



Crédit Agricole Q2 & H1 2025 Results

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Key Messages and Figures

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Welcome

Hello, everyone. I'm very happy to be here with you today. So I'm going to present the results for the second quarter, starting on page four.

The Group is accelerating its development

We're posting a record net income this quarter at €2.4 billion. It increased by 30.7% this quarter. Part of this strong increase is linked to the capital gain related to the deconsolidation of Amundi US, net of non-controlling interest. But excluding this impact, net income grew by 14.1% in this quarter. And so this performance reflects the continued strength of our business model.

This quarter, we witnessed dynamic activity across all the business lines and the steady flow of strategic transactions. We have integration processes well underway. Several operations concluded this quarter and several projects initiated or announced.

And if we look at the figures, net income Group share growth stems from a strong revenue growth, €7 billion, up 3.1%, expenses under control with the cost-to-income ratio at a very competitive level of 53.9% this half year, and this allows us to post a very strong ROTE ratio of 16.6% this half year.

And finally, solvency is high at CASA at 11.9%, and, of course, at the Group level at 17.6%. So all of this bodes very well for our medium-term outlook, which we will discuss on our Capital Markets Day, which is planned on the 18th of November. I'm looking forward to seeing you there.

Key figures

If I move to the next slide, if we look a little bit more in detail at the figures, for the Group Crédit Agricole, net income Group share is up sharply, 30.1% this quarter, to €2.6 billion. We have a very strong capital position, a stable and a low cost of risk on outstandings and very strong liquidity reserves, €471 billion.

And for CASA, net income group share also grew sharply, +13.7% Q2 over Q2, at €2.4 billion, with a gross operating income up 4.1%, and again, this figure of ROTE at 16.6%.

Activity

Strong activity in all business lines

Now if I move on to activity. I'm going to dig into this activity a little bit here since I will not detail the slides on business lines going forward. So let me just detail a little bit the activity, which feeds into our gross operating income increase. So customer capture is strong at 493,000 this quarter. This brings a total of customer capture for the first half year to more than one million, and activity was very strong in all of the business lines.

In Retail Banking, loan production was dynamic in France and in Italy, and in France, in particular, driven by home loans that grew 28%, and corporate loans, 12%. The loans

outstanding increased in all of our geographies, and we have on-balance sheet customer assets that also increased.

Insurance also posted an excellent quarter. We had a record level of net inflows, €4.2 billion this quarter in savings and retirement, which is well balanced between unit-linked and the euro funds. Premium income is also at a very high level, €12.7 billion, in particular, thanks to savings and retirement, up 22% and P&C activities up 9%. And for the latter, we have both a volume effect, 16.9 million contracts in our portfolio, an increase of 2.8%, and a price effect with an increase in average premium.

And as you can see, the equipment rates are still high and continue to increase in the Regional banks, in LCL and in Crédit Agricole Italia.

In Asset Management, the net inflows are high, €20 billion, again, balanced between medium to long-term assets and JV. This brings the level of the total AUM to the record level of €2,267 billion, of which €94 billion in the US at the end of June, . I'll come back to that. And also we have an increase in AUM in wealth management.

Production in personal finance and mobility is also at a very high level, €12.4 billion this quarter, thanks to the traditional consumer finance activity since the automobile activity was stable in a complex market that's still complex in Europe and China. The gross managed loans, however, increased in all three segments, thanks, in particular, to car rental.

And production in leasing, however, was down this quarter, mainly in France, but buoyant internationally and factoring was very strong.

And finally, the CIB confirms its performance with a new record in half year revenues and strong Q2 revenues, thanks in particular to structured finance. And we maintain, of course, our leading positions on syndicated loans and on bond issuances.

And finally, in asset servicing, assets under custody increased this quarter, benefiting from favourable market effects and new customer acquisitions.

Activity

The Group continues to grow with a continuous flow of strategic transactions

On the following slide, you see that we continue to roll out our growth model, which, as you saw with the activity, relies on organic growth naturally, but also on a steady flow of strategic transactions, acquisitions or partnerships or both. And you see here on this slide a dozen operations that we wanted to put forward in front of you.

Regarding the integration progress – processes that are well underway – I wanted to talk about two specifically, the acquisition of the European asset servicing activities of RBC in 2024, which should generate €100 million of net income, and the cost and revenue synergies are well underway, 60% completion rate.

We also have the synergies that are well underway for Degroof Petercam by Indosuez. The acquisition in 2024 should generate €150 million to €200 million net income in 2028, and so we already have about 25% of synergies underway.

And we announced the integration on 1st of April of Amundi US and Victory Capital in exchange for 26% participation in capital of Victory Capital which will be equity accounted, and this goes along with the reciprocal 15-year distribution agreement. So you will see in these figures a

capital gain of €453 million in net income, which corresponds to €304 million in net income Group share.

We have also concluded several transactions this quarter: the purchase of Santander's 30.5% minority stake in CACEIS, which will be accounted for in the third quarter with the retroactive cancellation at that date of the minority interest paid in 2025; of course, Banco BPM, which you've heard about quite a lot, with the increase of our stake to 19.8% and we have also announced our intention to increase our stake just above the 20% threshold in order to apply the equity accounting method; and other acquisitions, operations concluded this quarter: Merca Leasing acquisition, a majority stake by Crédit Agricole Transition & Énergies in COMWATT- it's a specialist in production and optimisation of solar energy. All of this bears witness to the development of our business lines.

And we have initiated or announced several projects: in July, the project for the acquisition by LCL and Crédit Agricole Assurance of Milleis, which is a historical wealth management player in France; we've also announced the plan to acquire Thaler Banque in Switzerland; and we have projects on Crelan and Indosuez Wealth Management in Monaco, which have been announced as well.

Revenues

High revenues that continue to grow

On the next slide, if I go into a little bit more detail on the revenues, the activity in these transactions translate into revenue growth, which is strong this quarter at 3.1% to €7 billion. Now this increase, in particular, stems from the increase in dividends received in respect to our participation in Banco BPM since we increased our stake from 9.9% to 19.8%. And we have to add the impact of the higher valuation of securities on this, but it's relatively limited because, as you know, half of our stake is accounted for against equity for OCI, which does not impact P&L directly.

And besides this effect, we have the revenues of business lines that are stable at a very high level; and you see the high level on the chart on the right, which has been increasing very strongly since 2017, 5.1% growth rate per year.

Now if we look at the business lines, the revenues are increasing in asset gathering, in particular in insurance due to activity. We have stable revenues for Amundi this quarter, excluding the scope effect, in a volatile environment. And we have scope effects, in fact, that are limited because we have a negative effect of the deconsolidation of Amundi US, which is more or less compensated by that of Degroof Petercam.

Revenues are high at a very stable level in CIB and CACEIS. In CIB, we have a record half year in terms of revenue.

In SFS, the revenues benefited from a favourable price effect in Personal Finance and Mobility, thanks to the increase in margin rates. But the revenues are penalised by the decrease in margins on factoring due to the recent decline in rates.

And in Retail Banking, we have a very strong growth in fees and commissions income in France and Italy. There's an unfavourable base effect on net interest income in LCL, and we have a competition impact in the housing market in the context of decreasing rates in Italy. And we

can come back to that, of course, but going forward, we're more optimistic regarding the net interest income than what we have seen with the base effects in particular this quarter.

So all in all, we have high and growing revenues this quarter.

Expenses

Expenses under control, cost/income ratio low at 53.9% (H1)

And expenses, if we move on to slide 10, are under control, growing 2.2%. We have a very good cost-to-income ratio, 53.9% this half year. Recall that cost-to-income ratio decreased by 15 percentage points between 2015 and 2024. And so this quarter, expenses are under control.

We have a strong negative impact of the scope effect on asset gathering.

On the other hand, we have a very strong positive impact of the scope effect in Italy because we have a nationwide end last year of the contribution to the Italian deposit guarantee scheme, which took place. This is a positive effect. And besides that, we have a very under control recurring expense development, in particular in CIB due to IT investments, and we have also development investments that are high in LCL, as was the case for the past few quarters.

Risks

Loan loss reserves high and among the best coverage ratios

On the next slide, regarding loan loss reserves, which are high. We have a cost of risk that has increased by 4.2%, but the cost of risk as a share of outstandings is low and stable, both at CASA level, 32 bps annualised, and Group level, 28 bps annualised.

Now if we look at the split of the cost of risk, the Stage 3 proven risk has increased, but to remain at a level very close to that of the fourth quarter 2024. A part of that is explained by Personal Finance and Mobility, where we have had a relatively stable S3 risk for several quarters with a slight deterioration on international subsidiaries, and the rest is explained by self-employed professionals, LCL markets and a few large corporates.

We have a reversal of loan loss provisions in the second quarter, despite the fact that we updated our economic scenario, as we have favourable model effects in CACIB.

But all in all, as you can see, there's no increase in the loan loss provision. And what's important for us to stress is that we have a high level of loan loss reserves and among the best coverage ratios in Europe, loan loss reserves of €9.4 billion in CASA and €21.6 billion at the level of the Group, which shows that we have a quality of our balance sheet, which is very high.

Risks

Cost of risk by business line

If we look on page 12, the cost of risk by business line. We have the slight increase in consumer finance that I was talking about after a few exceptional elements that were posted in the fourth quarter of 2024. And you can see that there is a continuous decrease in Italy and an improvement in asset quality on the coverage ratio. Elsewhere, everything is very, very stable, with provision reversals in CAL&F and CACIB due to model effects.

Results

Net income Group share at the highest

On the next slide, we have a very high level of net income Group share and of pretax income. If we look at the pretax income, you'll see that, for asset gathering, we have benefited from the capital gain related to the deconsolidation of Amundi US, €453 million, which becomes on the right-hand side, €304 million after deduction of noncontrolling interest.

But we also have a positive contribution besides that. If I look into a little bit of detail, we have a limited negative contribution of large customers due to the fact that revenues were stable, and we have had a slight increase in expenses. For SFS, we have had a goodwill impairment at CAL&F, and at Crédit Agricole Personal Finance and Mobility, we have had an impact on equity accounted entities like Leasys, which are impacted by lower remarketing revenues. The Retail Bank contributes positively. And you have the positive impact of Banco BPM in the Corporate Centre.

So this positive pre-tax income growth feeds into the net income Group share, with a strong gross operating contribution increasing 4.1%; a limited impact of cost of risk; on taxes, a decrease this quarter. In particular, we have a couple of positive elements with infra-annual adjustments in business lines, which contributed positively this quarter; and the capital gain of the deconsolidation of Amundi US.

Strong financial position – Crédit Agricole S.A.

High solvency ratio (target at 11%)

And so all of this feeds into our capital ratio with the retained results, which have increased by 28 basis points. So remember that our target is 11%. We still have a high level of CET1 this quarter at 11.9%. So we do have natural organic growth, retained results 28 basis points, and we have the natural organic growth in RWA of business lines.

And then we have an M&A effect. We were talking about that last quarter. And you can see that we have, as expected, about 30 basis points in M&A effect: for Banco BPM due to the unwinding of our total return swap to acquire a direct stake and for Victory, the impact of the deconsolidation and the acquisition of 26% of Victory Capital. And these two operations lead us to increase the number of significant participations held above the threshold of 10%.

Below that threshold, we benefit from an exemption from deduction from CET1 items and we can risk weight everything instead. But there's a threshold, and so we have crossed that threshold. And so we, therefore, have to deduct an additional 7 basis points linked to the other participations other than Banco BPM and Victory in this franchise. And then we have a couple of positive methodology impacts, in particular in CIB.

And so this brings us to 11.9%, including a provision of €0.65 per share of dividend at the end of the half year. But don't lock these 11.9% into your mind because next quarter pro forma, we have about 30 basis points impact of the closing of the transaction with Santander in order to buy back their 30% minority share of CACEIS. This was finalised in July. So the starting point for next quarter is 11.6%, which remains, of course, very high, and we have a very high today distance to SREP at 3.2 percentage points.

Strong financial position – Crédit Agricole Group*Very high capital*

Going on to Group capital. We have a very similar evolution. We have a higher increase in RWAs because the exemption threshold is not saturated at the level of the Group. But as you see all now, we have a very high level of CET1, 7.7 percentage points above the SREP level, very high leverage ratio, very high TLAC and MREL ratios.

Strong financial position – Crédit Agricole Group*Strong liquidity position*

On the next page on liquidity, we have a very comfortable liquidity position with a very high level of liquidity reserves at €471 billion. LCR, NSFR ratios are absolutely excellent, and the group has mobilised various levers to diversify our sources of liquidity. We have customer deposits that are abundant, stable, diversified and granular.

Continued support of transitions

On the next page, page 17, an update on our transition plan, which continues to be organised around three pillars: the acceleration of development of financing to contribute to the development of renewables and low-carbon energy sources. We are also helping our customers in their own transitions by providing financing consistently with our sustainable assets framework, in particular, real estate financing, but also for SMEs or large corporates.

And lastly, we are decreasing our financing to carbon-based energy sources. We're at very low levels today compared to the starting point of 2020, and we have been awarded the title of World's Best Bank for Sustainable Finance by Euromoney.

Income statement

And so I'm going to conclude on slide 18 by saying that quarterly net income is at a very high level, thanks to the capital gain pertaining to Amundi US. Quarterly net income Group share is at 14.8% growth excluding this effect, thanks to, in particular, dynamic activity in all business lines and thanks to also a continuous flow in strategic operations. So we continue to roll out our development model, which allows us to generate high and increasing revenues, very good cost-to-income ratio, low cost of risk, and therefore, we post very strong profitability with an ROTE of 16.6%, a strong capital and liquidity position.

And of course, I'm going to be very happy along with Olivier Gavalda and the ExCo of Crédit Agricole, to discuss the strength of our model in length during our Capital Markets Day, which is scheduled for 18th of November.

Operator: Excuse me, madame, would you like to start the Q&A session?

Clotilde L'Angevin: Yes, please.

Q&A

Giulia Aurora Miotto (Morgan Stanley): Hi. Good morning, Clotilde. Well, good afternoon, maybe. I have two questions, please. So the first one is with respect to your BAMI stake. 20%, is that it? Could you consider going for the full BAMI, or perhaps, I don't know, could you contribute Crédit Agricole Italia into BAMI and retain a stake of that listed entity? Any thoughts that you could share there will be very helpful.

And then secondly, I'm looking forward to your Capital Markets Day on the 18th of November, but I'm wondering if there is any preview that you want to share with us, any thoughts on your strategic priorities or what we should expect? Thank you.

Clotilde L'Angevin: Thanks, Giulia. So for BAM I, as you know, it's a long-standing partner. So we now currently hold 19.8% in capital. And when we announced that we wanted to cross the 20% threshold, we announced the fact that we wanted to move just above the 20% threshold in order to fall under the significant influence regime, and thus to consolidate our stake using the equity method. This is because we want to limit the volatility of our stake in Banco BPM in our accounts in P&L, in OCI.

So all of this is very consistent with our role as a long-term shareholder and partner of Banco BPM. We are organising ourselves to be the first shareholder of an autonomous Banco BPM, which we will help develop. There are many scenarios, of course, right now, most of them do not depend on us. And so we're just going to try to make the best of each scenario.

Maybe just adding a little point. When we equity account the Banco BPM stake, there will be a negative P&L impact, and then we're going to have an equity accounting of 20% of the results of Banco BPM. So there's going to be a little bit of this effect of a switch between P&L and equity accounting, and this should take place before the end of the year.

Giulia Aurora Miotto: Got it. Would you be open to considering a combination with Crédit Agricole Italia?

Clotilde L'Angevin: It's not the only scenario. There's lots of different scenarios. And as of today, we're just going to try to make the best of each of these scenarios.

Maybe on the Capital Markets Day, which is planned on the 18th of November, we are going to, of course, capitalise on our universal banking model which is very strong, so there is going to be a continuity in terms of our strategy. But of course, we want to develop, develop further, capitalising on our strengths. We're a French bank but we're also a very European bank with specialised business lines that have strength in Europe. We also have an international scope with global activities like CIB, Amundi, CACEIS. So we want to develop.

We also, of course, have to adopt the changing world and invest in technology. So all of these things are going to be discussed on the 18th of November, but we're going to be basing in our medium-term plan on the strength of our model.

Giulia Aurora Miotto: Thank you.

Operator: The next question is from Tarik El Mejjad of Bank of America. Please go ahead.

Tarik El Mejjad (Bank of America Securities): Hi. Good morning. Hi, Clotilde, good to have you on the call again.

Clotilde L'Angevin: Hi Tarik.

Tarik El Mejjad: Just a couple of questions. First on the costs and specifically in LCL. I mean, you've seen – we've seen some pickup in cost there driven by investments. And maybe my question is more related to your strategy in terms of developing online banking. I mean you've done a few attempts with BforBank and others. What's your strategy there? Is that to refocus now? We've seen it with your competitors that's growing very fast, the digital bank and its

higher profitability. So is that something you would focus on? And you talk about in the CMD and maybe you can share some snippets now?

And the second question is on Italy and more towards your distribution agreement with UniCredit that's seen some headlines that would be revised and also some headlines that would not already been fulfilled as we speak. Can you comment on this? Are you looking for other options as well for that part of the distribution? Thank you.

Clotilde L'Angevin: All right. So for LCL, of course, expenses are slightly higher because we're continuing investments, of course, that we have done so. We're going to talk about it more in detail during the Capital Markets Day. But it's true that for LCL, we want to develop on different dimensions and different segments. And we have segments that are more sensitive to digital solutions, rapid digital solutions, other segments that need to have a stronger expertise and solutions that are more tailor-made to their needs, for example, the affluent and wealthy segments, or for example, the professionals, the SMEs and the corporates.

So all of these are elements that we're going to focus on. And of course, we're going to have to think about the fact that we're a universal group, not necessarily each bank has to have a universal approach to every customer. So we're going to have more detail on that regarding LCL going forward.

For Amundi, we do have a long-standing partnership with UniCredit, that pertains to Italy, but also to Germany and Austria. But Amundi is not only partnered with UniCredit in Italy. We have 80 partners. And so in fact, what's important to say is that in Italy, the way we want to develop is through our business lines, through partnerships with our network, with Crédit Agricole Italia, which has been growing for the past 15 years, which now has 5% market share, but also with other partners.

So we have UniCredit. We also have Banco BPM, where we have a partnership in insurance and consumer finance. The partnership between Amundi and UniCredit runs through 2027, and today, the relationship and the activity is good.

Tarik El Mejjad: Thank you.

Operator: The next question is from Delphine Lee of JP Morgan. Please go ahead.

Delphine Lee (JP Morgan): Yes. Thank you for taking my questions. I just wanted to follow up a little bit on Banco BPM. So you're not ruling out the scenario where you could look to acquire Banco BPM? Or just trying to understand a little bit why in that case, you would go to maybe 25%, just below 25%. Or – yes, if you could give a bit more colour on this.

And then just in terms of your CMD and your strategy in general. I mean, how are you thinking a little bit about kind of your payouts given that your CET1 ratio is, I would say, very comfortable above 11%, and you're obviously growing organically as well. So how should we think about the dividend payout ratio, if any change to that level? Thank you.

Clotilde L'Angevin: All right. So for BAM I, I really can't provide any additional information because we have all of these different scenarios that we're looking at. And what we have announced today is really our intention to go just beyond 20%. And we have announced in our press release that we had no intention to go beyond the threshold which would require to do a tender offer, okay? So in any case, we are today planning to go just above 20%.

Now in terms of our capital ratio, it's true that we are above 11%. We have reaffirmed this target many times. And today, we're provisioning €0.65 in terms of dividend, which corresponds to a payout ratio on the conserved results without any type of change and adjustments in this result. So this is what we're provisioning today.

Of course, the question of the payout and what we could do with excess capital is something that we would not discuss today, and that we would have to discuss in our medium-term plan.

Delphine Lee: Great. Thank you, Clotilde.

Clotilde L'Angevin: Thank you.

Operator: The next question is from Pierre Chedeville, CIC. Please go ahead.

Pierre Chedeville (CIC): Yes. Good morning, Clotilde. Regarding the bottom line, even if we treat the capital gain on Amundi US, we are close to €4 billion, €3.9 billion, I would say. And I wonder if it would be a good point to increase your guidance on net income in 2025. As far as I remember, it was at least the level of 2024. But I guess that now it's obsolete.

My second question relates to LCL. It's a theoretical question, of course, I'm not asking you a clear answer on that. But I was wondering if you could be interested to buy an asset like CCF, in the light of what you are doing with Milleis, and what you said regarding your wish to develop wealth and affluent customers. And my question is not if you want to buy CCF, of course, you would not answer. But if you could buy CCF, if interested in terms of market share, which is high, if we consider the Group Crédit Agricole. Thank you.

Clotilde L'Angevin: All right. Thank you, Pierre. A couple of questions. On guidance, we have indicated that we would have a net income Group share that would be at least above the level of 2024, excluding the impact of corporate tax surcharge. So there's a lot of uncertainties going forward, of course. I was talking about the negative impact that we would have on P&L of the equity accounting of Banco BPM. That would be something around minus €200 million on our P&L results.

On the other hand, depending on what date the equity accounts, we would have every quarter an additional €100 million in equity accounting corresponding towards 20% share in results. So you see that we have this impact, of course, that we have to take into account.

But just recall that we have been consistently beating our MTP forecast. And what we want to provide for you is recurring, resilient and stable results in this context of strong uncertainty. So our guidance is very solid. We today have a very strong ROTE. And so we really want to insist upon this stability and recurring growth.

On LCL, of course, right now, our priority is going to be the integration of and the closing and the signing of Milleis with LCL and Crédit Agricole Assurance. And of course, we're also going to work on how we can develop organically within our medium-term plan for LCL and for our business lines in synergies with the regional banks and for other businesses outside of France.

We have had a business model that has always been complementing organic growth and inorganic growth. So we are leaders in our domain. And so as leaders, we are always looking at opportunities whenever they come up. But of course, in France, we would have to look at antitrust issues that you were talking about, naturally. But these are elements that we're always looking at when we roll out our development strategy, antitrust considerations, of course. But

of course, strategic considerations and financial criteria – strict financial criteria for any inorganic growth bearing in mind that our priority is to grow organically, and inorganic growth is only something to complement this dimension.

Pierre Chedeville: Thank you.

Clotilde L'Angevin: Thank you, Pierre.

Operator: The next question is from Matthew Clark of Mediobanca. Please go ahead.

Matthew Clark (Mediobanca): Good afternoon just about. Back to Banco BPM, I'm afraid. So I understand there are many different scenarios, which you don't want to comment about because they're out of your control. But the one specific scenario, which is in your control, that you have been clear about is that you don't intend to acquire or exercise control on Banco BPM, and will maintain the stake below the mandatory tender offer threshold. So I just want to understand why you've made that statement. Why is it that you don't intend ruling that out given that that's the one specific scenario that you have expressed your view on, clearly, just to understand why.

And then the second question is on the new CEO. Should we imply from his absence today that he doesn't intend to participate in earnings calls? And so the Capital Markets Day is going to be the first time we get to hear his outlook from his own mouth. Is that the right way to interpret this? Thank you.

Clotilde L'Angevin: Thank you, Matt. I think you'll have to come back to your second question because I'm not sure I understand the second question.

Regarding your first question on BAM I, the announcement that we made was really to consolidate our position as a long-term partner of Banco BPM, as an autonomous Banco BPM. And the reason why we have decided to increase our stake beyond 20% is because it allows us to limit the volatility of our stake in Banco BPM. And this needs – this requires us to have an equity accounting since we don't have, as of today, a seat on the Board. And so we need to be able to equity account. And so in order to do that, we need to have to go beyond 20% since we don't have the seat at the Board.

So this is the reason why we insisted upon going just beyond 20%, because going just beyond 20% is what is necessary for us to be able to equity account. That's all we wanted to communicate upon. And as of today, there's lots of moving pieces, lots of scenarios. So we're not at all in a position to communicate on anything else going forward.

Matthew Clark: Can I come back on that? Because you don't just say that you intend to go just above 20% today. You specifically rule out increasing beyond that. So I want to understand why you're specifically ruling out increasing beyond that.

Clotilde L'Angevin: As of today, going beyond that would require specific authorisations to the different relevant authorities, which is not at all something that we wanted to discuss on this announcement, which really corresponds to an accounting, a stability in our results announcement.

Matthew Clark: Okay. Thank you. And then the other question was just really when we're going to get a chance to hear from the new CEO?

Clotilde L'Angevin: Yes. Of course, well, you're going to be able to discuss with him extensively in the medium-term plan presentation at our Capital Markets Day on the 18th of November, of course.

Matthew Clark: Okay. But he doesn't intend to participate regularly in earnings calls, is that the right?

Clotilde L'Angevin: We'll see. Everything is open in any case.

Matthew Clark: Okay. Thank you.

Clotilde L'Angevin: Thank you, Matt.

Operator: The next question is from Alberto Artoni, Intesa Sanpaolo. Please go ahead.

Alberto Artoni (Intesa Sanpaolo): Hi. Thank you for taking my question. I just have a quick follow-up on BAMI. I apologise about that, but just a technical thing with regards to the change in accounting. First of all, what is the current accounting as of today with your 19.8% stake that you currently own?

And secondly, assuming that you go ahead with your plan and you achieved just above 20% level that you aim to achieve, and then you can switch to the equity accounting, you mentioned that there will be a P&L loss. I was wondering what would be the capital – the regulatory capital, the CET1 impact of that P&L. And also, if you can help us guiding how can we run the math to understand what that figure can be, the €1 billion, €100 million, I don't know.

Clotilde L'Angevin: All right. So as of today, we have half of our participation of 300 million of stock in Banco BPM, which is fair value accounted in P&L. Part of that is hedged, and this is what is going to drive the volatility in our P&L. This quarter, it was more the variation in dividends because since part of that is hedged, the variations are stronger in terms of dividends.

And then we have another half of these 300 million shares, which is fair value accounted through OCI. This has an impact on our CET1, limited, not on P&L, but it has an impact in terms of fluctuation on our CET1.

And so what we want to do when we equity account is we will have a consolidation, which will cause us to carve out these two different fair value impacts, fair value on P&L and fair value on OCI since the beginning of our participation. We're going to carve that out and it's going to have an income impact. That's a negative impact.

And then positively, we're going to integrate the goodwill, and we're going to place ourselves at the equity value of our stake in Banco BPM.

And so the negative P&L impact is going to be the difference between the stock price today, which explains the fair value impact today, and the equity value because when we're going to integrate the goodwill, we're going to take into account the difference between the price at which we bought the shares and the equity value.

So all in all, we're going to have a negative impact on our income. Why? Because the stock price of our share is above the equity value today.

Now this negative impact on income will depend, of course, on the evolution of the share price. The evolution of the share price will also have a P&L impact before we equity account. So all in

all, we can assume that this negative impact on P&L is going to be around 220 million about today with the estimation that we have. So that's a negative impact on P&L.

But afterwards, what we will do is we will equity account 20% of Banco BPM's results in our balance sheet. And so 20% of something that can generate roughly €2 billion of income per year is about €100 million per quarter. So that's the math. And with all of these impacts, the impact on CET1 would be very slightly positive.

Alberto Artoni: Okay. Thank you very much. And just a quick one on the insurance. Just a very strong quarter for the business. I was wondering if you have something to call out on that particular front?

Clotilde L'Angevin: All right. Well, strong quarter in insurance, but because of a lot of factors. We have in savings and retirement record net inflows. So these inflows were driven both by unit-linked and euro funds in France, strong outstandings, but we also have a very strong performance in property and casualty insurance. I was talking in the beginning about the 16.9 contracts. And we also have dynamic activity in personal insurance.

So we have a strong activity. We also have strong financial results, which feed into the growth of revenues in the savings in the retirement lines and in the P&C line. And we have this performance of death and disability, which offsets the negative impact on margins in creditor insurance.

So all in all, these strong revenues are very much linked to the strong activity in insurance this quarter as we have seen previously. What's interesting also, and this also bears witness to the strength of the activity, is the fact that in the CSM, we have new business that contributes more than the CSM allocation. So all of this contributes to the fact that activity is strong, and that is what explains the strong results of insurance this quarter.

Alberto Artoni: Thank you very much.

Operator: The next question is from Sharath Kumar of Deutsche Bank. Please go ahead.

Sharath Kumar (Deutsche Bank): Good morning. Good afternoon, sorry. I was on mute. So thank you for taking my question. So firstly, a clarification on the dividend accrual for the first half. I see from your CET1 schedule that you have accrued €2 billion towards first half dividend. And as per my understanding, this includes the extraordinary capital gains from Victory, but the initial understanding was that it wouldn't have been eligible to receive dividends. So if you could clarify on that point? And related to that, can you provide us your updated thoughts on interim dividend now that both of the French banks have moved in that direction. So what is stopping the boat from moving in this direction?

And the second question is on other international retail. I wanted to understand the strategic rationale for holding some of the assets here outside of Italy. They seem to be relatively low in terms of contribution to the Group and add to the volatility. So just your thoughts on this would be helpful. Thank you.

Clotilde L'Angevin: All right. So for the retained results for the 28 basis points I was talking about before, yes, indeed, it includes the impact of the capital gain on Amundi US. Why? Because we wanted to express here the fact that we are not making any choice yet in terms of dividends. So the retained result is just the simple results with absolutely no retreatment at this stage of the year, neither capital gain, neither corporate surtax, nothing. So this is what

we have provisioned in the €0.65 per share. And, of course, why we want to discuss the question of dividends at the end of the year because this is something that's important in the context of the medium-term plan.

Now in terms of interim dividends, today, we are very agnostic about this issue. We have not taken any decision. As you know, it's not something that creates value for shareholders. It's a technical point. Of course, we're open to discussion. We're going to have a look at the market practices. We know that there's been talk about this today. We're going to see. We can adapt easily. It doesn't represent a significant cost for us. It's just a technicality, and it doesn't change anything for the value creation. And so it's just a question of whether we decide to do it or not.

And finally, for international retail, indeed, we have strong revenue performance, in particular, for example, for Poland; positive net income Group share for Ukraine. We have strong profitability regularly for Egypt. So we have these positions in these business lines that some pertain to historical dimensions, but that creates value for us over the long term and provides liquidity that is very strong.

In Poland, we have captured a number of 48,000 new customers, strong loan production, strong loans outstanding. So we have a very strong position in these countries.

But of course, our international footprint is not just explained by the retail activity we're going to have in France, in Italy, in these countries. Our international footprint also stems for all the activities we developed in the business lines that you know very well about. In fact, that you see in the operations that we're talking about in the slide. I'm thinking, for example, about Degroof Petercam with Indosuez in Belgium. It's not strictly speaking, retail activity, but it really allows us to become one of the top ten in terms of wealth management. So it really allows us to take on this European size dimension for this type of business lines.

That's just one example. I could also talk about mobility and other examples. But our international setup is not only the sum of retail setups. What's also important for us is the synergies that we're going to generate. In Poland, we have a lot of business lines, for example, that are present, and we have synergies that we can do with them. In Egypt, our presence is interesting also because in synergy with CACIB, we can accompany our corporate customers in Europe in their development trade, hedging solutions that they need to have for Egypt. So this setup is really a universal setup in the different countries that we have.

Sharath Kumar: Thank you. Very helpful.

Operator: The next question is from Stefan Stalman of Autonomous Research. Please go ahead.

Stefan Stalman (Autonomous Research): Hi, Clotilde. Thanks for taking my questions.

Clotilde L'Angevin: Hi Stefan.

Stefan Stalman: I would like to start with a question on the output floor. And I appreciate it doesn't affect you from a regulatory perspective. But Crédit Agricole Group showed quite meaningful risk-weighted asset inflation on a pro forma basis. And I assume the Group wants to mitigate that. And the mitigation would then affect you, arguably, to the degree that the relevant assets are actually in your balance sheet and not in the regional banks. Could you give us any sense of how we should think about this mitigation exercise? Has it started? And what may be the cost and which areas may it affect?

And the second question, sorry to come back to BAM I, just a technical one. Are you going to move the BAM I at equity stake to Crédit Agricole Italia, or do you keep it in the Corporate Centre? Thank you very much.

Clotilde L'Angevin: Thank you. Thank you, Stefan, for your questions. Now on output floor. Just to take a step back, output floor, as you know for us, the impact is on the highest level of consolidation. So as you, of course, know, Stefan, we're recalling it for everyone, it is not at the level of CASA, so there is no impact on CASA of the output floor.

Secondly, these simulations that are being done are very theoretical because it's a static view of the balance sheet, and it doesn't take into account the mitigating measures we could influence by 2033, nor at the level of the Group, the fact that we have a very strong capacity to generate capital because, as you know, we have about three quarters of our income, which is retained every year at the level of the Group.

Now regarding more specifically your question on mitigation measures, these are mitigation measures, I agree, that could have an impact on CASA. For example, the fact that we could hedge exposure – capital consuming exposures, the fact that we could ramp up securitisation programmes, capitalising by the way on the Savings & Investments Union, which would have an impact on RWAs at CIB, for example. And of course, we have to work on the quality of the standard model data. I'm thinking in particular of the fact that we could take into account new rating sources, but I'm also thinking of the standard method on loan-to-value on home loans, which today penalises us strongly.

So yes, there could be impact, but which will probably be, in fact, positive in mitigating measures if we have these impacts, for example, for CIB. And if we have impact on the standard method, in fact, these will kick in if it becomes a hedge that's binding. As of today, it's not the case. And recall that CASA, in any case, is not subject to the output floor.

In terms of your second question, sorry, on BAM I. That's a good question. I think we're going to have to ask that question. I don't think it would necessarily have to be presented in Crédit Agricole Italia. But for sure, what we will try to do is present it in the presentation we do of the group in Italy.

So in terms of financial communication, it's going to be presented in the group in Italy. We have not yet decided where we're going to account it in terms of sum of the parts.

Stefan Stalmann: Great. Thank you very much.

Operator: The next question is from Flora Bocahut of Barclays. Please go ahead.

Flora Bocahut (Barclays Bank): Yeah, thank you. Hello, Clotilde. Thank you for taking my questions. The first one is maybe you will say I shouldn't ask you, but the first one is on the regional banks, which are doing this €500 million buyback. Just wanted to know if it's over – if you know if it's over and if there is any plan for that to be repeated?

And the second question is on the slide 66 and 67 of your presentations where you discuss your ALM policy. I mean, first of all, thank you very much for having added this disclosure. The question is simply, can you maybe run us through the conclusions there? And is the conclusion that we should expect LCL NII to move simply with volume growth and not this margin anymore? Thank you.

Clotilde L'Angevin: Okay. Thanks, Flora, for your questions. So yes, as of today, this operation by the regional banks, which, of course, you're right, does not in fact pertain to me, but from what they tell me, this operation is over. They have not reached €500 million because they had said that they could go up to €500 million depending on the market conditions. And in the end, it has been €350 million, just about. So it is over as of today.

Regarding the slides on page 66 and 67. Thank you, Flora. It was important for us to talk to you about this because we really wanted to insist upon the structural dimension of our ALM policy and the more short-term dimension. So in terms of structural dimension, if I can walk it through you, we – what we do is we quantify the global interest rate risk using the static and dynamic measurements and we macro hedge it. And for example, for LCL, when the rates are rising, it will contribute positively to NII. Why? Because Crédit Agricole Group is structurally a fixed rate receiver. And so we reduced these gaps by entering into fixed-rate payer swap contract. And so this contributes positively when the rates are rising. And so therefore, this reduces the sensitivity of NII changes in interest rates.

So what has been going on since 2021? On the asset side, we have been having, thanks to the increase in rates, a gradual repricing of the loan book. This is a positive effect, but it's slow in particular due to the specificities of housing markets in France, the usury rate, etc.

On the liability side, we have had a negative impact of the shift of deposit mix from demand deposits to time deposits. They have been multiplied by three in LCL's balance sheet. But all of these impacts has been mitigated by these macro hedging solutions that I talked to you about.

Now what happened in Q2? If we exclude the base effect this quarter in France and in LCL, we have had a net interest income in LCL that has been increasing by 7.8%, and it was stable in the regional banks. Now this positive movement is explained by what I was talking about the repricing of loans, slow positive effects.

On the liability side, we have a decrease in the cost of customer resources. This is positive. There's a negative effect because it's a less favourable effect than before of the contribution from macro hedging. And this quarter, we have had a strong effect on deposits.

So what's going to happen going forward? The elements I was talking about on asset liabilities are slightly positive, a slightly negative impact on macro hedging. So you could say that all in all, it's a slightly positive. However, we really want to lean on the side of caution and be prudent for 2025 because, in fact, the deposit effect really depends on customer behaviour.

So in the long term, if we move into 2026, we should have a favourable outlook for net interest income, but we want to remain prudent for 2025. And what I want to guide you upon is the fact that it's going to be stable net interest income in LCL in 2025.

Flora Bocahut: Thank you.

Clotilde L'Angevin: Thank you, Flora.

Operator: The last question is from Chris Hallam of Goldman Sachs. Please go ahead.

Chris Hallam (Goldman Sachs): Yeah. Good afternoon, everybody. So first, I guess, another question on Banco BPM, but it's a bit broader. So you have the stake there. You have some valuable partnerships with them. I suppose we can conclude the partnerships you run with

BAMI are more secure or more productive either directly or, I guess, indirectly because of the stake, i.e., that your collaboration is sort of enhanced by that proximity.

So my question is whether having seen that play out, whether that's a model you'd now look to replicate somewhere else, i.e., stake building in other banks and other countries because clearly, the financials are favourable. But I guess what we're seeing is that the industrial collaboration and growth outlook maybe also improves. Maybe that's a broader topic for the Investor Day, but I just wanted to ask on that.

And then the second question is sort of the opposite of the first. So given the move lower in the market value of Worldline since the last quarter, have you changed your thinking regarding both the stake and the partnership with Worldline, if at all? Thank you.

Clotilde L'Angevin: All right. Thank you, Chris. So it's true that our stake – our strong stake in Banco BPM is something that naturally allows us to reinforce the strength of our partnerships. As you know, we have two partnerships in Banco BPM, one in the form of Agos with Personal Finance and mobility and another one with Crédit Agricole Assurance in particular P&C non-life insurance.

And these partnerships go on for many years, 2034, even longer for Crédit Agricole Assurance, 2043. So they are strong partnerships. And naturally, the fact that we're the number one shareholder in Banco BPM allows us to weigh on the length of these partnerships. That's for sure. And it's true that this type of development is a development that we have already, in fact, rolled out.

If we look at the operations that we're talking about in our slides, in fact, the 26% stake in Victory US, it also goes along with the reciprocal partnership for many years. We have talked about a project about a participation in Crelan of less than 10%, but that also allows us to develop partnerships with Amundi, Indosuez CAL&F. This is a project, but it's really the direction that we like to go in. It's interesting to have these partnerships that allow us – that are reinforced by a minority stake.

But this is not the only way we want to develop. We can also develop organically through partnerships without any type of capitalistic stake or through acquisitions. So everything is open for us. We have business lines that are leaders in their domain, and so they can all decide to develop in these different directions. But yes, it's always interesting to have this capital share.

And for Worldline, so it's an industrial partner for us today. We're satisfied in our partnership. We have a JV, as you know, with them, which is developing. Our idea is to provide merchant payment solutions and acceptance in e-commerce for our customers. So that's one dimension of our relationship with them.

Another dimension is that we are a shareholder. Now if we look at the financial dimension of this share, 7%, it is accounted in our P&L by fair value by OCI. So as a financial shareholder, the impact of the price variation is very limited. So what's important for us is our industrial partnership, which is moving forward, and which allows us to bring that to create value for our customers. This is why we signed this partnership with Worldline in the beginning.

Chris Hallam: Thank you.

Operator: Ms. L'Angevin, there are no more questions registered at this time.

Clotilde L'Angevin: Thank you. And thank you, everyone, for your time, for your questions. And so I'll talk to you for the next quarterly results.

[END OF TRANSCRIPT]