using the effective interest rate method and recognised on the balance sheet under the headings Amounts owed to credit institutions, Customer deposits and Debts represented by a security.

Amounts owed to credit institutions and customer deposits are broken down by initial duration or nature: on demand (demand deposits, current accounts) or term loans.

Financial instruments issued are classified as debt instruments if the issuer has a contractual obligation to deliver liquidities or another financial asset to another entity or to exchange the instruments under potentially unfavourable conditions.

DEBTS REPRESENTED BY A SECURITY

Debts represented by a security consist mainly of covered bond issues.

These debts include the covered bonds issued since October 2018 by the building society MMB SCF, for an amount of 2 053 million euros at 30 June 2024, including 3 million euros of related debt versus 2 053 million euros at 31 December 2023 and by CCF SFH for an amount of 3 408 million euros at 30 June 2024, including 14 million euros of related debts.

AMOUNTS OWED TO CUSTOMERS

The Group's deposit-taking programme is initially organised through two channels:

- The historical French programme, launched in 2010 and fully intermediated through a network of 360 independent wealth management advisers (CGPIs), boosted since 2021 by an agreement with the FinTech CASHBEE; and
- A partnership with a major German bank since 2017, designed to increase the number of individual customers. In December 2022, this collection channel, launched through the Raisin Deposit Solution platform, was expanded to include the Raisin WeltSparen platform with a view to further diversification.

With the acquisition of CCF in January 2024, CCF Group's strategy is to concentrate its deposit-taking within its retail bank, CCF, which has a large national branch network and a broad individual customer base. CCF holds around 20 billion in deposits, which are raised directly from its customers through non-interest-bearing current accounts, regulated and non-regulated passbook accounts, and savings accounts. These deposits are classified as stable in the liquidity models and represent the bulk of the Group's refinancing.

At 30 June 2024, deposits stand at around 23 billion euros, compared with 4.5 billion euros at 31 December 2023.

6.5. CURRENT AND DEFERRED TAX ASSETS AND LIABILITIES

The recognition of deferred tax assets arising from tax loss carryforwards and temporary time differences is based on the Group Business Plan validated by the Board of Directors. This Business Plan, drawn up by the Group's Management Control Department, is based on favourable and adverse assumptions enabling future taxable profits to be documented. The Business Plan is updated each year and is also subject to sensitivity tests in order to ensure its resilience. Management has decided to limit the recognition of tax losses to a maximum of five years.

At 31 December 2021, deferred tax assets relating to tax loss carryforwards created by the tax group since 2018 have been reversed in full, as the Business Plan does not demonstrate the Group's ability to utilise these losses within the five-year horizon, due to the costs generated by the potential acquisition of HSBC's retail banking activities in France. They remain fully deactivated at 30 June 2024.

With regard to deferred tax assets relating to tax loss carryforwards generated before the creation of the tax group - known as "pre-consolidation" - and available for use only by the entities generating these losses (MMB and Somafi-Soguafi, since Sorefi used the remainder of its losses in 2022), the related deferred tax assets remain activated in full (26.4 million euros at end June 2024).

The Business Plan provides for sufficient profits for these entities to allow the full use of these tax losses within a five-year horizon.

CURRENT AND DEFERRED TAXES

IN THOUSANDS OF EUROS	30.06.2024	31.12.2023
Current taxes	14	7 661
Deferred taxes	160 030	8 533
Current and deferred tax assets	**160 044**	**16 195**
Current taxes	(227)	-
Deferred taxes	-	-
Current and deferred tax liabilities	**(227)**	**-**

BREAKDOWN OF DEFERRED TAX ASSETS AND LIABILITIES BY NATURE

IN THOUSANDS OF EUROS	30.06.2024	31.12.2023
Financial assets	113 042	(18 856)
Unrealised leasing reserves	(15 222)	(14 201)
Provisions for employee benefits – pensions	13 883	7 797
Other non-deducted provision (including credit risk)	21 891	7 358
Tax losses carried forward	26 436	26 436
Net deferred taxes	**160 030**	**8 533**
O/w deferred tax assets	*160 030*	*8 533*
O/w deferred tax liabilities	-	-

DEFERRED TAX ASSETS ON UNRECOGNISED TAX LOSSES CARRIED FORWARD

IN THOUSANDS OF EUROS	Legal duration of the carry-forward	Forecast horizon for recovery	30.06.2024	31.12.2023
CCF Holding Groupe Fiscal	Indefinite	> 5 years	72 054	52 473
CCF Holding Groupe Fiscal unrecognised deficits	Indefinite	> 5 years	(72 054)	(52 473)
My Money Bank SA	Indefinite	5 years	23 799	23 799
Somafi-Soguafi SA	Indefinite	4 years	2 637	2 637
Sorefi SA	Indefinite	N/A	-	-
Total deferred tax assets			**26 436**	**26 436**

CHANGES IN DEFERRED TAXES

IN THOUSANDS OF EUROS	Changes in profit or loss	Changes in equity	Other changes	Total
Net deferred taxes at 31.12.2023	**13 069**	**(2 167)**	**-**	**8 533**
Financial assets at amortised cost and at fair value through P&L and equity (OCI)	(18 675)	10 989	139 584	**131 898**
Changes in unrealised leasing reserve	(1 021)	-	-	**(1 021)**
Changes in provisions for employee benefits - pensions	6 087	-	-	**6 087**
Changes in other non-deducted provisions (including credit risk)	14 527	-	6	**14 533**
Changes in tax losses carried forward (before limitation / recognition)	19 581	-	-	**19 581**
Impact of unrecognised tax losses carried forward / “catch-up” of unrecognised losses of previous years	(19 581)	-	-	**(19 581)**
Net deferred taxes at 30.06.2024	**13 987**	**8 822**	**139 590**	**160 030**

6.6. OTHER ASSETS AND LIABILITIES

a. OTHER ASSETS

IN THOUSANDS OF EUROS	30.06.2024	31.12.2023
Insurance	565	423
Deposits, advances	233 268	24 305
Taxes	37 701	34 580
Values received on collection	25 198	13 274
Deferred expenses	13 748	5 206
Other adjustment accounts	12 261	11 829
Other assets	6 835	7 830
Prepaid expenses	59 699	45 150
Accrued income	339 877	115 134
Total other assets	**729 153**	**257 730**

b. OTHER LIABILITIES

IN THOUSANDS OF EUROS	30.06.2024	31.12.2023
Security deposits	114	129
Suppliers	9 722	3 504
Tax and social security liabilities	143 254	49 283
Insurance	2 711	2 669
Other adjustment accounts	39 995	23 687
Other liabilities	199 049	52 620
Lease liability IFRS 16	76 237	25 463
Accrued expenses	173 421	43 493
Deferred income	5 541	4 202
Total other liabilities	**650 045**	**205 050**

c. Breakdown of lease liabilities by due date

IN THOUSANDS OF EUROS	Less than 1 year	From 1 to 5 years	More than 5 years	Total 30.06.2024
Commercial leases	1	55 422	20 039	75 462
Vehicle leases	-	-	-	-
Long-term vehicle leases	21	741	-	761
Other	0	13	-	13
Total lease liabilities under IFRS 16	**22**	**56 175**	**20 039**	**76 237**

6.7. Non-current assets held for sale

IN THOUSANDS OF EUROS	30.06.2024	31.12.2023
Property, plant and equipment	4 670	4 670
Loans and receivables due from customers at amortised cost	-	10 158
Total non-current assets held for sale	**4 670**	**14 828**

At 30 June 2024, the properties held by the entity SLMB is still available for sale in its existing condition. The one-year deadline was exceeded beyond the control of the management.

The Ris Orangis site has been under a sale agreement with 6ème Sens Immobilier since 6 October 2020. The administrative approval process is taking longer than expected due to requests for additional information from the Île-de-France Regional and Interdepartmental directorate for Environment, Planning and Transport (DRIEAT).

The Nanterre site has undergone major renovation work to bring it into compliance. Marketing has been relaunched, targeting a sale date at the end of 2024.

The sale of non-performing receivables, covering an entire portfolio of non-performing loans relating to the DOM portfolio, was concluded on 25 April 2024.

6.8. Tangible and intangible assets

IN THOUSANDS OF EUROS	Gross value 01.01.2024	Change in consolidation scope	Increase	Decrease	Gross value 30.06.2024	Impairment and amortisation 01.01.2024	Increase	Decrease	Net value 30.06.2024
Tangible assets	**58 935**	**236 093**	**1 066**	**(10 755)**	**285 339**	**(20 348)**	**(16 140)**	**4 564**	**253 415**
Buildings	542	165 583	-	(827)	165 298	(272)	(1 338)	639	164 327
Office and IT equipment	6 805	7 887	369	(807)	14 255	(3 472)	(1 655)	589	9 716
Fittings and facilities	7 154	361	43	(2 683)	4 876	(3 452)	(467)	2 619	3 576
Tangible assets in progress	5 152	71	-	(5 159)	63	-	-	-	63
Right-of-use asset IFRS 16	39 188	62 191	654	(1 279)	100 754	(13 074)	(12 679)	717	75 718
- Lease	*38 147*	*61 822*	*581*	*(1 153)*	*99 397*	*(12 564)*	*(12 476)*	*591*	74 948
- Other	*1 041*	*369*	*72*	*(126)*	*1 357*	*(509)*	*(203)*	*126*	770
Other	93	-	-	-	93	(79)	-	-	14
Intangible assets	**53 482**	**1 501 873**	**1 356**	**(23 981)**	**1 532 729**	**(15 968)**	**(78 971)**	**1 000**	**1 438 792**
Software	50 264	24 636	141	(21 916)	53 124	(15 968)	(5 002)	462	32 616
Intangible assets in progress	3 219	(2 137)	1 191	(2 065)	208	-	-	-	208
Other	-	1 479 374	23	-	1 479 397	-	(73 969)	539	1 405 967
Total tangible and intangible assets	**112 417**	**1 737 966**	**2 422**	**(34 736)**	**1 818 068**	**(36 316)**	**(95 110)**	**5 564**	**1 692 207**

a. Right of use

The Group has applied IFRS 16 - Leases, now accounting for the rights of use in leased assets under the heading *tangible assets*.

IN THOUSANDS OF EUROS	30.06.2024	31.12.2023
ASSETS		
Property, plant and equipment (right-of-use assets)	**100 754**	**39 189**
Commercial leases	99 397	38 147
Leasing vehicles	-	107
Long-term lease vehicles	1 282	859
Photocopiers / Printers	75	75
LIABILITIES		
Other liabilities (lease liabilities)	**76 237**	**25 463**
Commercial leases	75 462	24 930
Leasing vehicles	-	4
Long-term lease vehicles	761	507
Photocopiers / printers	13	21
Consolidated income statement		
Interest expense	(1 347)	(647)
Depreciation and amortisation of right-of-use assets	(12 679)	(4 627)

b. Intangible assets

At 30 June 2024, the intangible fixed assets essentially consist of software and information systems developed internally.

6.9. PROVISIONS

IN THOUSANDS OF EUROS	Stock at 01.01.2024	Change in consolidation scope	(+) Increase	(-) Reversal (utilised provisions)	(-) Reversal (surplus provisions)	Change in actuarial assumptions	Stock at 30.06.2024
Pensions and other post-employment benefits[4]	30 184	26 496	339	(1 116)	(8)	(2 147)	53 749
Other long-term employee benefits	1 529	3 223	10	(200)	(7)	-	4 555
Restructuring	8 478	-	15 988	(8 234)	-	-	16 233
Fiscal and legal risks	943	207	-	(418)	-	-	733
Commitments and guarantees given	3 200	500	1 916	-	(1 182)	-	4 434
Other provisions	4 857	18 598	2 248	(3 605)	(166)	-	21 932
Total	**49 192**	**49 024**	**20 502**	**(13 572)**	**(1 363)**	**(2 147)**	**101 636**

[4] See note 9

7. Notes on the income statement

7.1. Interest income and expense

Interest income and expense are accounted for in profit or loss for all the financial instruments measured at amortised cost and fair value through recyclable equity, using the effective interest rate method.

	30.06.2024			30.06.2023		
IN THOUSANDS OF EUROS	Income	Expense	Net	Income	Expense	Net
Loans and receivables from credit institutions	61 899	-	61 899	1 317	-	1 317
Loans and receivables from customers	331 678	(67 952)	263 726	125 944	(13 636)	112 308
Securities	37 935	-	37 935	1 240	-	1 240
Financial lease	20 409	(908)	19 501	17 171	(745)	16 426
Due to central banks	139 590	-	139 590	3 745	-	3 745
Due to banks	-	(3 880)	(3 880)	-	(4 430)	(4 430)
Due to customers	-	(197 622)	(197 622)	-	(41 710)	(41 710)
Debt securities issued	-	-	0	-	-	-
Financial instruments at amortised cost	**591 511**	**(270 362)**	**321 148**	**149 417**	**(60 522)**	**88 895**
Financial instruments at fair value through profit or loss	-	-	0	-	-	-
Lease agreements[5]	-	(1 347)	(1 347)	-	(318)	(318)
Financial instruments at fair value through other comprehensive income	2 782	(25 697)	(22 915)	2 058	(2 996)	(938)
Hedging derivatives	157 614	(199 479)	(41 866)	54 061	(62 070)	(8 010)
Total interest income and expense	**751 906**	**(496 886)**	**255 020**	**205 536**	**(125 906)**	**79 630**

Commissions that are considered to be part of the return on a financial instrument, such as commissions for the granting of loans, constitute additional interest and are included at the effective interest rate. These commissions are therefore accounted for under interest income and expense, and not under commissions.

7.2. Fee income and expense

	30.06.2024			30.06.2023		
IN THOUSANDS OF EUROS	Income	Expense	Net	Income	Expense	Net
Transactions with customers	2 919	(6 702)	(3 783)	5 070	(4 065)	1 005
Securities transactions	-	(173)	(173)	-	19	19
Transactions with payment instruments	50 517	(7 688)	42 829	479	(837)	(359)
Financial services	63 585	(12 415)	51 170	6 367	(562)	5 805
Other	3 643	(325)	3 318	3 337	(26)	3 312
Total fee income and expense	**120 664**	**(27 303)**	**93 361**	**15 252**	**(5 470)**	**9 782**

[5] IFRS 16 Leases, lease operations present the interest on lease liabilities.

7.3. Net gains and losses on financial assets at fair value through profit and loss

The net gain on this line item at 30 June 2024 is 245 thousand euros, compared with a net loss of (257) thousand euros at the end of June 2023, and corresponds to the positive fair value changes in the trading derivatives held by the Group.

7.4. Net gains and losses on financial assets at fair value through other comprehensive income

This line item is constituted of debt instruments (bonds and other debt securities).

The net gain on this line item is 40 597 thousand euros, (recycled from unrealised or deferred capital gains and losses in the income statement).

This gain corresponds to the ineffectiveness of the payer spread, as the hedge was unwound on 6 April 2023 (see note 6.1.c).

7.5. Net gains and losses on financial assets measured at amortised cost

IN THOUSANDS OF EUROS	30.06.2024	30.06.2023
Gains / (Losses) on financial assets at amortised cost	**94**	**-**
Loans and receivables due from customers	94	-
Gains / (Losses) on financial liabilities at amortised cost	**-**	**-**
Total Gains / losses on financial assets and liabilities at amortised cost	**94**	**-**

7.6. Income and expense from other activities

IN THOUSANDS OF EUROS	30.06.2024	30.06.2023
Marginal costs / Commissions	(1 918)	(1 696)
Other	-	-
Total other expenses	**(1 918)**	**(1 696)**
Insurance commissions	4 291	1 834
Servicing	661	826
Uncollected VAT to be written back	39	134
Other	7 255	2 169
Total other income	**12 247**	**4 963**
Total income and expense from other activities	**10 329**	**3 267**

7.7. General operating expenses

IN THOUSANDS OF EUROS	30.06.2024	30.06.2023
Miscellaneous operating income	-	38
Reversal of provisions for risks and expenses	36 424	5 772
Depreciation of provisions for risks and expenses	(42 808)	(12 142)
Employee profit-sharing and incentive schemes	(4 959)	(186)
Payroll taxes, duties and similar levies	(7 453)	(3 298)
Pension expenses	(19 711)	(7 742)
Wages and salaries	(131 642)	(36 123)
Other social security expenses	(44 060)	(13 063)
Total employee costs	**(214 209)**	**(66 743)**
Lease	(4 718)	(1 296)
External services provided by Group entities	(47)	(47)
Transport and travel	(1 407)	(869)
Other external services	(117 642)	(72 483)
Miscellaneous operating expenses	(502)	(750)
Total operational expenses	**(124 315)**	**(75 446)**
Taxes	(21 518)	(8 367)
Other	(305)	(963)
Total operating expenses	**(360 347)**	**(151 520)**

7.8. Amortisation costs and depreciations

IN THOUSANDS OF EUROS	30.06.2024	30.06.2023
Depreciation and amortisation of intangible assets	(78 971)	(2 917)
Depreciation and amortisation of tangible assets	(3 460)	(1 765)
Reversal of provisions for depreciation of property, plant and equipment	539	-
Depreciation and amortisation of right-of-use assets	(12 679)	(2 358)
Total amortisation, depreciation and impairment of tangible and intangible fixed assets	**(94 572)**	**(7 040)**

7.9. Cost of risk

The cost of risk includes provisions net of reversals on credit risk, net impact on POCI re-evaluation, loans and receivables written off, recoveries of bad debts written off and provisions and reversals on other risks.

IN THOUSANDS OF EUROS	30.06.2024	30.06.2023
Net provisions on transactions with customers	(14 570)	(31 337)
Net provisions for guarantees given on assigned loans	(734)	324
Net POCI re-evaluation	1 502	3 684
Net losses on transactions with customers	(6 347)	(7 748)
Net provisions on other risks	(2 324)	(19)
Total cost of risk	**(22 473)**	**(35 097)**

7.10. Net gains and losses on other assets

IN THOUSANDS OF EUROS	30.06.2024	30.06.2023
Gains on disposals of tangible assets	29 643	103
Losses on disposals of tangible assets	(29 368)	(52)
Impairment of non-current assets held for sale	-	-
Total gains or losses on other assets	**275**	**51**

7.11. Income tax and deferred taxes

Tax expense of the year 2024 includes the tax due from companies situated in France at the rate of 25% (plus the 3.3% social contribution on profits where corporation tax exceeds 763 000 euros, giving a rate of 25.83%.)

The deferred tax rates used are indicated in Section 6.5. Current and deferred tax assets and liabilities.

IN THOUSANDS OF EUROS	30.06.2024	30.06.2023
Earnings before tax	**2 389 114**	**(72 857)**
Tax income/expense for the period	691	15 958
Net income – Group share	2 388 423	(56 899)
Net income – non-controlling interests	-	-
Theoretical tax rate	25,83%	25,83%
Theoretical tax	**(616 930)**	**18 819**
Permanent differences	344	(51)
Tax rates differences for consolidated entities	-	-
Low-rate taxation (dividends)	(13)	(9)
DTA on limited previous tax losses and deductible time differences for the period	(21 309)	(2 802)
Use of DTA on limited tax losses and deductible temporary differences over previous periods	-	-
Effect of changing corporation tax rates on the measurement of deferred taxes	-	-
Tax hit for prior period adjustments	1 647	-
Tax on bargain purchase gain	636 940	-
Miscellaneous	11	1
Tax charge for the period	**691**	**15 958**
w/o tax payables	*(227)*	-
w/o deferred tax	*918*	*15 958*

8. Offsetting financial assets and financial liabilities

Pursuant to IAS 32, a financial asset and a financial liability shall be set off, and the net amount presented in the statement of financial position when, and only when, the entity has a legally enforceable right to set off the recognised amounts and if it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The derivatives concluded by the Group with a single banking counterparty, and which are subject to a framework agreement respecting these two criteria, are set off in the balance sheet.

9. Employee benefits

9.1. Major events in the first half of 2024

Acquisition of HBCE business activities

As a result of the acquisition of HBCE's business, 3,374 people joined the Group within CCF. Commitments at the acquisition date stood at 29.7 million euros. They were updated at the end of June.

Pensions reform

The pensions reform, finally adopted on 20 March 2023, has been effective since 1 September 2023. The flagship measure of this reform is the gradual increase in the statutory retirement age from 62 to 64 for generations born in or after 1968.

This postponement of retirement age is accompanied by an acceleration in the prolongation of the contribution period, which began with the Touraine reform of 2014 and which will eventually reach 43 years by 2027 instead of 2035.

The impact of the reform is not significant and has been recognized in the income statement at the end of 2023 (change in plan).

Agreement on collective redundancy scheme at CCF

The impact of this collective redundancy scheme was taken into account at the end of 2023 (departure of the employees concerned) and was accounted for as a reduction in the income statement.

Agreement on collective redundancy scheme at MMB

The impact of this collective redundancy scheme was taken into account at the beginning of 2024 (departure of the employees concerned) and was accounted for as a reduction in the income statement.

9.2. Discount Rate

The discount rate of 3.6% has been determined with reference to the performance at 30 June 2024 of investment-grade corporate bonds carrying an AA rating or higher with a maturity comparable with the average maturity of Group commitments in each zone.

9.3. Description of obligations in respect of defined benefit plans

Retirement obligations include retirement and other post-employment benefits, including termination benefits.

The main defined benefit plans are:

- **lump sums paid on retirement**, which correspond to the payment of a capital sum to the employee by the entity on retirement. The lump sum paid on retirement is determined by the national collective agreement that covers the Group, and the terms of the Group’s internal agreement.
  - My Money Bank employees are covered by the national collective agreement for banking personnel. There is also an internal agreement entitling staff to a more generous settlement than the retirement lump sum provided for by the collective agreement. On retirement, employees receive either the lump sum provided for in the My Money Bank internal agreement (in accordance with the criteria set out in that agreement) or the lump sum provided for by the collective agreement, whichever is the more favourable.

- Overseas employees are covered by the collective agreement for the finance sector. This has no specific requirements for lump sums on retirement, which are determined in accordance with the internal agreement of each entity.

- **the long-service awards scheme**, corresponding to a capital sum paid to employees reaching total seniority (since the beginning of their careers) of between 15 and 40 years, depending on the Group entity concerned.
- **the healthcare expenses plan for retirees**, the obligations of which take effect when the Group:
  - assumes the total or partial financing of the contribution of retirees to the healthcare expense plan,
  - does not pay the retiree's contribution directly, but the mutual plan for current and retired employees. In this instance, there is nevertheless a benefit from mutualisation; the participation of the employer in the asset plan indirectly funds the retirees' plan.
- **the CRCC plan**, revised following the agreement of 3 July 2008, which is a closed retirement plan with two populations: current plan members (active employees, future pensioners) and current pensioners. Rights were frozen at the plan closure date and have been remeasured since based on the annual level of the social security pension (but may not be lower than an increase based on the AGIRC plan index).

9.4. Measurement of employee benefits at 30 June 2024

The Group has taken account of the change in the discount rate (3.6% at 30 June 2024 compared with 3.2% at 31 December 2023) in order to remeasure its employee benefit obligations at the interim reporting date. Other data and assumptions remain unchanged since the calculations on 31 December 2023 (see note 6.9).

9.5. Plan for the allocation of performance-related shares

The Board of Directors ("Conseil d'Administration") has awarded certain free performance-related shares and set the conditions and criteria for their attribution.

a. Information on ongoing performance share plans

	30.06.2024	31.12.2023	**Total**
Par value (in EUR)	0,01	0,01	0,01
Fair value (in EUR)	0,04	0,067	-
Expense recorded (in EUR)	3 114 824	1 700 000	4 814 824
Number of performance-related shares awarded at the start of the period	**72 693 382**	**25 532 589**	**98 225 971**
Shares awarded	-	-	-
Shares acquired by beneficiaries	4 834 966	15 658 162	20 493 128
Shares cancelled	-	-	-
Number of shares remaining at year-end	**67 858 416**	**9 874 430**	**77 732 843**

b. Information on the evolution of ongoing performance share plans

Board of Directors' dates	15.03.2024	2023	**Total 30.06.2024**
Number of performance-related shares awarded	72 693 382	25 532 589	**98 225 971**
Definitive acquisition date of shares awarded	15.03.2025	2024	**-**
Spread of acquisition from the definitive acquisition date	Over 4 years	Over 4 years	**-**
Number of shares acquired by beneficiaries	4 834 966	15 658 162	**20 493 128**

10. Other information

10.1. Social and environmental impacts of the Company

The financial risks resulting from the effects of climate change, and the measures taken by the Group to reduce them, are described in the Statement of Non-Financial Performance prepared by CCF Holding for the 2023 financial year. The information in this statement relates to Group entities as a whole.

To date, the Group has identified no particular exposure to environmental risks that could have a material impact on its consolidated accounts at 30 June 2024 (see note 10.2).

As our Group is already subject to the requirement to draw up an SNFP, the obligations arising from the CSRD will apply to it from 1 January 2024. In order to meet these new requirements, the Group began a CSRD scoping phase in October 2023, with a view to obtaining a comprehensive overview of what is expected under the regulations, the scope of the issues affecting our Group, and an analysis of the impact at organisational, process and information systems levels.

Our Group has conducted a materiality assessment of the issues and produced a double materiality matrix. An analysis of how these issues differ from the existing situation is currently in progress.

10.2. Climate risk

The Group has drawn up an initial inventory of the direct and indirect risks associated with the effects of climate change on its financial instruments.

a. Physical risks

- The direct or indirect impact of climate change on people and property (drought, flooding, extreme weather events, etc.) arising from the Group's exposures is relatively limited.

    - For property owned by the bank, the risk is limited, because there are few branches; this risk is covered by current insurance policies.
    - In the debt consolidation and professional real estate portfolios, the risk is borne mainly by collateral. If a property is seized to recover the debt, there may be a risk of impairment, particularly in the case of properties located in flood zones. However, assets located in mainland France are not currently considered to be particularly vulnerable, given existing climate change scenarios. It is also worth noting that France has an effective system for dealing with natural disasters and support provided by insurers, which also reduces the risk of non-recovery borne by the bank.
    - The overseas portfolio faces indirect risks associated with extreme weather events (hurricanes) and environmental impacts (Sargasso, coastal risks, etc.). In addition to the impact on our guarantees, covered by the measures described above, such a disaster could have a major impact on the tourism sector and hence indirectly on the solvency of our customers.

b. Transition risks

- These risks relate to the impact on the Group's exposures of the implementation of energy policies or technological changes.

    - The risk to the professional real estate portfolio is borne by the valuation of real estate assets. This is because the advent of new legislation, such as the Climate and Resilience Act, which introduces a reform of the Energy Performance Diagnosis (EPD) and has an impact on rental properties in particular, means that non-performing real estate assets will be marked down on the financial markets in the future. However, the maturities of the loans granted by the Group on this market are relatively short (3 years on average), which considerably reduces this risk for the existing housing stock.

- To reduce future risks on this portfolio, the Group is committed to a responsible investment strategy. The proportion of green financing in the new volume, thanks to our Green offering, is an indicator which is measured and reported to the Risk Committee, with minimum expected thresholds.
- In the debt consolidation portfolio, the transition risk is borne mainly by real estate pledged as collateral.

The climate change risks identified do not therefore constitute a new risk category, but rather an added factor for the categories already covered by the Group's risk management system.

All these financial risks resulting from the effects of climate change, and the measures taken by the Group to mitigate them, are described in the Statement of Non-Financial Performance prepared by CCF Holding for the 2023 financial year. The information in this statement relates to the Group entities as a whole.

10.3. OTHER RISKS

There have been no significant changes in the other risks mentioned in the annual financial statements at 31 December 2023.