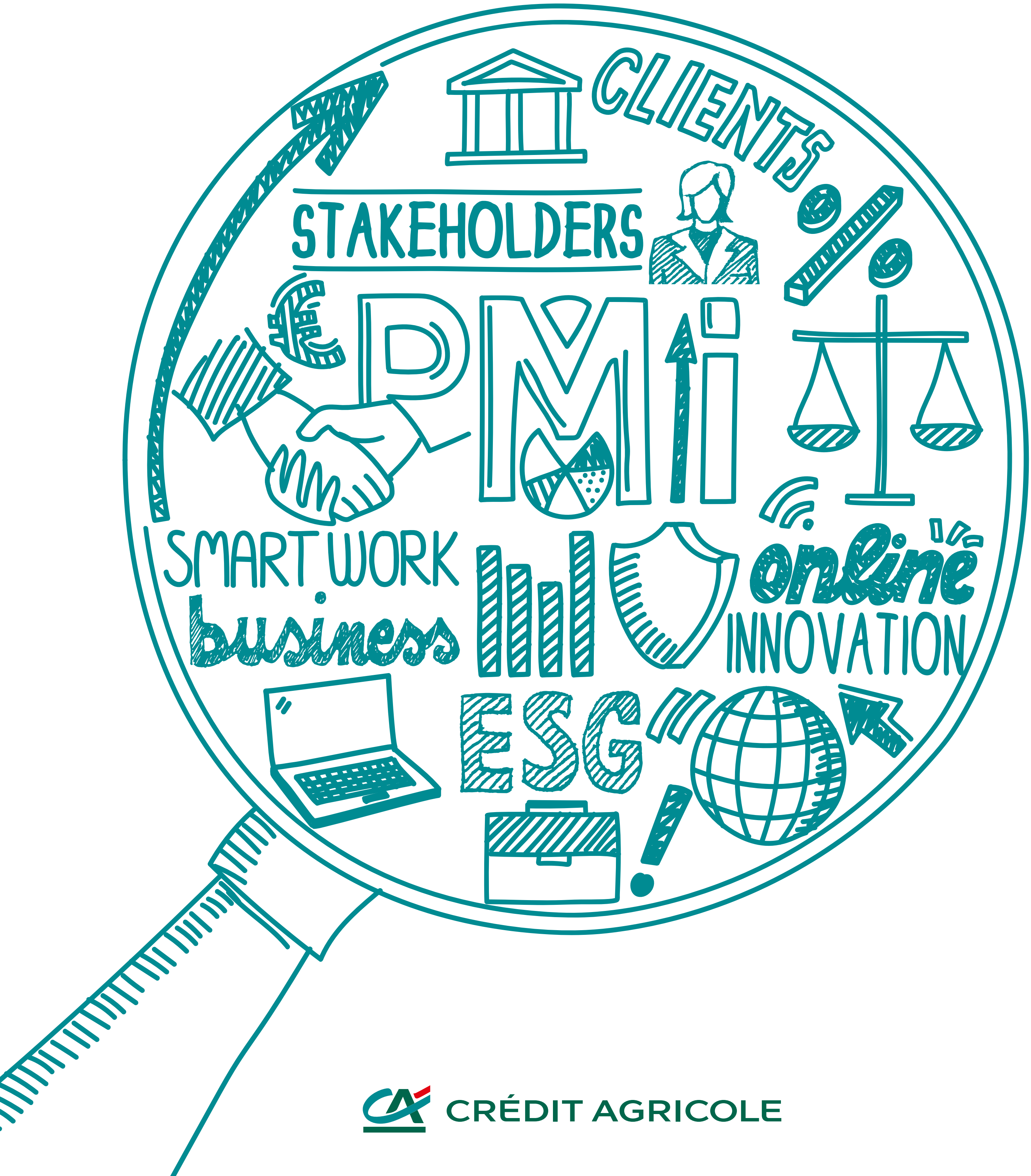
2024

HALF-YEARLY CONSOLIDATED REPORT AS AT 30 JUNE



CRÉDIT AGRICOLE

Crédit Agricole Italia Banking Group

HALF-YEARLY CONSOLIDATED REPORT AS AT 30 JUNE 2024

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CORPORATE OFFICERS AND INDEPENDENT AUDITORS

Board of Directors

CHAIRMAN

Ariberto Fassati

DEPUTY-CHAIRPERSONS

Annalisa Sassi

Olivier Gavalda

CHIEF EXECUTIVE OFFICER

Giampiero Maioli(*)

DIRECTORS

Evelina Christillin(°)

Nicolas Denis(*)

Anna Maria Fellegara(°)

Lamberto Frescobaldi Franceschi Marini(°)

Gino Gandolfi

Christine Gandon

Nicolas Langevin

Hervé Le Floc'h(*)

Michel Le Masson(*)

Gaëlle Regnard(*)

Marco Stevanato(°)

(*) Members of the Executive Committee.
(°) Independent Directors.

Board of Auditors

CHAIRMAN

Luigi Capitani

STANDING AUDITORS

Maria Ludovica Giovanardi

Francesca Michela Maurelli

Germano Montanari

Enrico Zanetti

ALTERNATE AUDITORS

Alberto Guiotto

Chiara Perlini

General Management

CO-GENERAL MANAGER

Roberto Ghisellini

RETAIL BANKING AND DIGITAL DEPUTY GENERAL MANAGER

Vittorio Ratto

MANAGER IN CHARGE OF THE PREPARATION OF CORPORATE ACCOUNTING DOCUMENTS

Pierre Débourdeaux

INDEPENDENT AUDITORS

PricewaterhouseCoopers S.p.A.

THE CRÉDIT AGRICOLE GROUP

1°

- Retail Bank in Europe
- European Asset Manager
- Provider of financing to the European economy

KEY FIGURES OF 2023

53
million Customers

46
Countries

145,000
employees

8.3 bln€
underlying net income

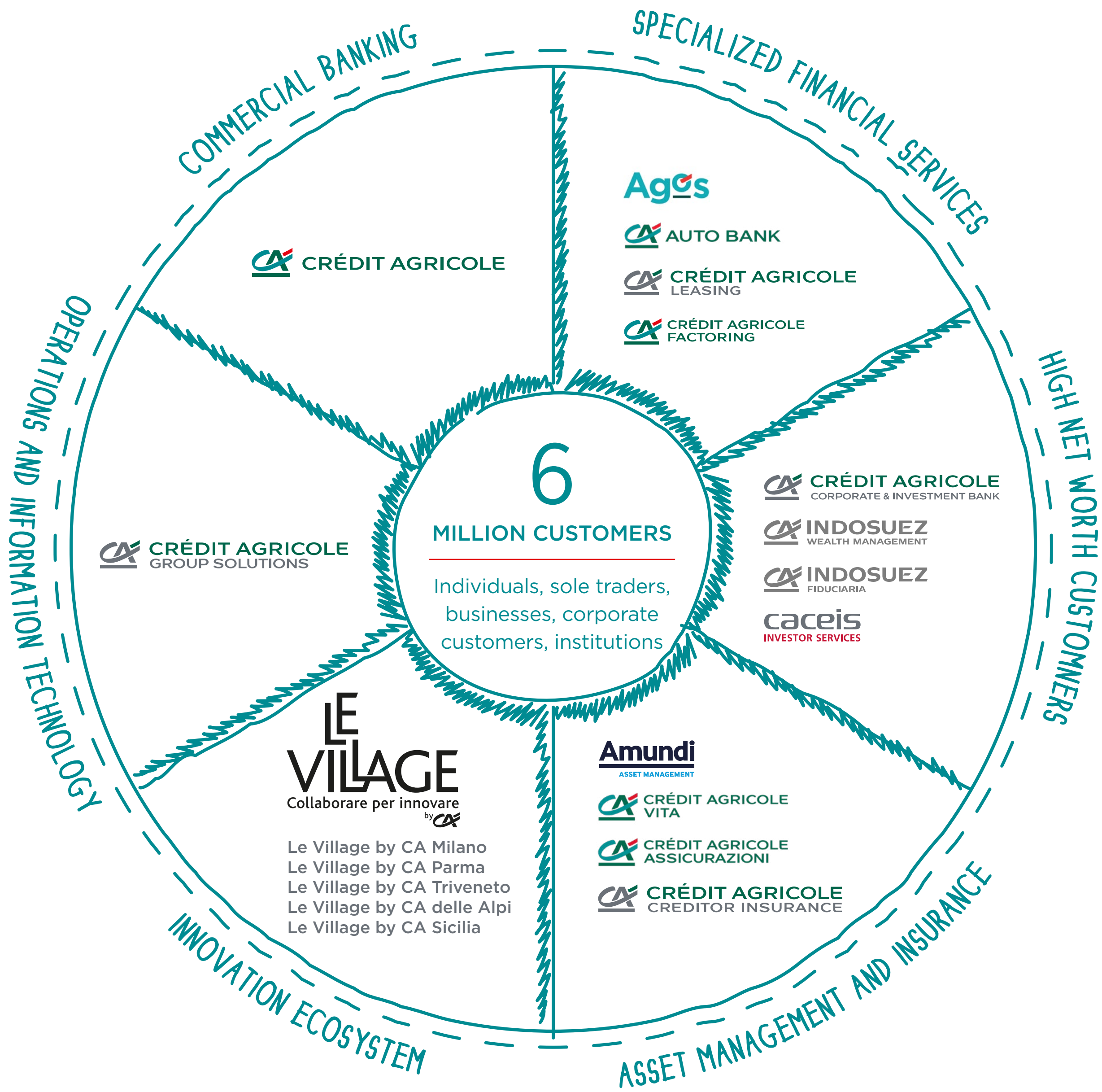
144.3%
Liquidity Coverage Ratio

17.5%
CET 1 ratio

RATINGS

A+	Aa3	A+/AA-	AA(low)
S&P Global Ratings	Moody's	Fitch Ratings	DBRS

THE PRODUCTS AND SERVICES OF THE CRÉDIT AGRICOLE GROUP IN ITALY



THE CRÉDIT AGRICOLE GROUP IN ITALY

1°[1]

CRI
in Italy

2°[2]

Player in the Italian
consumer finance

3°[3]

Asset manager
in Italy

KEY FIGURES OF 2023

6
million active Customers

100 bln€
loans

16,200
employees

1,310 mln€
net income

331 bln€
total funding

4,803 mln€
revenues

1) Strategic Customer Recommendation Index of Crédit Agricole Italia among universal banks. Survey conduced between September and October 2023 on specific profiles of Customers of the Bank compared to Customers of competitor banks in the regions where Crédit Agricole Italia Branches are based.
2) Source: Assofin.
3) Source: Assogestioni.

THE CRÉDIT AGRICOLE ITALIA BANKING GROUP

The **Crédit Agricole Italia Banking Group** is a commercial banking player that covers all market segments, thanks to its distinctive positioning based on Customer centrality.

CRÉDIT AGRICOLE

The **Parent Company of the Crédit Agricole Italia Banking Group**, it is one of the leading Italian banks, is strongly rooted in Italy and originated from local banks.

CRÉDIT AGRICOLE
LEASING

The Crédit Agricole Italia Banking Group's leasing entity. Crédit Agricole Leasing Italia **operates in the equipment, vehicle, real estate, seacraft and aircraft and renewable energy financial leasing segments. At the end of 2023, the loan portfolio amounted to Euro 3,051 million.**

CRÉDIT AGRICOLE
GROUP SOLUTIONS

CAGS is the consortium company of the Crédit Agricole Italia Banking Group in charge of all activities relating to **Operational Processes, Information Systems, Technical Logistics, Safety and Security, Business Continuity, Real Estate Management, as well as Human Resources Administration.**

THE CRÉDIT AGRICOLE ITALIA BANKING GROUP

KEY FIGURES OF 2023

Over 2.7
million Customers

Over 12,500
personnel members

708 mln€
net income - Group share

3.1 bln€
net operating revenues

Over 1,200
points of sale

65.5 bln€*
total loans

245%
Liquidity Coverage Ratio

13.5%
Cet 1 ratio

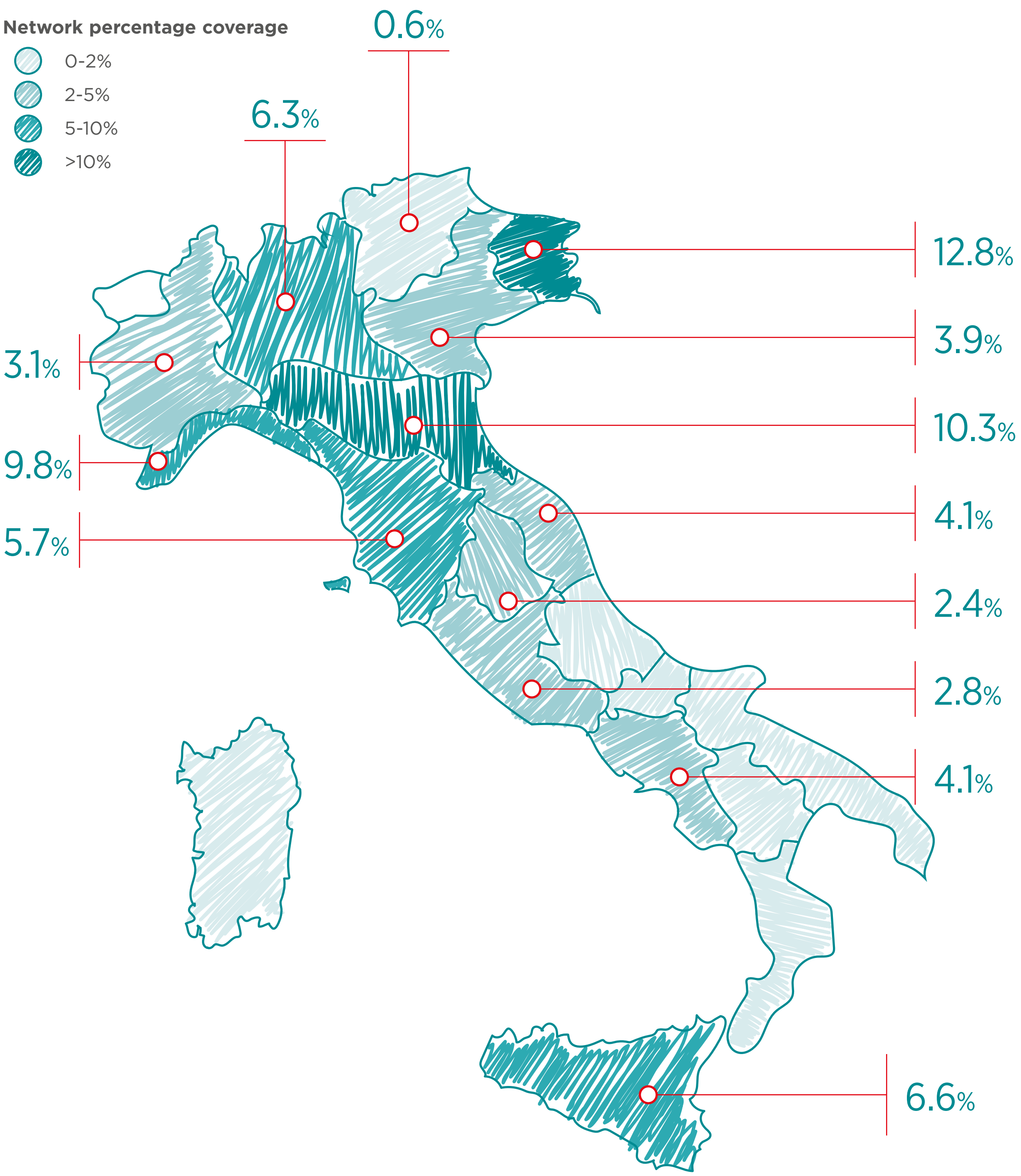
RATING

Baa1
Moody's

The highest one in the Italian banking system

* Excluding securities at amortized cost.

BRANCH NETWORK PERCENTAGE

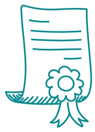


SIGNIFICANT EVENTS

→ JANUARY

After being the first Italian bank to issue a Green Covered Bond, the Crédit Agricole Italia Group substantiated once again its commitment to the environment with **the issue on the Italian market of a new Green Covered Bond**, for a total of 500 million Euros, which collected orders for nearly 5 billion Euros proving investors' appreciation for Crédit Agricole Italia S.p.A. and for Green Covered Bonds.

The Crédit Agricole Italia Group was **certified by TOP EMPLOYERS for the sixteenth year in a row** and, once again this year, has ranked among the five top performers.



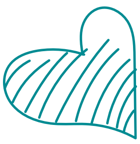
The Crédit Agricole Italia Group **further strengthened its partnership with SACE providing its Customers with the opportunity to benefit from "Garanzia Futuro"**, a digital guarantee intended for Italian enterprises, aimed at supporting their growth mainly as regards loans under Italy's Recovery and Resilience Plan.

The Crédit Agricole Italia S.p.A. Group once again substantiated its support to shared parenthood allowing fathers who had already used their 10 day of statutory leave to have another 10 days of parental leave (a measure that went live in 2023) and another 8 days as of 2024 with 100% pay.

→ FEBRUARY

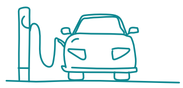
LE VILLAGE
Collaborare per innovare
by CA

After the success of the first Le Village in Milano, Parma and Padua, **Le Village by CA delle Alpi was opened in Sondrio**, as an innovation accelerator serving the startups based in the region.
Le Village by CA delle Alpi, which was incorporated in May 2023, gives evidence of the Crédit Agricole Italia Group's attention to the regions and to innovation, as it is intended to provide support to Valtellina, a very strategic area that is a reference point for the Lombardy highlands and the main doorway to the players based in the Alps.



The partnership between the Crédit Agricole Italia Group and **Save the Children** has continued through a **new "Volontari DI valore"** (Worthy Volunteers) initiative, the corporate volunteer work project aimed at combating educational poverty.

Crédit Agricole Italia S.p.A. became the **partner bank and financial advisor of the Municipality of Parma for the implementation of the "Parma Carbon Neutral 2030" programme**. The partnership agreement provides for projects and itineraries to assist citizens and businesses in climate transition, making investments, expertise and service available to them.

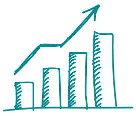


Crédit Agricole Leasing Italia Srl, a company of the Crédit Agricole Italia Group, **ranked for the fourth year in a row as the leader in the Italian market by financed volumes in the Renewable Energy segment**, which gives evidence of the Company's commitment to supporting its customers and to providing them with a diversified range of products and services to develop their business.

→ MARCH

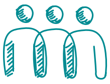
Crédit Agricole Italia S.p.A. successfully completed its **second public issue** of the year in the Italian market of a **Premium Covered Bond**. The issue, amounting to 1 billion Euros, raised orders for 4.6 billion Euros, once again giving evidence of investors' continuing appreciation for Crédit Agricole Italia S.p.A.

Crédit Agricole Greenback Mortgage Loan was awarded the Product of year 2024 prize, in the Financial Services, Mortgage loans and Loans category, proving Crédit Agricole Italia's attention to sustainability and energy transition.



Crédit Agricole Italia S.p.A. Was again centre stage at the "**Financial Innovation - Italian Awards**" new event thanks to the ESG projects it submitted, thus proving the Group's ability to drive market changes and to promote the culture of innovation in the banking, insurance and financial sector.

Crédit Agricole Italia S.p.A., the title sponsor of the Great Cycling Classics organized by RCS, **hosted the Italian Paracycling National Team**, cycling the 1st stage of the Tirreno – Adriatico tour together with paralympic athletes and professional cycling champions.



The **"Crowd For Innovation – Crédit Agricole Italia e UNIBS, insieme per la ricerca" crowdfunding campaigns** went live with the first crowdfunding initiative of the University of Brescia in partnership with Crédit Agricole Italia S.p.A. aimed at assisting the implementation of innovative research project with fundraising.

→ APRIL

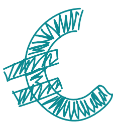
Once again this year, the Crédit Agricole Italia Group was the **partner** of the **"Green Week"**, the most sustainable initiative of the year on green economy topics in Parma.

→ MAY

Also this year, the **partnership between Crédit Agricole Italia and TEDxPadua** continued with the "A Casa Mia" (at my home) initiative, which consists in training healthcare professionals in Africa by the Doctors with Africa CUAMM NGO, via on-the-job training and high-level training for nurses and midwives in schools and universities.

Within the 2024 Sustainable Development Festival, organized by the **Italian Alliance for Sustainable Development (ASviS)** to raise the awareness of the public, associations and institutions about ESG topics, **Crédit Agricole Italia S.p.A. and the Foundation for Financial and Savings Education (FEduF)** invited students from various Italian schools to participate in the "(Un)sustainable choices" Digital Live Talk, aimed at giving some food for thought about sustainability and the conflicts between individual and social interest.

→ JUNE



For the seventh year in a row, Crédit Agricole S.A. made a **share capital increase reserved to the Group's employees**, aimed at retaining its personnel and increasing their share in Crédit Agricole S.A.'s capital.

At the 11th Covered Bond Investor Conference, Crédit Agricole Italia S.p.A. was awarded the **prize as the best issuer of the year by The Covered Bond Report**, a specialist publication on the covered bond market, giving evidence of the strong relationship built over time with Italian and international institutional investors.

FINANCIAL HIGHLIGHTS AND ALTERNATIVE PERFORMANCE MEASURES

APM – ALTERNATIVE PERFORMANCE MEASURES

The Crédit Agricole Italia Banking Group has defined some measures, which are set out in the tables of the Group's KPIs and give Alternative Performance Measures ("APM") that are useful to investors as they facilitate the identification of trends in operations and significant financial parameters.

For interim financial reporting, some measures presented in the Annual Report are deemed not representative.

To correctly interpret the APMs, the following specifications are relevant:

- The APMs have been built up based exclusively on historical data of the Group and give no indication about its future performance.
- APMs are not provided for by the International Financial Reporting Standards ("IFRS") and, albeit deriving from the Group's Consolidated Financial Statements, are not included in the audit of the accounts.
- APMs shall not be considered as replacements of the ratios provided for by the adopted financial reporting standards (IFRS).
- Said APMs shall be read along with the Group's financial information as reported in its half-yearly condensed consolidated financial statements.
- The definitions of the measures used by the Group, as they are not governed by the adopted financial reporting standards, may prove not homogeneous with those adopted by other companies/groups and, therefore, may be not be comparable to them.
- The APMs used by the Group have been prepared with continuity and homogeneity of definition and representation for all the periods for which financial information have been included.

Income Statement highlights[a] (thousands of Euros)	30 June 2024	30 June 2023	Changes	
			Absolute	%
Net interest income	903,047	891,930	11,117	1.2
Net fee and commission income	639,111	607,574	31,537	5.2
Dividend income	12,302	12,107	195	1.6
Financial Income (loss)	16,738	19,691	-2,953	-15.0
Other operating income (expenses)	1,571	650	921	
Operating income	1,572,769	1,531,952	40,817	2.7
Operating expenses	-818,687	-808,720	-9,967	1.2
Operating margin	754,082	723,232	30,850	4.3
Cost of risk[b]	-121,789	-147,822	26,033	17.6
Of which net impairment losses on loans	*-117,302*	*-142,986*	*25,684*	*18.0*
Profit (Loss) for the period attributable to the Parent Company	444,383	405,284	39,099	9.6

Balance Sheet highlights[a] (thousands of Euros)	30 June 2024	31 Dec. 2023	Changes	
			Absolute	%
Loans to Customers	69,140,443	69,433,503	-293,060	-0.4
Of which securities measured at amortized cost	*5,190,380*	*5,414,031*	*-223,651*	*-4.1*
Net financial assets/liabilities at fair value	145,115	153,276	-8,161	-5.3
Financial assets measured at fair value through other comprehensive income	3,278,338	3,868,730	-590,392	-15.3
Equity investments	29,360	25,803	3,557	13.8
Property, plant and equipment and intangible assets	2,684,699	2,739,227	-54,528	-2.0
Net due from banks[*]	1,798,783	-2,957,086	4,755,869	
Total net assets	89,771,941	88,735,392	1,036,549	1.2
Funding from Customers	77,199,071	76,160,617	1,038,454	1.4
Indirect funding from Customers	*95,750,080*	*92,888,389*	*2,861,691*	*3.1*
of which: asset management	51,321,989	50,028,256	1,293,733	2.6
Equity	7,955,081	8,004,729	-49,648	-0.6

Operating structure	30 June 2024	31 Dec. 2023	Changes	
			Absolute	%
Number of employees	12,443	12,533	-90	-0.7
Average number of employees[c]	11,699	11,874	-175	-1.5
Number of branches	1,004	1,014	-10	-1.0

(a) Income statement and balance sheet data are those restated in the reclassified financial statements shown on pages 34 and 98. All in compliance with Consob letter no. 0031948 of 10 March 2017 and with ESMA Recommendation on alternative performance measures.

(b) The cost of risk includes provisioning for risks and charges, net adjustments to loans and impairment of securities.

(c) The average number has been calculated as the weighted average of employees and atypical workers, where the weight is the number of months worked in the year; part-time personnel is conventionally weighted at 50%.

(*) Net due from banks as at 31 December 2023 (negative mismatch) have been restated to harmonize them with the 2024 balances (positive mismatch).

Structure ratios[a]	30 June 2024	31 Dec. 2023
Net loans/Total net assets[*]	71.2%	72.1%
Direct funding from Customers/Total net assets[*]	86.0%	85.8%
Asset under management/Indirect funding from Customers	53.6%	53.9%
Net loans/Direct funding from Customers	82.8%	84.1%
Total assets[b]/Equity	11.6	11.8

Profitability ratios[a]	30 June 2024	30 June 2023
Net interest income/Operating income	57.4%	58.2%
Net fee and commission income/Operating income	40.6%	39.7%
Cost[c]/income ratio	48.4%	50.2%
Net income/Average equity (ROE)	11.2%	10.6%
Net income/Average tangible equity (ROTE)	13.9%	13.3%
Net income/Total assets[b] (ROA)	1.0%	0.9%
Net income/Risk weighted assets	2.4%	2.2%

Risk ratios[a][^]	30 June 2024	31 Dec. 2023
Gross bad loans/Gross loans to Customers	0.9%	0.9%
Net bad loans/Net loans to Customers	0.2%	0.2%
Gross non-performing exposures/Gross loans to customers (gross NPE ratio)	3.0%	3.3%
Net non-performing exposures/Net loans to customers (net NPE ratio)	1.5%	1.6%
Net adjustments to loans//Net loans to Customers	0.37%	0.49%
Cost of Risk[d]/Operating margin	16.2%	24.2%
Net bad loans/Total Capital[e]	2.1%	2.0%
Total Impairments of non-performing loans/Gross non-performing loans	52.2%	50.8%
Total Impairments of performing loans/Gross performing loans	0.6%	0.7%

Productivity ratios[a] (in income terms)	30 June 2024	31 Dec. 2023
Operating expenses/No. of Employees (average)	140	144
Operating income/No. of Employees (average)	270	258

Productivity ratios[a] (in financial terms)	30 June 2024	31 Dec. 2023
Loans to Customers/No. of employees (average)	5,466	5,392
Direct funding from Customers/No. of Employees (average)	6,599	6,414
Gross banking income[f]/No. of employees (average)	20,249	19,628

Capital and liquidity ratios	30 June 2024	31 Dec. 2023
Common Equity Tier 1[g]/Risk-weighted assets (CET 1 ratio)	13.3%	13.5%
Tier 1[h]/Risk-weighted assets (Tier 1 ratio)	15.2%	15.7%
Total Capital[e]/Risk-weighted assets (Total Capital Ratio)	17.9%	18.6%
Common Equity Tier 1 (thousands of Euros)	5,131,885	5,041,825
Risk-weighted assets (Euro thousands)	38,666,837	37,232,440
Liquidity Coverage Ratio (LCR)	216%	245%
Net Stable Funding Ratio (NSFR)	133%	136%

(a) The Ratios are based on the income statement and balance sheet data of the reclassified financial statements. All in compliance with Consob letter no. 0031948 of 10 March 2017and with ESMA Recommendation on alternative performance measures.
Loans to customers are net of the securities component.
(b) Ratio calculated based on total assets as reported in the financial statement.
(c) Ratio calculated excluding ordinary and extraordinary bank resolution contributions.
(d) The cost of risk includes. provisioning for risks and charges, net adjustments to loans and impairment of securities.
(e) Total Capital: total regulatory own funds.
(f) Loans to Customers + Direct Funding + Indirect Funding.
(g) Common Equity Tier 1: Common Equity Tier 1.
(h) Tier 1: Tier 1 Capital.
(^) To represent loan quality and the related ratios, loans to Customers do not include the securities measured at amortized cost (both government and non-government securities).
(*) Due from banks as at 31 December 2023 (negative mismatch) have been restated to harmonize them with the 2024 balances (positive mismatch), therefore, the ratios as at 31 December 2023 have been recalculated based on the restated reclassified statements.

HALF-YEARLY REPORT ON OPERATION

THE MACROECONOMIC SCENARIO AND THE FINANCIAL SYSTEM

THE INTERNATIONAL MACROECONOMIC SCENARIO IN 2024[1,2]

In the first months of 2024 the **international economic activity** remained expansionary, but featured uncertainty elements along with resilience factors and a cautiously optimistic outlook: inflation continued to slow down and the labour market conditions remained strong, with unemployment near its all-time lows, although the performances of the various Countries have remained uneven. World trade recovered, with international business increasing in April (+1.5% YoY vs. -1.1% in March), although the global Purchasing Managers' Index (*PMI*) on new export orders, which gives foresight on the international trade business performance, having remained above the expansionary threshold for two months only, went back under 50 points in June, signalling possible forward-looking worsening.

The disinflation process has continued, but the trend in energy commodity prices is increasing: Brent oil prices resumed growth (84.9$ on average in April-June from 82.6$ in 2023) driven also by the international conflicts, as did the natural gas price, which hit 81.1 in Q2 2024 vs. 76.8 in Q1.

The present **geopolitical tensions** are giving no sign of any easing and consequently there is no sign of easing in the general uncertainty affecting the international scenario, to which, nonetheless, the global economies have proved able to respond. After overcoming the inflationary pressure associated with the **war in Ukraine**, for the time being neither the **conflict in the Middle East** nor the **attacks against merchant ships in the Red Sea** seem to have tangibly impacted on macroeconomic indicators, as, although they caused global transport costs to grow between the end of 2023 and the start of this year, those costs have never come to higher levels than in the 2021-2022 two-year period (and have recently started to decrease). Even China's government policies have given a factual contribution to mitigating the effects of the persistent **weakness in the real estate market**, strengthening economic growth in Q1 2024.

A factor still on the table is **inflation**, as, although it has markedly declined vs. the peaks it reached between the end of 2022 and early 2023, it has not yet reached its *target* levels and has shown wide differences from the various geographical areas in terms of monetary policy reception. *Core* inflation (especially that linked to the price of services) has proved resisting its decreasing trend, mostly in the United States, which was one of the elements that prompted the Federal Reserve to decide, at its meeting of June 2024, to postpone the first cut to its key interest rates. Conversely, the European Central Bank decided to cut its key interest rates, as it deemed the period of rates remaining unchanged as sufficient in the light of the marked decline in inflation in the Euro Area (down by 2.5p.p. As of the time when rates reached their "terminal" level) and of the improvement in the outlook over all time horizons.

In the present scenario, despite widespread uncertainty caused by weak and uneven economic growth, in Q1 2024 the **Euro Area** outperformed expectations and the general picture proved positive for all the main Member States, with Germany's GDP that resumed growth, averting the spectre of a technical recession. However, the signs of gradual recovery in the German economy must take into account its manufacturing sector still being impacted by the higher costs of energy and access to credit, which have contributed to slowing down investment plans. The recent results of the European elections, with widespread success of nationalists, generated volatility and tension on the markets, which then stabilized once the political balance in the European Parliament became clear, with the Popular Party in a stronger position and Ursula Von Der Leyen appointed again as the Commission President.

1 Prometeia, Forecast Report (July 2024).

2 ISTAT (the Italian National Institute of Statistics), Note on the Italian Economy (July 2024); OECD, Economic Outlook (May 2024); IMF, World Economic Outlook (April 2024).

At the height of the presidential campaign before the November elections, the **United States** made good use of the structural strength of its economy, outperforming expectations in the first part of 2024 albeit with some slowdown. Private consumption proved once again the driver of growth, supported by the very dynamic labour market, with unemployment at its all-time low, millions of jobs created under the Biden administration and hourly wages keeping up with inflation. This generated effects on households' disposable income and confidence, substantiated by the saving rate below the pre-pandemic average figure. However, the credit for the virtuous trend in the US economy lies with the increase in government debt, with the deficit up on average by 2% vs. the IMF forecast at the end of 2022. Continuous stimulus to domestic demand is one of the reasons why inflation, albeit progressively decreasing, stopped above the 2% target, prompting the FED not to cut, for the time being, its short-term key interest rates. Persisting inflation, the plans for independence from the Chinese economic sphere and the outcome of the presidential elections (now more uncertain than ever) are going to have effects, to a larger or smaller extent, on the Country's macroeconomic expectations.

Unlike in most developed countries, **China's** monetary policy continues to be expansionary in order to revive domestic demand and avert the risk of deflation. In Q1 2024, the Chinese economy outperformed expectations (+5.3% YoY vs expected growth of +4.8%-5.0%), but it is expected to slow down in June (+4.7% vs an expected figure of +5.1%), being still weakened by the real estate sector still in a crisis, on which the Government is focusing its attention promoting large-scale measures, such as incentives to local government in order for them to purchase unsold homes and to convert into social housing facilities at affordable prices.

Monetary policies[1]

The main **Central Banks** around the world have deployed different monetary policies in accordance with the performances of the real economy and the decrease in inflationary pressure. In this scenario, the European Central Bank started to ease its monetary policy, cutting– in June – interest rates by 25 basis points. Specifically:

- The **Federal Reserve** decided to keep interest rates unchanged, confirming the *range* between 5.25% and 5.50%, against March expectations that predicted the first one of three cut of 25 basis points in 2024. The *Federal Open Market Committee* (FOMC) will continue to closely monitor the next macroeconomic data, the outlook development and the balancing of risks, deeming it not appropriate to reduce key interest rates at least until there are reasonably certain elements giving evidence that the inflation rate is sustainably going towards its 2% target.
- At its meeting of June 6, the Governing Council of the **European Central Bank** decided to cut its three key interest rates by 25 basis points; therefore, the interest rate on the main refinancing operations, the interest rate on the marginal lending facility and the interest rate on the deposit facility have decreased to 4.25%, 4.50% and to 3.75%, respectively. Based on an updated assessment of the inflation outlook, the dynamics of underlying inflation and the strength of monetary policy transmission, the ECB Governing Council decided that it was appropriate to moderate the degree of monetary policy restriction after nine months of holding rates steady. The Governing Council also reported that the APP (*Asset Purchase Programme*) portfolio is declining at a measured and predictable pace, as the Eurosystem no longer reinvests the principal payments from maturing securities; on the other hand, as regards the PEPP (*Pandemic Emergency Purchase Programme*), principal payments from maturing securities purchased under the PEPP were reinvested in full until the end of June 2024 and, in the second half of the year, the PEPP portfolio will be reduced by €7.5 billion per month on average. The principal repayments from maturing securities purchased under the PEPP will be reinvested until the end of 2024 in a flexible manner, with a view to countering risks to the monetary policy transmission mechanism related to the pandemic. Furthermore, the Governing Council will regularly assess how targeted lending operations and their ongoing repayment are contributing to its monetary policy stance.
- In the United Kingdom, despite inflation hit the 2% target in May 2024, for the first time in nearly 3 years, proving to be on a decreasing trajectory, the **Bank of England**, at its meeting of the end of June, decided to keep its *Bank Rate* at 5.25%, with two members of the Council who were in favour a rate cut. Especially after the May result, in the short term inflation is expected to continue on its decreasing trend, nevertheless, the decision made by the Bank of England was affected by the uncertainty about whether inflation is sustainably at its 2% *target*, mainly driven by the fact that the actual decrease in inflation on services proved lower than expected and by the progressive increase in wages.

- The **Swiss National Bank** has continued to reduced its interest rates, with a new cut of a quarter of a point overall down to 1.25%, vs. the previous figure of 1.5%. The interest rate cut was based on the low inflation level, which will enable the Central Bank to work in two main directions: *Supporting Swiss economic growth as a whole and a step forward in curbing the Franc's appreciation*. The goal of the Swiss National Bank, which was the first to start monetary easing, is to keep average annual inflation between 0 and 2%.
- After raising its key interest rate in March (taking it to a 0%-0.1% range vs, its previous figure of -0.1%) for the first time in 17 years while also ending control on bond yields, the **Bank of Japan** had to admit the slowdown in the Japanese economy in Q1 2024. Indeed, the government data reported the GDP down by -0.7% t/t, with the period-over-period figure coming to -2.9% (vs. the expected figure of -1.8%). In all likelihood, the weakness in the economic system and the expected growth having been revised down will affect the timeline of a new monetary restriction.

Main economies[1]

In Q1 2024 the world's main economies proved essentially stable, thanks to the recovery, albeit modest, in international trade, after being impacted last year by the navigation difficulties along merchant routes with higher traffic and by the inflationary shocks that slowed down imports; the main Central Banks opted for a cautious approach waiting for clearer signs about inflation going back to its *target*:

- In the **United States**, the GDP of Q1 2024 slowed down to +0.4% t/t, vs. +0.8% QoQ in Q4 2023, a development that concerned all the main expenditure items, except for residential investments that continued with their strong recovery (+3.3% QoQ). Despite the slowdown in private consumption, the households' savings rate further declined coming to 3.2%, vs. 4.5% on average in 2023, and generating uncertainty about consumption performances in the coming quarters. That uncertainty was generated also by inflation as it remained high (+3.2% in May 2024 on an annual basis), driven especially by its *demand-driven* components (such as imputed rents), fuelling the FED's concerns about inflation going back to its *target* in a reasonably short time, which moved any expected cut in interest rates further away. The labour market proved robust, as, after new jobs declining to 175,000 in April (250,000 the monthly average in Q12024 and throughout 2023), In May it posted strong expansion in demand (270,000 jobs). The household' and business confidence indices were stable, with the service component that came higher to 50, showing a steep positive slope, despite domestic and global growth being affected by uncertain demand in the manufacturing sector due to the trade tensions with China.
- The good performance of the **Chinese economy**[3] in Q1 (+5.3% YoY) has not changed the expectations of a slowdown in the current year, which seem confirmed also by June provisional data that seem to estimate a GDP growth of +4.7% on an annual basis vs. the expected figure of +5.1% YoY. In the first months of the year, the main impacts were generated by the slower growth in retail sales (+3,7% YoY, below the expectations) and investments in the automotive sector, which added to the persistent weakness in the real estate sector, including investments in constructions (with home building and sales dropping by as much as -50%). Following the *pattern* of the last few quarters, the true driver of growth continues to be foreign demand, with exports up by +4% on an annual basis in terms of volumes. This scenario is the reason why the Government has recently deployed a measure setting up a State investment fund amounting to 47.5 billion Dollars, with the participation of six of the Country's largest state banks, which is intended to take the semiconductors industry up to the international standards and to reassert China's position as the global leader in technologies. The fund will invest in chip manufacturing, in design, in equipment and materials, with special focus on the artificial intelligence sector. The inflation rate has continued to be around zero (+0.3% in May 2024 on an annual basis), being affected by food prices (-1.0%), due to failure to provide stimulus to domestic demand (which increased by +3.1% YoY vs. the expected figure of +4.6%), especially as regards private consumption, which has not averted a possible deflationary spiral. Lastly, the average rate of unemployment in the first five months of the year remained at the same levels of last year (5.1%). Worth mentioning is the figure of youth unemployment, which came to 14.7% in April 2024, the survey of which resumed at the start of the year after being suspended by the National Institute of Statistical Sciences following the publication of the record figure of June 2023 (21.3%).

3 National Bureau of Statistics of China (June 2024).

- The GDP of the **United Kingdom** posted a quarter-over-quarter growth of +0.7% in March 2024 (+0.3% period-over-period) outperforming expectations by +0.4%, with the economy thus succeeding in getting out of recession after the last two quarters of 2023. The key factor was the development in the manufacturing and service sectors, driven by the growth in orders and by recovering consumer confidence that increased household spending, which could offset the decline in investments and public expenditure, along with the second consecutive decline in the building sector. Inflation proved effectively managed with the May figure of the *Consumer Price Index* coming to 2%, as expected by the Bank of England. Nonetheless, the United Kingdom's economy remains among the ones hardest put in recovering after the pandemic crisis, second only to Germany among the G7 Countries. In this scenario and after the tensions within the Conservative Party, Prime Minister Rishi Sunak decided to dissolve Parliament early and to call a snap election. The election was held in early July and the Labour Party, led by Keir Starmer, obtained 412 seats over 650 and returned to the government after 14 years. Besides the staggering defeat of the Tories (with only seats obtained and at their all-time low), worth mentioning is that, for the first time ever, the House of Commons has now some (five) members from Reform UK, Nigel Farage's populist party, which ranked no. 3 by total votes.
- In Q1 2024 the **Russian economy** grew period-over-period by +5.4%, confirming to be on an increasing trend that started in Q2 of last year, driven by the war economy (military expenses are expected at 7% of the GDP in 2024) and by the development in all allied sectors, especially the manufacturing one (+9% YoY). Furthermore, employment, wages and public expenditure came to higher levels than the ones before with war against Ukraine, generating a positive effect on domestic demand. However, inflation (at +8.3% in May on an annual basis) hit its highest in the last twelve months, given the pressure from workforce depletion and from the weakness of the Ruble. The sanctions imposed by the EU have continued to generate their negative impacts, with the fourteenth sanction package issued in June 2024, laying down additional bans and restrictions especially on energy, a key sector for the Russian economy. President Vladimir Putin's response to the measures adopted by the EU and the USA consisted both in a decree allowing confiscation of assets in the Russian territory belonging to US citizens and companies, to compensate the people hit by the Western sanctions against Russia and in strengthening its trade partnership with China, whereby the bilateral trade between the two Countries has increased by 60% since the outbreak of the war against Ukraine, hitting, in 2023, the record figure of 240 billion Dollars.

EURO AREA[1]

In the first three months of 2024, the macroeconomic data of the Euro Area outperformed expectations: the GDP grew by +0.3% QoQ, markedly speeding up vs. the two previous quarters (+0.1% in both of them). This figure summarizes uneven performances among the main Countries, with Spain growing by +0.8% QoQ and France and Germany by +0.2%. The estimates suggest that economic activity was driven by recovery in foreign trade (+0.9%), whereas, despite showing positive signs in some Countries of the Area, domestic demand proved overall stagnant (-0.3%).

After suspending it to respond to the economic crisis caused by the viral pandemic, the European Commission put back the "Stability and Growth Pact" into force, albeit with some new provisions, which entailed the opening of an Excessive Deficit Procedure against seven Member States, including Italy and France, which will have to submit a corrective action plan addressing their financial challenges by September. The period concerned by the Excessive Deficit Procedure is 2023, a year in which Italy's deficit hit 7.4% of its GDP, while the deficit of France, whose government debt is the highest in absolute terms (3.1 trillion Euros), hit 5.5%.

In Europe the deflationary process continued and, in June, estimated **inflation**[4] should come to +2.5% on an annual basis, down vs. the May figure of +2.6%, driven by the decreasing trend in core inflation (+2.8%), with the service sector component, which so far has proved slower in decreasing, expected at +4.1% after declining for the first time in 19 months below 4% (+3.7%) in April. The inflation rate being consistently near its target level is one of the elements that prompted the European Central Bank to start its expansionary monetary policy cycle. In any case, the growth trend in prices proved very uneven for the main Countries in the Area, growth rates ranged between +3.5% in Spain to +0.9% in Italy, mainly reflecting the different impact of the energy component performance, affected by the extent and duration of the national measures deployed in the 2022-2023 two-year period to respond to the increase in energy costs.

After rising slowly in Q1, in April 2024 **industrial output**[5] slightly declined again (-0.1% vs. March), with the YoY comparison still negative at -3.0%. This aggregate was affected by the drop in nearly all its components,

4 Source: Eurostat Flash estimate Euro area annual inflation (July 2024).
5 Source: Eurostat Industrial producer prices (July 2024).

especially, after growth in 2023, that of capital assets (down by -5.3% YoY). The **unemployment rate**[6], standing at 6.4% in May, slightly decreased again vs. its figure both as at the end of 2023 (6.5%) and as at May 2023 (6.5%); the number of unemployed also proved essentially stable.

With the end of the period of suspension of the Stability and Growth Pact(SGP), under which the EU Member States are not allowed to have their *deficit* to GDP ratio above 3%, Member States' budgetary policies are once again under the **EU surveillance**, with the goal of ensuring that Member States' budgets are unsustainable in the medium term. Indeed, in April 2024, the European Parliament approved **new fiscal rules**, under which the Member States with a debt to GDP ratio >90% shall be required to reduce it on average by 1% per year and by 0.5% per year if the ratio is between 60% and 90%. Furthermore, if a country's deficit is above 3% of GDP, it would have to be reduced during periods of growth to reach 1.5% and build a spending buffer for difficult economic conditions. In June, following the new fiscal rules, the European Commission issued its fiscal policy guidance for Member States within its "*Country-specific recommendations*", which list the objectives to be pursued in budgetary policies, the implementation of National Recovery and Resilience Plans and to respond to other structural challenges, such as public finance sustainability. Furthermore, "*In-depth reviews*" were carried out and published for 12 EU Member States on macroeconomic imbalances, including France, Germany, Spain and Italy: specifically, for Germany and Italy, "*unbalances or excessive unbalances*" were found. As regards Italy, its 2024 *deficit* to GDP ratio should go down by about 4 percentage points, conditioning the 2025 budgetary policies, which will undergo the excessive deficit procedure (along with Belgium, France, Hungary, Malta, Poland and Slovakia), with return to compliance with the 3% threshold expected in 2026, despite the debt to GDP ratio being expected to grow.

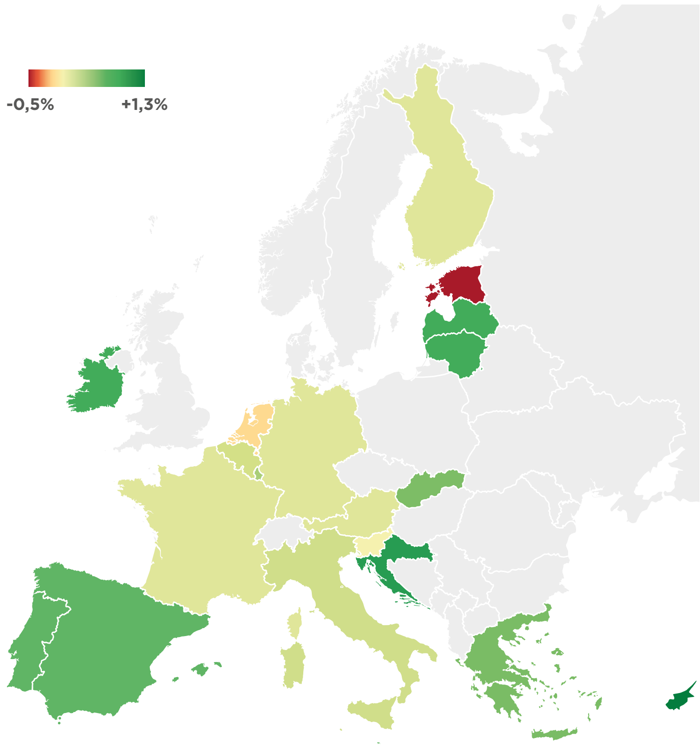
In **Germany**, the economy has remained at pre-pandemic, with the gross domestic product that, albeit growing in Q1 (+0.2% vs Q4 2023) thanks to the good performance of foreign trade, is still being affected by a lacklustre 2023. Indeed, domestic demand is still experiencing difficulties, with household spending down by -0.4% vs. Q4 2023 despite the decrease in inflation, with investments that proved unable to fully offset the decline in consumption, whereas construction performed well, up by +2.7% vs Q4 2023. The industrial sector is still declining (net of constructions), as it is still being penalized by the energy component, whereas the service and manufacturing sectors grew, albeit to a modest extent, vs. the previous quarter. The uncertainty in the economy goes along with the uncertainty in the political scenario, with the *Greens* and the *Social Democratic Party (SPD)* as the governing coalition after being downsized by the result of the *Christian Democrats* of the *CDU/CSU* and the *AfD* far-right party, which ranked second from the top by votes.

In **France**, the GDP increased by +0.2% in Q1 2024 vs. Q4 2023, with growth both in the foreign component (+0.2%) and in the domestic one (+0.1%). The latter was negatively affected by the decrease in gross fixed investments (-0.4%), with a decline in the construction and capital equipment components, which was offset by the growth in household spending. Likewise, the contribution of the foreign component was driven by the rebound in exports of agricultural products, means of transport and "other manufactured products", with imports that resumed growth (+0.4%). After the European elections held in June, with the *Rassemblement National* obtaining the highest number of votes, President Emmanuel Macron decided to dissolve early the National Assembly and call a snap election that was held on 30 June and 7 July.

In **Spain**, the GDP grew by +0.8% QoQ in the first three months of 2024, as the result of both the positive contribution of the foreign component (+0.4 p.p.) and of that of the domestic component (+0.5 p.p.). Specifically, domestic demand was mostly driven by the growth in investments (+2.6%), in constructions and capital equipment, as well as by the contribution of household spending. After declining at the end of 2023, the sector of services intended for sale resumed growth thanks to the expansion in the trade, accommodation and catering sector, which contributed by 0.4 p.p. to the GDP.

6 Source: Eurostat Euro area unemployment (July 2024).

Euro Area GDP: QoQ change in Q1 2024



Source: Eurostat, GDP (June 2024).

THE ITALIAN ECONOMY

In Q1 2024 the Italian economy grew by +0.3%[7] QoQ (+0.7% YoY), in line with the performance of the EMU and of the Euro Area (+0.3%). The GDP growth is to be attributed to the performance of consumption of households and of Private Social Institutions, as well as to investments, which gave a contribution of +0.2 and +0.1 percentage points respectively, whereas the contribution from Public Administration spending was zero. The contribution from net foreign demand grew by +0.7 percentage points, while that from the change in inventories decreased by -0.7 percentage points. Positive development spread across the big production sectors, with added value growing by +3.3% in in agriculture and fishery and by +0.3% in both manufacturing and services.

The excessive deficit procedure started in June by the European Union will require a budget correction of 13 billion Euros per year for the next seven years, in order for Italy to take its budget to sustainability conditions in the medium term, as provided for by the new EU legislation and to complete its recovery process. Among other things, the process provides for a public expenditure ceiling and no one-off financial policies whatsoever, with public expenditure that shall be decreased proportionally to the GDP, along a technical trajectory defined by Brussels.

Household final[8] consumption expenditure grew in the first three months of the year, posting a period-over-period increase of +1.2% (+0.5% Q1 2024 vs Q4 2023), driven by gross **disposable income,** up by +4.2% in the same period. Likewise, households' **purchasing power** increased by +3.1% period-over-period, thanks to the slowdown in inflation. That dynamics reflected also in **propensity to save**, which increased to 9.5% (+2.8 p.p. Q1 2024 vs IQ1 2023).

7 Source: ISTAT, Quarterly Economic Accounts (June 2024).

8 Source: ISTAT, Quarterly Account of Public Administrations, households' income and savings and company profits (July 2024).

In June 2024, the **consumer confidence index**[9] confirmed its growing trend coming to 98.3 vs. 96.4 in the previous month, increasing for the second month in a row, thanks to widespread improvement across all its variables, especially the Country's expected economic development. To the contrary, **business confidence** decreased for the third month in a row, coming to 108.3, its all-time low since November 2023. Confidence worsened across all sectors, especially in the manufacturing and market service ones, except for the construction sector, which continued to perform against the trend.

In Q1 2024, the **public administration**[8] posted net debt equal to -8.8% of the GDP improving vs. -11.6% in the same period of 2023, thanks to total outflows decreasing by -2.0% and total inflows increasing by +3.5%. In terms of weight on the GDP, the primary balance and the revenue balance were both negative, amounting to -5.3% and to -4.1% (-8.5% and -5.2% in Q1 2023) respectively, whereas the tax revenue to GDP ratio stood at 37.1%, increasing by +0.8 p.p. Vs. the same period of 2023.

In May 2024, the **industrial output**[10] resumed growth after decreasing QoQ for two months (+0.5% vs. April), with growth across all the main sectors, except for capital equipment. Specifically, intermediate goods increased by +0.7%, in line with consumer goods, driven especially by the contribution of durable goods (+3.5%), while energy production increased by +3.0%. Of the economic activity sectors that posted larger increases, worth mentioning are the supply of electrical energy, gas, steam and air (+2.5%), manufacturing of chemicals (+2.7%), and the manufacturing of electrical devices (+2.5%). The largest declines concerned coke and refined petroleum products (down by -3.5%), pharmaceutical products (-2.2%) and computers and electronic products (-1.6%). On a period-over-period basis, net of the calendar effects, the total index decreased by -3.4% in the first five months of 2024 vs. the first five months of 2023, with the decline affecting all components

Gross fixed investments[7] increased by +0.5% vs. the previous quarter (+4.0% YoY). The QoQ change was determined by expenditure for homes and non-residential buildings and for other works, which increased by +1.5% and +2.2% respectively. Conversely, expenditure for plant, equipment and arms decreased by -1.5%, despite the +1.4% increase in means of transport, as did investments in cultivated biological resources, down by -0.7%. Likewise, annual growth was driven by the expansion in all components (especially expenditure for homes and non-residential buildings and other works increasing by +8.8% YoY and by +5.0% YoY respectively), with the only decrease in investments in plant, equipment and arms (-0.9% YoY).

In the first five months of the year **foreign trade**[11] proved essentially stable (-0.1% YoY), while the balance of trade was positive by over 24 billion Euros (vs. +6.3 billion Euros in the same period of 2023) thanks mainly to the decline in imports (-7.0% YoY). As regards exports, consumer goods (+4.4% YoY) offset the decline in intermediate goods and energy, down by -4.6% YoY and -4.3% YoY respectively, while the period-over-period decrease in imports resulted mostly from lower purchases of natural gas.

Based on the preliminary estimates of June 2024, **consumer prices**[12] kept growing at a steady pace vs. the previous month, with the National Consumer Price Index for the entire community (NIC), gross of tobacco products, increasing by +0.1% on a monthly basis and by +0.8% on an yearly basis. That stabilization resulted mainly from the easing of the tensions on prices of unprocessed food products, which offset the decrease in deflationary pressure coming from the energy sector. The Harmonised Index of Consumer Prices (HICP) increased by +0.2% on a monthly basis and by +0.9% on a yearly basis, in line with the May 2024 figures and well below the ECB target levels. The annual growth of the "basket of goods" prices slowed down again (+1.4% in June vs +1.8% in May), while core inflation remained stable at +2.0% YoY.

9 Source: ISTAT (the Italian National Institute of Statistics) consumer and business confidence (June 2024).

10 Source: ISTAT, Industrial production (July 2024).

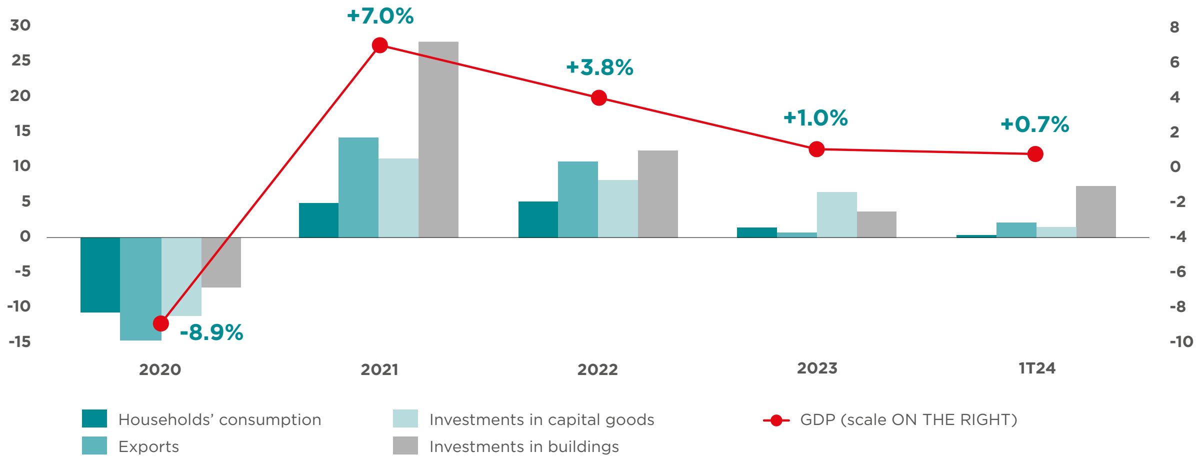
11 Source: ISTAT, Foreign trade and import prices (July 2024).

12 Source: ISTAT, Consumer prices – provisional data (June 2024).

The positive signs from the **labour market**[13] have continued in 2024, with the May 2024 unemployment rate stable vs. its April figure of 6.8%, the lowest since September 2008. Furthermore the employment rate also increased by 0.9 p.p. vs. May 2023, coming to 62.2%, while the weight of people neither in employment nor in education or training (NEET) decreased to 33.1% (-0.3 p.p).

The implementation of **Italy's Recovery and Resilience Plan (RRP)**[14]continued achieving 85% of the objectives set by the European Union, with significant improvements in key sectors, such as the public administration, the justice system and fights again tax evasion, but with gaps to be filled on pensions and public finance. To the six original Missions, in December 2023 – at the executive decision of the European Council – a new Mission was added regarding the *REPowerEU* objectives, with measures aimed at strengthening fundamental reforms in sectors such as justice, public procurement and competition right. As a consequence, in April the request filed by the Italian Government for another technical revision of Italy's Recovery and Resilience Plan was accepted entailing a different scheme of payment of the funds: the new Plan amount to 194.4 billion Euros (increasing by 2.9 billion Euros vs. the original Plan), including 66 reforms and 150 investments divided into 618 targets and objectives. In June 2024, the European Commission authorized the payment of the fourth instalment of the Recovery and Resilience Plan resources to Italy amounting to 11.1 billion Euros, increasing vs. 10.6 billion Euros requested last December, thanks to the early achievement of two objectives, for a total of 54 targets and milestones achieved. Considering the pre-financing, the first four instalments and the pre-financing of the REPowerEU mission, so far the European Commission has paid 102.4 billion Euros to Italy under its Recovery and Resilience Plan. Furthermore, again in June, the Italian Government filed the request for payment of the sixth instalment amounting to 8.5 billion Euros.

Italy: GDP and its components



Source: Prometeia, Sintesi Congiunturale (July 2023).

13 Source: ISTAT (the Italian National Institute of Statistics) Employment and Unemployment (May 2024 provisional data).

14 Source: Italy's Chamber of Deputies Parliamentary documentation (temi.camera.it).

THE BANKING SYSTEM[1,15]

In the first months of 2024 the **Italian banking system continued to post high profitability** in the wake of its 2023 performances**,** still driven by the development in revenues. Interest income proved again the main *driver* of growth in profits despite the stabilization in net interest spread, also due to the factual contribution of non-commercial components, such as the developments in the security portfolio and the contribution from the *hedging* strategies. Fee and commission income resumed growth, driven by management, intermediation and advisory services, which benefited from higher volumes of indirect funding and lively markets.

Cost items also posted some modest growth with personnel expenses affected by full operation of the new Italian national collective bargaining agreement for the banking industry, which was only partially offset by the **structural rationalization**, consistently with the investments in new digital banks and platforms. Having regard to administrative expenses and depreciation and amortization, the commitment to IT and ESG matters went on towards the search for new business solutions, which has been sped up by the new artificial intelligence technologies, in order to enhance the efficiency of internal processes and *customer experience*. Furthermore, operating costs will benefit from the fact that **contributions to bank resolution funds** are no longer due, following the completion of the payments to the *Single Resolution Fund* occurred in 2023 and the last contribution to the *Interbank Deposit Protection Fund* made in July 2024. Lastly, with credit risk ratios still at their all-time low, adjustments to loans continued on their decreasing trend in the first part of the year.

Despite the ECB's intention to ease its restrictive policy, in the light of the first cut made, in Italy **bank loans** are still declining, with consumer credit being the only growing component; this performance is against the trend in the Euro Area, giving further evidence of the unevenness in the Economies, involving both households and businesses. The development in overall **direct funding** (customers' deposits and bonds) was affected by the reallocation of financial assets of households and businesses, showing strong expansion in the bond component and a decline in demand deposits (albeit not so strong as in 2023) in favour of more remunerative instruments. Indeed, **assets under administration** continued to grow in the first months of the year, substantiating households' propensity to invest in government securities, with the first auction of the BTP Valore Italian government securities for retail investors in 2024 that collected over 18 billion Euros.

Albeit slightly decreasing, the interest rate has on average remained at high levels, thus affecting customers' repayment ability and increasing risk factors. Nevertheless, the **quality of bank loans proved historically good,** with no significant effects so far on the increase in terms of volumes of non-performing loans. The trend of the **NPL ratio** showed a slightly increasing curve YoY mainly due to the decrease in loans. In any case, significant banks have set aside **overlays** in order to manage the new emerging risks.

The Italian banking system's **capitalization** continues to be **strong** for all significant institutions, thanks to self-financing with earnings (still at historically high levels) and to the allocation of amounts equal to 2.5 the windfall tax due to undistributable reserve. In this scenario, the capital ratios are by far above the minimum requirements applicable as of 1 January 2024 set by the Supervisory Authority based on the outcome of the Supervisory Review and Evaluation Process (SREP) carried out in 2023. Furthermore, in order to address any adverse economic scenarios, the Bank of Italy started a consultation about a Systemic Risk *Buffer (SyRB)*, whose rate target would be reached gradually, in order to set aside additional capital without generating any significant impact on the banks' capacity to finance the real economy, considering the present profitability conditions. Based on the consultation outcome, an SyRB consisting of common equity tier 1 (CET1).shall be created equal to 1% of credit and counterparty risk-weighted exposures to Italian residents, which shall be achieved gradually by June 2025 (0.5% as at 31 December 2024 and the remaining part as at 30 June 2025).

That scenario resulted in the business performances given below[16].

15 Prometeia, Previsione bilanci bancari (April 2024).

16 ABI Monthly Outlook (June 2024).

In May 2024 **loans to households and businesses** came to 1,277 billion Euros (down by -2.3% YoY), stable vs. the previous month. Specifically, in April loans to households decreased by -1.2% YoY (vs -1.4% in March) following the acceleration in the consumer credit component (up by +3.2% YoY), whereas home loans remained stable (-0.1% YoY).

In April 2024 **non-performing loans** (bad loans, unlikely to pay and past due and/or overlimit exposures), net of writedowns and provisions, slightly increased to 31 billion Euros (vs 30.5 billion Euros as at December 2023), although remaining well below the maximum level of 196.3 billion Euros reached in 2015. Consequently, the ratio of net non-performing loans to total loans has remained stable at 1.45% (vs 1.41% as at December 2023).

In May 2024, total **direct funding** (resident customers' deposits and bonds) came to Euro 2,041 billion, up by +1.9% YoY. This performance was strongly driven by medium/long-term funding, consisting of bonds (+18.2% YoY), whereas the component of Customers' deposits were stable.

In May 2024, **the interest rates applied to loans to Customers** started to implement the easing policies deployed by the ECB vs. the end of last year, with the rate on newly originated home loans at 3.61% (vs. 4.42% as at December 2023), while that on loans to businesses stood at 5.21% (vs 5.45% as at December 2023), and the average rate on total loans stood at 4.81% (vs. 4.76% as at December 2023).

Conversely, the **interest rates on bank funding** increased vs. December 2023, hitting 1.26% in May 2024 (+9bps vs December 2023), but stable vs. the previous month. It is also pointed out that the rate on deposits with an agreed maturity in Euro applied to households and non-financial corporations came to 3.51% in May down by -20bps vs. December 2023).

The **spread on new transactions** between the average rate on loans to households and non-financial corporations and the average one on funding decreased vs. the end of 2023 coming, in May, to 196 basis points (vs. 220 in December 2023).

In May 2024 **assets under management**[17] posted net outflows of -1.5 billion Euros, taking the progressive figure since the start of the year to net funding negative by -11.4 billion Euros, due to both portfolio management and collective management dynamics, which posted outflows of -5.4 and -6 billion Euros respectively. Over total assets under management, the portion under collective management schemes (open-end and closed-end funds) stood at 1,248 billion Euros, equal to 53% of total AuM: investments in portfolio management came to 1,096 billion Euros and accounted for the remaining 47% of total AuM.

Sustainability (ESG) and climate-related risks continued to be core in business strategies, risk management and *governance*. Indeed, the ESG scope has now become key not only in business models, but also in communication to the market, and the purpose of considerable investments, which are expected to further increase both in order both to comply with the policies issued by the regulator and because of the banks' will, which have been continuing to look for specialists in this scope, thus substantiating their awareness of the importance of these topics in order to make their business model resilient. In this context, based on the new "EuGB" (*European Green Bond*) regulation, which lays down the new rules governing European green bonds, **Green, Social and Sustainability Bonds have continued to be placed** in order to finance or refinance new and/or pre-existing ESG projects.

17 Source: Assogestioni, Monthly Map of Assets Under. Management (June 2024).

SIGNIFICANT EVENTS IN THE REPORTING PERIOD

Le Village by CA

The Le Village by CA project is an initiative that was devised and started in France in 2014 by the *Fédération Nationale du Crédit Agricole*, pursuing the goal of creating an innovation ecosystem at an international level involving startups, large companies and all the Entities of the Crédit Agricole Group. The ecosystem has been growing at a fast pace and today it is one of the most important innovation networks in Europe.

In this context Crédit Agricole Italia S.p.A. continued to develop the Le Village by CA ecosystem setting up, in April 2024, "Le Village by CA Sicilia", based in Catania, Sicily. The go-live of the new Le Village was promoted with a specific Call4Startup, whereby 10 startups were selected and given access to an acceleration path in view of the opening of the new hub in Catania.

The new entity pursues the goals of supporting the growth of startups, speeding up businesses' innovation, attracting talents and disseminating knowledge and awareness of these topics, to generate a positive economic and social impact on the area as a whole.

At present, in Italy five Villages are in operations: Le Village by CA Milano S.r.l., Le Village by CA Parma S.r.l., Le Village by CA Triveneto S.r.l. (Based in Padua), Le Village by CA delle Alpi società Benefit S.r.l. And Le Village by CA Sicilia Srl. In but few years the ecosystem has become one of the main accelerators of startups in Italy, establishing many strategic partnerships with institutions, Research Centers and top Universities.

Covered bonds

In the reporting period, the Group finalized three new issues of Covered Bonds for a total of 1,577 billion Euros. Indeed, the Group placed:

- A Green format issue for 500 million Euros with maturity of over 9 years, which received orders for nearly 5 billion Euros, proving investors' appreciation for Crédit Agricole Italia. Consistently with the Group's ESG objectives, the issue aimed at financing or refinancing a pool of residential mortgage loans selected based on sustainability criteria and originated for the purchase of high energy efficiency properties, in accordance with the Green Bond Framework of the Crédit Agricole Group.
- Another issue on the market of Covered Bonds, for an amount of 1 billion Euros and maturity of 12 years. This issue also received a very good response from investors, receiving order for 4.6 billion Euros, giving yet further evidence that Crédit Agricole Italia S.p.A. is highly appreciated.

PERFORMANCE OF OPERATIONS

In a scenario featuring high inflation and still high interest rates, the Crédit Agricole Italia Group proved once again able to constantly generate sustainable profits, thanks to its balanced and diversified business model, providing support to the economy and fostering the technological transformation at the service of its Customers.

The commercial activity made profits on the main lines of business. Worth mentioning is the significant development in the Customer base with 100 thousand new Customers acquired in the reporting period (+18% YoY), thanks both to the contribution from the commercial network and to the contribution from the digital channel, the strong increase in assets under management, with over 7 billion Euros in placed products (+76% YoY), along with the growth in newly originated residential mortgage loans (+22% YoY) and in loans to businesses (+26% YoY).

Total funding grew, with all its components increasing: direct funding and assets under management went up by +1.4% and +2.6% respectively vs. December 2023; loans were stable vs. December 2023 and increased by +1.4% YoY in a declining market.

Attention to loan quality has remained constant and effective: the weight of gross non-performing loans decreased by 3.0%, vs. 3.3% as at December 2023, with the coverage ratio up by over 140bps vs. December 2023, giving evidence of high asset quality.

The liquidity buffer continues to be large, with the ’LCR standing at 216%; strong capitalization with the Fully Loaded Common Equity Tier 1 and the Total Capital Ratio standing at 13.3% and 17.9% respectively.

THE PERFORMANCE OF BALANCE SHEET AGGREGATES

RECLASSIFIED CONSOLIDATED BALANCE SHEET

Assets	30 June 2024	31 Dec. 2023(*)	Changes	
			Absolute	%
Net financial assets/liabilities at fair value	145,115	153,276	-8,161	-5.3
Financial assets measured at fair value through other comprehensive income	3,278,338	3,868,730	-590,392	-15.3
Net due from banks	1,798,783	-2,957,086	4,755,869	
Loans to Customers	69,140,443	69,433,503	-293,060	-0.4
Equity investments	29,360	25,803	3,557	13.8
Property, plant and equipment and intangible assets	2,684,699	2,739,227	-54,528	-2.0
Tax assets	1,670,286	2,029,131	-358,845	-17.7
Other assets	11,024,917	13,442,808	-2,417,891	-18.0
Total assets	**89,771,941**	**88,735,392**	**1,036,549**	**1.2**

Liabilities	30 June 2024	31 Dec. 2023(*)	Changes	
			Absolute	%
Funding from Customers	77,199,071	76,160,617	1,038,454	1.4
Tax liabilities	193,031	278,173	-85,142	-30.6
Other liabilities	3,785,374	3,592,135	193,239	5.4
Specific-purpose provisions	612,732	674,771	-62,039	-9.2
Capital	1,102,071	1,102,071	-	-
Equity instruments	740,000	815,000	-75,000	-9.2
Reserves (net of treasury shares)	5,740,588	5,438,977	301,611	5.5
Valuation reserves	-71,961	-59,504	12,457	20.9
Equity attributable to minority interests	26,652	24,967	1,685	6.7
Profit (Loss) for the period	444,383	708,185	-263,802	-37.3
Total equity and net liabilities	**89,771,941**	**88,735,392**	**1,036,549**	**1.2**

(*) The 2023 figures of "Net due from banks" were reclassified to be comparable with 2024 figures.

The in-force business regarding Funding and Loans to Customers hit 237 billion Euros, up by +4.7% YoY and by +1.6% vs. December 2023.

LOANS TO CUSTOMERS

Net loans to Customers came to 64 billion Euros, increasing YoY by +1.4% and stable vs. the end of 2023, thanks to home loans and loans to businesses, performing against the decreasing trend in the banking system (down by -1.7% YoY and by -0.6% vs 31 December 2023).

Specifically, once again the Group provided constant support to the real economy, focusing especially on the ESG transition, through:

- The origination of Home Loans for 1.8 billion Euros, growing vs. last year (+22.3%) more than the market (in Q1 2024 demand grew by +1.9% YoY). Specifically, the portion of Green mortgage loans went up by 5p.p. vs. 2023, bolstered by the promotional campaign and concentrated on the top energy classes (A, B) consistently with the Group's ESG strategy;
- The origination of loans to businesses for a total of over 1.4 billion Euros, increasing vs. 2023 (+37.9%) performing against the decreasing trend in the market.

LOAN QUALITY

Effective control on new non-performing loans, which remained modest (209 million Euros, down by -4% YoY) resulted in total NPLs decreasing by 0.9 billion (-11% vs. December 2023). The weight of non-performing exposures on total loans gross of adjustments came to 3.0% decreasing from 3.3% as at December 2023. Net of the adjustments, the NPE ratio came to 1.5% down by -0.17 p.p. Vs, the end of last year. The coverage ratio of NPLs came to 52.2%, increasing by +1.4 points vs. December 2023.

FUNDING FROM CUSTOMERS

Total Funding, as the sum of Direct and Indirect Funding, came to Euro172.9 billion, increasing by Euro 3.9 billion (+2.3% vs. December 2023).

Direct funding from Customers hit 77.2 billion Euros (up by +1.4% vs December 2023) and includes 16 billion in outstanding securities, up by 1.5 billion (+10.4%) subsequent to the Covered Bond issues made in H1 2024.

Indirect Funding hit 95.7 billion Euros, increasing by 2.9 billion in the half-year (+3.1%). Specifically, Asserts under Management increased to 51.3 billion Euros (up by +2.6% vs. December 2023 and by +4.0% YoY) thanks to the strong growth in placing (+76% YoY); Assets under Administration came to 44.4 billion Euros (up by +3.7% vs. the end of last year and by +10% YoY) whose growth was driven mostly by the increase in government securities.

NET INTERBANK POSITION

As at 30 June 2024, the net Interbank Position reported a credit position of Euro 1.8 billion (vs. a debt position of Euro 3.0 billion as at 31 December 2023) resulting from the mismatch between due from banks amounting to Euro 3.8 billion and due to banks amounting to Euro 2.0 billion. More than satisfying liquidity position, with the LCR at 216%. It is pointed out that, in the reporting period, the TLTRO loans were fully repaid.

EQUITY

As at 30 June 2024 book Equity stood at 8.0 billion Euros, unchanged vs. the figure as at 31 December 2023 resulting from the positive effect of the profit for the period of Euro 444 million and from the decreases mainly due to dividend distribution (362 million) and to the change in Additional Tier 1 notes (75 million).

Statement of reconciliation of Parent Company equity and profit (loss) for the period and consolidated equity and profit (loss) for the period

	30 June 2024	
	Equity	of which: Profit for the period
Parent Company's balances	7,931,818	433,282
Effect of consolidation of subsidiaries	18,168	7,996
Effect of the equity method accounting of significant equity investments	2,925	3,658
Dividends received in the period	-	-50
Other consolidation adjustments	2,170	-503
Consolidated balances	**7,955,081**	**444,383**

OWN FUNDS

Following the Supervisory Review and Evaluation Process (SREP) and with its SREP letter, the ECB has confirmed the same minimum prudential requirements for the Crédit Agricole Italia Group as in force in 2023. As at 30 June 2024, those requirements were the following:

- 7.98% for the *Common Equity Tier 1* (CET 1) ratio;
- 9.81% for the *Tier1* (T1) ratio;
- 12.25% for the *Total Capital* (TC) ratio.

It is pointed out that the minimum requirements listed above will be increased by a capital buffer for systemic risk (*systemic risk buffer, SyRB*); the Bank of Italy will activate it gradually from H2 2024 up to the achievement of the target rate in H1 2025.

Therefore, within its capital management activities, Crédit Agricole Italia monitors the regulatory ratios in compliance with the obligations concerning all the elements that make up its Own Funds (*CET1, AT1 - Additional Tier 1 and T2 - Tier2 Capital*) and optimizes the various financial instruments Own Funds consist of.

Planning and monitoring concern, on the one hand, total Own Funds and, on the other hand, risk-weighted assets (RWA).

As regards Own Funds, as at 30 June 2024 the Common Equity Tier1 stood at 5,132 billion Euros, up by 90 million Euros vs. December 2023, resulting mainly from the development in book equity items (including the retained portion of the earnings for H1 and the interest expenses paid on the outstanding Additional Tier1 notes), as well as lower deductions for DTA above the threshold, calendar provisioning and other intangible assets.

Within the management of the capital structure aimed at identifying the combination of instruments optimizing also the related costs, in H1 2024 the following transactions were carried out: issue of an AT1 (Additional Tier1) note of 275 million Euros and concomitant repayment, on the early repayment date provided for by the relevant contract, of an AT1 note amounting to 350 million Euros issued in 2018; issue of a new T2 note amounting to 45 million Euros.

As at 30 June 2024, risk-weighted assets (RWA) came to 38,667 million Euros, up by 1,434 million Euros as at 31 December 2023, with their performance reflecting mainly the development in loans to Customers.

Following the above-reported developments, the CET1 ratio as at 30 June 2024 came to 13.3% (13.5% as at 31 December 2023), the Tier 1 ratio to 15.2% (15.7% as at 31 December 2023) and the Total Capital ratio to 17.9% (18.6% as at 31 December 2023).

In short, in H1 2024 the consolidated CET 1 ratio was once more well above the regulatory requirements set by the Regulator, giving even further evidence of the acknowledged capital strength and quality of the Crédit Agricole Italia Banking Group.

PROFIT OR LOSS

RECLASSIFIED INCOME STATEMENT

	30 June 2024	30 June 2023	Changes	
			Absolute	%
Net interest income	903,047	891,930	11,117	1.2%
Net fee and commission income	639,111	607,574	31,537	5.2%
Dividend income	12,302	12,107	195	1.6%
Financial Income (loss)	16,738	19,691	-2,953	-15.0%
Other operating income (expenses)	1,571	650	921	
Operating income	**1,572,769**	**1,531,952**	**40,817**	**2.7%**
Personnel expenses	-504,574	-503,260	1,314	0.3%
Administrative expenses	-222,238	-213,102	9,136	4.3%
Depreciation and amortization	-91,875	-92,358	-483	-0.5%
Operating expenses	**-818,687**	**-808,720**	**9,967**	**1.2%**
Operating margin	**754,082**	**723,232**	**30,850**	**4.3%**
Net provisions for risks and charges	-6,797	-9,055	-2,258	-24.9%
Net value adjustments to loans	-117,302	-142,986	-25,684	-18.0%
Impairment of securities	2,310	4,219	-1,909	-45.2%
Profit (loss) on other investments	4,234	-960	5,194	
Profit (loss) before tax from continuing operations	**636,527**	**574,450**	**62,077**	**10.8%**
Taxes on income from continuing operations	-191,028	-168,172	22,856	13.6%
Profit for the period	**445,499**	**406,278**	**39,221**	**9.7%**
Profit (Loss) for the period attributable to minority interests	-1,116	-994	122	12.3%
Profit for the period attributable to the Parent Company	**444,383**	**405,284**	**39,099**	**9.6%**

H1 net profit came to **444 million** Euros, increasing by 39 million Euros (up by +9.6%) vs. the same period of 2023. The increase reflects the development in **net income**, which came to **1,573 million Euros**, growing by 41 million Euros (+2.7%) vs. H1 2023 mainly as a result of **fee and commission items (+5.2%)** and of further improvement in **net interest income (+1.2%)**. The profit for the period resulted also from proactive management of operating costs (down by -1.1% net of the contributions to Bank Resolution Funds) and from the cost of credit well under control and further decreasing to 37bps vs. 45bps as at June 2023.

Net interest income came to 903 million Euros up by 11 million Euros YoY (+1,2%), thanks mainly to the commercial spread widening, subsequent to the increase in interest rates, the limited impact on the cost of funding and the contribution from the management of financial assets and liabilities.

Net fee and commission income came to 639 million Euros, increasing by 32 million Euros (up by +5.2% YoY) thanks to the good performance of **management, intermediation and advisory services** which came to 377 million Euros (up by +12.5%) driven especially by dynamic placing of asset management products and by the acceleration in net flows. More specifically, fees and commissions from distribution of insurance products increased by +17.8% and fees and commissions from intermediation and placement of securities increased by +3.8%.

Fees and commissions from commercial banking business came to 227 million Euros, down by 2.4%; net of the decrease in income from keeping and managing current accounts (down by -12.2% YoY), the aggregate grew by +12.8% YoY thanks to the acceleration in commercial production. More specifically, the increase in transaction volumes and transactions made by customers generated an improvement in fee and commission income from collection and payment services (up by +6.7%) and from debit and credit card services (up by +18.1%).

Dividend income from equity investments came to 12 million Euros, in line with H1 2023 and mainly consisted of the stake in the Bank of Italy for Euro 9.6 million.

Total Financial Income (Loss) came to 17 million Euros, down by 3 million Euros YoY and was affected by the performance of market prices of the financial assets at fair value and of hedging.

The balance of item "**Other operating income (expenses)**" was positive by 1.6 million Euros, increasing by 0.9 million Euros vs. last year thanks to the contribution of minor entities consolidated on a line-item basis.

Operating expenses came to Euro 761 million Euros (-1.1% YoY) net of the **contributions to Bank Resolution Funds**, which amounted to 58 million Euros for the contribution to the Deposit Guarantee Scheme (DGS) the payment of which was brought forward to 2 July 2024. No contribution was due to the Single Resolution Fund as its endowment was reached.

Personnel expenses, coming to 505 million Euros were in line with last year, thanks to efficient management of the organizational structure and of the personnel turnover (-175 employees on average vs. H1 2023) whereby the increase resulting from the new National Collective bargaining Agreement for the banking industry could be absorbed.

Administrative expenses and depreciation and amortization (net of the contributions to Bank Resolution Funds) **came to 256 million Euros**, down by 9 million Euros (-3.5% YoY) thanks to cost management physical network rationalization actions whereby the inflationary pressure and the higher expenses for IT projects could be offset.

The “ordinary” operating margin came to Euro 812 million (up by +6.4% YoY).

Net Provisions for risks and charges mostly regarded lawsuits brought against the Bank and revocatory actions and came to Euro 7 million, down by 2 million (-24.9%) vs. last year’s figure, which reported also the provision for the damage caused by the floods in Emilia Romagna.

Net adjustments to loans and impairment of securities totalled Euro 115 million down by 24 million Euros (-17.1% YoY) thanks to new defaults that have remained at a modest level (0.66%) and to the effective management of the NPE portfolio. The weights of adjustments to loans came to 37 bps vs. 45 bps in June 2023.

Gains/losses from disposals of investments came to Euro 4.2 million (increasing by 5 million Euros YoY) and this item also reports the effect of the measurement with the equity method of the equity investment in Fiere di Parma.

As the result of the dynamics described above, **the gross profit from continuing operations came to 637** million Euros, increasing by Euro 62 million (+10.8%) vs, the same period of 2023. Current and deferred taxes came to **191 million Euros**, vs. 168 million Euros (+13.6%) last year.

Net Income came to 444 million Euros, increasing by 39 million (+9.6%) vs. June 2023.

OTHER INFORMATION

RISKS AND UNCERTAINTIES

The risk monitoring, management and control policies continue to be key principles on which Banks will have to measure themselves both against each other and against domestic and international markets.

Crédit Agricole Italia S.p.A.'s governance bodies continue to give high and constant attention to development and growth, through close monitoring of the risk the Bank is exposed to, considering not only the effects of the uncertainty about the macroeconomic evolution but also of the complex geopolitical situation, which has become a feature of the present historical period. These issues may indeed generate impacts on the financial, cash flow and profit or loss structure that the Bank is required to manage and keep at acceptable levels, in order to protect savings (and thus its Customers' trust) and lending (healthy drivers of growth).

Crédit Agricole Italia uses risk control methods, measurement standards and tools that are consistent throughout the Crédit Agricole Group as a whole and appropriate for the type and size of the risks taken, also in such a complex economic scenario as the present one.

In the first six months of the year the economic activity remained on a growing trend, but there were indeed uncertainty elements, along with resilience factors and a cautiously optimistic outlook. Indeed, if, on the one hand, inflation continued to slow down and the labour market remained strong, on the other the growth performances of the various Countries remained uneven and continued to feature different drivers of economic growth, with the geopolitical tensions showing no sign of mitigation and thus contributing to fuelling uncertainty in the international scenario.

In this context, the main Central Banks around the world have deployed different monetary policies in accordance with the performances of the real economy and the decrease in inflationary pressure. Specifically, the ECB started to ease its monetary policy, although interest rates have remained at historically high levels, affecting Customers' repayment ability and increasing risk factors. Therefore, lending continues to slow down, with interest rates continuing to generate effects on demand and supply, although no loan impairment or credit crunch scenarios have emerged so far.

In such a complex scenario, the analyses performed by the governance bodies based on the information currently available gave evidence to conclude that Crédit Agricole Italia S.p.A. will be able to address the risks and uncertainties generated by the new context.

The assessment giving evidence of the Bank's ability to continue as a going concern is based on the capitalization it has long proved able to maintain, which shows a reassuring buffer on top of the requirements set by the ECB, its present liquidity above the regulatory threshold and the healthy and prudent management that has always been a distinctive feature of the Group, while ensuring steady development through sustainable growth strategies and the commitment to providing households and businesses with support.

For reporting on the main risks to which Crédit Agricole Italia S.p.A. is exposed, please see the specific section of the notes to the financial statements.

DISCLOSURE ON TRANSACTIONS WITH RELATED PARTIES

Detailed information on intra-group transactions and on transactions with related parties, including information on the weight of the transactions or existing positions with said counterparties on equity, the financial situation and profit or loss, along with tables summarizing those effects, is given in the specific section of the Note to the financial statements.

DISCLOSURE ON ATYPICAL AND/OR UNUSUAL TRANSACTIONS

Any atypical and/or unusual transactions are assessed in accordance with the definition given in CONSOB Regulation 11971/99. In the year, no atypical or unusual transactions were carried out whose size or features might have jeopardized or affected the protection of corporate assets and the interests of shareholders.

RESEARCH AND DEVELOPMENT

Research and development activities have aimed mainly at studying the possible application of new technologies in relationships with Customers, improving products/services and enhancing the efficiency of internal processes.

For more exhaustive information, please see section “Strategic plan and business development lines” of the 2023 Annual Report and Financial Statements.

TREASURY SHARES

As at 30 June 2024 the Parent Company Crédit Agricole Italia S.p.A. held 6,052 treasury shares having the nominal value of 1 Euro each, totalling Euro 6,052. No company of the Banking Group holds shares in the Parent Company. The treasury shares have been deducted from equity.
For more information on equity, please see Part F of the explanatory notes to the financial statements.

HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL REPORT

CONSOLIDATED BALANCE SHEET

Assets		30 June 2024	31 Dec. 2023
10.	Cash and cash equivalents	8,000,642	10,383,650
20.	Financial assets measured at fair value through profit or loss	305,220	351,517
	a) financial assets held for trading;	160,488	198,491
	c) other financial assets mandatorily measured at fair value	144,732	153,026
30.	Financial assets measured at fair value through other comprehensive income	3,278,338	3,868,730
40.	Financial assets measured at amortized cost	72,925,708	71,765,202
	a) due from banks	3,785,265	2,331,699
	b) Loans to customers	69,140,443	69,433,503
50.	Hedging derivatives	829,383	863,647
60.	Fair value change of financial assets in macro-hedge portfolios (+/-)	-417,630	-328,603
70.	Equity investments	29,360	25,803
90.	Property, Plant and Equipment	1,119,614	1,155,920
100.	Intangible assets	1,565,085	1,583,307
	- of which goodwill	1,315,925	1,315,925
110.	Tax assets	1,670,286	2,029,131
	a) current	381,084	619,130
	b) deferred	1,289,202	1,410,001
120.	Non-current assets held for sale and discontinued operations	9,104	9,104
130.	Other assets	2,603,418	2,515,010
Total assets		**91,918,528**	**94,222,418**

Liabilities and Equity		30 June 2024	31 Dec. 2023
10.	Financial liabilities measured at amortized cost	79,493,735	81,770,827
	a) Due to banks	1,987,960	5,290,239
	b) Due to Customers	61,401,262	61,888,930
	c) Debt securities issued	16,104,513	14,591,658
20.	Financial liabilities held for trading	160,105	198,241
40.	Hedging derivatives	2,172,170	2,139,540
50.	Fair value change of financial liabilities in macro-hedge portfolios (+/-)	-939,846	-791,351
60.	Tax liabilities	193,031	278,173
	a) current	150,884	228,442
	b) deferred	42,147	49,731
80.	Other liabilities	2,244,868	1,922,521
90.	Employee severance benefits	85,284	90,428
100.	Provisions for risks and charges	527,448	584,343
	a) commitments and guarantees given	83,870	80,428
	b) post-employment and similar obligations	28,591	30,643
	c) other provisions for risks and charges	414,987	473,272
120.	Valuation reserves	-71,961	-59,504
140.	Equity instruments	740,000	815,000
150.	Reserves	2,245,216	1,943,605
160.	Share premium reserve	3,495,378	3,495,378
170.	Capital	1,102,071	1,102,071
180.	Treasury shares (+/-)	-6	-6
190.	Minority interests (+/-)	26,652	24,967
200.	Profit (Loss) for the period	444,383	708,185
Total liabilities and equity		**91,918,528**	**94,222,418**

CONSOLIDATED INCOME STATEMENT

Items		30 June 2024	30 June 2023
10.	Interest and similar income	1,830,109	1,477,853
	Of which: interest income calculated with the effective interest method	1,827,043	1,475,074
20.	Interest and similar expenses	(937,959)	(589,811)
30.	**Net interest income**	**892,150**	**888,042**
40.	Fee and commission income	662,369	631,235
50.	Fee and commission expense	(23,454)	(23,918)
60.	**Net fee and commission income**	**638,915**	**607,317**
70.	Dividend and similar income	12,302	12,107
80.	Net profit (loss) on trading activities	8,930	9,346
90.	Net profit (loss) on hedging activities	(4,973)	(3,258)
100.	Profit (losses) on disposal or repurchase of:	30,541	26,401
	a) financial assets measured at amortized cost	15,876	21,662
	b) financial assets measured at fair value through other comprehensive income	14,631	4,717
	c) financial liabilities	34	22
110.	Net profit (loss) on other financial assets and liabilities measured at fair value through profit or loss	(4,698)	851
	b) other financial assets mandatorily measured at fair value	(4,698)	851
120.	**Net banking income**	**1,573,167**	**1,540,806**
130.	Net adjustments/recoveries for credit risk on:	(109,146)	(126,846)
	a) financial assets measured at amortized cost	(109,252)	(123,950)
	b) financial assets measured at fair value through other comprehensive income	106	(2,896)
140.	Profits/Losses on contract modifications without derecognition	(760)	(103)
150.	**Net financial income (loss)**	**1,463,261**	**1,413,857**
180.	**Net financial and insurance income (loss)**	**1,463,261**	**1,413,857**
190.	Administrative expenses:	(913,848)	(886,974)
	a) personnel expenses	(504,574)	(503,260)
	b) other administrative expenses	(409,274)	(383,714)
200.	Net provisions for risks and charges	(10,239)	(26,634)
	a) commitments and guarantees given	(3,442)	(9,579)
	b) other net provisions	(6,797)	(17,055)
210.	Net adjustments to/recoveries on property, plant and equipment	(48,878)	(53,301)
220.	Net adjustments to//recoveries on intangible assets	(43,054)	(41,077)
230.	Other operating costs/income	185,181	167,831
240.	**Operating costs**	**(830,838)**	**(840,155)**
250.	Profit (losses) on equity investments	3,614	880
260.	Net profit (losses) from property, plant and equipment and intangible assets measured at fair value	-	(589)
280.	Profit (losses) on disposals of investments	490	457
290.	**Profit (Loss) before tax from continuing operations**	**636,527**	**574,450**
300.	Taxes on income from continuing operations	(191,028)	(168,172)
310.	**Profit (Loss) after tax from continuing operations**	**445,499**	**406,278**
330.	**Profit (Loss) for the period**	**445,499**	**406,278**
340.	Profit (Loss) for the period attributable to minority interests	(1,116)	(994)
350.	**Profit (Loss) for the period attributable to the Parent Company**	**444,383**	**405,284**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Items		30 June 2024	30 June 2023
10.	**Profit (Loss) for the period**	**445,499**	**406,278**
	Other comprehensive income after tax not reclassified to profit or loss	**-**	**-**
20.	Equity securities designated at fair value through other comprehensive income	406	(7,264)
30.	Financial liabilities designated at fair value through profit or loss (changes in own credit rating)	-	-
40.	Hedging of equity securities designated at fair value through other comprehensive income	-	-
50.	Property, Plant and Equipment	-	-
60.	Intangible assets	-	-
70.	Defined-benefit plans	3,262	(1,299)
80.	Non-current assets held for sale and discontinued operations	-	-
90.	Share of valuation reserves on equity investments measured using the equity method	(6)	3
100.	Financial revenues or costs relating to insurance contracts issued	-	-
	Other comprehensive income after tax reclassified to profit or loss	**-**	**-**
110.	Hedges of investments in foreign operations	-	-
120.	Foreign exchange differences	-	-
130.	Cash flow hedges	-	-
140.	Hedging instruments (non-designated elements)	-	-
150.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	(16,119)	4,916
160.	Non-current assets held for sale and discontinued operations	-	-
170.	Share of valuation reserves on equity investments measured using the equity method	-	-
180.	Financial revenues or costs relating to insurance contracts issued	-	-
190.	Financial revenues or costs relating to reinsurance cessions	-	-
200.	**Total other comprehensive income after taxes**	**(12,457)**	**(3,644)**
210.	**Comprehensive income (Item 10+170)**	**433,042**	**402,634**
220.	Consolidated comprehensive income attributable to Minority Interests	1,116	994
230.	**Consolidated comprehensive income attributable to the Parent Company**	**431,926**	**401,640**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2024

	Capital: Ordinary shares	Share premium reserve	Reserves:		Valuation reserves	Equity instruments	Treasury shares	Profit (Loss) for the period	Equity
			retained earnings reserves	other					
EQUITY GROUP SHARE AS AT 31 DEC. 2023	1,102,071	3,495,378	1,957,599	-13,994	-59,504	815,000	-6	708,185	8,004,729
MINORITY INTERESTS AS AT 31 DEC. 2023	20,469	2,901	-3,061	2,939	-23		0	1,742	24,967
ALLOCATION OF NET PROFIT OR LOSS FOR THE PREVIOUS FY									
Reserves	-	-	347,911	-	-	-	-	-347,911	-
Dividends and other allocations	-	-	-	-	-	-	-	-362,016	-362,016
CHANGES FOR THE PERIOD									
Changes in reserves	-	-	-112	-	-	-	-	-	-112
Issue of new shares	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Extraordinary dividend distribution	-	-	-	-	-	-	-	-	-
Change in equity instruments	-	-	-44,461	-	-	-75,000	-	-	-119,461
Shares and rights on shares of the Parent Company assigned to employees and directors	-	-	-	-	-	-	-	-	-
Changes in equity interests	47	507	30	-	-	-	-	-	584
Comprehensive income	-	-	-	-	-12,457	-	-	445,499	433,042
EQUITY GROUP SHARE AS AT 30 JUNE 2024	1,102,071	3,495,378	2,259,210	-13,994	-71,961	740,000	-6	444,383	7,955,081
MINORITY INTERESTS AS AT 30 JUNE 2024	20,516	3,408	-1,304	2,939	-23	0	0	1,116	26,652

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2023

	Capital: Ordinary shares	Share premium reserve	Reserves: retained earnings reserves	Reserves: other	Valuation reserves	Equity instruments	Treasury shares	Profit (Loss) for the period	Equity
EQUITY GROUP SHARE AS AT 31 DEC. 2022	**1,102,071**	**3,496,073**	**1,786,114**	**-13,994**	**-54,906**	**815,000**	**0**	**558,594**	**7,688,952**
MINORITY INTERESTS AS AT 31 DEC. 2022	**20,457**	**2,763**	**-4,537**	**2,939**	**-22**		**0**	**1,474**	**23,074**
ALLOCATION OF NET PROFIT OR LOSS FOR THE PREVIOUS FY									
Reserves	-	-	257,884	-	-	-	-	-257,884	-
Dividends and other allocations	-	-	-	-	-	-	-	-302,184	-302,184
CHANGES FOR THE PERIOD									
Changes in reserves	-	-	11	-	-	-	-	-	11
Issue of new shares	-	-695	-	-	-	-	-	-	-695
Purchase of treasury shares	-	-	-	-	-	-	-4	-	-4
Extraordinary dividend distribution	-	-	-	-	-	-	-	-	-
Change in equity instruments	-	-	-40,265	-	-	-	-	-	-40,265
Shares and rights on shares of the Parent Company assigned to employees and directors	-	-	-	-	-	-	-	-	-
Changes in equity interests	12	138	6	-	-	-	-	-	156
Comprehensive income	-	-	-	-	-3,646	-	-	406,278	402,632
EQUITY GROUP SHARE AS AT 30 JUNE 2023	**1,102,071**	**3,495,378**	**2,002,276**	**-13,994**	**-58,552**	**815,000**	**-4**	**405,284**	**7,747,459**
MINORITY INTERESTS AS AT 30 JUNE 2023	**20,469**	**2,901**	**-3,063**	**2,939**	**-22**	**0**	**0**	**994**	**24,218**

CONSOLIDATED STATEMENT OF CASH FLOWS

	30 June 2024	30 June 2023
A. OPERATING ACTIVITIES		
1. Cash flows from operations	**1,072,613**	**884,074**
- profit (loss) for the period (+/-)	444,383	405,284
- gains/losses on financial assets held for trading and on financial assets/liabilities measured at fair value through profit or loss(-/+)	4,535	914
- gains/losses on hedging activities (-/+)	4,974	-72,279
- net adjustments/recoveries for credit risk (+/-)	101,878	130,319
- net adjustments to/recoveries on property, plant and equipment and intangible assets (+/-)	91,932	94,378
- net provisioning for risks and charges and other costs/revenues (+/-)	10,239	26,634
- taxes, levies and tax credits not settled (+)	191,028	168,172
- other adjustments (+/-)	223,644	130,652
2. Cash flow generated/absorbed by financial assets	**-1,153,244**	**3,574,877**
- financial assets held for trading	38,166	28,562
- financial assets mandatorily measured at fair value	3,596	6,654
- financial assets measured at fair value through other comprehensive income	565,270	-376,922
- financial assets measured at amortized cost	-1,366,470	4,299,973
- other assets	-393,806	-383,390
3. Cash flow generated/absorbed by financial liabilities	**-1,809,307**	**-2,484,356**
- financial liabilities measured at amortized cost	-2,165,273	-3,788,072
- financial liabilities held for trading	-38,136	-29,355
- other liabilities	394,102	1,333,071
Net cash flow generated/absorbed by operating activities	**-1,889,938**	**1,974,595**
B. INVESTING ACTIVITIES		
1. Cash flow generated by:	**14,232**	**15,365**
- sales of equity investments	-	-
- dividend income on equity investments	12,352	12,107
- sales of property, plant and equipment	1,880	3,258
2. Cash flow absorbed by:	**-26,409**	**-21,516**
- purchases of equity investments	-	-2,000
- purchases of property, plant and equipment	-1,577	-3,153
- purchases of intangible assets	-24,832	-16,363
Net cash flow generated/absorbed by investing activities	**-12,177**	**-6,151**
C. FUNDING ACTIVITIES		
- issues/purchases of treasury shares	-	-695
- issues/purchases of equity instruments	-119,461	-40,265
- distribution of dividends and other	-362,016	-302,184
- sale/purchase of ownership interests without loss or acquisition of control over the investee	584	12
Net cash flows generated/absorbed by funding activities	**-480,893**	**-343,132**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	**-2,383,008**	**1,625,312**

RECONCILIATION

Financial Statement items	30 June 2024	30 June 2023
Opening cash and cash equivalents	10,383,650	2,876,381
Net increase/decrease in cash and cash equivalents for the period	-2,383,008	1,625,312
Closing cash and cash equivalents	**8,000,642**	**4,501,693**

Key: (+) generated/ from (–) absorbed/used in

Consistently with the amendment to IAS 7, adopted with Commission Regulation (EU) 2017/1990 of 6 November 2017, to be applied as from the commencement date of the first financial year starting on or after 1 January 2017, the disclosures required by paragraph 44 B in order to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

	31 Dec. 2023	Changes from cash flows generated by financing activities	Changes from obtaining or losing control of subsidiaries or other businesses	Fair value changes	Other changes	30 June 2024
Liabilities arising from financing activities (items 10, 20 and 30 of Liabilities)	81,969,068	-2,152,942	-	-162,286	-	79,653,840

NOTES TO THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

PART A – ACCOUNTING POLICIES

A.1 GENERAL PART

Section 1 – Statement of compliance with IAS/IFRS

The half-yearly condensed consolidated financial statements of the Crédit Agricole Italia Banking Group as at 30 June 2024 were prepared and presented in compliance with IAS 34 “Interim Financial Reporting”, which lays down the minimum information content and identifies the accounting standards and measurement bases to be applied to half-yearly condensed financial statements. This half-yearly report and financial statements have been prepared in accordance with Article 154-*ter* of the Italian Consolidated Law on Finance as the reporting entity is an issuer of financial instruments having Italy as the Member State of origin.

The accounting standards and interpretations used to prepare the half-yearly condensed consolidated financial statements, having regard to the classification, recognition, measurement and derecognition of assets and liabilities, as well as to recognition of the relevant revenues and costs, are the same ones used by the Crédit Agricole Italia Banking Group (hereinafter referred to also as the “Group”) to prepare its consolidated financial statements as at 31 December 2023, which were prepared and presented in compliance with the IAS/IFRS issued by the International Accounting Standards Board (IASB) and the related interpretations given by the IFRS Interpretations Committee (IFRIC) and endorsed by the European Commission, in accordance with Regulation (EC) No. 1606/2002 of 19 July 2002.

As regards the standards and principles that have not been amended vs. those used to prepare the financial statements as at 31 December 2023, please see the relevant information given in the 2023 Annual Report.

As applicable, the communications issued by the competent Supervisory Authorities (Bank of Italy, ECB, EBA, Consob and ESMA) were taken into account, as were the interpretation papers on the application of IAS/IFRS prepared by the Italian Accounting Body (*Organismo Italiano di Contabilità* - OIC), by the Italian Banking Association (ABI) and by the *Organismo Italiano di Valutazione* (OIV), whereby recommendations have been given on the disclosures to be included in the Financial Reporting on some material aspects in accounting terms or on the accounting treatment of specific transactions.

In accordance with IAS 34, due to need of provide timely information, interim financial reporting (“condensed financial statements”) may provide more limited information than that required to be given in the annual financial report and essentially intended to give an update of the latest complete annual report; consequently, the condensed financial statements must be read along with the annual consolidated financial statements of the Group for the FY closed as at 31 December 2023.

INTERNATIONAL ACCOUNTING STANDARDS ENDORSED BY THE EUROPEAN UNION AND ENTERED INTO FORCE IN 2024

In compliance with IAS 8, the table below reports the new international accounting standards or the amendments to standards already in force, along with the Regulations endorsing them, that shall mandatorily be applied for reporting periods starting on or after 1 January 2024.

Standards, amendments or interpretations	Publication date	Date of first application
Amendment IFRS16 - Lease Liability in a Sale and Leaseback The **amendments** require that, in applying the requirements for the measurement of lease liabilities in a sale and leaseback transaction with variable lease payments, the seller-lessee shall determine "lease payments" in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains	21 November 2023 (EU 2023/2579)	1 January 2024
Amendment to IAS1 Classification of Liabilities as Current or Non-Current – Non-current Liabilities with Covenants The amendments clarify that the classification of liabilities as current and non-current shall be based on the rights that are in existence at the end of the reporting period and improve the information that an entity shall provide when its right to defer the settlement of a liability by at least twelve months is subject to a covenant	20 December 2023 (EU 2023/2822)	1 January 2024
Amendments to IAS 7 Statement of Cash Flow and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements" The amendments enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk	16 May 2024 (EU 2024/1317)	1 January 2024

The new IAS/IFRS and the amendments thereto in force since 1 January 2024, where applicable, have not entailed any material impacts on the Group's financial situation and profit or loss.

Section 2 – General preparation principles

The condensed consolidated financial statements consist of:

- The Balance Sheet;
- The Income Statement;
- The Statement of Comprehensive Income;
- The Statement of Changes in Equity;
- The Statement of Cash Flows;
- The Notes to the financial statements.

The half-yearly condensed consolidated financial statements are also accompanied by the Half-yearly Report on Operation on Operations.

The half-yearly condensed consolidated financial statements have been prepared in accordance with the layouts and instructions provided for by the Bank of Italy Circular no. 262 "Banks' financial statements: layouts and preparation".

The half-yearly condensed consolidated financial statements have been prepared using the Euro as the reporting currency. The amounts in the financial statements, the notes to the financial statements and the Management Report are expressed in thousands of Euro, where not otherwise specified.

These Half-yearly Condensed Consolidated Financial Statements, as the Annual Report and Financial Statements as at 31 December 2023, were prepared on a going-concern basis.

As already described in the previous paragraph, the communications issued by the competent Supervisory Authorities (Bank of Italy, ECB, EBA, Consob and ESMA) were taken into account to the extent they were applicable, as were the interpretation papers on the application of IAS/IFRS prepared by the Italian Accounting Body (*Organismo Italiano di Contabilità* - OIC), by the Italian Banking Association (ABI) and by the *Organismo Italiano di Valutazione* (OIV), whereby recommendations have been given on the disclosures to be included in the Financial Reporting on some material aspects in accounting terms or on the accounting treatment of specific transactions.

As reported in paragraph "Risks and uncertainties" of the Half-yearly Consolidated Financial Report, the analyses that were carried out based on the information currently available, in this phase featuring inflation slowdown, uneven growth performances and different drivers of economic growth in the various Countries and geopolitical tensions that show no sign of abatement, have given grounds to conclude that the Group will be able to handle the risks and uncertainties caused by the economic situation. This assessment takes into account the capitalization level reached, which shows a reassuring buffer higher than the ECB requirements, and the present liquidity level above the regulatory threshold.

USE OF ESTIMATES AND ASSUMPTIONS IN PREPARING THE HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS

To prepare the Half-yearly Consolidated Financial Statements, estimates and assumptions must be made, which can generate significant effects on the values recognized in the Balance Sheet and in the Income Statement, as well as on the information on contingent assets and liabilities reported.

Making such estimates entails the use of the information that is available at the relevant time and of subjective assessments.

By their very nature, the estimates and assumptions used may vary from one period to another. Therefore, it cannot be ruled out that the recognized values for this reporting period may vary, even to a significant extent, in future periods, subsequent to any changes in the subjective assessments used. The economic effects generated by the uncertainties in the macroeconomic scenario, affected especially by the wars between Russia and Ukraine, as well as in the Middle East, require thorough analysis and consideration of the new economic context in the models to measure the recoverable amount of the Group's assets. Therefore, those estimates and assessments entail unavoidable elements of uncertainty.

The main instances that require the use of subjective assessments to be made by the Senior Management are the following:

- Quantifying losses resulting from the impairment of loans and of other financial assets in general;
- Using measurement models for the recognition of the fair value of financial instruments that are not listed on active markets;
- Using measurement models for equity investments;
- Assessing the consistency of the value of goodwill and of the other intangible assets and property, plant and equipment;
- The quantification of the provisions for risks and charges, provisions for personnel and obligations concerning employees' benefits;
- Estimating the recoverability of deferred tax assets;
- Calculating the fair value of financial instruments to be used for financial reporting purposes.

Impacts generated by the Russia-Ukraine war and by the war in the Middle East

The geopolitical tensions underway as at the date of preparation of these financial statements, resulting from the Russia-Ukraine war and the war in the Middle East, continue to be uncertainty factors in the macroeconomic scope, increasing the risk of limited predictability. From and forward-looking standpoint, those uncertainties may entail that financial statement items need to be revised, based on new information available, which however cannot at present be foreseen. It is pointed out that, to date, the Group's exposures to Russia and Ukraine are essentially none. The Group has not direct exposure to the Middle East Countries involved in the conflict underway.

Section 3 – Scope and method of consolidation

SCOPE OF CONSOLIDATION

In addition to the Parent Company, Crédit Agricole Italia S.p.A., the consolidation perimeter includes its subsidiaries, joint arrangements and associates specified below.

In accordance with IFRS 10, Subsidiaries are companies in which Crédit Agricole Italia S.p.A., directly or indirectly, holds at the same time:

- The power to influence the Investee's relevant activities, i.e. the activities that significantly affect the investee's returns;
- Exposure and/or rights to variable returns of the Investee;
- The ability to exercise its power over the Investee to affect the amount of its returns.

The companies in which Crédit Agricole Italia S.p.A., directly or indirectly, holds over 50% of the rights to vote in the General Meeting of Shareholders are considered subsidiaries.

Control exists also where the Group, even though not holding the majority of the voting rights, has sufficient rights to unilaterally manage and direct the investee's relevant activities or where it holds:

- Substantial potential voting rights through underlying call options or convertible instruments;
- Rights that result from contractual agreements and that, combined with its voting rights, make the Group actually able to manage and direct production processes, other management or financial activities, i.e. activities that significantly affect the investee's returns;
- Power to affect, under the investee's articles of association or other agreements, its governance and decision-making processes concerning relevant activities;
- The majority of voting rights under formally executed agreements with other holders of voting rights (for example, voting agreements and shareholders' agreements).

Special-purpose entities/special-purpose vehicles (SPE/SPV) have also been included, when the requirements are met, also irrespective of the existence of a majority shareholding.

In accordance with IFRS 11, joint arrangements are arrangements of which two or more parties share control under contractual or other agreements which require unanimous consent of all the parties sharing control in order for material financial and management decisions to be made. In assessing whether an entity has joint control of an arrangement, an entity shall assess first whether all the parties, or a group of the parties, control the arrangement. When all the parties, or a group of the parties, considered collectively, are able to direct the activities that significantly affect the returns of the arrangement (i.e. the relevant activities), the parties control the arrangement collectively. After concluding that all the parties, or a group of the parties, control the arrangement collectively, an entity shall assess whether it has joint control of the arrangement. Joint control exists only when decisions about the relevant activities require the unanimous consent of the parties that collectively control the arrangement. The requirement for unanimous consent means that any party with joint control of the arrangement can prevent any of the other parties, or a group of the parties, from making unilateral decisions (about the relevant activities) without its consent.

In accordance with IAS 28, associates, i.e. subject to significant influence, are companies in which Crédit Agricole Italia holds, directly or indirectly, at least 20% of the voting rights or has the power to participate in determining the financial and operating policies of the Investee, despite holding less than 20% of the voting rights, due to specific legal ties such as being party to shareholders' voting agreements. Likewise, despite holding at least a 20% equity investment, significant influence may not be exercised due to legal ties, voting agreements or other relevant elements that affect the entity's governance.

The methods used to consolidate the data of subsidiaries (line-by-line consolidation) and associates (consolidation with the equity method) are the same ones used to prepare the Annual Report and Consolidated Financial Statements as at 31 December 2023.

1. Equity investments in subsidiaries

The following table shows the equity investments included in the scope of consolidation, reporting:

- The name and headquarters;
- The type of control;
- The capital shares owned, directly or through fiduciary companies or third parties, by the parent company and by each one of its subsidiaries;
- The percentage of voting rights in the ordinary general meeting of shareholders held in total by the investor, separately setting forth actual and potential ones.

Company name	Headquarters	Type of control(1)	Equity investment		Availability Actual % of votes available(2)
			Investor	% held	
A. Companies					
Parent Company					
Crédit Agricole Italia S.p.A.	Parma, Italy				
A1. Companies consolidated on a line-item basis					
1. Crédit Agricole Leasing Italia S.r.l.	Milan, Italy	1	Crédit Agricole Italia S.p.A.	85.00%	85.00%
2. Crédit Agricole Italia OBG S.r.l.	Milan, Italy	1	Crédit Agricole Italia S.p.A.	60.00%	60.00%
3. Credit Agricole Group Solutions S.c.p.a.	Parma, Italy	1	Crédit Agricole Italia S.p.A.	97.83%	97.83%
			Crédit Agricole Leasing Italia S.r.l.	1.19%	1.19%
4. Crédit Agricole Real Estate Italia S.r.l.	Parma, Italy	1	Crédit Agricole Italia S.p.A.	100.00%	100.00%
5. Agricola Le Cicogne S.r.l.	Faenza, Italy	1	Crédit Agricole Italia S.p.A.	50.01%	50.01%
6. San Piero Immobiliare Srl in liquidation	Cesena, Italy	1	Crédit Agricole Italia S.p.A.	100.00%	100.00%
7. San Giorgio Immobiliare S.r.l. in liquidation	Cesena, Italy	1	Crédit Agricole Italia S.p.A.	100.00%	100.00%
8. Le Village by CA Parma S.r.l. Società Benefit	Parma, Italy	1	Crédit Agricole Italia S.p.A.	66.67%	66.67%
9. Stelline Real Estate S.p.A.	Sondrio, Italy	1	Crédit Agricole Italia S.p.A.	100.00%	100.00%
10. Le Village by CA Triveneto S.r.l.	Padua, Italy	1	Crédit Agricole Italia S.p.A.	51.00%	51.00%
11. Le Village by CA delle Alpi società Benefit S.r.l.	Sondrio, Italy	1	Crédit Agricole Italia S.p.A.	66.22%	66.22%
12. Le Village by CA Milano S.r.l.	Milan, Italy	1	Crédit Agricole Italia S.p.A.	51.00%	51.00%
13. Le Village by CA Sicilia S.r.l.	Catania, Italy	1	Crédit Agricole Italia S.p.A.	71.30%	71.30%

Key:

(1) Type of control:
1 = Majority of the voting rights in the General Meeting of Shareholders.
2 = dominant influence in the ordinary General Meeting of Shareholders.
3 = agreement with other shareholders.
4 = other forms of control.
5 = unitary management pursuant to Article 39, paragraph 1, of Italian Legislative Decree 136/2015.
6 = unitary management pursuant to Article 39, paragraph 2, of Italian Legislative Decree 136/2015.
7 = Joint arrangements.
8 = significant influence.

(2) Votes in the ordinary General Meeting separately setting froth actual and potential votes.

2. Joints arrangements and investees subject to significant influence

Company name	Headquarters	Type of control[1]	Equity investment		Actual % of votes available[2]
			Investor	% held	
A2. Consolidated using the equity method					
1. Fiere di Parma S.p.A.	Parma, Italy	8	Crédit Agricole Italia S.p.A.	26.42%	26.42%
2. Rajna Immobiliare S.r.l.	Sondrio, Italy	7	Crédit Agricole Italia S.p.A.	50.00%	50.00%
3. Global Broker S.p.A.	Milan, Italy	8	Crédit Agricole Italia S.p.A.	30.00%	30.00%
4. Valtellina Golf Club S.p.A.	Caiolo (SO), Italy	8	Crédit Agricole Italia S.p.A.	43.08%	43.08%
5. BDX S.p.A.	Collecchio (PR), Italy	8	Crédit Agricole Italia S.p.A.	15.00%	15.00%
6. Blank S.p.A.	Milan, Italy	8	Crédit Agricole Italia S.p.A.	49.00%	49.00%

Key:

(1) Type of control:

1 = Majority of the voting rights in the General Meeting of Shareholders.
2 = dominant influence in the ordinary General Meeting of Shareholders.
3 = agreement with other shareholders.
4 = other forms of control.
5 = unitary management pursuant to Article 39, paragraph 1, of Italian Legislative Decree 136/2015.
6 = unitary management pursuant to Article 39, paragraph 2, of Italian Legislative Decree 136/2015.
7 = Joint arrangements.
8 = significant influence.

(2) Votes in the ordinary General Meeting separately setting froth actual and potential votes.

Changes in the consolidation scope occurred in H1 2024

The main changes in the consolidation scope vs. 31 December 2023 resulted from:

- **Le Village by CA Milano S.r.l.**: on 7 February 2024, the General Meeting of the Shareholders of Le Village by CA Milano S.r.l. resolved a share capital increase of a total of 1.2 million Euros; this determined a change in the shareholding structure quote subsequent to which now Crédit Agricole Italia S.p.A. holds 51% vs. 38.9% as at 31 December 2023. Therefore, effective as of 2024 the company Le Village by CA Milano S.r.l. has been reclassified from an equity investment in an investee subject to significant influence to an equity investment in a subsidiary.
- **Le Village by CA Sicilia S.r.l.**: On 17 April 2024 the company Le Village by CA Sicilia S.r.l. was incorporated, with headquarters in Catania, a subsidiary of Crédit Agricole Italia S.p.A., which subscribed 71.3% of its share capital.

3. Equity investments in subsidiaries with significant minority interests

3.1 MINORITY INTERESTS, AVAILABILITY OF MINORITY INTEREST VOTES AND DIVIDENDS DISTRIBUTED TO MINORITY INTERESTS

Company name	% minority interests	% of votes available to minority interests	Dividends distributed to minority interests
1. Crédit Agricole Leasing Italia S.r.l.	15.00%	15.00%	–

Section 4 – Events occurred after the reporting date

No events occurred in the time between reporting date of 30 June 2024 and the date on which the management body approved the Half-yearly Condensed Consolidated Financial Statements, no events occurred that may generate impacts on the stated financial situation and profit or loss as at 30 June 2024.

Section 5 – Other aspects

OTHER INFORMATION

Impairment test - Estimate of possible impairment of intangible assets with indefinite useful life (Goodwill)

In accordance with IAS 36, all intangible assets with indefinite useful life shall be tested for impairment at least annually, in order to verify that their carrying amount is not higher than their recoverable amount. Furthermore, the standard rules that the results of the annual test may be considered valid for subsequent measurements, as long as the likelihood that the recoverable amount of the intangible assets would be less than their carrying amount is remote.

That judgement may be based on the analysis of events that have occurred and of the circumstances that have changed since the most recent annual impairment test.

In accordance with the standard, Crédit Agricole Italia S.p.A. has chosen to test its intangible assets with indefinite useful life for impairment as at 31 December of every year: the outcome of the tests may be considered valid for the following interim financial reporting, unless such evidence is found as to require that an impairment test be carried out earlier in order to verify the recoverable amount of those intangible assets with indefinite useful life.

In accordance with IAS 36, in H1 it was assessed whether any indications of impairment existed, such as to question the recoverability of the assets' carrying amounts. The assessment of any potential impairment triggers (internal and external) was based on the evolution occurred in the half year in all the factors that are relevant to the measurement of the recoverable amount of the goodwill generated by the acquisitions of Crédit Agricole FriulAdria, of 180 Crédit Agricole Italia branches and of 29 Crédit Agricole FriulAdria branches (made in 2007), of 81 Crédit Agricole Italia branches and of 15 Crédit Agricole FriulAdria branches (made in 2011) and of Crédit Agricole Carispezia (made in 2011), the goodwill paid for within the aforementioned transactions has been fully allocated to the Retail and Private banking CGU for an amount of Euro 1,316 million.

The results of the assessment of potential impairment triggers did not show any need for a new impairment test.

PILLAR II – GLOBE

The new international tax rules laid down by the OECD in order to impose a top-up tax on profits of large multinational enterprises when the effective tax rate (ETR) in force in a jurisdiction in which they are based is below 15% entered into force on 1 January 2024.

Therefore, 2024 is the first reporting period to which these rules shall apply.

In accordance with the related EU Directive adopted at the end of 2022 (Directive (EU) 2022/2523) and transposed in the EU Member States (in Italy with Legislative Decree no. 209 of 27 December 2023), the Group estimated the GloBE top-up tax for H1 2024.

Considering the immaterial results of that estimate, the Group has not recognized any GloBE top-up tax as at 30 June 2024.

Furthermore, in compliance with the amendments to IAS 12, published on 23 May 2023 by the IASB and endorsed by the European Union on 8 November 2023, the Group has applied the mandatory temporary exception to the accounting for deferred taxes arising from the implementation of the GloBE rules.

PURCHASE OF TAX CREDITS – ECOBONUS

Within the measures deployed by the Italian Government to support the economy, Decree Law no. 34/2020 (known as "Relaunch" Decree) gives the possibility to deduct certain types of expenses as tax credits. Under the "Ecobonus" and "Sismabonus" schemes, as well as under other incentive schemes for building works, the incentive may be obtained also as a rebate in the price due to the vendor with the related tax credit transferred to the vendor.

The Crédit Agricole Italia Banking Group rolled out the service for the purchase of tax credits from Customers and, in accordance with the instructions given by the Bank of Italy/CONSOB/IVASS Work Group on the application of the IAS/IFRS to this scope, implemented a specific accounting policy. The policy provides for the recognition of purchased tax credits as assets in the Balance Sheet, under item 130 "Other assets", with initial recognition at fair value, equal to the purchase price paid to the Customers. For the tax credits, the Crédit Agricole Italia Group has also adopted the Business Models given below:

- "Hold to collect", whereby the Crédit Agricole Italia Group recognizes the tax credits that were purchased to be held in order to be offset in the future.
- "Hold to collect and sell", with first-time adoption as of 2023, whereby the Crédit Agricole Italia Group recognizes tax credits purchased in order to be offset in the future or to be sold. To date, under this Business model, the Bank has entered into contracts for the sale of tax credits for Euro 466.7 million over five years (of which sales for about Euro 43 million made in 2023 and Euro 86 million in H1 2024).

As at 30 June 2024 the reported balance of purchased tax credits, recognized under item "Other assets", came to Euro 1,736 million (of which Euro 812 million under the HTC business mode and Euro 924 million under the HTCS one).

It is pointed out that the recent developments in the applicable legislation introduced with Italian Decree-Law 39/2024, converted into Law no. 67/2024, have established that, effective as of 1 January 2025, Banks and companies belonging to banking groups shall no longer be entitled to offset Ecobonus tax credits from transfers and rebates on the invoices price against social security contributions due and premiums of insurance policies covering occupational accidents and diseases, irrespective of when the credit arose. The infringement of this provision shall determine, against any entities infringing it, the recovery of the credit unlawfully offset and the related interest, as well as the imposition of a civil tax penalty.

In this regard, it is confirmed that said development does not generate any impacts on the financial statements of Credit Agricole Italia S.p.A.

The aforementioned Decree also provides for, in case of purchase of credits usable over four/five years at prices lower than 75% of their nominal value, a different period for the recovery of the purchased credits vs, the original ones. This provision also does not generate any effect for the Bank.

Option for the Italian domestic tax consolidation scheme

In March 2016, the national tax consolidation scheme was adopted, with effects since the 2015 tax period, by the Crédit Agricole Group in Italy; such scheme was introduced with Article 6 of Italian Legislative Decree No. 147 of 14 September 2015, according to which also the Italian "sister" companies, whose controlling Company is resident in an EU Member State, may exercise the option for consolidated taxation.

Initially, 18 Companies of the Group opted to join the tax consolidation scheme and, having been designated by Crédit Agricole S.A., Crédit Agricole Italia S.p.A. has undertaken the role of Consolidating Entity. Taking into account the new entities that joined the scheme in previous years and those that were terminated, as at 30 June 2022, the tax consolidation scheme consisted of 23 entities.

This regime provides for the consolidated companies to transfer their taxable income (or their tax loss), as regards the Italian corporate income tax (IRES), to the consolidating Entity Crédit Agricole Italia S.p.A., which calculates a single taxable income or a single tax loss for the Group, as the algebraic sum of the income and/or losses of the single Companies, and recognizes a single tax account payable to or receivable from the Italian Inland Revenue Agency.

As balancing item of taxes/lower taxes for tax losses and Allowance for Corporate Equity (ACE) benefits to be transferred to the consolidation scheme or withholdings, detractions and the like, the companies in the consolidation scheme recognize due and payables/receivables from the consolidating entity.

In its separate Financial Statements, the Consolidating Entity recognizes matching items of due and payables to/receivables from the entities in the consolidation scheme.

Specifically, the intra-group balances resulting from the tax consolidation scheme are recognized in the items:

- "Financial assets measured at amortized cost - due from banks", or "Financial assets measured at amortized cost - loans to customers", in accordance with the kind of counterparty, for estimating the corporate income tax (IRES) transferred by the member entities to the tax consolidation scheme;
- "Financial liabilities measured at amortized cost - due to banks", or "Financial liabilities measured at amortized cost - due to customers", in accordance with the kind of counterparty, for the transfer of tax losses or ACE benefits by the member entities to the tax consolidation scheme.

Lastly, the tax consolidation scheme's tax account payable to or receivable from the Italian Inland Revenue Agency is recognized under current tax liabilities or assets based on whether the IRES payable amount is higher or lower than the down-payments made.

Option for the VAT Group

In November 2018, the option for a VAT Group scheme pursuant to Article 1 paragraph 24 of Italian Law no. 232 of 11 December 2016 was exercised, with effects as of 1 January 2019; the VAT Group includes the subsidiaries of Crédit Agricole Italia S.p.A. having, at the same time, financial, economic and organisational links in force between them, as provided for by Italian Ministerial Decree of 6 April 2018 and by Circular no. 19/2018.

Crédit Agricole Italia S.p.A. is the Group's Representative Member. Subsequent to some mergers by absorption finalized in previous years and to the closure of other entities, the perimeter of the VAT Group, initially of 15 entities, consisted of 10 entities of the Group as at 3o June 2023. Thanks to this scheme, the member entities operate, for VAT purposes, as a single taxable person in their transactions with external companies, with a single VAT registration number. The main advantage generated by the exercise of this option is that, in general, the transactions between the Group member entities are not subject to VAT.

Corporate Sustainability Reporting Directive (CSRD)

Subsequent to the entry into force of the *Corporate Sustainability Reporting Directive* (CSRD), the Crédit Agricole Italia Group shall present its sustainability report as of the 2024 financial year in compliance with the *European Sustainability Reporting Standards* (ESRS). The sustainability report will replace the Consolidated Non-Financial Statement (NFS).

Amongst the main developments brought about by the CSRD worth mentioning are:

- The obligation to consider sustainability material topics based on a double materiality assessment and to consider also the contribution along the value chain upstream (suppliers, providers and employees) and downstream (customers);
- The obligation to have sustainability reporting undergo statutory audit, initially with a limited assurance engagement;
- The obligation lying with the Manager in Charge of financial reporting or another Manager having specific skills and expertise in sustainability reporting to certify the sustainability report's compliance with the ESRS, in accordance with the specifications adopted under Taxonomy Regulation 2020/852.

It is pointed out that, as at 30 June 2024, the regulatory framework was not yet complete, as the transposition in the Italian law of the CSRD was still underway.

Sustainability reporting is strongly innovative and is a tool for positioning on ESG topics, as it shall contain information on the strategy, policies, action plans, measurement metrics, goals and progress achieved in the various initiatives in the environmental, social and conduct-related scopes.

The Group has already started to identify the information to be reported in the three scopes based on the double materiality assessment (DMA), assessing the impact of the bank's operations on people and on the external environment (*Impact Materiality*) and the weight of sustainability matters on its business situation and performances (Financial Materiality) and has adopted a specific policy that sets out the related methods, procedures, roles and responsibilities in accordance with the guidelines given by the Crédit Agricole Group.

The DMA is core in the Sustainability Reporting process, as it aims at identifying the "material" topics to be reported. Therefore, the DMA is the starting point to prepare the reports in compliance with the CSRD, as it defines the related perimeter and depth. These are the reasons why the Group has decided to set an objective DMA process that is compliant with pre-determined methods and approaches.

Based on the DMA outcomes, the material topics for the Bank's positioning are identified. Therefore, the Group will have to make strategic considerations and to assess the adoption of policies or the enhancement of already adopted policies, of action plans, short-, medium- and long-term targets, and of monitoring systems for the implementation of its ESG initiatives. A sustainability-related policy will have to define the Group's ambition level, connecting it to the to the material impacts, risks and opportunities; to state its scope of application taking into account also the value chain components, to define the qualitative and quantitative targets; to design its action plans; to clearly identify the application of responsible governance.

It is pointed out that the DMA will be made again and fine-tuned by the end of 2024, extending the number of the corporate functions involved. The Group intends to align its set of policies associated with ESG matters in accordance with the logics given above in H2 2024.

STATUTORY AUDIT OF THE ACCOUNTS

The statutory audit of the accounts of the Crédit Agricole Italia Banking Group is assigned to an independent audit firm that carries out the activities provided for by Article 14, paragraph 1 of Italian Legislative Decree No. 39 of 27 January 2010.

The statutory audit of the accounts has been assigned to the firm PricewaterhouseCoopers S.p.A. for the 2021-2029 period.

The Half-yearly report and condensed consolidated financial statements for H1 2024 were subject to limited review by the aforementioned audit firm.

FAIR VALUE REPORTING

QUALITATIVE DISCLOSURES

CLASSIFICATION OF FINANCIAL INSTRUMENTS AND OF NON-FINANCIAL ASSETS/ LIABILITIES

Reporting on the *fair value* hierarchy as required by IFRS 13 applies to financial instruments and to non-financial assets/liabilities that are measured at *fair value* (irrespectively of whether they are so measured on a recurring or non-recurring basis).

The standard classifies fair value into three different levels based on the observability of the inputs used for its measurement:

- **Level 1**: *Fair value* equal to quoted prices (with no adjustments) in active markets. Level 1 includes financial instruments that are quoted on active markets.
  Specifically, these financial instruments are stocks and bonds quoted in active markets, investment schemes quoted in active markets (EFT) and derivatives traded in regulated markets.
  Markets are considered active if the quotations are easily and regularly available on the stock exchange, from brokers, intermediaries, price quotation services or regulatory agencies and these prices represent actual transactions that are regularly carried out in the market on an arm's length basis.
- **Level 2**: *Fair value* determined using measurement models that are based on observable or indirectly observable market inputs (for example determining the yield curve based on interest rates that are directly observable on the market at a given reference date). Level 2 includes:
  - Stocks and bonds that are quoted on markets considered not active or that are not quoted on an active market, but whose fair value is determined using a measurement model based on observable or indirectly observable inputs;
  - Financial instruments whose fair value is determined with measurement models using observable market inputs.
- **Level 3**: *Fair value* determined, to a significant extent, using inputs that do not meet the set observability requirements. The fair value of some complex instruments that are not traded in active markets is determined with measurement techniques based on inputs that are not observable on the market or using the measurement communicated by qualified market players. They are mainly complex interest rate instruments, stock derivatives and structured loans, where the measured correlation or volatility inputs are not directly comparable to market inputs.

Fair value levels 2 and 3: measurement techniques and inputs used

Level 2: this level includes all financial instruments for which there is no active market, but whose measurement is based on observable market inputs. Therefore, measurement models that refer to observable market inputs have been set.

Specifically, fixed-rate bonds relating to financial assets or liabilities are measured using the discounted cash flow method pursuant to the security contractual scheme; floating-rate bonds are measured by discounting back future cash flows estimated on the basis of the forward rates with the application of index-linking parameter.

Derivative contracts are measured using specific calculation algorithms according to the type of the different categories of transactions. The adopted approaches are the ones normally used in the market for those derivative instruments, which are mainly plain vanilla ones.

Level 3: this level includes all financial instruments for which there is no active market and whose measurement is not based on observable market inputs or using the measurement communicated by qualified market players.

Credit Valuation Adjustment (CVA) and Debit Valuation Adjustment (DVA)

In accordance with the IFRS 13 regulatory framework, derivatives shall be priced based on market factors, as well as on the possible effects of the risk of the counterparty's default, which comprises the risk associated to the counterparty's creditworthiness, by calculating the Credit Valuation Adjustment (CVA) and the Debit Valuation Adjustment (DVA).

CVA is the value adjustment of an OTC derivative contract entered into by the Bank with an external counterparty, which reflects the possible loss resulting from the worsening of the creditworthiness/default of the counterparty. In a mirror-like way, the DVA expresses the CVA from the external counterparty's standpoint and consists in an adjustment of the derivative fair value based on the change in the creditworthiness of the Bank.

Based on the above, the value of a portfolio of OTC derivatives that are in force with a market counterparty is equal to the value of the same *risk-free* portfolio less the CVA plus the DVA.

As provided for by IFRS13, in certain conditions, risk mitigation tools may be used, such as ISDA master agreements and Credit Support Annexes (CSA). By signing ISDA Master Agreements, which are framework agreements that amount to the reference international standard on OTC derivatives, the Bank can calculate the CVA and DVA by netting set or by counterparty, after assessing the netting effect potentially resulting from such Agreements, rather than calculating it by single derivative. Much in the same way, risks can be mitigated by finalizing Credit Support Annexes (CSA), which are attached to the ISDA Mater Agreement and provide for the deposit with the creditor of an amount equal to the mark-to-market value of the exposure as collateral. Such collateral allows the present exposure and the consequent risk to be reduced and must be periodically reviewed in order to verify its consistency.

In accordance with IFRS 13, the Crédit Agricole Italia Banking Group has adopted a model implemented by its French Parent Company Crédit Agricole SA; in addition to the effects of any changes in the counterparty's creditworthiness (Credit Valuation Adjustment – CVA), this model also expresses any changes in the Group's creditworthiness (Debit Value Adjustment – DVA).

In accordance with the model, the calculation of the CVA depends on the exposure, on the probability of default (PD) and on the Loss Given Default (LGD) of the counterparties. This model provides for the use of a forward-looking PD as a function of the type of counterparty, to which a credit default swap (CDS) spread or a CDS proxy is assigned. For this purpose, external counterparties are classified into three categories:

- The first category includes the counterparties for which CDS input parameters are directly observable in the market;
- The second category includes counterparties for which there is no official quoted parameter, but to which a CDS proxy can be assigned, based on the observable market value that is given to counterparties with the same characteristics in terms of economic activity sector, rating and geographical area;
- The third category includes the counterparties to which a proxy cannot be assigned and for which, therefore, historical data are used.

On the other hand, the DVA calculation depends on the Bank's exposure, probability of default (PD) and Loss Given Default (LGD) and this measure expresses the potential earnings from the change in the market prices of the relevant derivative, due to the worsening of the creditworthiness/default of the Bank. In this case, a PD is used.

As at 30 June 2024, the CVA value for the Crédit Agricole Italia Banking Group, calculated in accordance with the method reported above, was Euro -1.32 million.

Similarly, as at 30 June 2024, the DVA value was Euro +1.31 million.

The difference between the CVA and DVA amounts as calculated (equal to Euro -0.01 million for the Group), net of the same component already recognized as at 31 December 2023 (equal to Euro -0.30 million), is a negative income component.

Processes and sensitivity of measurement

The Finance Department of Crédit Agricole Italia S.p.A. is responsible for defining the fair value levels of the financial instruments recognized. Choosing between the above methods is not an option, since they shall be applied in a hierarchical order: absolute priority is given to official prices that are available on active markets for assets and liabilities to be measured (Level 1) or for assets and liabilities that are measured using techniques based on parameters that are observable on the market (Level 2); lower priority is given to assets and liabilities whose fair value is determined based on measurement techniques referring to parameters that are unobservable on the market and, thus, more discretionary (Level 3).

IFRS 13 also requires that, for recurring fair value measurements classified as Level 3 of the fair value hierarchy, a narrative description be given of the sensitivity of the fair value measurement to changes in unobservable inputs, if a change in those inputs could result in a significantly higher or lower fair value measurement.

Indeed, unobservable inputs that can affect the measurement of financial instruments classified as Level 3 mainly consist in estimates and assumptions underlying the models used to measure investments in equity securities and OTC derivatives. For these investments no quantitative sensitivity analysis of the fair value based on the change in unobservable inputs was carried out, since either the fair value was obtained from third-party sources making adjustments mainly linked to their liquidity, or resulted from a model whose inputs are specific for the entity being measured (for example the company equity values) and for which alternative values cannot be reasonably assumed.

Reference is made to the breakdown analysis of the composition of these cases, which is reported in the next section on quantitative disclosures.

Fair value hierarchy

For the assets and liabilities recognized, the Finance Department assesses whether transfers between fair value levels have occurred and reviews the fair value categorization at each reporting date.

The Finance Department moves financial instruments from Level 1 to Level 2 only in case of financial instruments that are quoted in a regulated but not active market and that can be measured using the Group's internal standard pricing models. The Finance Department makes transfers to Level 3 only for financial instruments that are no longer listed in a regulated market and that cannot be measured using standard internal pricing models of the Group.

Transfers between portfolios

This case does not apply.

Other information

The cases provided for by IFRS 13 at paragraphs 51, 93 item (i) and 96 did not apply to the Group.

QUANTITATIVE DISCLOSURES

FAIR VALUE HIERARCHY

Assets and liabilities measured at fair value on a recurring basis: breakdown by fair value level

Financial assets/liabilities measured at fair value	30 June 2024			31 Dec. 2023		
	L1	L2	L3	L1	L2	L3
1. Financial assets measured at fair value through profit or loss	79	160,409	144,732	103	198,400	153,014
a) financial assets held for trading	79	160,409	-	90	198,400	1
b) financial assets designated at fair value	-	-	-	-	-	-
c) other financial assets mandatorily measured at fair value	-	-	144,732	13	-	153,013
2. Financial assets measured at fair value through other comprehensive income	3,025,054	211,271	42,013	3,615,360	211,271	42,099
3. Hedging derivatives	-	829,362	21	-	863,622	25
4. Property, Plant and Equipment	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-
Total	**3,025,133**	**1,201,042**	**186,766**	**3,615,463**	**1,273,293**	**195,138**
1. Financial liabilities held for trading	-	160,105	-	-	198,241	-
2. Financial liabilities designated at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	2,172,170	-	-	2,061,837	77,703
Total	**-**	**2,332,275**	**-**	**-**	**2,260,078**	**77,703**

Key:
L1 = Level 1
L2 = Level 2
L3 = Level 3

Changes for the year in assets measured at fair value on a recurring basis (level 3)

	Financial assets measured at fair value through profit or loss				Financial assets measured at fair value through other comprehensive income	Hedging derivatives	Property, plant and equipment	Intangible Assets
	Total	Of which: a) financial assets held for trading	Of which b) financial assets designated at fair value	Of which c) other financial assets mandatorily measured at fair value				
1. Opening balance	**153,014**	**1**	**-**	**153,013**	**42,099**	**25**		**-**
2. Increases	**9,612**	**2**	**-**	**9,610**	**836**	**-**	**-**	**-**
2.1 Purchases	6,115	-	-	6,115	301	-	-	-
2.2 Profits recognized in:	3,377	2	-	3,375	535	-	-	-
2.2.1 Income Statement	3,377	2	-	3,375	-	-	-	-
- o/w: capital gains	-	-	-	-	-	-	-	-
2.2.2 Equity	-	X	X	-	535	-	-	-
2.3 Transfers from other levels	-	-	-	-	-	-	-	-
2.4 Other increases	120	-	-	120	-	-	-	-
3. Decreases	**17,894**	**3**	**-**	**17,891**	**922**	**4**	**-**	**-**
3.1 Sales	9,698	2	-	9,696	430	-		-
3.2 Repayments	-	-	-	-	80	-	-	-
3.3 Losses recognized in:	8,073	-	-	8,073	412	4	-	-
3.3.1 Income Statement	8,073	-	-	8,073	-	4	-	-
- o/w capital losses	8,073	-	-	8,073	-	-	-	-
3.3.2 Equity	-	X	X	-	412	-	-	-
3.4 Transfers to other levels	-	-	-	-	-	-	-	-
3.5 Other decreases	123	1	-	122	-	-	-	-
4. Closing balance	**144,732**	**-**	**-**	**144,732**	**42,013**	**21**	**-**	**-**

Changes for the year in liabilities measured at fair value on a recurring basis (level 3)

	Financial liabilities held for trading	Financial liabilities designated at fair value	Hedging derivatives
1. Opening balance	**-**	**-**	**77,703**
2. Increases	**-**	**-**	**-**
2.1 Issues	-	-	-
2.2 Losses recognized in:	-	-	-
2.2.1 Income Statement	-	-	-
- of which Capital losses	-	-	-
2.2.2 Equity	X	-	-
2.3 Transfers from other levels	-	-	-
2.4 Other increases	-	-	-
3. Decreases	**-**	**-**	**77,703**
3.1 Repayments	-	-	77,703
3.2 Repurchases	-	-	-
3.3 Profits recognized in:	-	-	-
3.3.1 Income Statement	-	-	-
- of which Capital gains	-	-	-
3.3.2 Equity	X	-	-
3.4 Transfers to other levels	-	-	-
3.5 Other decreases	-	-	-
4. Closing balance	**-**	**-**	**-**

Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by fair value level

Assets/liabilities not measured at fair value or measured at fair value on a non-recurring basis	30 June 2024				31 Dec. 2023			
	BV	L1	L2	L3	BV	L1	L2	L3
1. Financial assets measured at amortized cost	72,925,708	4,485,309	3,781,705	64,339,203	71,765,202	4,645,549	2,331,597	62,458,213
2. Investment property	149,753	-	-	179,768	153,756	-	-	183,896
3. Non-current assets held for sale and discontinued operations	9,104	-	-	9,500	9,104	-	-	9,500
Total	**73,084,565**	**4,485,309**	**3,781,705**	**64,528,471**	**71,928,062**	**4,645,549**	**2,331,597**	**62,651,609**
1. Financial liabilities measured at amortized cost	79,493,735	-	76,192,206	3,348,449	81,770,827	-	78,017,108	3,658,739
2. Liabilities associated with non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-	-
Total	**79,493,735**	**-**	**76,192,206**	**3,348,449**	**81,770,827**	**-**	**78,017,108**	**3,658,739**

Key:
BV = Book value
L1 = Level 1
L2 = Level 2
L3 = Level 3

REPORTING ON “DAY ONE PROFIT/LOSS”

Paragraph 28 of IFRS 7 governs the specific situation where, in case of purchase of a financial instrument that is measured at fair value but not listed on an active market, the transaction price, which generally is equal to the fair value best estimate upon initial recognition, is different from the fair value determined based on the measurement techniques used by the entity.

In this case, a measurement profit/loss is realized upon acquisition, which shall be adequately reported by financial instrument class.

It is pointed out that this case does not apply to the Group Consolidated Financial Statements.

PART B – INFORMATION ON THE CONSOLIDATED BALANCE SHEET

Reclassified Consolidated Balance Sheet

Assets	30 June 2024	31 Dec. 2023(*)	Changes	
			Absolute	%
Net financial assets/liabilities at fair value	145,115	153,276	-8,161	-5.3
Financial assets measured at fair value through other comprehensive income	3,278,338	3,868,730	-590,392	-15.3
Net due from banks	1,798,783	-2,957,086	4,755,869	
Loans to Customers	69,140,443	69,433,503	-293,060	-0.4
Equity investments	29,360	25,803	3,557	13.8
Property, plant and equipment and intangible assets	2,684,699	2,739,227	-54,528	-2.0
Tax assets	1,670,286	2,029,131	-358,845	-17.7
Other assets	11,024,917	13,442,808	-2,417,891	-18.0
Total assets	**89,771,941**	**88,735,392**	**1,036,549**	**1.2**

Liabilities	30 June 2024	31 Dec. 2023(*)	Changes	
			Absolute	%
Funding from Customers	77,199,071	76,160,617	1,038,454	1.4
Tax liabilities	193,031	278,173	-85,142	-30.6
Other liabilities	3,785,374	3,592,135	193,239	5.4
Specific-purpose provisions	612,732	674,771	-62,039	-9.2
Capital	1,102,071	1,102,071	-	-
Equity instruments	740,000	815,000	-75,000	-9.2
Reserves (net of treasury shares)	5,740,588	5,438,977	301,611	5.5
Valuation reserves	-71,961	-59,504	12,457	20.9
Equity attributable to minority interests	26,652	24,967	1,685	6.7
Profit (Loss) for the period	444,383	708,185	-263,802	-37.3
Total equity and net liabilities	**89,771,941**	**88,735,392**	**1,036,549**	**1.2**

(*) The 2023 figures of “Net due from banks” were reclassified to be comparable with 2024 figures.

Reconciliation of the balance sheet and reclassified balance sheet

The balance sheet layout presented below has been reclassified in accordance with management criteria, in order to provide information on the general performance of the Group's operations in a timely manner based on profit or loss and financial data that can be determined quickly and easily.

Said financial statements have been built starting from the financial statement layouts provided for by the Bank of Italy's Circular no. 262/2005 as updated, in accordance with the same aggregation and classification methods as used to prepare the consolidated financial statements as at 31 December 2023.

Assets	30 June 2024	31 Dec. 2023(*)
Net financial assets/liabilities at fair value	**145,115**	**153,276**
20 a. Financial assets held for trading	160,488	198,491
20 c. Financial assets mandatorily measured at fair value	144,732	153,026
20. Financial liabilities held for trading	-160,105	-198,241
Financial assets measured at fair value through other comprehensive income	**3,278,338**	**3,868,730**
30. Financial assets measured at fair value through other comprehensive income	3,278,338	3,868,730
Net due from banks	**1,798,783**	**-2,957,086**
40 a. Due from banks	3,785,265	2,331,699
10 a. Due to banks	-1,987,960	-5,290,239
To deduct: Lease liabilities	1,478	1,454
Loans to Customers	**69,140,443**	**69,433,503**
40 b. Loans to Customers	69,140,443	69,433,503
Equity investments	**29,360**	**25,803**
70. Equity investments	29,360	25,803
Property, plant and equipment and intangible assets	**2,684,699**	**2,739,227**
90. Property, Plant and Equipment	1,119,614	1,155,920
100. Intangible assets	1,565,085	1,583,307
Tax assets	**1,670,286**	**2,029,131**
110. Tax assets	1,670,286	2,029,131
Other assets	**11,024,917**	**13,442,808**
10. Cash and cash equivalents	8,000,642	10,383,650
130. Other assets	2,603,418	2,515,010
50. Hedging derivatives (Assets)	829,383	863,647
60. Fair value change of financial assets in macro-hedge portfolios	-417,630	-328,603
120. Non-current assets held for sale and discontinued operations	9,104	9,104
Total assets	**89,771,941**	**88,735,392**

(*) The 2023 figures of "Net due from banks" were reclassified to be comparable with 2024 figures.

Liabilities	30 June 2024	31 Dec. 2023(*)
Funding from Customers	**77,199,071**	**76,160,617**
10 b. Due to Customers	61,401,262	61,888,930
To deduct: Lease liabilities	-306,704	-319,971
10 c. Debt securities issued	16,104,513	14,591,658
Tax liabilities	193,031	278,173
60. Tax liabilities	193,031	278,173
Other liabilities	3,785,374	3,592,135
10 a. Due to banks: of which lease liabilities	1,478	1,454
10 b. Due to customers: of which lease liabilities	306,704	319,971
40. Hedging derivatives (Liabilities)	2,172,170	2,139,540
50. Fair value change of financial liabilities in macro-hedge portfolios	-939,846	-791,351
80. Other liabilities	2,244,868	1,922,521
Specific-purpose provisions	**612,732**	**674,771**
90. Employee severance benefits	85,284	90,428
100. Provisions for risks and charges	527,448	584,343
Capital	**1,102,071**	**1,102,071**
170. Capital	1,102,071	1,102,071
Equity instruments	**740,000**	**815,000**
140. Equity instruments	740,000	815,000
Reserves (net of treasury shares)	**5,740,588**	**5,438,977**
150. Reserves	2,245,216	1,943,605
160. Share premium reserve	3,495,378	3,495,378
180. Treasury shares (+/-)	-6	-6
Valuation reserves	**-71,961**	**-59,504**
120. Valuation reserves	-71,961	-59,504
Minority interests	**26,652**	**24,967**
190. Minority interests	26,652	24,967
Profit (Loss) for the period	**444,383**	**708,185**
200. Profit (loss) for the period	444,383	708,185
Total liabilities and equity	**89,771,941**	**88,735,392**

(*) The 2023 figures of "Net due from banks" were reclassified to be comparable with 2024 figures.

The tables below breaking down the main balance sheet aggregates are consistent with the reclassified layouts represented above.

Due from and due to banks

Financial assets measured at amortized cost: breakdown by type of due from banks

Type of transactions/Values	30 June 2024						31 Dec. 2023					
	Book value			Fair value			Book value			Fair value		
	Stage 1 and 2	Stage 3	POCI assets	L1	L2	L3	Stage 1 and 2	Stage 3	POCI assets	L1	L2	L3
A. Claims on Central Banks	**677,577**	**-**	**-**	**-**	**677,577**	**-**	**661,846**	**-**	**-**	**-**	**661,846**	**-**
1. Time deposits	-	-	-	X	X	X	-	-	-	X	X	X
2. Reserve requirement	644,725	-	-	X	X	X	628,994	-	-	X	X	X
3. Repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
4. Other	32,852	-	-	X	X	X	32,852	-	-	X	X	X
B. Due from Banks	**3,107,318**	**370**	**-**	**-**	**3,107,588**	**100**	**1,669,475**	**378**	**-**	**-**	**1,669,751**	**102**
1. Loans	3,107,218	370	-	-	3,107,588	-	1,669,375	378	-	-	1,669,751	2
1.1 Current accounts	-	-	-	X	X	X	-	-	-	X	X	X
1.2 Time deposits	329,661	-	-	X	X	X	3,069	-	-	X	X	X
1.3 Other loans:	2,777,557	370	-	X	X	X	1,666,306	378	-	X	X	X
- Repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
- Loans for leases	-	-	-	X	X	X	-	-	-	X	X	X
- Other	2,777,557	370	-	X	X	X	1,666,306	378	-	X	X	X
2. Debt securities	100	-	-	-	-	100	100	-	-	-	-	100
2.1 Structured Securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	100	-	-	-	-	100	100	-	-	-	-	100
Total	**3,784,895**	**370**	**-**	**-**	**3,785,165**	**100**	**2,331,321**	**378**	**-**	**-**	**2,331,597**	

Financial liabilities measured at amortized cost: breakdown by type of due to Banks

Type of transactions/ Values	30 June 2024				31 Dec. 2023			
	BV	Fair value			BV	Fair value		
		L1	L2	L3		L1	L2	L3
1. Due to Central Banks	**-**	**X**	**X**	**X**	**3,577,560**	**X**	**X**	**X**
2. Due to banks	**1,987,960**	**X**	**X**	**X**	**1,712,679**	**X**	**X**	**X**
2.1 Current accounts and demand deposits	37,301	X	X	X	39,263	X	X	X
2.2 Time deposits	413,849	X	X	X	104,527	X	X	X
2.3 Loans	1,526,449	X	X	X	1,554,000	X	X	X
2.3.1 Repurchase agreements for funding purposes	-	X	X	X	-	X	X	X
2.3.2 Other	1,526,449	X	X	X	1,554,000	X	X	X
2.4 Liabilities for commitments to repurchase own equity instruments	-	X	X	X	-	X	X	X
2.5 Lease liabilities	1,478	X	X	X	1,454	X	X	X
2.6 Other due and payables	8,883	X	X	X	13,435	X	X	X
Total	**1,987,960**		**1,987,960**		**5,290,239**	**-**	**5,290,239**	**-**

Loans to Customers

Items	30 June 2024	31 Dec. 2023	Changes	
			Absolute	%
- Current accounts	2,619,999	2,938,288	-318,289	-10.8
- Mortgage loans	42,193,129	42,239,669	-46,540	-0.1
- Invoice financing and credit facilities	18,196,252	17,788,841	407,411	2.3
- Non-performing loans	940,683	1,052,674	-111,991	-10.6
Loans to Customers	**63,950,063**	**64,019,472**	**-69,409**	**-0.1**
Securities measured at amortized cost	5,190,380	5,414,031	-223,651	-4.1
	69,140,443	**69,433,503**	**-293,060**	**-0.4**

Loans to customers: loan quality

Items	30 June 2024				31 Dec. 2023			
	Gross exposure	Total adjustments	Net exposure	% coverage	Gross exposure	Total adjustments	Net exposure	% coverage
Bad loans	557,090	410,926	146,164	73.8%	600,108	461,278	138,830	76.9%
Unlikely to Pay	1,398,872	612,435	786,437	43.8%	1,519,162	617,786	901,376	40.7%
- Past-due/overlimit loans	13,729	5,647	8,082	41.1%	19,269	6,801	12,468	35.3%
Non-performing loans	**1,969,691**	**1,029,008**	**940,683**	**52.2%**	**2,138,538**	**1,085,865**	**1,052,674**	**50.8%**
Performing loans - stage 2	7,396,034	330,131	7,065,903	4.5%	7,768,257	334,899	7,433,358	4.3%
Performing loans - stage 1	56,016,257	72,780	55,943,477	0.1%	55,607,443	74,003	55,533,440	0.1%
Performing loans	**63,412,291**	**402,911**	**63,009,380**	**0.64%**	**63,375,700**	**408,902**	**62,966,798**	**0.65%**
Loans to Customers	**65,381,982**	**1,431,919**	**63,950,063**	**2.2%**	**65,514,238**	**1,494,767**	**64,019,472**	**2.3%**
Securities at amortized cost	**5,202,507**	**12,127**	**5,190,380**	**0.2%**	**5,426,766**	**12,735**	**5,414,031**	**0.2%**
Total Loans to Customers	**70,584,489**	**1,444,046**	**69,140,443**	**2.0%**	**70,941,004**	**1,507,502**	**69,433,503**	**2.1%**

Funding from Customers

Items	30 June 2024	31 Dec. 2023	Changes	
			Absolute	%
- Deposits	3,116,072	3,537,774	-421,702	-11.9
- Current and other accounts	57,383,389	57,338,336	45,053	0.1
- Other items	595,097	692,849	-97,752	-14.1
Due to Customers	**61,094,558**	**61,568,959**	**-474,401**	**-0.8**
Debt securities issued	16,104,513	14,591,658	1,512,855	10.4
Total direct funding	**77,199,071**	**76,160,617**	**1,038,454**	**1.4**
Indirect funding	**95,750,080**	**92,888,389**	**2,861,691**	**3.1**
Total funding	**172,949,151**	**169,049,006**	**3,900,145**	**2.3**

Indirect funding

	30 June 2024	31 Dec. 2023	Changes	
			Absolute	%
- Wealth management	24,329,966	23,100,478	1,229,488	5.3
- Insurance products	26,992,023	26,927,778	64,245	0.2
Total assets under management	**51,321,989**	**50,028,256**	**1,293,733**	**2.6**
Assets under administration	**44,428,091**	**42,860,133**	**1,567,958**	**3.7**
Indirect funding	**95,750,080**	**92,888,389**	**2,861,691**	**3.1**

Financial assets and liabilities measured at fair value

	30 June 2024	31 Dec. 2023	Changes	
			Absolute	%
Financial assets and liabilities measured at fair value through profit or loss				
- Debt securities	849	1,434	-585	-40.8
- Equity securities and units of collective investment undertakings	143,962	151,682	-7,720	-5.1
- Derivative financial instruments with positive FV	160,409	198,401	-37,992	-19.1
Total assets	**305,220**	**351,517**	**-46,297**	**-13.2**
- Derivative financial instruments with negative FV	160,105	198,241	-38,136	-19.2
Total liabilities	**160,105**	**198,241**	**-38,136**	**-19.2**
Net Total	**145,115**	**153,276**	**-8,161**	**-5.3**
Financial assets measured at fair value through other comprehensive income				
- Debt securities	3,024,655	3,615,158	-590,503	-16.3
- Equity securities	253,684	253,572	112	0.0
Total	**3,278,339**	**3,868,730**	**-590,391**	**-15.3**

Government securities held

	30 June 2024			31 Dec. 2023		
	Nominal value	Book value	Valuation reserve	Nominal value	Book value	Valuation reserve
FVSEL						
Italian Government securities	1	1	X	11	13	X
Argentinian Government securities	87	-	X	87	-	X
Financial assets through other comprehensive income						
Italian Government securities	3,070,000	3,024,655	973	3,633,500	3,615,157	11,528
Financial assets carried at amortized cost						
Italian Government securities	4,502,000	4,491,972	X	4,565,000	4,655,255	X
Total	**7,572,088**	**7,516,628**	**973**	**8,198,598**	**8,270,425**	**11,528**

Specific-purpose provisions

	30 June 2024	31 Dec. 2023	Changes	
			Absolute	%
Employee severance benefits	**85,284**	**90,428**	**-5,144**	**-5.7**
Provisions for risks and charges	**527,448**	**584,343**	**-56,895**	**-9.7**
a) commitments and guarantees given	83,870	80,428	3,441	4.3
b) post-employment and similar obligations	28,591	30,643	-2,052	-6.7
c) other provisions for risks and charges	414,987	473,272	-58,284	-12.3
Total specific-purpose provisions	**612,732**	**674,771**	**-62,039**	**-9.2**

Provisions for risks and charges: changes for the year

	Provisions for other commitments and guarantees given	Pension plans	Other provisions for risks and charges	Total
A. Opening balance	**-**	**30,643**	**473,272**	**503,915**
B. Increases	**-**	**584**	**14,048**	**14,632**
B.1 Provision for the period	-	-	11,885	11,885
B.2 Changes due to passage of time	-	452	2,110	2,562
B.3 Changes due to alterations in the discount rate	-	-	-	-
B.4 Other changes	-	132	53	185
C. Decreases	**-**	**2,636**	**72,333**	**74,969**
C.1 Use in the year	-	1,686	68,065	69,751
C.2 Changes due to alterations in the discount rate	-	-	127	127
C.3 Other changes	-	950	4,141	5,091
D. Closing balance	**-**	**28,591**	**414,987**	**443,578**

Specific-purpose provisions came to Euro 613 million, decreasing by Euro 62 million vs. 31 December 2023.

The Other provisions for risks and charges break down as follows:

- Legal disputes: the provision is intended to cover any expenses from lawsuits brought against the Bank and revocatory actions in insolvency and bankruptcy.
- Personnel expenses: the provision covers the expenses for voluntary redundancy incentives.
- Other risks and charges refer mainly to provisions intended to cover the expenses for the integration of Creval, Carismi, Caricesena and Carim, the expenses associated with the disposal of NPL portfolio and other disputes with Customers.

Tax-related disputes

For registration taxes, two disputes were pending as at the reporting date concerning transfers made in 2011 to Crédit Agricole Italia S.p.A. followed by the transfer of an equity investments to institutional shareholders, which were reclassified as sales of business units, further challenging also the goodwill amount as defined, for a tax total amount of Euro 11.7 million, plus interest, claimed from the parties jointly and severally involved.

On the transaction requalification, favourable fist -and second-instance court judgements have already been obtained and the Italian Court of Cassation's ruling is pending. Having said that the Group believes that its conduct has always been fair and lawful and expects a favourable outcome of the dispute,, also on the grounds of the aforementioned judgements, considering that the charge – if any – would be shared between the parties jointly and severally involved under specific agreements, on a prudential basis Crédit Agricole Italia has still a provision of Euro 1.15 million.

The following disputes were still pending as at the reporting date:

- Two disputes concerning Crédit Agricole Carispezia, which was absorbed in July 2019, on the determination of the IRAP taxable base for fiscal years 2015 and 2016, for a total amount of Euro 694 thousand, on which, in October 2022, an unfavourable first-instance judgement was issued. In the early days of 2024, for the same reasons, the notification was served of yet another assessment on fiscal year 2017, for a total amount of Euro 129 thousand, which was appealed against before the first instance competent court. Although believing that its conduct has always been fair and lawful, as it will be argued in court, for the three claims the Bank decided to recognize a prudential provision of Euro 862 thousand in the 2023 Financial Statements;
- Other minor disputes totalling Euro 0.35 million, for which the Group believes it has good grounds as its conduct has always been fair and lawful, as substantiated, in several cases, by fully or partially favourable judgements, which, therefore, have not been provisioned for. More specifically:
  - Some disputes concerning registration tax on judicial documents coming from the absorbed entity Cassa di Risparmio di Rimini, the amount of which was further reduced in H1 2024 to a total of Euro 0.15 million; a dispute coming from Creval, which was absorbed in April 2022, concerning failure to pay back withholdings for the Italian legal person income tax (IRPEG) of a merged company totalling Euro 0.2 million. The first-instance judgements were in favour of the Bank, but the tax Authority filed appeal against them.
- For Crédit Agricole Leasing, a dispute concerning an assessment VAT on boat leases for fiscal year 2014, for a total amount of Euro 0.67 million, on which the case is pending before the Court of Cassation for its ruling on the unfavourable second-instance judgement. Although believing that its conduct has always been fair and lawful, also considering the right of recourse against Customers for part of the disputed amounts, a provision for risks of Euro 0.54 million was set aside;
- A set of disputes on the Italian town property tax (on the taxpayer liability) regarding Crédit Agricole Leasing for the real estate lease contracts that were terminated subsequent to which it did not get the asset back, for about Euro 0.9 million. For those disputes, considering the uncertain stance of the case law on this matter, albeit favourable provisional judgments have been issued, the Company set aside a provision for risks of Euro 0.7 million.

Furthermore, in June 2024, a dispute started concerning a payment form of Euro 0.4 million issued after the audit on Crédit Agricole Italia's Modello Unico income tax return regarding its 2019 income. The payment request is based on the rejection of the use of the Allowance for Corporate Equity (ACE) surplus for the Italian corporate income tax (IRES) surtax. The position of the Agenzia delle Entrate (the Italian Inland Revenue Agency) is quite groundless, also based on previous tax practice documents on similar cases and, for that reason, being certain of the legality and correctness of what was done by the Bank, in June 2024 appeal was filed with the first instance competent court and no provision was set aside for this dispute.

Lastly, the notice of three assessments was served on Crédit Agricole Italia in its capacity as the designated consolidating entity in the tax consolidation scheme comprising the Italian direct and indirect subsidiaries of Credit Agricole S.A., which actually concern the determination of the income of member entities that do not belong to the Crédit Agricole Italia Banking Group, for a total amount including tax, penalty and interest of Euro 6.1 million. On two claims a favourable first-instance judgement was issued and the appeal judgement was pending as at the reporting date, whereas the other assessment, the notification of which was served in December 2023, has already obtained a favourable first instance judgement in May 2024. It is also pointed out that any expenses shall be paid for by the tax consolidation member entities, which do not belong to the Crédit Agricole Italia Banking Group.

PART C – INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

	30 June 2024	30 June 2023	Changes	
			Absolute	%
Net interest income	903,047	891,930	11,117	1.2
Net fee and commission income	639,111	607,574	31,537	5.2
Dividend income	12,302	12,107	195	1.6
Financial income (loss)	16,738	19,691	-2,953	-15.0
Other operating income (expenses)	1,571	650	921	
Operating income	**1,572,769**	**1,531,952**	**40,817**	**2.7**
Personnel expenses	-504,574	-503,260	1,314	0.3
Administrative expenses	-222,238	-213,102	9,136	4.3
Depreciation and amortization	-91,875	-92,358	-483	-0.5
Operating expenses	**-818,687**	**-808,720**	**9,967**	**1.2**
Operating margin	**754,082**	**723,232**	**30,850**	**4.3**
Net provisioning for risks and charges	-6,797	-9,055	-2,258	-24.9
Net impairments of loans	-117,302	-142,986	-25,684	-18.0
Impairment of securities	2,310	4,219	-1,909	-45.2
Profit (loss) on other investments	4,234	-960	5,194	
Profit (loss) before tax from continuing operations	**636,527**	**574,450**	**62,077**	**10.8**
Taxes on income from continuing operations	-191,028	-168,172	-22,856	13.6
Profit for the period	**445,499**	**406,278**	**39,221**	**9.7**
Profit (Loss) for the period attributable to minority interests	-1,116	-994	122	12.3
Profit for the period attributable to the Parent Company	**444,383**	**405,284**	**39,099**	**9.6**

Reconciliation between the official and reclassified income statements

The income statement layout presented below has been reclassified in accordance with management criteria, in order to provide information on the general performance of the Group's operations in a timely manner based on profit or loss and financial data that can be determined quickly and easily.

The financial statement has been built starting from the financial statement layouts provided for by the Bank of Italy's Circular no. 262/2005 as updated, in accordance with the same aggregation and classification methods as used to prepare the consolidated financial statements as at 31 December 2023.

	30 June 2024	30 June 2023
Net interest income	**903,047**	**891,930**
30. Net interest income	892,150	888,042
40. Fee and commission income: of which Deposit Fees and Commissions	-	1
90. Net profit (loss) on hedging activities: of which amortized cost effect of hedging of debt instruments	172	-
230. Calit IAS gain	1,360	971
100. Profits (losses) on disposal or repurchase of: a) financial assets measured at amortized cost: o/w profit on disposal on inflation-lined BTP govies	7,239	2,916
100. Profit (loss) on disposal or repurchase of: b) financial assets measured at fair value through other comprehensive income: of which profit on the disposal of inflation BTP	2,126	-
Net fee and commission income	**639,111**	**607,574**
60. Net fee and commission income	638,915	607,317
To deduct: Deposit fees and commissions	-	(1)
200. Other operating expenses/income: of which Commission income from Fast Loan Application Processing	196	258
Dividends and similar income = item 70	**12,302**	**12,107**
Financial income (loss)	**16,738**	**19,691**
80. Net profit (loss) on trading activities	8,930	9,346
90. Net profit (loss) on hedging activities	(4,973)	(3,258)
90. Net profit (loss) on hedging activities: of which amortized cost effect of hedging of debt instruments	(172)	-
100. Profit (loss) on disposal or repurchase of: a) financial assets measured at amortized cost - o/w security portfolio	5,283	8,728
100. Profit (loss) on disposal or repurchase of: b) financial assets measured at fair value through other comprehensive income	14,631	4,717
To deduct: Profit (loss) on disposal or repurchase of: b) financial assets measured at fair value through other comprehensive income: o/w profit on Inflation BTP	(2,126)	-
To deduct: release of provision for impairment of securities measured at fair value through other comprehensive income	(1,595)	(804)
100. Profit (loss) on disposal or repurchase of: c) financial liabilities	34	22
110. Net profit (loss) on other financial assets and liabilities measured at fair value through profit or loss	(4,698)	851
To deduct: b) other financial assets mandatorily measured at fair value of which measurement of financial instruments	1,424	89
Other operating income (expenses)	**1,571**	**650**
230. Other operating costs/income	185,181	167,831
To deduct: expenses recovered	(181,004)	(164,613)
To deduct: recovered expenses for the management of non-performing loans	(863)	(1,027)
To deduct: Commission income from Fast Loan Application Processing	(196)	(258)
To deduct: Calit IAS gain	(1,360)	(971)
To deduct: profit/losses from sublease contract under IFRS 16	(187)	(312)
Operating income	**1,572,769**	**1,531,952**
Personnel expenses = item 190 a)	**(504,574)**	**(503,260)**
Administrative expenses	**(222,238)**	**(213,102)**
190. Administrative expenses: b) other administrative expenses	**(409,274)**	**(383,714)**
230. Other operating expenses/income: of which expenses recovered	181,004	164,613
190. Administrative expenses: b) other administrative expenses: o/w expenses for the management of non-performing loans	6,032	5,999

	30 June 2024	30 June 2023
Depreciation and amortization	**(91,875)**	**(92,358)**
210. Net adjustments to/recoveries on property, plant and equipment	(48,878)	(53,301)
To deduct: impairment/impairment recoveries on non-current assets held for investment/IFRS 16 right of use	57	2,020
220. Net adjustments to//recoveries on intangible assets	(43,054)	(41,077)
Operating expenses	**(818,687)**	**(808,720)**
Operating margin	**754,082**	**723,232**
Adjustments on goodwill = item 270	**-**	**-**
Net provisioning for risks and charges = Item 200 b) other net provisioning	**(6,797)**	**(9,055)**
170. Net provisioning for risks and charges; b) other net provisioning	(6,797)	(17,055)
To deduct: provision for loan management	-	8,000
Net impairments of loans	**(117,302)**	**(142,986)**
100. Profit (loss) on disposal or repurchase of: a) financial assets measured at amortized cost	15,876	21,662
To deduct: profit (loss) on disposal or repurchase of: a) securities classified as financial assets measured at amortized cost	(5,283)	(8,728)
To deduct: release of provision for impairment of securities measured at amortized cost	(964)	(4,339)
To deduct: gains on disposal of inflation BTP Italian Government securities	(7,239)	(2,916)
110. Net profit (loss) on other financial assets and liabilities measured at fair value through profit or loss:of b) of other financial assets mandatorily measured at fair value: of which measurement of financial instruments	(1,424)	(89)
130. Net adjustments for credit risk of: a) financial assets measured at amortized cost	(109,252)	(123,950)
To deduct: net adjustments for credit risk of: a) securities classified as financial assets measured at amortized cost	355	(1,972)
140. Profits/Losses on contract modifications without derecognition	(760)	(103)
190. Administrative expenses: b) other administrative expenses: of which expenses for the management of non-performing loans	(6,032)	(5,999)
To deduct: recovered expenses for the management of non-performing loans	863	1,027
200. Net provisioning for risks and charges: a) commitments and guarantees given	(3,442)	(9,579)
200. Net provisioning for risks and charges: b) other net provisioning o/w provision for loan management	-	(8,000)
Impairment of securities	**2,310**	**4,219**
130. Net adjustments for credit risk to: a) securities classified as financial assets measured at amortized cost	(355)	1,972
130. Net adjustments for credit risk of: b) financial assets measured at fair value through other comprehensive income	106	(2,896)
To deduct: release of provision for impairment of securities measured at fair value through other comprehensive income	1,595	804
100. Profits (losses) on disposal or repurchase of: a) of which impairment release on securities measured at amortized cost	964	4,339
Profit (loss) on other investments	**4,234**	**(960)**
250. Profit (losses) on equity investments	3,614	880
260. Net profit (losses) from property, plant and equipment and intangible assets measured at fair value	-	(589)
280. Profit (losses) on disposals of investments	490	457
210. Net adjustments to/recoveries on property, plant and equipment: o/w impairment/impairment recoveries on non-current assets held for investment/IFRS 16 right of use	(57)	(2,020)
230. Other operating costs/income: o/w profit/losses from sublease contracts IFRS 16	187	312
Profit (loss) before tax from continuing operations	**636,527**	**574,450**
Taxes on income from continuing operations = item 300	**(191,028)**	**(168,172)**
300. Taxes on income from continuing operations	(191,028)	(168,172)
Profit for the period	**445,499**	**406,278**
Profit (Loss) for the period attributable to minority interests	(1,116)	(994)
Profit for the period attributable to the Parent Company	**444,383**	**405,284**

The tables below breaking down the main income statement aggregates are consistent with the reclassified layouts represented above.

Net interest income

Items	30 June 2024	30 June 2023	Changes	
			Absolute	%
Business with customers	875,509	861,526	13,983	1.6
Business with banks	191,121	(14)	191,134	
Debt securities issued	(362,679)	(192,807)	169,872	88.1
Financial assets held for trading	3	3	-	
Assets measured at fair value	202	70	132	
Securities measured at amortized cost	85,256	137,107	-51,851	-37.8
Securities through other comprehensive income	65,280	58,333	6,947	11.9
Other net interest income	48,355	27,711	20,644	74.5
Net interest income	**903,047**	**891,930**	**11,117**	**1.2**

Net fee and commission income

Items	30 June 2024	30 June 2023	Changes	
			Absolute	%
- guarantees given	7,901	6,366	1,535	24.1
- collection and payment services	48,704	45,661	3,043	6.7
- current accounts	124,643	141,931	-17,288	-12.2
- debit and credit card services	46,233	39,147	7,086	18.1
Commercial banking business	**227,481**	**233,105**	**-5,624**	**-2.4**
- securities intermediation and placement	147,668	142,238	5,430	3.8
- intermediation in foreign currencies	3,603	3,650	-47	-1.3
- asset management	6,330	5,648	682	12.1
- distribution of insurance products	185,276	157,268	28,008	17.8
- other intermediation/management fee and commission income	34,288	26,408	7,880	29.8
Management, intermediation and advisory services	**377,165**	**335,212**	**41,953**	**12.5**
Tax collection services	**-**	**-**	**-**	
Other net fee and commission income	**34,465**	**39,257**	**-4,792**	**-12.2**
Total net fee and commission income	**639,111**	**607,574**	**31,537**	**5.2**

Financial income (loss)

Items	30 June 2024	30 June 2023	Changes	
			Absolute	%
Interest rates	3,256	4,012	-756	-18.8
Stocks	-1	-	1	
Foreign exchange	5,675	5,334	341	6.4
Total profits (losses) on financial assets held for trading	**8,930**	**9,346**	**-416**	**-4.4**
Total profits (losses) on assets held for hedging	-5,145	-3,258	1,887	57.9
Net profit (loss) on financial assets and liabilities measured at fair value	-3,274	940	-4,214	
Total profit (losses) on securities recognized as assets and liabilities measured at amortized cost	5,317	8,750	-3,433	-39.2
Total profit (losses) on securities through other comprehensive income	10,910	3,913	6,997	
Financial Income (loss)	**16,738**	**19,691**	**-2,953**	**-15**

Operating expenses

Items	30 June 2024	30 June 2023	Changes	
			Absolute	%
- wages and salaries	(362,887)	(362,182)	705	0.2
- social security contributions	(95,889)	(96,515)	(626)	-0.6
- other personnel expenses	(45,798)	(44,563)	1,235	2.8
Personnel expenses	**(504,574)**	**(503,260)**	**1,314**	**0.3**
- general operating expenses	(41,039)	(53,065)	(12,026)	-22.7
- IT services	(86,189)	(82,347)	3,842	4.7
- direct and indirect taxes	(80,570)	(77,019)	3,551	4.6
- real estate property management	(7,554)	(7,662)	(108)	-1.4
- legal and other professional services	(4,181)	(4,810)	(629)	-13.1
- advertising and promotion expenses	(6,138)	(7,009)	(871)	-12.4
- indirect personnel expenses	(2,443)	(3,222)	(779)	-24.2
- contributions to support the banking system	(58,004)	(39,948)	18,056	45.2
- other expenses	(117,126)	(102,633)	14,493	14.1
- expenses and charges recovered	181,006	164,613	16,393	10.0
Administrative expenses	**(222,238)**	**(213,102)**	**9,136**	**4.3**
- intangible assets	(43,054)	(41,077)	1,977	4.8
- property, plant and equipment	(48,821)	(51,281)	(2,460)	-4.8
Depreciation and amortization	**(91,875)**	**(92,358)**	**(483)**	**-0.5**
Operating expenses	**(818,687)**	**(808,720)**	**9,967**	**1.2**

Net provisioning for risks and charges

	30 June 2024	30 June 2023	Changes	
			Absolute	%
- revocatory actions	-637	28	-665	
- non-lending-related legal disputes	-4,157	-9,081	-4,924	-54.2
- other	-2,003	-2	2,001	
Total specific-purpose provisions	**-6,797**	**-9,055**	**-2,258**	**-24.9**

Net impairments of loans

	30 June 2024	30 June 2023	Changes	
			Absolute	%
- bad loans	-20,793	-21,428	-635	-3.0
- Unlikely to Pay	-75,194	-63,215	11,979	19.0
- Past-due loans	-4,602	-725	3,877	534.7
Non-performing loans	**-100,589**	**-85,368**	**15,221**	**17.8**
- Performing loans - stage 2	-11,391	-47,801	-36,410	-76.2
- Performing loans - stage 1	5,473	12,926	-7,453	-57.7
Performing loans	**-5,917**	**-34,875**	**-28,958**	**-83.0**
Net losses on impairment of loans	**-106,507**	**-120,243**	**-13,736**	**-11.4**
Profits/Losses on contract modifications without derecognition	-760	-103	657	637.9
Measurement of financial instruments	-1,424	-89	1,335	1,500.0
Provision for loan management	-	-8,000		
Expenses/recovered expenses for loan management	-5,169	-4,972	197	4.0
Net losses on impairments of guarantees and commitments	-3,442	-9,579	-6,137	-64.1
Net impairments of loans	**-117,302**	**-142,986**	**-25,684**	**-18.0**

PART E – INFORMATION ON RISKS AND RELATIVE HEDGING POLICIES

RISK MANAGEMENT

This section provides an update of the information on risks and the relative hedging policies, as at 30 June 2024, to complete the reporting given in Part E of the Annual Report as at 31 December 2023.

Crédit Agricole Italia attaches great importance to the measurement, management and control of risks, as an essential factor to achieve sustainable growth in an economic situation, such as the present one.

Crédit Agricole Italia is the operating Parent Company in Italy and is engaged in overall risk guidance and control, acting both as coordinator and as a commercial bank with its own distribution network.

In designing the risk management system, Crédit Agricole Italia S.p.A. complies with both the Italian legislation (with specific reference to Bank of Italy's Circular No. 285/2013, as updated and to Delegated Regulation 2017/565), as well as with guidelines issued by the Parent Company Crédit Agricole S.A..

The companies of the Group have their own risk management and control structures and frameworks in compliance with the Group's guidelines, operate in their respective perimeters and benefit from the functions directly performed by Crédit Agricole Italia S.p.A., when centralized.

INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS (ICAAP) REPORT

The Crédit Agricole Italia Banking Group is required to prepare the ICAAP report for the European Central Bank (ECB) and, pursuant to Bank of Italy's Circular no. 285 (Part 1, Title III, Chapter 1, Section 1, Paragraph 1), for the national Supervisory Authority.

As at 31 December 2023 the quantitative analyses that generated, for the Crédit Agricole Italia Banking Group, capital absorptions concerned, in addition to Pillar 1 risks, also concentration risk, sovereign risk, the risk of change in the value of the security portfolio, global interest rate risk (including the base/refixing component), liquidity price risk, business risk and, in compliance with the guidelines given by the Parent Company Crédit Agricole S.A., foreign exchange risk (Pillar 2 risks). The analyses have given evidence that the Crédit Agricole Italia Banking Group's total capital is adequate to meet all risks to which the Group is exposed in accordance with its operations and target markets.

Conversely, qualitative assessments, control or mitigation measures based on processes were used for the following risks: liquidity – for the part not referring to liquidity price risk -, reputational risk, noncompliance rand legal risk, climate risk, ICT risk, information system security, outsourcing risk, residual risk and real estate risk. On the other hand, the risk of excessive leverage is monitored by the Group through the leverage ratio. Transfer risk, basis risk and country risk were also taken into account, as explicitly required by Bank of Italy Circular no. 285.

At the end of March 2024, the Crédit Agricole Italia Banking Group sent – to the Supervisory Authority – a set of documents for the assessment of the system for internal capital management, which included quantitative evidence and an "ICAAP Statement" containing the opinion of the governance body on the Group capital adequacy, as well as internal reports on ICAAP intended to provide an overview of the Group's ICAAP framework.

The Internal Capital Adequacy Assessment Process (ICAAP), along with the Internal Liquidity Adequacy Assessment Process (ILAAP), is the first phase in the supervisory review process. The second phase consists of the Supervisory Review and Evaluation Process – SREP and it falls within the Supervisory Authority's competence, which shall review the ICAAP and ILAAP and issue an overall opinion on the Group.

The capital adequacy exercises gave once more evidence of full compliance with the reference frameworks.

INTERNAL LIQUIDITY ADEQUACY ASSESSMENT PROCESS (ILAAP) REPORT

Along with the ICAAP set of documents, at the end of March 2024, the Crédit Agricole Italia Banking Group sent its ILAAP (Internal Liquidity Adequacy Assessment Process) Report to the Supervisory Authority. This Report is intended to provide the results of a self-assessment on the processes for the identification, measurement, management and monitoring of internal liquidity and describes: the liquidity framework, the Group's refinancing structure, the composition of its liquidity reserves, the mechanism for the allocation of refinancing costs, resilience testing, the contingency funding plan and areas where the methodological model needs to be further developed.

This exercise gave evidence of the compliance of the liquidity risk management framework of the Crédit Agricole Italia Banking Group with the requirements set down by the Regulator. Indeed, the adopted framework ensures liquidity steering and effective monitoring of compliance with the set limits.

INTERNAL CONTROLS SYSTEM

The internal control system is the set of organizational, procedural and regulatory mechanisms aimed at controlling all types of activities and risks to ensure proper execution and security of operations.

The scope of Crédit Agricole Italia's internal control system includes all its structures, both central and of the Distribution Network, Information Technology departments, Outsourced Important Operational Functions (Italian acronym FOIE) and the related main providers.

In compliance with the standards of the Controlling Company, Crédit Agricole S.A., internal control is carried out with two different modalities: permanent control and periodic control.

In the Crédit Agricole Italia Banking Group, the Risk Management and Permanent Controls Department and the Compliance Department are in charge of permanent control activities, while the Audit Department is in charge of periodic control activities.

In accordance with the regulations in force, roles and departments engaged in control functions provide the corporate bodies having strategic responsibilities with periodic information on the single risks, through both dedicated reporting and participation in specific Committees, set up at Group level, especially the Risk and Internal Control Committee, which receives the evidence resulting from the activities of the 3 departments engaged in control functions (Internal Audit, Compliance and Risk Management).

CREDIT RISK

Consistently with the guidelines issued by the French Parent Company Crédit Agricole S.A., for adequate control on Credit Risk, the Crédit Agricole Italia Banking Group's internal lending processes are firmly in place and fully formalized; those processes aim at:

- The achievement of sustainable objectives that are consistent with its risk appetite and with the Group's value creation expectations, while ensuring support and proximity to the needs of the productive system, households and of the real economy;
- Portfolio diversification, by limiting and constantly monitoring the concentration of exposures by counterparty/group, economic activity sector or geographical area;
- Adequate selection of the borrower economic groups and single borrowers, through in-depth analyses, aimed at developing and driving business with the most creditworthy Customers, as well as to anticipate and curb insolvency risks.

The credit risk framework is part of the Risk Appetite Framework and of the Risk Strategy agreed on with the Parent Company, which sets precise qualitative and quantitative guidance under which new loans and the quality of the assets, both performing and non-performing, shall fall for each customer segment. To that end, a permanent controls system is in force and operated by the Risk Management, which ensures compliance with it, triggering – if necessary – the appropriate reporting procedures and the definition of remediation actions.

Lending processes are defined and governed by operating procedures in order to identify the criteria for risk taking and management, the activities to implement for the proper application of such criteria, the units responsible for carrying out the above activities and the procedures and tools supporting them. The process steps are structured and the responsibilities are assigned in order to pursue set objectives in terms of overall effectiveness and efficiency. The entire set of normative instruments that governs lending through guidelines per customer segment and per single product was rationalized integrating all the operational aspects associated with the origination and monitoring phases, in full compliance with the EBA Guidelines of 29 May 2020 (EBA/GL/2020/06) and was updated in H1 2024 for the following purposes:

- Implementing the Group's guidelines;
- Ensuring appropriate management of Credit Risk;
- Enhancing the efficiency of the Lending process, also in terms of the «*Mise en Responsabilité*» (responsibility taking and accountability) under the MTP.

Thanks to those actions, the following benefits will be obtained:

- Optimization of lending chain and smoother running of the decision-making process on the Network;
- Reducing the centralization of loan applications featuring modest risk;
- Increasing the quality and selectivity of the lending process.

In the loan origination phase, the mitigation of credit risk is pursued by entering into ancillary agreements or by adopting appropriate tools and techniques designed to mitigate this risk. In this scope, special attention is paid to obtaining and managing guarantees, with the definition of general and specific requirements, with special regard to the rules and procedure to monitor that the requirements of the guarantees remain complied with (legal certainty, prompt realization and value consistency with the guaranteed exposure).

The quality of the loan portfolio is constantly monitored, in terms of the portfolio as a whole, analyzing its composition in accordance with the risk measurement parameters used by the Group (internal rating system, early warning indicators, other performance-monitoring indicators), as well as in terms of single positions, designing and applying the operational processes and procedures that regulate all steps in the management of the single lending accounts, in order to ensure preventive management of any default risks.

The organizational structure, procedures and tools supporting the processes for the management of watchlist exposures, i.e. showing anomalies, ensure prompt triggering of appropriate actions to restore them to a performing status or, should the circumstances require termination of the business relation, to collect the credit claim.

The Risk Management ensures that a permanent controls system is in place both on counterparty risk and on the whole loan portfolio within the scope of the roles assigned to it by the applicable legislation and regulations, including the reporting to the Governance Bodies of CA Italia and of the Parent Company.

From a strategic standpoint, the Crédit Agricole Italia Banking Group has continued to pursue its transformation ambitions in lending, with special focus on three main scopes: early and proactive loan management, automation of procedures and reporting, digitalization of lending processes. The goal being pursued with all the lending transformation initiatives deployed is the maximization of customer satisfaction, the reduction of manual operational activities in order to minimize the related risks and the cost of risk.

Specifically, in H1 2024 all the project streams continued within the wider lending transformation programme and the following results were achieved:

- To ensure early and proactive management of loans, a new Early Warning indicator was developed thanks to the technological evolution, whereby the available information can be used in a more effective way and the sources available on the marker can be increased;
- Preparation of automatic Lending Governance tools thanks to the data available in the Credit Data Platform ("Data Lake");
- Fully automatic decision-making systems with no need for endorsement or action by the users;
- Fine-tuning of the decision-making independent powers with the go-live of Transaction Score (which was developed through Machine Learning algorithms) for more precise customer profiling.

The portfolio of defaulted exposures default has been subject to continuous analysis and monitoring, assessing risk position based on the developments in the market and determining the best management and protection action for each one of them; concomitantly, where the case, the provisions covering them have been supplemented, in accordance with the guidelines set by the internal Policies, which implement the applicable legislation and regulations. The total coverage ratio of non-performing loans increased coming to 52.2% vs. 50.8% as at 31 December 2023.

The activity to reduce non-performing loans (by over 700 mln€) offset the new defaults and enabled to reduce total NPEs by about Euro 200 million, thus decreasing the Gross NPE Ratio to 3.0% (3.3% as at 31 December 2023).

The "Ermes" project managed by the NPE Structure went on with good results (the Recovery Rate hit 10%), which provides for the outsourcing from specialist servicers of the types of non-performing loans listed below:

1. Granular loans classified as UTP (unsecured and of amounts below Euro 50 thousand);
2. Loans classified as Bad (both unsecured and backed by mortgage of amounts below Euro 500 thousand);
3. Residential mortgage loans classified as UTP or Bad of amounts below Euro 500 thousand.

Furthermore, again regarding the aforementioned project, the Outsourcing, Cost and Loan Disposal Structure is in charge of and operates the control on the UTP and Bad Loans handled by the servicers, in order to verify, through both general and specific actions, the effectiveness, cost effectiveness and timeliness of the recovery actions measured with contractual KPIs, both qualitative and quantitative.

CREDIT QUALITY

Items	GROSS EXPOSURES - WEIGHT ON TOTAL				Change	
	June 2024		December 2023		Absolute	%
- Bad loans	557,090	0.9%	600,108	0.9%	-43,018	-7.2%
- Unlikely to Pay	1,398,872	2.1%	1,519,162	2.3%	-120,290	-7.9%
- Past-due/overlimit loans	13,729	0.0%	19,269	0.0%	-5,540	-28.8%
Non-performing loans	**1,969,691**	**3.0%**	**2,138,539**	**3.3%**	**-168,848**	**-7.9%**
- Performing loans - stage 2	7,396,034	11.3%	7,768,257	11.9%	-372,223	-4.8%
- Performing loans - stage 1	56,016,257	85.7%	55,607,443	84.9%	408,814	0.7%
Performing loans	**63,412,291**	**97.0%**	**63,375,700**	**96.7%**	**36,591**	**0.1%**
Gross loans to Customers	**65,381,982**	**100.0%**	**65,514,239**	**100.0%**	**-132,257**	**-0.2%**

Items	NET EXPOSURES - COVERAGE RATIO				Change	
	June 2024		December 2023		Absolute	%
- Bad loans	146,164	73.8%	138,830	76.9%	7,334	5.3%
- Unlikely to Pay	786,437	43.8%	901,376	40.7%	-114,939	-12.8%
- Past-due/overlimit loans	8,082	41.1%	12,468	35.3%	-4,386	-35.2%
Non-performing loans	**940,683**	**52.2%**	**1,052,674**	**50.8%**	**-111,991**	**-10.6%**
- Performing loans - stage 2	7,065,903	4.5%	7,433,358	4.3%	-367,455	-4.9%
- Performing loans - stage 1	55,943,477	0.1%	55,533,440	0.1%	410,037	0.7%
Performing loans	**63,009,380**	**0.64%**	**62,966,798**	**0.65%**	**42,582**	**0.1%**
Net loans to Customers	**63,950,063**	**2.2%**	**64,019,472**	**2.3%**	**-69,409**	**-0.1%**

Asset quality further improved: the stock of net non-performing loans decreased by -10.6% vs. December 2023.

The coverage ratio of the NPE portfolio also improved, increasing to 52.2%; and the gross NPE ratio decreased coming to 3.0% vs 3.3% as at December 2023.

ECL GOVERNANCE AND MEASUREMENT

The Risk Management and Permanent Controls Structure is responsible for defining the methodological framework and for overseeing the process for ECL-related impairment of exposures and provisioning. The calculation of impairment of performing assets is part of the overall cost of credit process, which is coordinated by the Credit Intelligence Structure.

To define the IFRS 9 parameters required to calculate ECL, the Crédit Agricole Italia Banking Group has primarily relied on its internal rating system and on the other regulatory processes already implemented.

The assessment of credit risk is based on an expected loss model and extrapolation based on reasonable future scenarios. All information that is available, pertinent, reasonable and justifiable, including forward-looking information, shall be taken into account.

Therefore, in compliance with the requirements laid down by the standard, in order to estimate parameters, a set of forward-looking scenarios is used, each one of which is weighted by the related probability of occurrence. In agreement with Crédit Agricole S.A., the Crédit Agricole Italia Banking Group uses four different macroeconomic scenarios: Said scenarios can be summarized as follows:

- Central scenario, i.e. the most likely scenario;
- Moderately adverse scenario, i.e. the economic scenario in moderately adverse conditions;
- Budget stress scenario, i.e. the most adverse scenario used within the Stress exercise at the end of the budget preparation;
- Favourable scenario, i.e. the economic scenario in favourable conditions.

The weights to be assigned to the four scenarios - which may vary at each new estimation of the parameters - are defined by the Crédit Agricole Group (Group Economic Research Department of CAsa) and shared with the local management.

The Crédit Agricole Banking Group updates the estimate of the parameters at least every year. The ECL calculation formula comprises the following parameters:

- Probability of Default - PD;
- Loss Given Default - LGD;
- Exposure At Default - EAD.

As already pointed out, these parameters have also been defined broadly based on the internal models used as part of the regulatory framework (where any), although they had to be adjusted in order to determine an ECL fully compliant with IFRS 9. Indeed, the standard requires a Point-in-Time analysis as at the reporting date, while taking account of the historical loss data and forward-looking macroeconomic data. Therefore, based on the above, the accounting approach is different from the prudential framework, where analyses are multiyear and Through the Cycle to estimate the Probability of Default (PD); moreover, such analyses shall include the Downturn in the estimate of the Loss Given Default (LGD), whereas this effect is not envisaged in the IFRS 9 LGD.

ECLs are calculated according to the type of product concerned, i.e. financial instruments or off-balance sheet instruments. Expected credit losses are discounted at the effective interest rate (EIR) used for the initial recognition of the financial instrument. The models and parameters used are backtested at least annually by the Risk Management and Permanent Controls Structure.

SIGNIFICANT INCREASE IN CREDIT RISK

For each financial instrument, the Crédit Agricole Italia Banking Group assesses any increase in credit risk from origination to every reporting date. Based on this assessment of changes in credit risk, exposures are classified into the different risk stages.

Monitoring for any significant increase in credit risk shall cover every financial instrument, unless specific exceptions apply. Contagion is not required for the downgrading of financial instruments of the same counterparty from stage 1 to stage 2.

Monitoring for any significant increase in credit risk shall consider the change in credit risk of the principal debtor without taking account of any guarantee, including for transactions with a shareholder guarantee.

For each exposure, any increase in credit risk is assessed through (relative or absolute) quantitative criteria and qualitative criteria.

Relative Criteria: some thresholds (SICR) have been set which measure the change in the PD as at the inception date and as at each reference date.

Based on this assessment of changes in credit risk, exposures are classified into the different risk stages.

The PD variation is calculated as follows: $PD_{Closing\ Date} > \alpha + \beta i * PD_{Origial\ Date}$ Where:

- ***PD**$_{orig}$* are the PD measured at the business relationship inception, date of first recording;
- ***PD**$_{rep}$* are the PD as at the calculation cut-off date;
- ***i*** is the type of portfolio (for example, Mortgage loans on real estate properties, revolving, Large Corporate, SMEs);
- ***alfa*** is a fixed parameter that identifies a perimeter exempted from the application of the SICR thresholds;
- ***beta*** are parameters estimated on Crédit Agricole Italia's portfolio.

PORTFOLIOS		ALPHA	BETA
Large Corporate		0.30	2.40
Small Medium Enterprises		0.30	1.30
Retail Banking	Individuals with real estate collaterals	0.30	2.30
	Small Enterprises and Sole Traders	0.30	3.00
	Other exposures to individuals	0.30	2.90

Origination means the settlement date or the date on which the Bank became bound by the contractual terms of the financial instrument. For financing and guarantee commitments, origination means the date on which the irrevocable commitment was made. It is also pointed out that compliance is verified with the *threshold PD,* i.e. in case the ***PDrep*** is higher by at least 3 times the ***PDorig***, except in cases where ***PDrep < 0.3%,*** the exposure is automatically moved to stage 2.

Other criteria: for exposures without an internal rating model, the Crédit Agricole Italia Banking Group uses non-payment as at the reporting date or in the previous 24 months. In case of non-payment, as at the reporting date or in the previous months, the exposure is downgraded to stage 2.

For exposures (with the exception of securities) for which internal rating models have been implemented and applied (all the more so if the rating models have been validated), the Crédit Agricole Italia Banking Group considers that all of the information incorporated into the rating systems allows for a more detailed assessment than the non-payment for over 30 days criterion alone as a back-stop threshold.

Other factors for downgrading to stage 2 are:

- The breach of the PD thresholds, which, for Crédit Agricole Italia, are set at 12% for the non-Retail portfolio and at 15% for the Retail portfolio;
- No rating as at the assessment date if regarding loans disbursed over six months before;
- The exposure being classified as forborne performing;
- Classification in the watchlist in accordance with the Early Warning internal indicator (IMA – Performance Monitoring Indicator) in at least three calculations in the four months before the reference date;
- The selection of portfolio potions that are considered high risk following specific probes carried out by the Risk Management and Permanent Controls Structure, such as: Sub-Investment Grade ratings close to the perimeter of Sensitive Loans;
- Floating-rate mortgage loan contracts, which, in the simulation of interest rates as at the end of the year, have high instalment/income ratios with a Sub-Investment Grade rating.

Qualitative Criteria: lastly, downgrading to stage 2 may occur for single-name positions reported by the Chief Legal Officer and validated by the Risk Management and Permanent Controls Structure.

If the conditions that triggered downgrading to stage 2 no longer apply, impairment may be reduced to 12-month ECL (stage 1).

For security portfolios, the Crédit Agricole Italia Banking Group uses an approach that consists in applying an absolute level of credit risk, in accordance with IFRS 9, at the breaching of which exposures shall be classified in stage 2 and provisioned for based on ECL at maturity. Therefore, the following rules shall apply for monitoring significant increase in the credit risk of securities:

- "Investment Grade" (IG) securities, at the reporting date, shall be classified in stage 1 and provisioned for based on 12-month ECL;
- "Non-Investment Grade" (NIG) securities, at the reporting date, shall be subject to monitoring for significant increase in credit risk, since origination, and shall be classified in Stage 2 (lifetime ECL) where any significant increase in credit risk is found.

The related increase in credit risk shall be assessed prior to the occurrence of a known default (Stage 3).

MULTI-SCENARIO CALCULATION

To estimate the parameters used in calculating the forward-looking scenarios at the 30 June 2024 reporting date, the weights set by the Parent Company Crédit Agricole S.A. were the following:

- Central scenario, 50%;
- Moderately adverse scenario, 35%;
- Stressed budget scenario, 10%;
- Favorable scenario, 5%.

Indicators used as at 30 June 2024

Indicators used as at 30 June 2024	Central Scenario				Moderately adverse scenario				Stressed budget				Favourable			
	2023	2024	2025	2026	2023	2024	2025	2026	2023	2024	2025	2026	2023	2024	2025	2026
ITA GDP	1.0%	0.8%	0.9%	1.0%	1.0%	-0.1%	0.5%	1.2%	1.0%	-1.2%	-0.8%	0.7%	1.0%	1.1%	1.2%	1.0%
ZE GDP	5.0%	0.7%	1.5%	1.3%	5.0%	0.0%	0.8%	1.3%	5.0%	-1.6%	-1.3%	0.9%	5.0%	1.3%	1.7%	1.4%
Inflation in Italy	5.9%	1.5%	2.0%	1.9%	5.9%	4.0%	2.2%	2.1%	5.9%	6.4%	5.4%	3.8%	5.9%	1.8%	2.2%	2.1%
Investments in Buildings	3.5%	3.1%	1.2%	1.7%	3.5%	0.5%	0.1%	1.9%	3.5%	-0.4%	0.8%	1.5%	3.5%	3.1%	1.6%	1.7%
Investments in machinery	6.4%	-0.6%	1.2%	1.6%	6.4%	-2.0%	-0.4%	2.6%	6.4%	-2.0%	-1.4%	0.9%	6.4%	2.1%	2.2%	1.6%
Fixed investments	4.9%	1.9%	1.4%	1.8%	4.9%	0.2%	0.3%	2.2%	4.9%	-0.5%	0.1%	1.3%	4.9%	2.9%	1.9%	1.8%
Unemployment rate	7.7%	7.6%	7.7%	7.6%	7.7%	7.9%	8.1%	7.8%	7.7%	9.3%	9.4%	9.4%	7.7%	7.6%	7.6%	7.5%
Domestic demand	1.2%	0.0%	0.7%	0.8%	1.2%	-0.3%	0.5%	0.8%	1.2%	-1.7%	-0.9%	0.6%	1.2%	0.1%	0.7%	0.7%
World oil demand	2.2%	0.9%	1.1%	0.9%	2.2%	0.0%	0.3%	0.3%	2.2%	-1.0%	0.0%	1.0%	2.2%	1.1%	0.9%	0.9%
Work productivity	4.2%	0.8%	0.6%	1.1%	4.2%	0.9%	-0.2%	1.2%	4.2%	4.2%	4.7%	0.1%	4.2%	0.9%	0.9%	0.9%
Industrial Production Index (IPI)	-2.1%	1.0%	3.0%	2.2%	-2.1%	-0.4%	3.2%	1.9%	-2.1%	0.2%	-0.8%	2.4%	-2.1%	1.6%	3.3%	2.5%
Propensity to consume	2.8%	-2.3%	-0.5%	0.1%	2.8%	-1.1%	-1.3%	-0.2%	2.8%	-3.2%	-1.5%	0.7%	2.8%	-2.0%	-1.4%	-1.2%
Weight	**50%**				**35%**				**10%**				**5%**			

The main underlying assumptions are:

- Central scenario: growth proves weak from 2024 on, both in Italy and in the whole Euro Area. From 2024 inflation decreases and remains close to 2% in 2025 and 2026. Albeit growing, Italian investments are expected grow at a slower pace, while, as regards Central Banks, the scenario envisages that a cautious policy is kept on interest rates.
- Moderately adverse scenario: the OPEC voluntary reduces oil production in order for prices to rise with harder effects on 2024. There is a new inflationary wave in the United States and in Europe hitting households' purchasing power and private consumption. Production is penalized by the additional cost of energy with consequent decrease in profitability and investments go down. Central Banks increase interest rates and the spread between France and Italy widens.
- Stressed scenario: there is a deadlock in the Russia-Ukraine war and the authorities make sanctions against Russia harsher. Agriculture suffers from a very cold winter and from extreme weather events, while the inflationary shock persists due to high energy prices. The Central Bank sets fighting inflation as its priority objective and the spread between France and Italy further widens.
- Favourable scenario: China's growth improves and, by extension, so does the Asian one. The Chinese government deploys a new recovery plan in order to restore confidence and support to households and to bolster the real estate market. Therefore, the conditions for lending and for granting municipal allowances in the real estate scope are eased. Furthermore, demand in the Euro Area increases and Europe's growth resumes at a faster pace than in the central scenario.

The economic scenarios used in the 2023 Half-year Report and in the 2023 Annual Report are also given, in order to represent the main changes occurred vs. the multi-scenario used in Q2 2024.

Indicators used as at 31 December 2023

Indicators used as at 31 December 2023	Central Scenario				Moderately adverse scenario				Stressed budget				Favourable			
	2023	2024	2025	2026	2023	2024	2025	2026	2023	2024	2025	2026	2023	2024	2025	2026
ITA GDP	0.7%	0.6%	1.2%	0.9%	0.7%	-0.3%	0.6%	1.2%	1.2%	-1.2%	-0.8%	0.7%	0.7%	1.0%	1.2%	0.9%
ZE GDP	0.5%	0.9%	1.3%	1.0%	0.5%	0.0%	0.8%	1.3%	0.6%	-1.6%	-1.3%	0.9%	0.5%	1.3%	1.7%	1.4%
Inflation in Italy	6.0%	2.7%	2.2%	2.1%	6.3%	4.0%	2.2%	2.1%	6.3%	6.4%	5.4%	3.8%	6.0%	2.8%	2.2%	2.1%
Investments in Buildings	-2.4%	-0.3%	2.0%	1.9%	-2.5%	-3.2%	0.6%	2.2%	1.5%	-0.4%	0.8%	1.5%	-2.4%	-0.3%	2.0%	1.9%
Investments in machinery	2.1%	-1.6%	1.6%	1.6%	2.1%	-3.4%	-0.4%	2.6%	3.9%	-2.0%	-1.4%	0.9%	2.1%	0.6%	2.2%	1.6%
Fixed investments	0.8%	-0.2%	2.0%	1.9%	0.7%	-2.3%	0.6%	2.4%	2.9%	-0.5%	0.1%	1.3%	0.8%	0.5%	2.1%	1.9%
Unemployment rate	7.8%	8.0%	8.0%	7.9%	7.8%	8.0%	8.2%	7.9%	8.0%	9.3%	9.4%	9.4%	7.8%	7.9%	7.9%	7.8%
Domestic demand	1.1%	1.0%	0.8%	0.7%	1.0%	0.1%	0.5%	0.9%	1.0%	-1.7%	-0.9%	0.6%	1.1%	0.8%	0.7%	0.7%
World oil demand	2.2%	1.0%	0.8%	0.8%	2.2%	0.0%	0.3%	0.3%	2.2%	-1.0%	0.0%	1.0%	2.2%	1.1%	0.9%	0.9%
Work productivity	3.3%	0.8%	0.6%	1.1%	3.3%	0.9%	-0.2%	1.2%	2.7%	4.2%	4.7%	0.1%	3.3%	0.9%	0.9%	0.9%
Industrial Production Index (IPI)	-2.7%	1.0%	3.0%	2.2%	-2.7%	-0.4%	3.2%	2.9%	-0.8%	0.2%	-0.8%	2.4%	-2.7%	1.6%	3.3%	2.0%
Propensity to consume	1.9%	-0.7%	-0.7%	-0.4%	2.0%	-0.8%	-1.3%	-0.2%	2.4%	-2.9%	-1.5%	0.7%	1.9%	-1.1%	-0.8%	-0.4%
Weight	50%				35%				10%				5%			

Indicators used as at 30 June 2023

Indicators used as at 30 June 2023	Central Scenario				Moderately adverse scenario				Stressed budget				Favourable			
	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025
ITA GDP	3.80%	0.60%	1.00%	1.10%	3.80%	-0.40%	0.10%	1.30%	3.80%	-1.40%	1.60%	1.90%	3.80%	0.80%	1.30%	1.30%
ZE GDP	3.52%	0.60%	1.20%	1.10%	3.52%	-0.23%	-0.13%	1.07%	3.52%	-2.61%	1.70%	1.60%	3.50%	0.80%	1.90%	1.60%
Inflation in Italy	8.70%	7.40%	3.30%	2.60%	8.70%	8.00%	3.70%	2.60%	8.70%	8.80%	3.40%	1.90%	8.70%	6.40%	2.40%	2.00%
Investments in Buildings	13.60%	0.70%	-0.10%	1.70%	13.60%	-2.10%	-3.40%	2.50%	13.60%	-0.20%	2.40%	4.40%	13.60%	0.80%	1.60%	3.20%
Investments in machinery	9.70%	4.00%	0.60%	1.90%	9.70%	2.60%	-2.20%	2.60%	9.70%	-2.10%	3.60%	4.60%	9.70%	4.20%	1.70%	3.20%
Fixed investments	9.70%	2.40%	0.60%	1.90%	9.70%	0.30%	-2.30%	2.40%	9.70%	-0.40%	3.10%	4.40%	9.70%	2.50%	1.80%	3.00%
Unemployment rate	8.10%	8.10%	8.20%	8.10%	8.10%	8.40%	9.10%	8.90%	8.10%	10.60%	11.20%	10.10%	8.10%	8.10%	8.00%	7.90%
Domestic demand	2.70%	0.40%	0.90%	0.70%	2.70%	-0.50%	0.00%	0.80%	2.70%	-0.80%	1.70%	1.50%	2.70%	0.50%	0.90%	0.70%
World oil demand	2.41%	1.10%	0.40%	0.69%	2.41%	0.80%	0.50%	0.50%	2.41%	-2.01%	0.31%	0.92%	2.41%	1.50%	1.48%	1.17%
Work productivity	3.60%	5.30%	2.60%	1.90%	3.60%	4.90%	3.20%	2.20%	3.60%	-1.00%	1.50%	1.00%	3.60%	3.50%	2.40%	1.60%
Industrial Production Index (IPI)	0.40%	0.80%	1.20%	1.40%	0.40%	-0.60%	0.30%	0.90%	0.40%	-1.90%	2.10%	2.40%	0.40%	1.1%	1.40%	1.20%
Propensity to consume	-0.50%	11.87%	-0.84%	0.04%	-0.50%	11.88%	-0.96%	-0.98%	-0.50%	8.37%	3.00%	0.75%	-0.50%	11.63%	-1.11%	-0.49%
Weight	55%				30%				10%				5%			

Scenario sensitivity analysis

Within the revision of the parameters used for the IFRS 9 calculation of the Q2 2024 figures, the Crédit Agricole Italia Banking Group estimated the sensitivity of the ECL figure to the different macroeconomic scenarios given by the Crédit Agricole Group Economic Research Department - ECO, which is a specialist in macroeconomic studies.

To estimate the impact from the different scenarios identified, the maximum weighting was associated to each scenario, each time zeroing the contribution from the others in determining the forward-looking risk parameters and, thus, assessing the marginal contribution of each scenario to the final result.

Sensitivity was estimated on the March 2024 processing (data as at February 2024) in a lab environment and later applied to June 2024 closing data. The application of the observed variations to the June 2024 calculation results for the Crédit Agricole Italia Banking Group is summarized in the table below, which shows the range of figures that can obtained with the above-described method.

€/mln	Exposure	EAD	ECL Multi-scenario	Sensitivity analysis: ECL per single scenario			
				Central Scenario	Moderately adverse scenario	Stressed budget	Favourable
RETAIL BANKING	42,511	40,697	277	258	289	340	255
Stage1	38,343	36,575	54	51	57	62	50
Stage2	4,168	4,122	223	206	233	281	205
CORPORATE BANKING	52,834	32,631	158	151	166	169	145
Stage1	46,502	28,443	31	29	33	35	27
Stage2	6,332	4,188	128	123	133	132	119
SECURITIES	6,850	6,850	11	10	11	11	10
Stage1	6,837	6,837	10	9	11	15	8
Stage2	12	12	0	0	0	0	0
TOTAL	**102,194**	**80,178**	**446**	**421**	**467**	**506**	**409**
Deviation				**-5.6%**	**4.8%**	**13.5%**	**-8.3%**
	Weight			**50%**	**35%**	**10%**	**5%**

The table reports the result of the ECL sensitivity analysis based on the simulated scenarios and the related percentage deviation from the "multi-scenario" used for the accounting ECL, which can vary from Euro 409 million in the Favorable scenario (down by -8.3%) to Euro 506 million in the Stress budgétaire scenario used for budget simulations in stressed conditions (up by 13.5%). The recognized amount of Euro 446 million reflects the weights on the Central and Moderately Adverse Scenarios.

H1 2024 changes

In terms of methods and approaches, the actions deployed in the period concerned:

- The updating of the forward-looking parameters after receiving the new macroeconomic scenarios from the Economic Studies Department of Crédit Agricole S.A. (ECO), which were an improvement vs. those in production up to Q1 2024;
- The updating of the scenarios used for the analyses on the mortgage loan portfolio and the determination of the exposures to be downgraded;
- The alignment of the actions implemented for Crédit Agricole Leasing Italia with the actions implemented for Crédit Agricole Italia, as regards common Customers. More precisely, in the Crédit Agricole Leasing Italia perimeter:
  - The Customers that are also Crédit Agricole Italia Retail bnkg Customers in rating grades P07 and I07 and that are also Crédit Agricole Italia Corporate bnkg Customers in rating grades D and D- PD s (known as pre-sensitive ratings) were downgraded;
  - The use of standard rating for Retail Customers was eliminated.

These actions are summarized, along with the other *post-model adjustments* already present in the previous processing operations and reported in the paragraph below.

Post-model overlays and adjustments

Following the Forward-Looking Local ECL calculation as at June 2024, the Crédit Agricole Italia Banking Group made management overlays.

Said adjustments can be broken down into two types:

- **Adjustments made to specific positions:**
  - Single-name adjustments (adjustments on single positions) whereby the results could be aligned with the expectations – in terms of risk profile – of the IFRS 9 work group. In accordance with the regulated process, based on the results obtained with the calculation approach defined by the Group and based on the management information of the single counterparties, if the expected loss value associated with a specific counterparty does not accurately reflect its riskiness, the provisioning on the counterparty may be adjusted manually to a level deemed appropriate; such manual actions are allowed only if they increase the coverage ratio on the counterparty. The single-name adjustments also include the value adjustments to the ECL associated with exposures to:
    - The Bank of Italy;
    - The State Treasury;
    - Intra-group positions (with effects on the separate financial statements of the entities of the Group);
  - Application of the SICR rules to the former-Creval portfolio: in order to ensure correct classification of the exposures coming from the former-Creval portfolio, the staging rules in force were enriched with the comparison of Creval PD as at acquisition and Creval PD as at the IT migration date;
  - Direct downgrading to Stage 2:
    - Of the positions on the watchlist for at least three of the four months before the reference date;
    - Of the Retail positions with PD equal to or higher than 11% and of Corporate positions with PD equal to or higher than 5% (known as sensitive ratings);
    - Of pre-sensitive positions, i.e. of Retail Customers with ratings I07 and P07 and of Corporate banking Customers with ratings D and D-;
    - Only for Crédit Agricole Italia's part, of the floating-rate mortgage loan contracts that, based on a stress simulation, are to be considered high risk.
    - Of specific single-name exposures appropriately identified following some specific alert factors, such as:
      - Customers reported following the OSI automotive mission;
      - Common Customers reported as being in stage 2 by other entities of the Group;
      - Customers associated with the Liguria affair;
      - Customers after expert assessment.
- **Portfolio adjustments made by allocating** the identified amounts to all positions proportionally to the ECL. Said case included the following actions:
  - Actions concerning methodological elements not yet included in the used parameters or the implementation of a Forward-Looking Local model also for the LGD value;
  - Forward-looking action to take into account the adoption of the new Corporate rating grids; The grids started being used in April for Customers needing a rating review or the first rating. The grid will be adopted gradually over the next few months;
  - Action on sectors aimed at taking into account the higher riskiness of **energy-intensive sectors**, which is growing because of the consequences of the ongoing crisis on the future economic scenario;
  - **Prudential action on the Individuals segment** as done in the previous quarter;
  - Action aimed at mitigating the impacts on impairments where there are **State Guarantees** (applying to the guaranteed portion). Furthermore, as done in the previous quarters on the Crédit Agricole Italia perimeter, the coverage ratio of government securities was considered.
  - **Other actions to allocate provisions** on specific portfolios or on the overall portfolio of Performing Customers as at the reference date. In June 2024, the following actions were considered:
    - Corrections requested by the Validation Service after its annual review and concerning the implementation of the calculation regarding the add-on for the future implementation of the Corporate rating new grids;
    - Action covering upcoming corrections of the flows linked to amortizing contracts.

MARKET RISK

TRADING BOOK

The Crédit Agricole Italia Banking Group does not engage in significant proprietary trading on financial and capital markets and, furthermore, in its capacity as the sub-consolidating subsidiary of the Crédit Agricole Group, Crédit Agricole Italia S.p.A. is subject to the Volcker Rule and to the "*Loi francaise de séparation et de régulation des activitès bancaires*" (LBF), which prohibit any banking entity from engaging in proprietary speculative trading.

Therefore, trading activities are instrumental to meeting customers' requirements. The market risk control system implemented by Crédit Agricole Italia S.p.A. for all the entities of the Group ensures that a risk level consistent with the set objectives is constantly kept.

The Group's entities calculate their First Pillar capital needs for Market Risk using standardized approaches, given the low materiality of the exposures to this risk.

BANKING BOOK

Asset & Liability Management activities concern all the exposures on the banking book. The impacts generated by changes in the forward yield curve on net interest income and on the economic value of capital are monitored and mitigated with specific hedging transactions using derivatives with interest rates as the underlying, also through appropriate modeling of financial statement items and behavioural trends (behavioural models).

In its capacity as the Parent Company, Crédit Agricole Italia coordinates the interest rate risk and price risk profiles of the Group's banking book, centrally managing financial operations, as well as risk assessment and control activities.

The Governance model vests:

- The ALM Committee with the task of setting the strategic and direction lines for the management, of validating proper application of the standards and methods for measuring the exposure to interest rate risk, of examining the reporting produced by the Finance Function, as well as to resolve on any measures to be implemented;
- The Risk and Internal Control Committee with the task of examining the outcomes of controls on compliance with the Risk Appetite Framework (RAF) and Risk Strategy limits and alert thresholds, as well as any alert procedures that started.

In compliance with the normative instruments of the Group and with the supervisory regulations, the system of limits regarding interest rate risk is reviewed on a yearly basis within the RAF process, setting out operational limits in the Risk Strategy of Crédit Agricole Italia, which is submitted to the Group Risk Committee of the Crédit Agricole Group and is approved by the Boards of Directors of all the entities of the Group.

The limit system consists of global limits, operational limits and alert thresholds (that are then adapted to each single entity of the Group).

As regards limits on interest rate risk, the Risk Strategy has confirmed:
- A global limit in terms of Net Present Value (NPV);
- A gap global limit subdivided into different time bands;
- A global limit in Van Index terms.

As regards price risk for the Banking Book, global limits have been set, based on the type of instruments that may be held (Government securities), which are expressed with reference to commonly used metrics (fair value, nominal value), and global limits and alert thresholds have been identified on the Banking Book fair value.

FAIR VALUE HEDGING

Hedging interest rate risk has the objective of immunizing the Banking Book from changes in the fair value of funding and lending, caused by adverse movements in the yield curve.

The main financial instruments for the management of interest risk hedges are Interest Rate Options and Interest Rate Swaps, which, for their very nature, are contracts referring to "pure" interest rate risk. Specifically, fixed-rate debenture loans have been hedged (micro-hedging), as have the mortgage loans with optional components to Customers (macro-hedging), government securities (micro-hedging), current accounts (macro-hedging) and fixed-rate mortgage loans in the macro-hedging portfolio.

In compliance with the financial reporting standards, the effectiveness of the hedges is assessed by the Finance Structure, which carries out the relevant tests on a monthly basis and keeps formal documentation for every hedge.

LIQUIDITY RISK

The system for Liquidity Risk classification and management aims at ensuring continuity of essential business activities considering illiquidity risk and any reduction in resources. The management model includes methods for risk measurement and aggregation and for stress testing, which are compliant with the EU legislation and with the standards of the liquidity management system of the Crédit Agricole Group.

The limit system is based on stress scenarios, with the purpose of ensuring a liquidity surplus on different time horizons and in increasingly serious scenarios. The stress assumptions used cover idiosyncratic crises, systemic crises and global crises.

Moreover, a limit to short term refinancing with market counterparties (LCT – Limite Court Terme) has been defined in order to limit short term exposure to the market over a one-year time horizon, as well as an alert threshold on the *Différence Collecte Crédit* (DCC) indicator, which ensures appropriate coverage of loans to Customers through funding from Customers.

In regulatory terms, the short-term liquidity risk threshold is the Liquidity Coverage Ratio (LCR), which, as at 30 June 2024 and as the Group LCR, came to 216.23%, once again well above the regulatory requirements.

Medium-/long-term liquidity management entails the identification of alert thresholds and limits by determining the *Position en Ressources Stables* (Stable Resources Position, PRS) and *Concentration des échéances MLT* (a concentration limit to MLT maturities). They aim at ensuring the Group's balance between stable resources (market resources, funding from Customers, own funds) on the one hand, and long-term uses (market, customers, non-current assets and investments), as well as at limiting concentration of maturities in medium-/long-term funding.

In regulatory terms, longer term liquidity risk is monitored using the Net Stable Funding Ratio (NSFR). The ratio, which shall be higher than100%, has the Available Stable Funding (ASF) figure as the numerator and the Required Stable Funding (RSF) figure as the denominator. The Group's NSFR has always been well above 100%[18].
The Bank also monitors its intraday liquidity risk through a set of specific indicators that were developed in coordination with its Parent Company and are calculated on a weekly and monthly basis. The limit structure is completed by other management and alert indicators provided for in the Contingency Funding Plan.

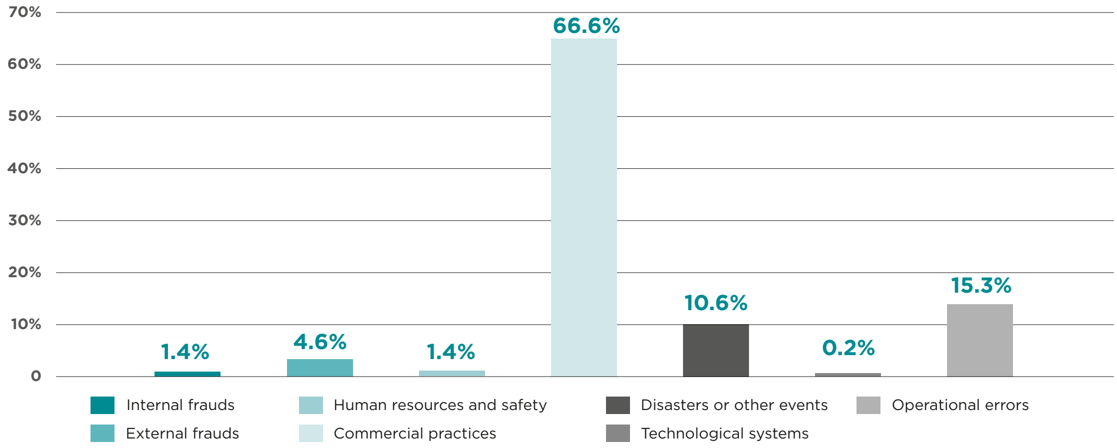
18 The NSFR as at 30 June 2024 shall be available from the second week in August (12 August is the date on which it is to be sent to the Regulator).

OPERATIONAL RISKS

BREAKDOWN OF LOSSES

Net "pure" operational losses recognized by the Crédit Agricole Italia Banking Group in H1 2024 came to approximately Euro 9.6 million.

As regards the sources of operational risk, the breakdown of the losses recognized as at the end of June by type of event (LET, "Loss Event Type") is given below, net of recoveries and excluding boundary losses with credit risk.



INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) RISK

In the Internal Policy documents, in compliance with the provisions issued by the Bank of Italy (Circular 285/13 as updated), Information and Communication Technology risk and Security risk (hereinafter referred to also as "ICT risk" is defined as the risk of losses due to confidentiality breach, poor integrity of systems and data or unavailability of the systems and data or inability to replace Information Technology (IT) within reasonable time limes and costs in case of modification of the requirements of the external context or activity (agility), as well as security risks resulting from inadequate or wrong internal processes or to external events, including cyberattacks or inadequate level of physical security. In the integrated statement of corporate risks for prudential purposes (ICAAP), this type of risk is included, in accordance with specific aspects, among operational, reputational and strategic risks".

The Governance of security management and of ICT risk management is based on the following criteria:

- Formalization of the roles and responsibilities in the ICT security scope;
- Implementation of the principle of separation of duties, in order to appropriately allocate responsibilities;
- Assessment of the ICT risk analysis carried out on a regular basis or in case of significant changes. In accordance with the risk level, the security measures for its mitigation are identified. The risk analysis is carried out also in case of new initiatives or projects that may entail impacts on the Bank's information system.

To analyze and assess ICT and security risks on its IT resources, the Crédit Agricole Italia Banking Group implements and develops the key concepts of the Risk Analysis Methodology of the Parent Company Crédit Agricole S.A., supplementing it, to achieve an overall representation of its risk position, through:

- The definition of the risk taxonomy of the information system (ICT Governance and strategy, ICT availability and continuity risk, ICT security risk, ICT change risk, ICT data integrity risk, ICT outsourcing risk);
- A Risk Self-Assessment exercise on the processes impacted by ICT risk;
- The collection and analysis of IT incidents and of the related operational losses;
- Continuous application of the overall framework of permanent controls;
- The preparation of continuous reporting flows to the Top Management and the BoD on the main processes/events concerning the Information System and Information System Security, with specific reference to incident and vulnerability management.

In the first months of 2024, after completing the gap analysis started in 2023, the Risk Management and Permanent Controls structure participated in the go-live of the project on DORA (the Digital Operational Resilience Act (DORA) is a EU regulation applying to the financial sector), also based on the instructions from CA.sa. The project activities will continue throughout 2024, in accordance with the plan for its completion by 17 January 2025, the date of entry into force of the Regulation.

In H1 2024 the Risk Management and Permanent Controls Structure continued to monitor ICT risk with the methods and approaches that started being used in the previous FYs. Specifically, with reporting through the documents listed below:

- ICT Risk Control framework that provides for ICT risk reporting to the Consortium's Board of Directors with quarterly updates;
- Reporting on permanent controls on a six-monthly basis covering all identified ICT risk scopes;
- Information in the Bank's Risk Report on the ICT risk situation to the Board of Directors of Crédit Agricole Italia;
- Annual report on ICT risk, i.e. the summary report on ICT risk provided for by Bank of Italy Circular 285, which concerned specific assessments and analyses on the year 2023;
- Annual report on risks associated with the outsourcing of critical or important functions, in which specific considerations on ICT outsourcing arrangements were also made.

In H1 2024 a review of permanent controls started, also considering the new control points required by Crédit Agricole S.A. The first reporting after the review will be made as of July 2024.

The monitoring schemes already in place did not show any situations worth of attention and gave evidence of a situation well under control.

CLIMATE-RELATED AND ENVIRONMENTAL RISKS

Within the Group the forward-looking action plans that were defined at the beginning of 2021 continue to be progressively implemented, pursuing the goal of including climate-related and environmental factors in its business model and strategy, in its governance and organization, in its risk management system and in its disclosure to the market, in accordance with the ECB "Guide on climate-related and environmental risks - Supervisory expectations relating to risk management and disclosure" and in accordance with the instructions given by the Parent Company. The ECB expectations have gone alongside, since 2023, also for CALIT, the actions plans designed to reach full compliance with the "Supervisory expectations on climate-related and environmental risks" issued by the Bank of Italy. The Risk Management carries out a quarterly monitoring exercise on the activities of each action plan and reports the monitoring outcomes to the Board and, on six-monthly basis, also to the Parent Company.

In H1 2024 the Group strengthened its ESG Governance, which, along the four levels already existing – the specific Board Committee, Managerial Committee, the Sustainability Structure as the unit coordinating the various projects, and a network of ESG experts on staff at the operational structures and, in an independent position, at the control structures – provides also for the setting up of specific business-based project streams aimed at evolving the supply system and the range of products and services, as well as the Group's ESG competitive positioning. The structures engaged in control Functions have extended their scope of activity also to ESG matters applying the model based on three lines of defence.

The actions deployed in H1 2024 concerned the Board and personnel training, the strengthening of the ESG KPIs in the remuneration policies, the implementation in the Risk Appetite Framework of environmental risk indicators, the updating of the ESG section of the Lending Policies, the provision of investment advisory services, and the development and marketing of sustainable products and services. Furthermore, data collection went on along with the development of IT applications aimed at creating a complete database for disclosure to the public, reporting to the Supervisory Authorities and internal reporting on monitoring. Within the Net-Zero Banking Alliance commitments, the Crédit Agricole Italia Banking Group is also involved by CAsa in defining the decarbonization trajectories for the sectors in which carbon neutrality at the portfolio level is to be achieved by 2050.

In cooperation with the Sustainability Function, the Risk Management also implemented a quarterly monitoring exercise on the activities of each project stream on ESG Governance in order to survey the progress in the activities and to identify, independently in its capacity as a Control Function, also any attention points to be then reported to the Board.

PART F – INFORMATION ON CONSOLIDATED EQUITY

Equity

Items	30 June 2024	31 Dec. 2023	Changes	
			Absolute	%
Share capital	1,102,071	1,102,071	-	
Share premium reserve	3,495,378	3,495,378	-	
Reserves	2,245,216	1,943,605	301,611	15.5
Equity instruments	740,000	815,000	-75,000	-9.2
Reserve for valuation of financial assets through other comprehensive income	-30,506	-14,794	15,712	
Reserves from valuation of actuarial gains (losses) relating to defined-benefit pension plans	-41,455	-44,710	-3,254	-7.3
Treasury shares	-6	-6	-	
Profit for the period	444,383	708,185	-263,802	-37.3
Total (book) equity	**7,955,081**	**8,004,729**	**-49,649**	**-0.6**

Own Funds

	30 June 2024	31 Dec. 2023
Common Equity Tier 1 (CET1)	**5,131,885**	**5,041,825**
Additional Tier 1 (AT1)	740,000	815,000
Tier 1 capital (T1)	**5,871,885**	**5,856,825**
Tier 2 capital (T2)	1,051,190	1,072,535
Own Funds	**6,923,075**	**6,929,360**
Risk-weighted assets	**38,666,837**	**37,232,440**
o/w for credit and counterparty risk and for loan measurement adjustment risk	34,066,007	32,701,887
CAPITAL RATIOS		
Common Equity Tier 1 ratio	13.3%	13.5%
Tier 1 ratio	**15.2%**	**15.7%**
Total Capital ratio	**17.9%**	**18.6%**

PART G – BUSINESS COMBINATIONS

COMBINATIONS MADE IN THE REPORTING PERIOD

"Le Village by CA Milano S.r.l." business combination

As represented in Section 3 "Scope of consolidation" of part A - Accounting Policies, on 7 February 2024 the general meeting of the shareholders of Le Village by CA Milano S.r.l. resolved a share capital increase of Euro 1.2 million. Besides being intended to cover past losses amounting to Euro 0.6 million, the share capital increase also provides the company with new financial resources to cover its business plan.
The capital increase determined the rearrangement of the shareholding structure, with Crédit Agricole Italia S.p.A. now holding 51% of the share capital vs. 38.9% as at 31 December 2023.

For accounting purposes, this transactions is to be classified as a business combination, in accordance with IFRS 3 ("step acquisition" i.e. transactions whereby the acquirer increases its existing minority equity investment to a level that provides the acquirer with control of the acquiree).

Therefore, effective as of 7 February 2024 (acquisition date) the company Le Village by CA Milano S.r.l. has been reclassified from an equity investment in an investee subject to significant influence (measured with the equity method) to an equity investment in a subsidiary (consolidated on a line-item basis).

Crédit Agricole Italia S.p.A. participated in the share capital increase paying in a total contribution of Euro 0.6 million, of which Euro 0.3 million to cover past losses (already recognized as at 31 December 2023) and Euro 0.3 million as a capital endowment to the entity representing the equity investment acquisition cost.

As at the acquisition date(*), the company's balance sheet reported total assets amounting to Euro 2.2 million and mainly consisting of rights of use for short-term leases (Euro 0.9 million) and trade receivables (Euro 0.7 million). Balance sheet liabilities mainly consisted of equity amounting to Euro 0.6 million and of lease liabilities under IFRS16 (Euro 0.8 million). Considering the nature and amounts of the accounting items, no adjustments had to be made subsequent to fair value measurements and no intangible assets or contingent liabilities not previously recognized by the company emerged and, therefore, the subsidiary's first consolidated on a line-item basis did not generate any non-recurring effects on profit and loss and on the balance sheet.

(*) The situation as at 31 December 2023 was conventionally used including the effects of the share capital increase of 7 February 2024, considering the immateriality of the ordinary accounting events referring to January 2024.

PART H – TRANSACTIONS WITH RELATED PARTIES

The regulation issued by the Bank of Italy on 12 December 2011, on risk assets and conflicts of interest with associated persons falls within the scope of the framework regulation concerning related parties (Article 2391-bis of the Italian Civil Code, Article 53 of the Italian Consolidated Law on Banking 53 of the Italian Consolidated Law on Banking (TUB) and CONSOB Regulation No. 17221/10) and has been designed to "*control the risk that the closeness of some persons to the Bank's decision-making centers may compromise the objectivity and impartiality of decisions relating to loan granting and other transactions with the same persons, with possible distortions in the allocation of resources, in the Bank's exposure to risks not adequately measured or controlled, potential damages to depositors and shareholders*". This regulation came into force on 31 December 2012 and, consequently, the first supervisory reporting was made on 31 March 2013, as required by the Supervisory Authority.

The Crédit Agricole Italia Banking Group had already adopted a Regulation on transactions with related parties implementing the original CONSOB regulation of 2010; afterwards, on 11 December 2012, in accordance with the regulation issued by the Bank of Italy, Crédit Agricole Italia approved the Document "Regulation for Risk Assets and Conflicts of Interests with Parties associated to the Crédit Agricole Italia Banking Group", in order to give the Group a specific internal normative instrument on this matter and to harmonize the various regulations in force; the Document was then updated on 29 July 2014.

On 25 July 2018, the Board of Directors of Crédit Agricole Italia approved the adoption of the new "Regulation on transactions with Associated Persons", which was then adopted by the other Banks and Companies of the Banking Group, which formalized, in a single normative instrument, the procedures that the Banks and Companies of the Crédit Agricole Italia Banking Group had to apply to transactions with Associated Persons, in compliance with the regulations in force at the time issued by CONSOB and by the Bank of Italy. Afterwards, with resolution no. 21624 of 10 December 2020 CONSOB amended the Regulation on Transactions with Related Parties as issued with its previous resolution no. 17221 of 12 March 2010. As the amendments entered into force on 1 July 2021, the Crédit Agricole Italia Banking Group duly aligned its "Regulation on Transactions with Associated Persons" those amendments.

Furthermore, the document implements the amendments introduced with the 33rd update of 23 June 2020 to Bank of Italy Circular no, 285 "Supervisory Provisions for Banks - Risk assets and conflicts of interest with associated persons", whereby a new chapter, Chapter 11, was added to Part III, already contained in Circular no. 263/2006, aligning it to the new regulatory framework and, specifically, it excluded, under certain conditions, equity investments in insurance undertakings from the scope of application of prudential limits.

Later on, with the 35th update to Circular no. 285 of 17 December 2013, which was published on the Italian Official Journal issue no. 165 of 15 July 2021, the Bank of Italy laid down the obligation for banks to comply – by 31 January2022 – with Article 88(1)(4) and (5) of Directive 2013/36/EU (CRD), as amended by Directive 2019/878/EU (CRD V), on loans to members of the management body and their related parties. Therefore, in January 2022, the Regulation was updated implementing the new Supervisory provisions.

As a consequence of the changed corporate structure of the Group resulting from the mergers of Credito Valtellinese S.p.A. and Crédit Agricole FriulAdria S.p.A. into Crédit Agricole Italia S.p.A., it was appropriate to make yet another update to the Regulation on Transactions with Associated Persons.

Indeed, as the Banking Group perimeter no longer includes any entities whose shares are listed(publicly held to any material extent, the Bank has no longer the obligation to apply the provisions laid down in CONSOB Regulation no. 17221 on related parties.

Therefore, on 23 March 2023, the Board of Directors approved the aforementioned Regulation in its updated version.

Furthermore, the Board of Directors of the Parent Company approved the internal Policies governing controls on risk assets and conflicts of interest with the Group's Associated Persons. That document describes, as regards the operational characteristics and strategies of the Bank and of the Group, the business sectors and the types of business transactions, also not entailing the assumption of risk assets, from which conflicts of interest may arise, as well as the controls implemented in the organizational structure and in the internal controls system in order to ensure constant compliance with the prudential limits and decision-making procedures referred to in the aforementioned Regulation.

Besides identifying the related parties and the connected persons of the Crédit Agricole Italia Banking Group, the "Regulation on Transactions with Associated Persons" lays down, in compliance with the principles established by the applicable legislation on related parties, the proceedings and rules aimed at ensuring transparency and substantial and procedural fairness of transactions with related parties and connected persons carried out by Crédit Agricole Italia, directly or through any of its subsidiaries. The Regulation also defines the cases, criteria and circumstances in which, without prejudice to full compliance with all obligations and requirements, full or partial application of the Regulation may be excluded. It also lays down prudential limits to risk assets with associated persons, sets the procedures to process and approve transactions with related parties, defines specific rules with regard to transactions with related parties made by the companies belonging to the Group and lays down procedures and timeframes for the provision of reporting and appropriate documentation on the transactions (i) to independent directors/Related Party Committee, as well as, where necessary, (ii) to the control bodies.

With regard to controls, the required activities are carried out by the various relevant corporate roles and structures, in different capacities and in the different phases of the process, in order to ensure constant compliance with the prudential limits and resolution-making procedures as provided for by the applicable legislation, also pursuing the objective to appropriately prevent and manage potential conflicts of interests that may result from transactions with associated persons.

PERIMETER OF RELATED PARTIES

The International Accounting Standards and International Financial Reporting Standards govern disclosure on transactions with related parties in IAS 24, which was endorsed by the European Union with Regulation (EU) no. 1126/2008 as amended.

In accordance with the definition given in IAS 24, a related party is a person or entity that is related to the entity that is preparing its financial statements ("reporting entity"). Specifically:

a) A person or close member of that person's family is related to a reporting entity if that person:
    (i) Has control or joint control over the reporting entity;
    (ii) Has significant influence over the reporting entity; or
    (iii) Is a member of the key management personnel of the reporting entity, i.e. the Bank and the supervised intermediary of the Banking Group, or of a parent of the reporting entity;
b) An entity is related to a reporting entity if any of the following conditions applies:
    (i) The entity and the reporting entity are members of the Crédit Agricole Group;
    (ii) The entity is an associate or joint venture of the Bank and/or of the supervised intermediary (or an associate or joint venture of a member of the Crédit Agricole Group);
    (iii) Both entities are a joint venture of the same third party;
    (iv) It is a joint venture of a third entity that is an associate of bank and of the supervised intermediary;
    (v) It is a post-employment defined benefit plan for the benefit of employees of either the bank and/or supervised intermediary or of an entity that is related to them;
    (vi) It is controlled or jointly controlled by a person identified in (a);
    (vii) A person identified in (a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
    (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

In the definition of related party, an associate includes the subsidiaries of the associate and a joint venture includes the subsidiaries of the joint venture.

Close member of a person's family are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity, and include:

a) that person's children and spouse or domestic partner;
b) children of that person's spouse or domestic partner; and
c) dependents of that person or that person's spouse or domestic partner.

Those persons are reported in column "Other related parties" of the table given in paragraph "Information on transactions with related parties".

Information on remuneration of managers vested with strategic responsibilities (aka key management personnel) and information on transactions with related parties is given below in compliance with Circular no. 262 “Banks’ financial statements: layouts and preparation” of 22 December 2005, issued by the Bank of Italy as updated, in accordance with IAS 24.

Information on transactions with related parties

These are transaction with associated persons (related parties and their connected persons), entailing the assumption of risk assets, transfer of resources, services or obligations, regardless of whether a price is paid, including mergers and demergers.

MAIN FINANCIAL TRANSACTIONS WITH RELATED PARTIES

Type of related parties	Cash and cash equivalents	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortized cost: loans to Customers	Financial assets measured at amortized cost: due from Banks	Financial liabilities measured at amortized cost: due to Customers	Financial liabilities measured at amortized cost: due to Banks	Guarantees given
Controlling Company	512,883				329,430		1,639,601	19,005
Entities exercising significant influence on the Company						83,673		
Associates				2,299		20,792	1,218	
Directors and Managers with strategic responsibilities				2,690		2,983		
Other related parties	48,198	149,288	3,609	3,928,991	2,573,567	488,923	12,718	144,297
Total	**561,081**	**149,288**	**3,609**	**3,933,980**	**2,902,997**	**596,372**	**1,653,537**	**163,303**

MAIN INCOME TRANSACTIONS WITH RELATED PARTIES

Amounts in thousands of Euros	Net interest income	Net fee and commission income	Personnel expenses
Controlling Company	-79,269	-1,033	-148
Entities exercising significant influence on the Company	131	28	-
Associates	-61	33	-
Directors and Managers with strategic responsibilities	35	151	-6,973
Other related parties	128,251	273,539	818
Total	**49,086**	**272,717**	**-6,303**

PART L – SEGMENT REPORTING

OPERATIONS AND PROFITABILITY BY BUSINESS SEGMENT

In compliance with IFRS 8 "Operating Segments", the figures on operations and profitability by business segment are given using the "management reporting approach".

In compliance with the Bank of Italy provisions, segment reporting was prepared, in line with the Group management reporting, using the multiple ITR (internal transfer rate) method, integrating also the cost of liquidity.

The Crédit Agricole Italia Group operates through an organizational structure that comprises:

- The **Retail banking, Private banking and Financial Advisors** channels serving individuals, households and *small businesses*;
- The **Corporate Banking** channel serving larger-size enterprises.

Therefore, given the features of the Group, the Other channel is of a residual nature and includes the activities pertaining to central departments, with specific reference to governance.

The data are presented in compliance with the reclassified layouts contained in the management report on operations and compared with 2023, balance sheet data are presented consistently with the statutory layouts.

The "**Retail Banking, Private banking and Financial Advisors**" channels generated Operating income of Euro 1,219 million (+18.1%): Net interest income (+27.8%), Net fee and commission income (+8.7%), income from trading of financial assets was stable; the operating profit came to Euro 605 million (up by +44.5%). Net of the Cost of risk, which came to Euro 63 million (31 bps) and after taxes, the Net profit came to Euro 379 million (up by +65.6%).

The "**Corporate Banking**" channel generated Operating income of Euro 300 million (+7.8%), with net interest income growing (+13.5%), net fee and commission income decreasing (-5.0%) and income from trading of financial assets decreasing (-2.8%); the Operating Profit came to Euro 211 million (+10.5%). Net of the Cost of risk, which came to Euro 62 million (60 bps) and after taxes, the Net profit came to Euro 104 million (up by +6.7%).

Assets by segment (point-in-time volumes) consisted of net loans to customers; as at 30 June 2024, the assets of the Retail Banking, Private Banking and Financial Advisors channels came to Euro 37,470 million (-1.1%); the assets of the Corporate Banking channel came to Euro 19,763 million (+0.9%); to the "other" channel an amount of Euro 6,717 million was allocated, mainly consisting of institutional counterparties, which are managed by the relevant central departments.

Liabilities by segment (point-in-time volumes) consisted of direct funding from Customers. Within this aggregate, funding of the Retail Banking, Private Banking and Financial Advisors channels came to Euro 50,233 million (-1.1%); the Corporate Banking channel posted a balance of Euro 11,801 million (-0.5%); to the "other" channel an amount of Euro 3,204 million was allocated, mainly regarding institutional counterparties.

It is pointed out that unallocated assets and liabilities report the set of inter-bank transactions, the Covered Bonds issued and other balance sheet aggregates, such as: unallocated property, plant and equipment/intangible assets, tax assets/liabilities and specific-purpose provisions.

In accordance with IFRS 8, it is reported that the Group business operations are essentially carried out in the Italian national territory, they are not subject to periodic performance reporting to the management with breakdown by foreign geographical area. The Group has not achieved revenues resulting from transactions with single external customers for amounts exceeding 10% of the income recognized in the financial statements.

SEGMENT REPORTING AS AT 30 JUNE 2024

Amounts in thousands of Euros	30 June 2024			
	Retail and Private Banking	Corporate Banking	Other	Total
Operating income				
Net interest income	649,139	209,304	44,604	903,047
Net fee and commission income	571,419	79,575	(11,883)	639,111
Dividend income	-	-	12,302	12,302
Financial Income (loss)	1,424	7,559	7,755	16,738
Other net operating income	(2,811)	3,903	479	1,571
Net operating income	**1,219,172**	**300,340**	**53,257**	**1,572,769**
Personnel and administrative expenses and amortization	(614,109)	(89,643)	(114,935)	(818,687)
Operating margin	**605,063**	**210,697**	**(61,678)**	**754,082**
Net provisioning for risks and charges	(4,603)	(2,193)	(1)	(6,797)
Net value adjustments to loans	(57,929)	(59,373)	-	(117,302)
Impairment of securities	-	-	2,310	2,310
Total Cost of RIsk	**(62,531)**	**(61,566)**	**2,309**	**(121,789)**
Profit (loss) on other investments	-	-	4,234	4,234
Profit (loss) before tax from continuing operations	**542,532**	**149,131**	**(55,136)**	**636,527**
Taxes	(163,515)	(45,126)	17,612	(191,028)
Profit (Loss) for the period	**379,017**	**104,005**	**(37,523)**	**445,499**
Assets and liabilities				
Assets by segment (customers)	37,470,043	19,763,483	6,716,537	63,950,063
Equity investments in associates	-	-	29,360	29,360
Unallocated assets	-	-	25,792,518	25,792,518
Total assets	**37,470,043**	**19,763,483**	**32,538,415**	**89,771,941**
Liabilities by segment	50,233,424	11,801,255	3,203,653	65,238,332
Unallocated liabilities	-	-	16,551,876	16,551,876
Total liabilities	**50,233,424**	**11,801,255**	**19,755,529**	**81,790,208**

SEGMENT REPORTING AS AT 30 JUNE 2023

Amounts in thousands of Euros	30 June 2023			
	Retail and Private Banking	Corporate Banking	Other	Total
Operating income				
Net interest income	507,819	184,421	199,690	891,930
Net fee and commission income	525,447	83,803	(1,676)	607,574
Dividend income	-	-	12,107	12,107
Financial Income (loss)	1,656	7,775	10,260	19,691
Other net operating income	(2,397)	2,538	510	650
Net operating income	**1,032,525**	**278,537**	**220,890**	**1,531,952**
Personnel and administrative expenses and amortization	(613,720)	(87,910)	(107,089)	(808,720)
Operating margin	**418,804**	**190,627**	**113,801**	**723,232**
Net provisioning for risks and charges	(2,887)	(1,668)	(4,500)	(9,055)
Net value adjustments to loans	(92,324)	(50,662)	-	(142,986)
Impairment of securities	-	-	4,219	4,219
Total Cost of RIsk	**(95,210)**	**(52,331)**	**(281)**	**(147,822)**
Profit (loss) on other investments	-	-	(960)	(960)
Profit (loss) before tax from continuing operations	**323,594**	**138,296**	**112,560**	**574,450**
Taxes	(94,735)	(40,838)	(32,599)	(168,172)
Profit (Loss) for the period	**228,859**	**97,458**	**79,961**	**406,278**
Assets and Liabilities (data as at 31 December 2023)				
Assets by segment (customers)	37,868,123	19,596,438	6,554,912	64,019,472
Equity investments in associates	0	0	25,803	25,803
Unallocated assets	0	0	27,647,203	27,647,203
Total assets	**37,868,123**	**19,596,438**	**34,227,918**	**91,692,478**
Liabilities by segment	50,794,891	11,861,226	3,293,358	65,949,475
Unallocated liabilities	0	0	17,713,307	17,713,307
Total liabilities	**50,794,891**	**11,861,226**	**21,006,665**	**83,662,782**

CERTIFICATION OF THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 154-BIS OF ITALIAN LEGISLATIVE DECREE NO. 58/1998

1. The undersigned Giampiero Maioli, Chief Executive Officer, and Pierre Débourdeaux, Senior Manager in charge of the preparation of the corporate accounting documents of Crédit Agricole Italia S.p.A., hereby certify, having regard also to Article 154-bis, paragraphs 3 and 4, of Italian legislative Decree no. 58 of 24 February 1998:
   - The adequacy in relation to the company's characteristics and
   - The actual application of the administrative and accounting procedures for the preparation of the half-yearly consolidated financial statements during the course of the period from 1 January to 30 June 2024.
2. In this regard, no significant aspects have emerged.
3. The undersigned certify also that:

   3.1 The half-yearly condensed consolidated financial statements:

   a) Have been prepared in compliance with the applicable international accounting standards and international financial reporting standards endorsed within the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
   b) Are consistent with the entries and facts on file in the accounting books and records;
   c) Give a true and correct representation of the financial situation, profit or loss and cash flows of the reporting entity and of the set of companies included in the scope of consolidation.

   3.2 The Management Report includes a reliable analysis of the performance and profit (loss) from operations, as well as of the situation of the reporting entity and of the set of companies included in scope of consolidation, along with a description of the main risks and uncertainties they are exposed to.

Parma, 24 July 2024

Giampiero Maioli

Chief Executive Officer

Pierre Débourdeaux

Manager in charge of the preparation of corporate accounting documents

INDEPENDENT AUDITORS' REPORT

REVIEW REPORT ON HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of Crédit Agricole Italia SpA

Foreword

We have reviewed the accompanying half-yearly condensed consolidated financial statements of Crédit Agricole Italia SpA and its subsidiaries (the Crédit Agricole Italia Group) as of 30 June 2024, comprising the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and related notes.
The directors of Crédit Agricole Italia SpA are responsible for the preparation of the half-yearly condensed consolidated financial statements in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these half-yearly condensed consolidated financial statements based on our review.

Scope of Review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution No. 10867 of 31 July 1997. A review of half-yearly condensed consolidated financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) 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 on the half-yearly condensed consolidated financial statements.

PricewaterhouseCoopers SpA

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the half-yearly condensed consolidated financial statements of Crédit Agricole Italia SpA as of 30 June 2024 are not prepared, in all material respects, in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, 6 August 2024

PricewaterhouseCoopers SpA

Signed by

Raffaella Preziosi
(Partner)

This review report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

FINANCIAL STATEMENTS OF THE PARENT COMPANY

BALANCE SHEET

Assets (in Euro units)		30 June 2024	31 Dec. 2023
10.	Cash and cash equivalents	7,999,885,897	10,383,271,686
20.	Financial assets measured at fair value through profit or loss	305,219,417	351,516,894
	a) financial assets held for trading;	160,487,782	198,490,863
	c) other financial assets mandatorily measured at fair value	144,731,635	153,026,031
30.	Financial assets measured at fair value through other comprehensive income	3,274,828,858	3,865,220,988
40.	Financial assets measured at amortized cost	72,759,528,696	71,631,909,311
	a) due from banks	3,785,167,199	2,331,656,702
	b) Loans to customers	68,974,361,497	69,300,252,609
50.	Hedging derivatives	829,383,367	863,647,208
60.	Fair value change of financial assets in macro-hedge portfolios (+/-)	-417,630,313	-328,603,257
70.	Equity investments	192,665,910	193,393,383
80.	Property, Plant and Equipment	1,029,961,140	1,060,113,417
90.	Intangible assets	1,399,909,720	1,410,420,055
	- of which goodwill	1,315,925,274	1,315,925,274
100.	Tax assets	1,636,659,629	1,988,835,876
	a) current	374,773,673	612,560,954
	b) deferred	1,261,885,956	1,376,274,922
110.	Non-current assets held for sale and discontinued operations	9,104,327	9,104,327
120.	Other assets	2,515,991,447	2,471,744,982
Total assets		**91,535,508,095**	**93,900,574,870**

Liabilities and Equity (in Euro units)		30 June 2024	31 Dec. 2023
10.	Financial liabilities measured at amortized cost	79,494,507,822	81,789,029,047
	a) Due to banks	1,934,056,892	5,221,912,860
	b) Due to Customers	61,454,838,247	61,974,657,969
	c) Debt securities issued	16,105,612,683	14,592,458,218
20.	Financial liabilities held for trading	160,105,140	198,241,205
40.	Hedging derivatives	2,172,170,445	2,139,540,183
50.	Fair value change of financial liabilities in macro-hedge portfolios (+/-)	-939,845,853	-791,351,178
60.	Tax liabilities	188,423,266	273,324,927
	a) current	150,809,475	228,397,888
	b) deferred	37,613,791	44,927,039
80.	Other liabilities	1,930,254,286	1,640,213,092
90.	Employee severance benefits	81,716,261	86,587,780
100.	Provisions for risks and charges	516,358,760	572,312,581
	a) commitments and guarantees given	81,790,377	78,920,545
	b) post-employment and similar obligations	28,591,489	30,642,792
	c) other provisions for risks and charges	405,976,894	462,749,244
110.	Valuation reserves	-71,544,590	-58,992,972
130.	Equity instruments	740,000,000	815,000,000
140.	Reserves	2,232,637,492	1,935,977,337
150.	Share premium reserve	3,495,378,045	3,495,378,045
160.	Capital	1,102,071,064	1,102,071,064
170.	Treasury shares (-)	-6,052	-6,017
180.	Profit (Loss) for the period (+/-)	433,282,009	703,249,776
Total liabilities and equity		**91,535,508,095**	**93,900,574,870**

INCOME STATEMENT

Items (in Euro units)		30 June 2024	30 June 2023
10.	Interest and similar income	1,812,112,461	1,464,612,867
	Of which: interest income calculated with the effective interest method	1,809,045,797	1,462,420,052
20.	Interest and similar expenses	(936,722,629)	(588,411,335)
30.	**Net interest income**	**875,389,832**	**876,201,532**
40.	Fee and commission income	661,213,122	629,876,538
50.	Fee and commission expense	(23,091,353)	(23,523,131)
60.	**Net fee and commission income**	**638,121,769**	**606,353,407**
70.	Dividend and similar income	12,351,965	13,640,506
80.	Net profit (loss) on trading activities	8,938,130	9,343,822
90.	Net profit (loss) on hedging activities	(4,973,932)	(3,258,203)
100.	Profit (Loss) on disposal or repurchase of:	30,541,927	26,871,129
	a) financial assets measured at amortized cost	15,876,157	22,132,211
	b) financial assets measured at fair value through other comprehensive income	14,631,372	4,717,016
	c) financial liabilities	34,398	21,902
110.	Net profit (loss) on other financial assets and liabilities measured at fair value through profit or loss	(4,698,279)	851,231
	b) other financial assets mandatorily measured at fair value	(4,698,279)	851,231
120.	**Net banking income**	**1,555,671,412**	**1,530,003,424**
130.	Net adjustments/recoveries for credit risk on:	(105,449,560)	(123,194,595)
	a) financial assets measured at amortized cost	(105,555,187)	(120,298,706)
	b) financial assets measured at fair value through other comprehensive income	105,627	(2,895,889)
140.	Profits/Losses on contract modifications without derecognition	(759,723)	(102,555)
150.	**Net financial income (loss)**	**1,449,462,129**	**1,406,706,274**
160.	Administrative expenses:	(944,108,954)	(917,041,774)
	a) personnel expenses	(461,049,705)	(459,027,132)
	b) other administrative expenses	(483,059,249)	(458,014,642)
170.	Net provisions for risks and charges	(9,947,816)	(25,400,872)
	a) commitments and guarantees given	(2,869,832)	(8,590,342)
	b) other net provisions	(7,077,984)	(16,810,530)
180.	Net adjustments to/recoveries on property, plant and equipment	(42,904,391)	(47,429,420)
190.	Net adjustments to//recoveries on intangible assets	(10,510,335)	(10,481,223)
200.	Other operating costs/income	178,891,666	165,266,430
210.	**Operating costs**	**(828,579,830)**	**(835,086,859)**
220.	Profit (losses) on equity investments	(1,503,422)	(2,377,451)
250.	Profit (losses) on disposals of investments	524,800	601,066
260.	**Profit (Loss) before tax from continuing operations**	**619,903,677**	**569,843,030**
270.	Taxes on income from continuing operations	(186,621,668)	(166,693,820)
280.	**Profit (Loss) after tax from continuing operations**	**433,282,009**	**403,149,210**
300.	**Profit (Loss) for the period**	**433,282,009**	**403,149,210**

STATEMENT OF COMPREHENSIVE INCOME

Items (in Euro units)		30 June 2024	30 June 2023
10.	Profit (Loss) for the period	433,282,009	403,149,210
	Other comprehensive income after tax not reclassified to profit or loss	**-**	**-**
20.	Equity securities designated at fair value through other comprehensive income	405,419	(7,265,103)
30.	Financial liabilities designated at fair value through profit or loss (changes in own credit rating)	-	-
40.	Hedging of equity securities designated at fair value through other comprehensive income	-	-
50.	Property, Plant and Equipment	-	-
60.	Intangible assets	-	-
70.	Defined-benefit plans	3,161,572	(1,269,987)
80.	Non-current assets held for sale and discontinued operations	-	-
90.	Share of valuation reserve on equity investments measured with the equity method	-	-
	Other income components reclassified to profit or loss	**-**	**-**
100.	Hedging of investments in foreign operations:	-	-
110.	Foreign exchange differences	-	-
120.	Cash flow hedges	-	-
130.	Hedging instruments (non-designated elements)	-	-
140.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	(16,118,609)	4,916,904
150.	Non-current assets held for sale and discontinued operations	-	-
160.	Share of valuation reserve on equity investments measured with the equity method	-	-
170.	**Total other comprehensive income after taxes**	**(12,551,618)**	**(3,618,186)**
180.	**Comprehensive income (Item 10+170)**	**420,730,391**	**399,531,024**

STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2024

(in Euro units	Capital: Ordinary shares	Share premium reserve	Reserves:		Valuation reserves	Equity instruments	Treasury shares	Profit (Loss) for the period	Equity
			retained earnings reserves	other					
EQUITY AS AT 31 DEC. 2023	1,102,071,064	3,495,378,045	1,932,471,645	3,505,692	-58,992,972	815,000,000	-6,017	703,249,776	7,992,677,233
ALLOCATION OF THE PROFIT OR LOSS FOR THE PREVIOUS FY									
Reserves	-	-	341,233,781	-	-	-	-	-341,233,781	-
Dividends and other allocations	-	-	-	-	-	-	-	-362,015,995	-362,015,995
CHANGES FOR THE PERIOD									
Changes in reserves	-	-	-112,553	-	-	-	-	-	-112,553
Transactions on equity									
Issues of new shares	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-35	-	-35
Extraordinary dividend distribution	-	-	-	-	-	-	-	-	-
Change in equity instruments	-	-	-44,461,073	-	-	-75,000,000	-	-	-119,461,073
Derivatives on treasury shares	-	-	-	-	-	-	-	-	-
Shares and rights on shares of the Parent Company assigned to employees and directors	-	-	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	-12,551,618	-	-	433,282,009	420,730,391
EQUITY AS AT 30 JUNE 2024	1,102,071,064	3,495,378,045	2,229,131,800	3,505,692	-71,544,590	740,000,000	-6,052	433,282,009	7,931,817,968

STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2023

(in Euro units	Capital: Ordinary shares	Share premium reserve	Reserves:		Valuation reserves	Equity instruments	Treasury shares	Profit (Loss) for the period	Equity
			retained earnings reserves	other					
EQUITY AS AT 31 DEC. 2022	1,102,071,064	3,496,073,455	1,767,081,339	3,180,740	-54,583,512	815,000,000	-	552,879,190	7,681,702,276
ALLOCATION OF THE PROFIT OR LOSS FOR THE PREVIOUS FY									
Reserves	-	-	250,695,446	-	-	-	-	-250,695,446	-
Dividends and other allocations	-	-	-	-	-	-	-	-302,183,744	-302,183,744
CHANGES FOR THE PERIOD									
Changes in reserves	-	-	13,459	-	-	-	-	-	13,459
Transactions on equity									
Issues of new shares	-	-695,410	-	-	-	-	-	-	-695,410
Purchase of treasury shares	-	-	-	-	-	-	-4,373	-	-4,373
Extraordinary dividend distribution	-	-	-	-	-	-	-	-	-
Change in equity instruments	-	-	-40,264,910	-	-	-	-	-	-40,264,910
Derivatives on treasury shares	-	-	-	-	-	-	-	-	-
Shares and rights on shares of the Parent Company assigned to employees and directors	-	-	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	-3,618,186	-	-	403,149,210	399,531,024
EQUITY AS AT 30 JUNE 2023	1,102,071,064	3,495,378,045	1,977,525,334	3,180,740	-58,201,698	815,000,000	-4,373	403,149,210	7,738,098,322

STATEMENT OF CASH FLOWS AS AT 30 JUNE 2024

(in Euro units	30 June 2024	30 June 2023
A. OPERATING ACTIVITIES		
1. Cash flows from operations	**1,006,885,992**	**918,481,055**
- profit (loss) for the period (+/-)	433,282,009	403,149,210
- gains/losses on financial assets held for trading and on financial assets/ liabilities measured at fair value through profit or loss(-/+)	-163,499	-916,974
- gains/losses on hedging activities (-/+)	4,973,932	72,278,126
- net adjustments/recoveries for credit risk (+/-)	103,298,892	-25,505,975
- net adjustments to/recoveries on property, plant and equipment and intangible assets (+/-)	53,414,726	57,910,643
- net provisioning for risks and charges and other costs/revenues (+/-)	9,947,816	25,400,872
- taxes, levies and tax credits not settled (+)	186,621,668	166,693,820
- other adjustments (+/-)	215,510,448	219,471,333
2. Cash flow generated/absorbed by financial assets	**-871,907,548**	**3,807,801,245**
- financial assets held for trading	38,166,580	30,393,038
- financial assets mandatorily measured at fair value	8,294,396	6,653,263
- financial assets measured at fair value through other comprehensive income	565,270,003	-376,908,992
- financial assets measured at amortized cost	-1,233,788,417	4,354,736,256
- other assets	-249,850,110	-207,072,320
3. Net cash flow generated/absorbed by operating activities	**-2,048,707,241**	**-2,771,306,635**
- financial liabilities measured at amortized cost	-2,183,159,833	-3,917,825,964
- financial liabilities held for trading	-38,136,065	-29,354,918
- other liabilities	172,588,657	1,175,874,247
Net cash flow generated/absorbed by operating activities	**-1,913,728,797**	**1,954,975,665**
B. INVESTING ACTIVITIES		
1. Cash flow generated by:	**14,231,974**	**16,898,016**
- dividend income on equity investments	12,351,965	13,640,506
- sales of property, plant and equipment	1,880,009	3,257,510
2. Cash flow absorbed by:	**-2,411,863**	**-3,962,681**
- purchases of equity investments	-1,112,000	-2,497,410
- purchases of property, plant and equipment	-1,299,863	-1,465,271
Net cash flows generated/absorbed by investing activities	**11,820,111**	**12,935,335**
C. FUNDING ACTIVITIES		
- issues/purchases of treasury shares	-35	-699,783
- issues/purchases of equity instruments	-119,461,073	-40,264,910
- distribution of dividends and other	-362,015,995	-302,183,744
Net cash flows generated/absorbed by funding activities	**-481,477,103**	**-343,148,437**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS FOR THE YEAR	**-2,383,385,789**	**1,624,762,563**

RECONCILIATION

Items (in Euro units)	30 June 2024	30 June 2023
Opening cash and cash equivalents	10,383,271,686	2,875,997,217
Net increase/decrease in cash and cash equivalents for the period	-2,383,385,789	1,624,762,563
Closing cash and cash equivalents	**7,999,885,897**	**4,500,759,780**

Key: (+) generated/ from (–) absorbed/used in

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Company subject to the management and coordination exercised
by Crédit Agricole S.A.

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