CA Auto Bank Group

HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30^{th}, 2024

CONSOLIDATED FINANCIAL REPORT FOR THE SIX MONTHS
JUNE 30th, 2024

CA Auto Bank S.p.A.

Registered office: Corso Orbassano, 367 - 10137 Turin www.ca-autobank.it - Paid-up Share Capital: Euro 700,000,000 – Turin Company Register no. 08349560014 - Tax Code and VAT no. 08349560014 - Italian Register of Banks no. 5764 - Parent Company of CA Auto Bank" Banking Group - Entered in the Italian Register of Banking Groups ABI code 3445 - Italian Single Register of Insurance Brokers (RUI) no. D000164561, Member of the National InterBank Deposit Guarantee Fund. Single shareholder company, subject to the management and coordination of Crédit Agricole Consumer Finance.

KEY FIGURES

400 €/MLN
Net banking income and rental margin

2.90 %
On average portfolio

65 €/MLN
Cost of risk

0.47 %
On average portfolio

150 €/MLN
Net operating expenses

37.43 %
Cost/income ratio

6,232 €/MLN
New financing, financial leasing and rental/mobility volumes

5,247 €/MLN
of which other brands new inancing, financial leasing volumes

985 €/MLN
of which all brands rental/mobility volumes

1,440 THOUSAND
Financing, financial leasing and rental/mobility active contracts

702 THOUSAND
of which exFCA brands financing and financial leasing active contracts portfolio (*)

610 THOUSAND
of which other brands financing and financial leasing active contracts portfolio

128 THOUSAND
of which rental/mobility active contracts

29.2 €/BLN(**)
End of period portfolio

5.7 €/BLN(**)
of which exFCA brands financing and financial leasing end of period portfolio

20.6 €/BLN(**)
of which other brands financing and financial leasing end of period portfolio

2.9 €/BLN(**)
of which net value of vehicles Drivalia (rental/mobility)

27.6 €/BLN
Average portfolio

6.0 €/BLN
of which exFCA brands brands financing and financial leasing average portfolio

18.9 €/BLN
of which other brands brands financing and financial leasing average portfolio

2.7 €/BLN
of which net value of vehicles Drivalia (rental/mobility)

14.91 %
CET 1 Ratio

11.79 %
Leverage Ratio

18.55 %
Total Capital Ratio

185 €/MLN
Operating income CA Auto Bank Group

35 €/MLN
of which Drivalia (rental/mobility)

122 €/MLN
Net profit CA Auto Bank Group

23 €/MLN
of which Drivalia (rental/mobility)

19
Countries

2,643
Employees CA Auto Bank Group

869
of which: Drivalia (rental/mobility)

186 THOUSAND
Drivalia (rental/mobility)
Fleet long- and short-term rental and fleet management

64
- Supported Brands

*AIWAYS - AIXAM - ASTON MARTIN - BENETEAU - BMC TRUCKS - BYD - CADILLAC - CARTHAGO - CENNTRO - CHERY - CONCORDE - DFM - DR AUTOMOBILES - ELARIS - FANTIC - FERRARI - FORD TRUCKS - FOTON TRUCKS -GAS GAS - HARLEY DAVIDSON - HONDA - HUSQVARNA - HYMER -INDIAN MOTORCYCLES - JAECOO - KNAUS TABBERT - KTM - LIGIER - LOTUS -LUCID - MAXUS - MAZDA - MCLAREN - MG - MORGAN - MOTO MORINNI - NIO -NISSAN - OMODA - PILOTE - PEUGEUT MOTO CYCLES - QJ MOTOR - RAPIDO -RENAULT - ROBETA - ROYAL ENFIELD - SERES -SSANGYONG (KGM) - TESLA -VINFAST - VMOTO SOCO - WINGAMM - WOF MOOVEO - XEV - ALFA ROMEO*** -ABARTH*** - CITROEN*** - DS*** - FIAT*** - FIAT PROFESSIONAL*** - JEEP***-LANCIA*** - MASERATI*** - PEUGEOT***.*

(*) exFCA brand until March 31st 2023.

(**) 28.77 €/MLD is the total outstanding EoP amount net of provisions: of which exFCA brands 5.62 €/BLN, of which other brands 20.3 €/BLN and of which Drivalia (rental/mobility) 2.86 €/BLN

(***) Only in the countries where Stellantis Financial Services is not present.

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THE EVOLUTION OF CA AUTO BANK: OUR COMMITMENT TO RESPONSIBLE GROWTH AND A BETTER PLANET

GIACOMO CARELLI – CHIEF EXECUTIVE OFFICER & GENERAL MANAGER

After a pivotal 2023 for our Group, marked by the launch of the new Bank and its excellent results, 2024 is progressing along two business lines: consolidating our existing infrastructure, systems, geographic expansion, and business partnerships, on one hand, and pursuing reasoned growth inspired by corporate social responsibility and the transition to an environmentally and socially respectful economy, on the other.

In our nearly 100-year history, Crédit Agricole Auto Bank has evolved from an automotive captive to an independent finance company. Our initial vocation to "democratize the car" has remained intact and has now expanded to include sustainable and low-emission mobility.

What has truly changed is our approach to achieving this goal. We aim to generate profits in a virtuous way, maintaining a positive environmental and social impact and respecting all stakeholders, including employees, suppliers, customers, territory, and the community. By 2030, we aspire for 80% of our new vehicle portfolio to consist of zero- or low-emission models.

To make our commitment even more tangible and measurable, we unveiled the CA Auto Bank Group's first Sustainability Plan in April. This plan, aligned with our mission of "creating mobility solutions for a better planet every day," consolidates our environmental, social, and virtuous business management goals and outlines our ESG (Environmental, Social, and Governance) strategy. The Plan is based on four strategic pillars: Sustainable Mobility, Innovation and Digitalization, Environment, and People, each with qualitative and quantitative targets to be achieved by CA Auto Bank and Drivalia by 2026. This plan is not a declaration of intent but a cornerstone of our Group's strategy.

Going back to 2024, the year opened with the birth of the new CA Auto Bank (French Branch), the entity that resulted from the merger of Sofinco Auto Moto Loisirs with and into our French branch. This new company, which combines the strengths of its two constituent worlds, quickly positioned itself as the second largest in the French market in terms of volumes financed, with the goal of becoming its leader by 2026.

Our international retail banking growth continued with the launch of our Conto Deposito accounts in Austria, Ireland, the Netherlands, and Spain, which joined Italy and Germany, where our term deposit products have successfully met customer needs due to our Bank's solidity and transparency.

We also consolidated and expanded our partnerships with automakers, both by reinforcing existing ones - such as that with Mazda, which was extended to Austria and Poland - and by launching new ones, with key OEMs for the development of electric mobility. CA Auto Bank has been chosen as a financial partner by Dongfeng Italia, distributor of the products of Donfeng Motor Corporation, one of the "Big Four" in the Chinese automotive industry. In the first half of the year we also partnered with Asian giant BYD in Italy and Spain, to provide financing solutions to both end customers and the dealer network. Additionally, we laid the groundwork for a partnership with Omoda & Jaecoo, brands of the Asian Chery group, which chose Italy as a stepping stone for its European expansion.

The future looks full of opportunities, and we will continue to strive to position ourselves as a major player in European mobility, leveraging our longstanding expertise and our commitment to an increasingly responsible and sustainable growth.

THE BANK'S FUNDING POLICY IN THE CURRENT MACROECONOMIC CONTEXT

LUCA CAFFARO – CHIEF FINANCIAL OFFICER

During the first half of 2024, the euro area economy showed signs of recovery compared to 2023, thanks to rising exports and household spending. Inflation, according to the latest forecasts, is expected to settle at 2.5% in 2024, and then align with the European Central Bank's (ECB) target in 2025-26.

Against this backdrop, the ECB cut its key interest rates by 25 basis points in June, suggesting that the next decisions will be made according to the evolving macroeconomic landscape.

Although several analysts expect at least another rate cut later this year, data diverging from forecasts could generate volatility in the financial markets, in an environment already disrupted by a geopolitical framework that is not easy to interpret.

In addition to monitoring the evolution of the macroeconomic scenario, with a view to assessing the impact on growth and the consequences on financial markets, in the first half of 2024 the Bank continued its policy of diversifying its sources of funding, accessing the capital market with a €1.9 billion issue under its EMTN program and a CHF 125 million placement in the Swiss domestic market, while continuing to rely on the availability of funding from the Crédit Agricole Group.

In addition, an intercompany AT1 loan in the amount of €500 million was finalized in March, while two new Senior Non-Preferred bond issues in the amount of €500 million (equally subdivided between the two tranches) were priced in June, with both taken up by Crédit Agricole Personal Finance & Mobility..

These transactions allow CA Auto Bank to further strengthen its cushion of bail-in eligible liabilities, protecting its senior creditors. In the early months of the year, deposit-taking was also extended to Austria, Ireland, the Netherlands and Spain, thus adding to the existing direct deposit channels in Italy and Germany, with total deposits rising to around €2.8 billion.

The combination of all these activities, together with the finalization of new lines with external banks for about €1.4 billion, ensured the necessary resources to finance the Group's activities, in a context of growing borrowing requirements to fund higher business volumes.

BOARD OF DIRECTORS, BOARD OF STATUTORY AUDITORS AND EXTERNAL AUDITORS

Board of Directors

Chairman

Stéphane Priami

Chief Executive Officer and General Manager

Giacomo Carelli

Directors

Richard Bouligny
*Paola De Vincentiis**
Anne Marie Guirchoux
Jerome Hombourger
*Sophie Lazarevitch**
Vittorio Ratto
*Anne Vincent Laimè***

Board of Statutory Auditors

Chairwoman

Maria Ludovica Giovanardi

Standing Statutory Auditors

Mauro Ranalli
Vincenzo Maurizio Dispinzeri

Alternate Statutory Auditors

Francesca Pasqualin
Francesca Michela Maurelli

External Auditors

PriceWaterhouseCoopers S.p.A.

*independent directors.
**nominated by shareholders' approval on April 3rd, 2024

HEADQUARTERS TOP MANAGEMENT

- *Giacomo Carelli: Chief Executive Officer & General Manager*
- *Alexander Paul Hughes: CA Auto Bank European Markets*
- *Andrea Barcio: Human Resources & Process Governance*
- *Andrea Trapè: Internal Audit*
- *Etienne Royol: CA Auto Bank France*
- *Karsten Borkowsky: CA Auto Bank Germany*
- *Lucyna Bogusz: Sales, Marketing & Business Development*
- *Lionel Eric Lafon: Credit HQ & Italy*
- *Luca Caffaro: Group Chief Financial Officer*
- *Luca Pollano: ICT, Digital & Data Governance*
- *Marcella Merli: CA Auto Bank Italia*
- *Marina Sapello: Legal, Corporate Affairs & Procurement*
- *Maurizio Croattini: Risk & Permanent Control*
- *Paolo Manfreddi: Drivalia - CEO*
- *Patrizio Lattanzi: Compliance, Supervisory Relations & Data Protection*
- *Roberto Sportiello: Ferrari Financial Services GmbH – CEO*
- *Sylvia Boteva: Wholesale Financing*
- *Valentina Lugli: Communication & ESG*

BACKGROUND AND PRESENTATION

On April 4th, 2023, a new era dawned in Turin, ushering in a fresh chapter for finance and motoring, with the Piedmontese capital taking center stage once again.

That day saw the birth of CA Auto Bank, the new pan-European player, a cutting-edge omnichannel digital bank specialized in green mobility, spanning 18 European countries and Morocco. Uniquely positioned as the only independent operator on the market with the expertise of a captive, the Company emerged from the transformation of FCA Bank.

In April 2023, it gained full independence from the Stellantis Group, following the manufacturer's sale of its stake to Crédit Agricole, which now holds 100% of the new entity through Crédit Personal Finance & Mobility (ex Crédit Agricole Consumer Finance).

Rooted in well-established historical foundations, CA Auto Bank draws strength from its origins, underscoring the significance of its heritage while fostering a commitment to innovation and advancement in the automotive financing sector:

- *The Group traces its origins back to 1925, when it was founded as S.A.V.A., the first car finance company in Italy, established to facilitate the purchases of Fiat cars.*

- *In December 2006, Fiat Auto S.p.A. and Crédit Agricole S.A. created a 50/50 joint venture aimed at conducting financial activities in Europe. On December 28th, 2006 Fiat Sava S.p.A and its parent company, Fidis Retail Italia, merged and the resulting entity was entered on the special list under article 107 of Legislative Decree 385/1993 and renamed Fiat Auto Financial Services S.p.A., with Crédit Agricole Group becoming a 50% shareholder.*

- *On April 5th, 2007, the company underwent another name change and became Fiat Group Automobiles Financial Services S.p.A.*

- *By 2009, the Company (that in the meantime changed its name as FGA Capital) became the captive for all Chrysler brands in Europe.*

- *On January 16th, 2015, the Company was transformed into a bank and assumed the name FCA Bank S.p.A. Under this new identity, it continued to grow and establish itself as a significant player in the rental business throughout Italy and Europe, until it became CA Auto Bank in April 2023.*

Thus, the new pan-European player came into being with "an eye to the future but firmly rooted in a well-established historical tradition".

Its ambition is to stand out as a leading independent and cross-brand player in the fields of car financing, rental, and mobility, providing its services to the automotive, motor vehicle, leisure, light and heavy commercial vehicle sectors and with plans to enter the marine and agricultural sectors.

The pace of change is evident, as the automotive sector undergoes a profound evolution in manufacturing technologies and vehicle usage patterns. One significant shift is the transition from mobility centered around thermal fuels to that driven by hybrid and electric cars. On the other hand, there is a transformation in the economy, with consumers moving away from the traditional notion of vehicle ownership and embracing usage and rental models.

Proof of the new direction is evident with the establishment of Drivalia, the Group's innovative rental and mobility company, succeeding Leasys Rent and positioning CA Auto Bank as an independent player, poised to embrace new collaborative opportunities to make mobility sustainable and accessible for all.

Unveiled at the Paris Motor Show in October 2022, Drivalia has already established a significant presence in fifteen European countries (Belgium, Czech Republic, Denmark, Finland, France, Greece, Ireland, Italy, Norway, Netherlands, Poland, Portugal, Spain, Sweden, UK) to be joined by Germany in the second part of 2024.

Drivalia aims to be a key player in driving the transition towards sustainable mobility, and the expertise of CA Auto Bank is mission-critical. Additionally, the company offers tailored solutions to make electric and hybrid vehicles more accessible to a wider audience, ensuring a comprehensive range of innovative options.

The CA Auto Bank Group now stands as an exemplary pan-European model of innovation, leading the way towards more sustainable mobility. Embracing new technologies and digitalization will be paramount for the Group's future.

As growth and diversification remain key objectives, the evolution of financial, insurance, and payment instruments will align with the latest developments in the fintech, insurtech, and open banking sectors.

CA Auto Bank will continue with unwavering determination on its path of energy transition, accelerating the ongoing transformation process. Through a wide array of financial products and green mobility solutions, customers can actively contribute to environmental protection.

The Group aspires to establish itself as a leader in sustainable mobility on a European scale and to be recognized as the "Mobility Bank for a better planet".

SHAREHOLDER STRUCTURE

CRÉDIT AGRICOLE PERSONAL FINANCE & MOBILITY*

CRÉDIT AGRICOLE S.A.

100 %

PERSONAL FINANCE & MOBILITY

100 %

AUTO BANK

Crédit Agricole Personal Finance & Mobility is a leader in the consumer credit market, boasting a loan portfolio of €115,8 billion as of June 30th 2024. Providing flexible and responsible financing solutions tailored to the specific need, it operates in 19 European markets, as well as in China and Morocco. Leveraging its extensive know-how and expertise, the company ensures that customer retention policies implemented by its partners, including vehicle manufacturers, dealers, banks, and institutional organizations, lead to commercial success.

Customer satisfaction lies at the core of its strategy, driving Crédit Agricole Personal Finance & Mobility to empower customers with the tools to make well-informed decisions about their projects.

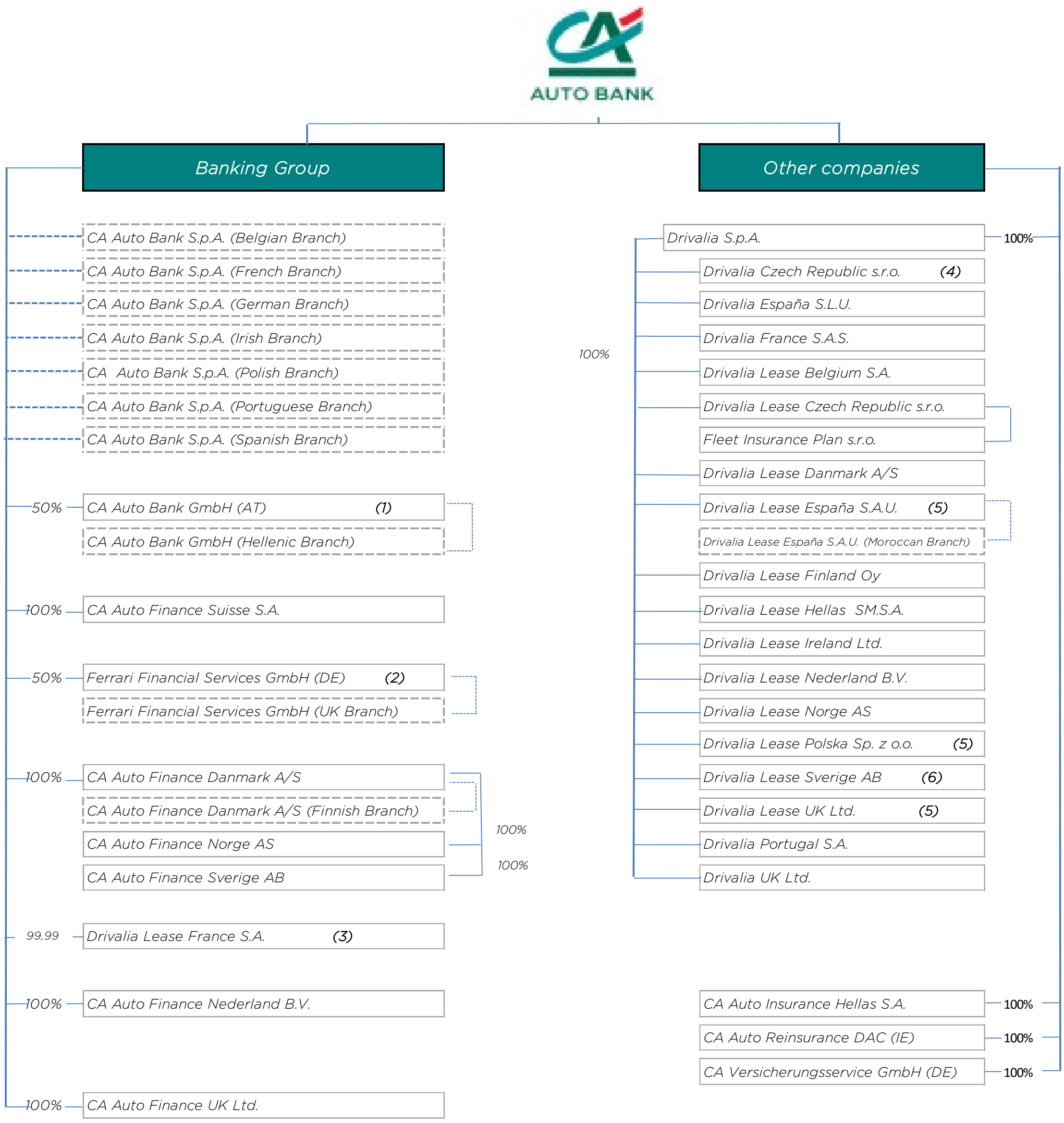
Emphasizing innovation and investment in digital technologies, the company is committed to delivering the finest solutions to its stakeholders, thereby fostering a new and enhanced financing experience.

In 2006, Crédit Agricole Consumer Finance and Fiat Auto established a 50/50 joint venture known as FIAT GROUP AUTOMOBILES FINANCIAL SERVICES, later renamed FGA Capital in 2009. After transforming into a bank in 2015, the company adopted the name FCA Bank S.p.A.

However, on April 4th, 2023, there was a significant change when Stellantis exited the partnership, and Crédit Agricole Consumer Finance acquired its entire stake. This development led to the birth of a new Bank named Crédit Agricole Auto Bank.

(*) As of May 16th 2024, Crédit Agricole Consumer Finance is commercially re-branded as Crédit Agricole Personal Finance & Mobility.

GROUP STRUCTURE



Legal entity

Branch

Notes:

(1) CA Auto Bank GmbH – The remaining 50% is held by CA Consumer Finance SA.

(2) Ferrari Financial Services GmbH – CA Auto Bank holds 50% + 1 share; the remaining shares are held by Ferrari S.p.A;

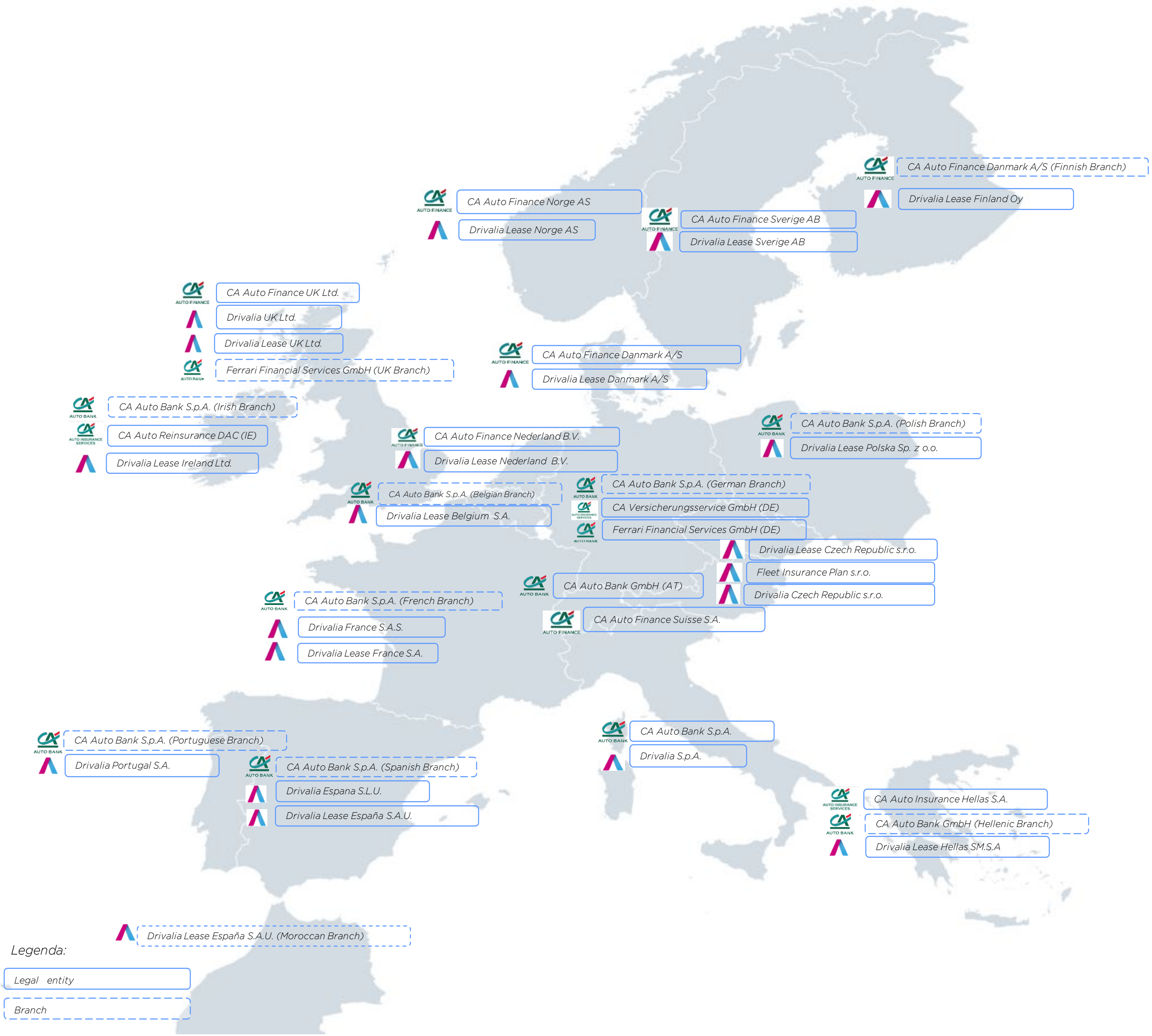
(3) Drivalia Lease France SA – the remaining 10 shares are held by Drivalia France S.A.S.

(4) Drivalia Czech Republic s.r.o. was established on April 17th, 2024;

(5) Drivalia Lease España S.A.U. and Drivalia Lease Uk Ltd. and Drivalia Lease Polska Sp. z.o.o. are included in thew banking scope;

(6) Drivalia Lease Sverige AB was established on April 8th, 2024.

GEOGRAPHCAL FOOTPRINT



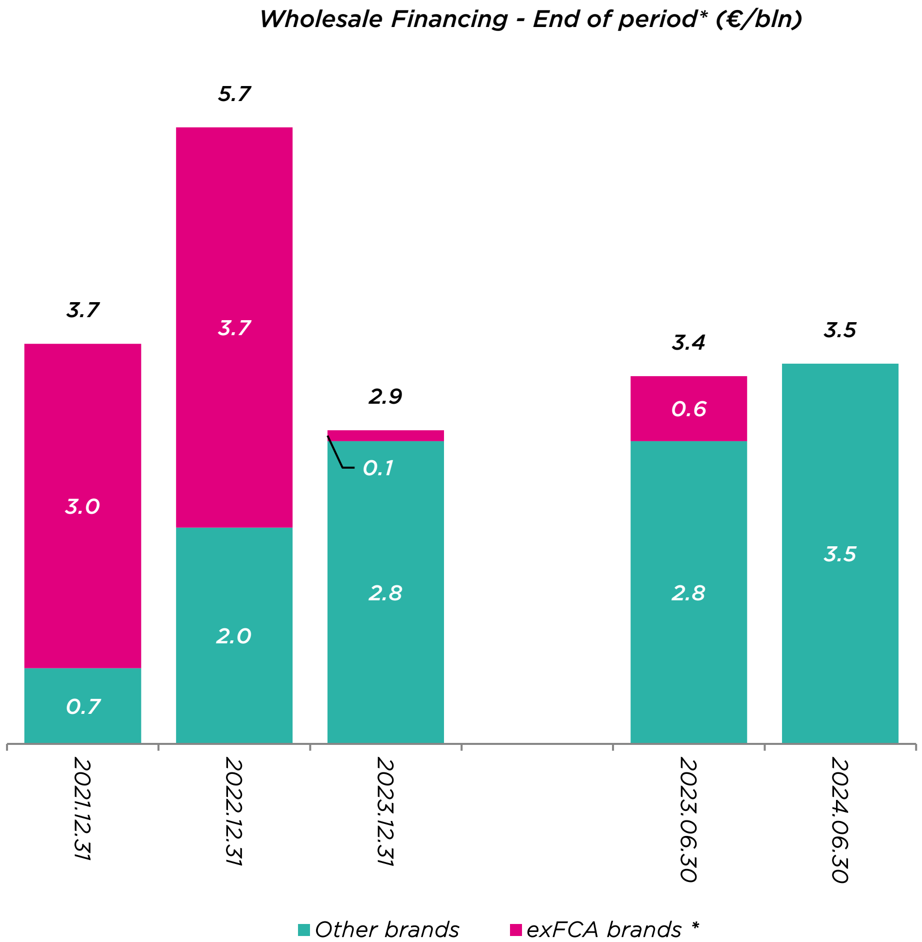
RESULTS OF OPERATIONS

Financial and operating data (€/mln)	06/30/2024	06/30/2023
Net Banking income and rental margin	400	402
Net operating expenses	(150)	(116)
Cost of risk	(65)	(46)
Operating Income	185	240
Other Income / (Expenses)	(5)	(9)
Other Extraordinary Income/(Expenses)	(18)	139
Profit before tax	162	370
Net profit	122	267
Outstanding		
Average	27,608	23,705
End of period	29,202	24,717
Ratios		
Net Banking Income and Rental margin/ Average Outstanding (1)	2.90%	3.39%
Cost/Income ratio	37.43%	28.8%
Cost of Risk/Average Outstanding (1)	0.47%	0.39%
CET1 (2)	14.91%	12.58%
Total Capital Ratio (TCR) (2)	18.55%	14.06%
Leverage Ratio (2)	11.79%	9.14%

(1) annualized data
(2) provisional data as of 06/30/2024

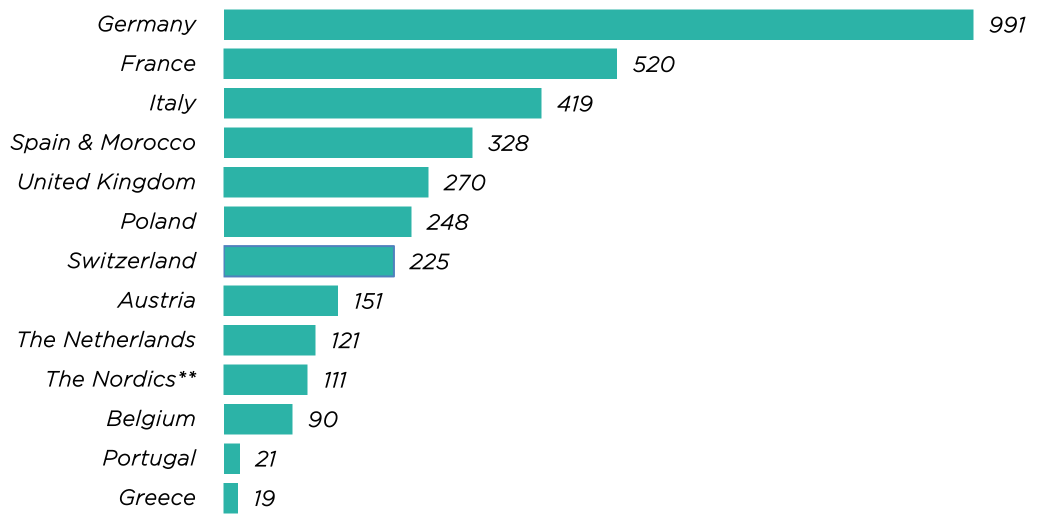
THE BUSINESS LINES

BANKING – WHOLESALE FINANCING



(*) Outstanding of exFCA brands in Run off from March 31st 2023

Wholesale Financing - End of period by market* (€/mln)



* The figure includes demo cars and commercial lending
** Nordics Countries: DK, FI, NO, SE

The year 2024 marks the beginning of CA Auto Bank as a totally independent bank focused on the automotive sector.

During the first part of 2024 CA Auto Bank continued its customer development. In fact, wholesale loans at the end of the first half of 2024 stand at €3.5 billion, up from the comparable figure at the end of December 2023. CA Auto Bank's current portfolio is entirely composed of loans and leases related to new partnerships with OEMs (Original Equipment Manufacturer), importers and dealers.

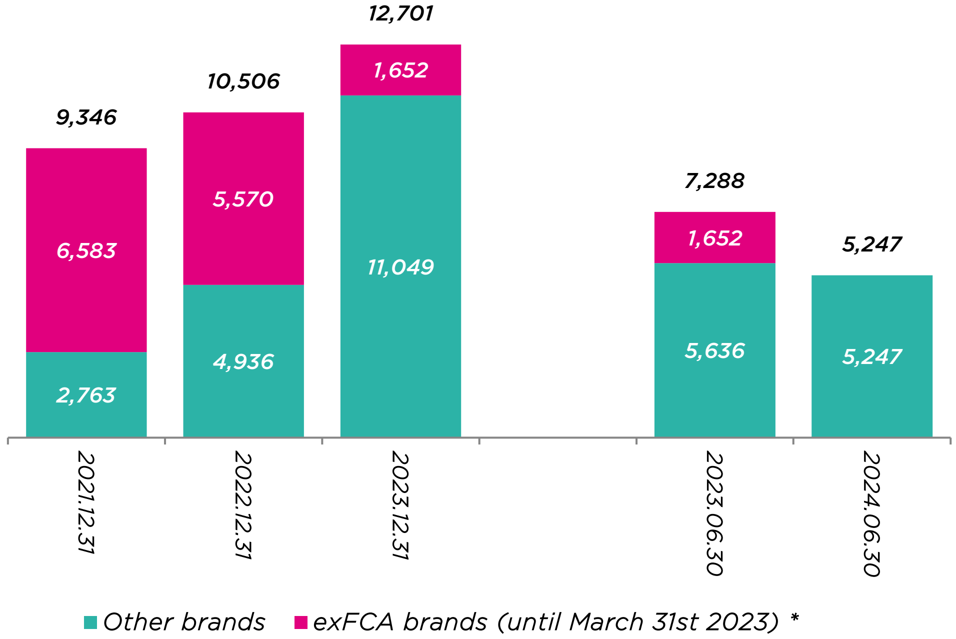
The total number of units financed as at June 2024 was 54.7 thousand, of which 11.4 thousand with seniority greater than 180 days, showing a slower turnover of new stock compared to 2023, an effect mainly caused by the various partnerships in the leisure sector.

The payment performance of the entire portfolio is still good, with past due exposures representing 1.45% of total exposure.

The business line continues to achieve good results in terms of net banking income (2.26%) and substantially in line with expectations in terms of operating income (€22 million).

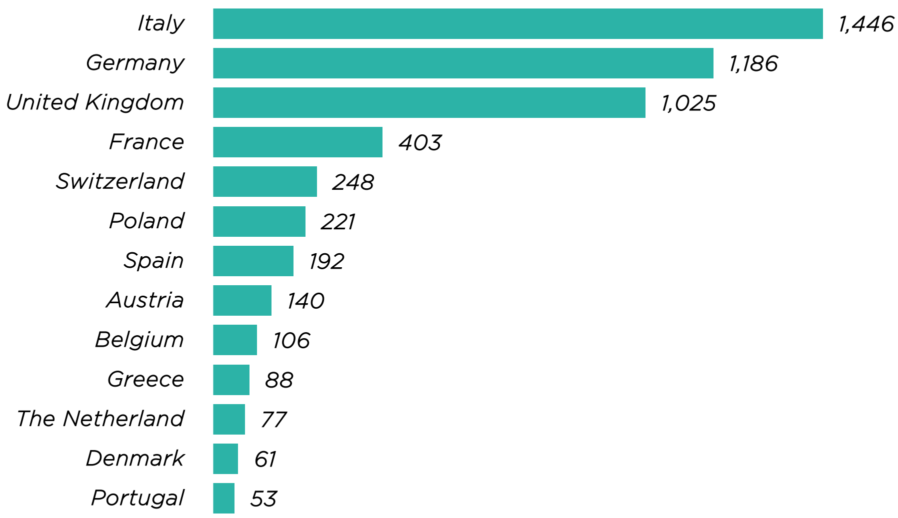
Italy, Germany, and France remain the key markets; their volumes account for about 56% of total loans and leases. This percentage rises to 72% if the volumes of Spain and the UK are also included.

New Financing and Financial Leasing (€/mln)*

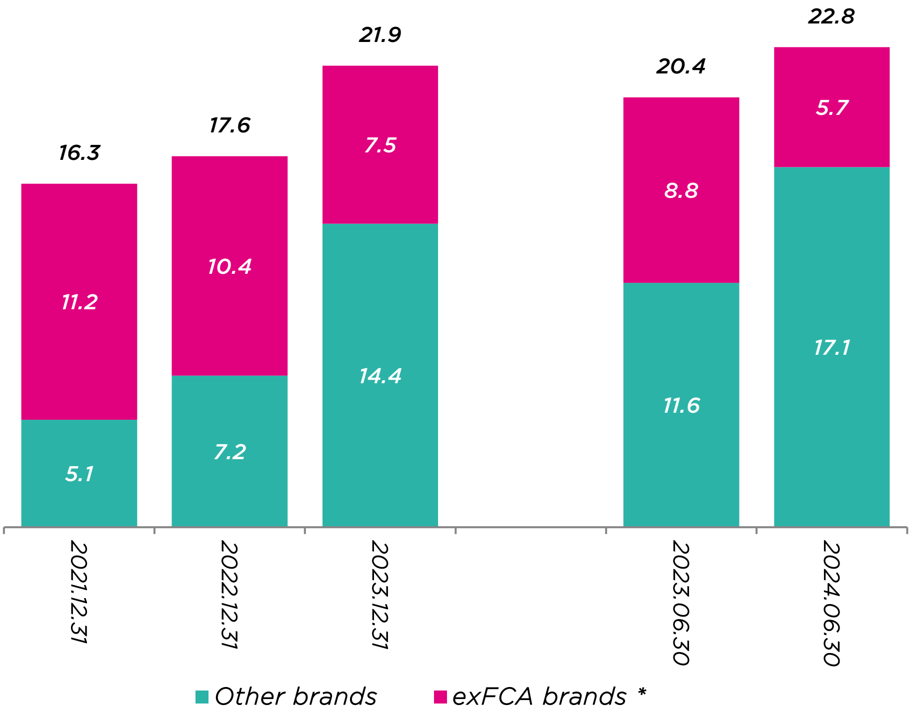


(*) Outstanding of exFCA brands in Run off from March 31st 2023

New Financing and Financial Leasing in 2024 by market (€/mln)

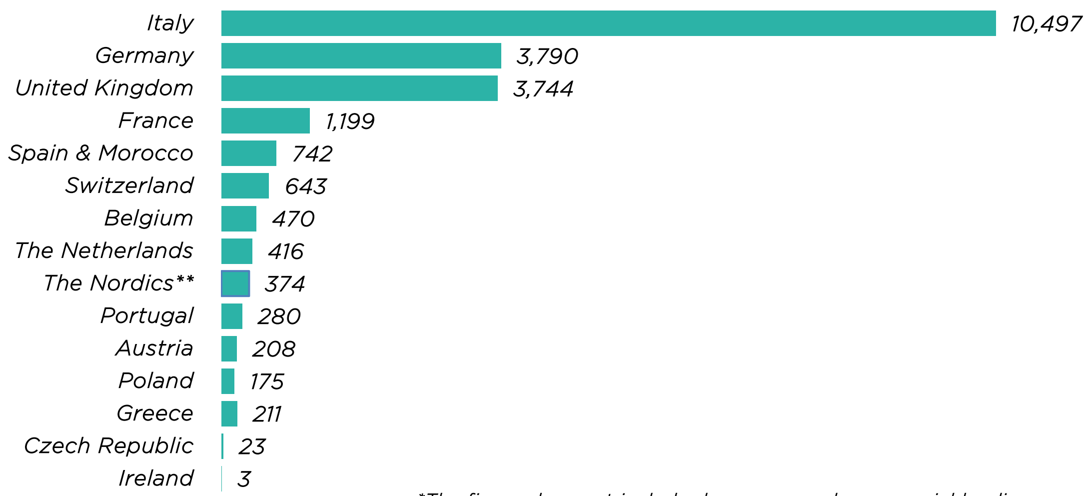


Retail Financing and Financial Leasing - End of period* (€/bln)



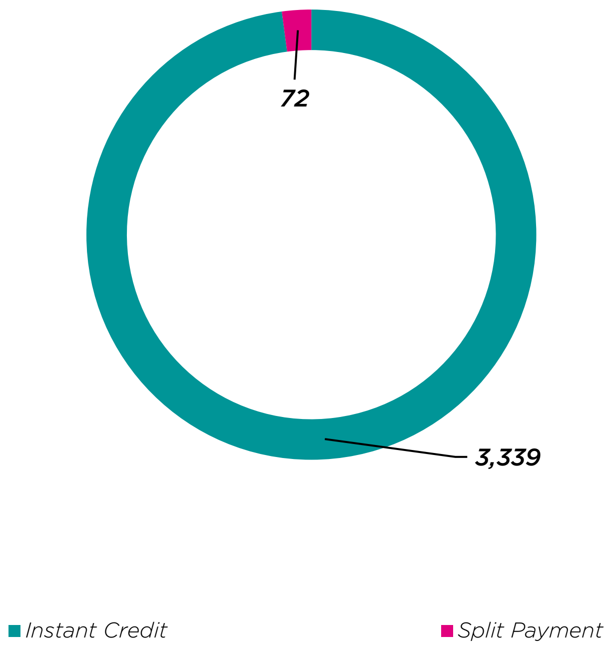
(*) Outstanding of exFCA brands in Run off from March 31st 2023

Retail Financing - End of period by market* (€/mln)



*The figure does not include demo cars and commercial lending
** Nordics Countries: DK, FI, NO, SE

CA AutoPay: Buy Now - Pay Later (BN-PL) (€/thousands

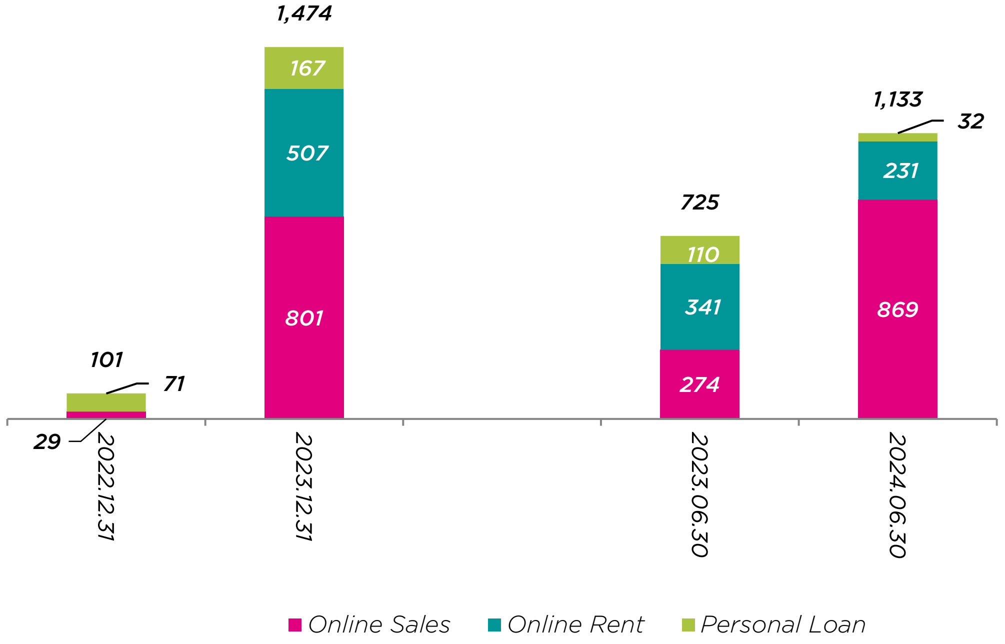


In the first half of 2024, CA Auto Pay Italia confirmed the 2023 results, keeping the risk indicator within the standard levels.

New opportunities will arise in the second half of the year, with the opening of the platform to other businesses in which we operate.

Financed Volumes in Open Banking (€/mln)

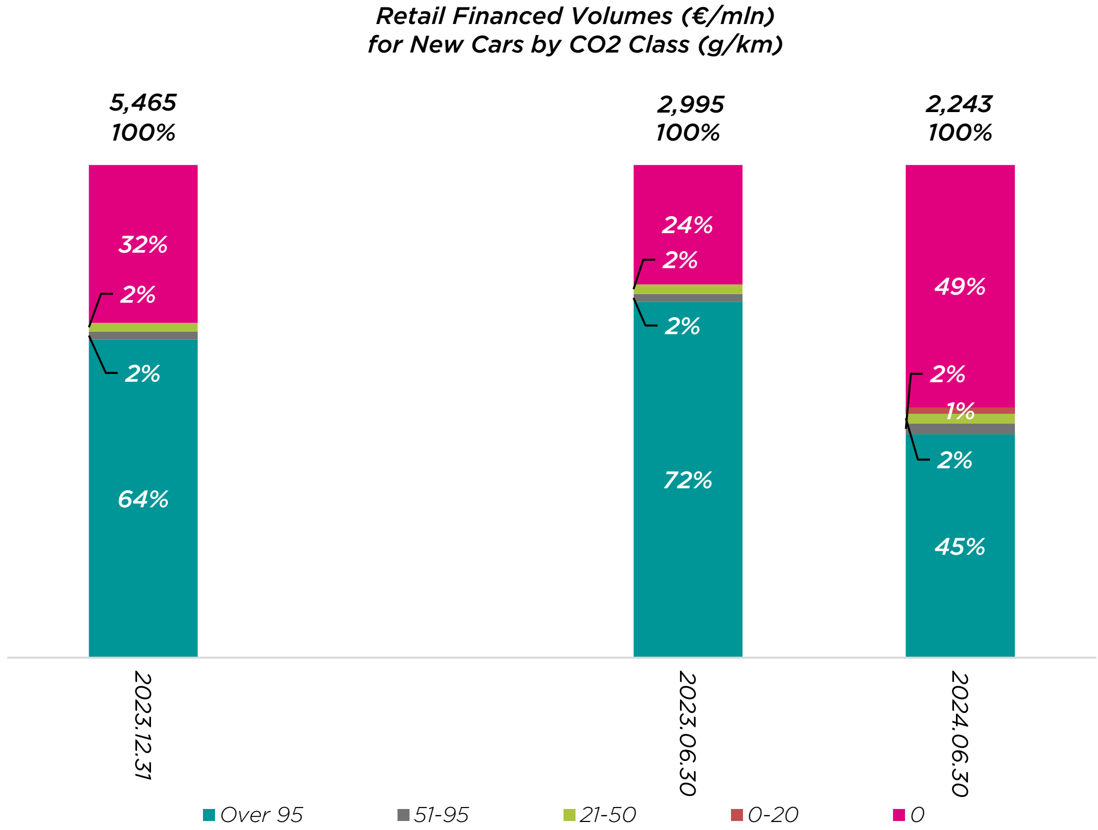
E- Commerce (€/mln)



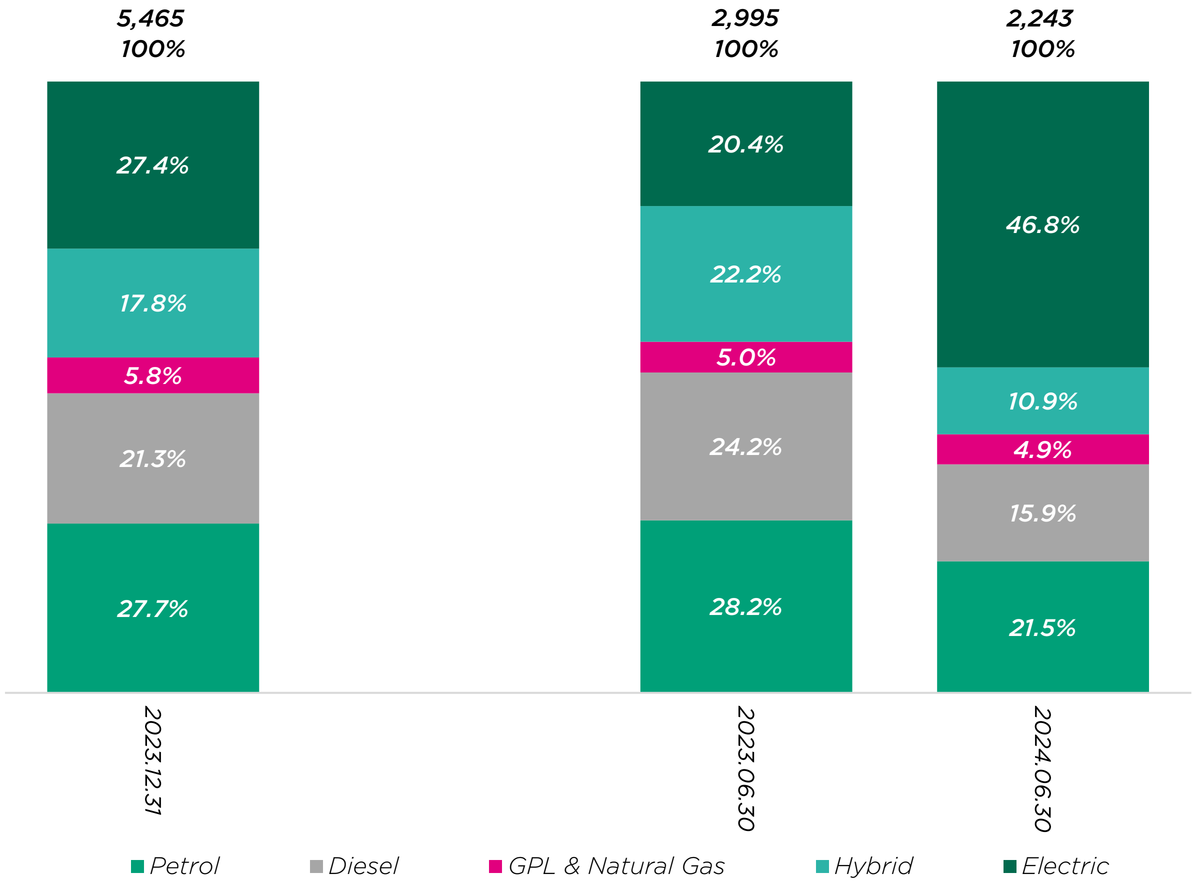
The 'E-commerce' business is that deriving from a completely digital and autonomous process to request a loan (or bank product) by customers without the intermediation of the dealer; examples are Online Sales, for cars, and Personal Loans.

Drivalia has a substantial share of its business volume generated entirely online. All short-term rentals from the portal www.drivalia.com and all subscription products such as Car Cloud, Be Free, Car Box and Flex Rent are managed with fully online digital solutions, with car delivery at Drivalia Mobility Stores.

CA Auto Bank is working to expand the digital business across its European operations.

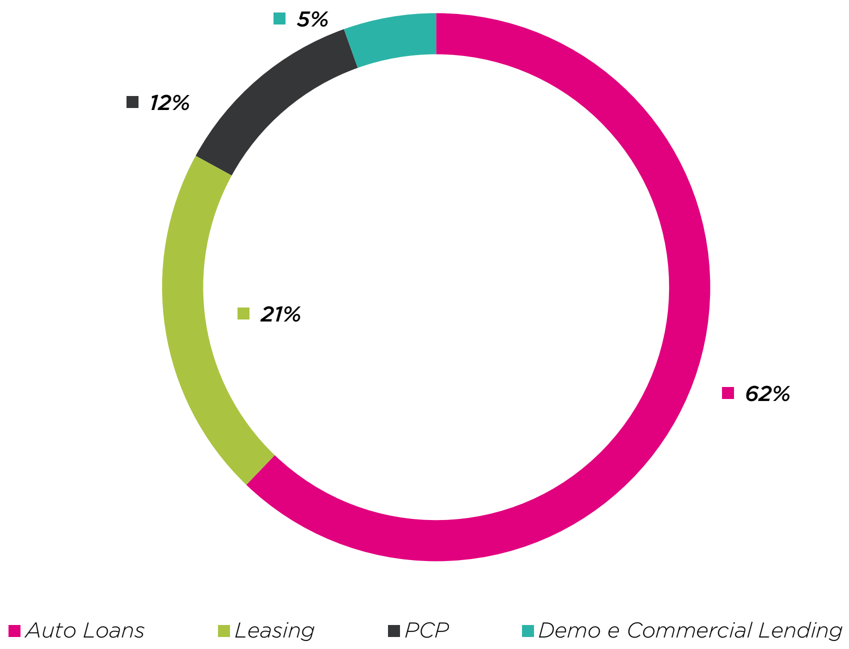


Retail Financed Volumes (€/mln)
for New Cars by Fuel Type (%)



The volumes financed are related to new cars for the retail business line.

Total Number of Financing Contracts by Product 2024



The total amount of contracts signed in the first half of 2024 is 186,310.

The beginning of 2024 saw the merger of the CA Auto Bank French Branch (subsequently also called CA Auto Bank France) and Sofinco Auto Moto Loisirs teams, which resulted in the creation of a new player that immediately took second place in the French market.

Drivalia, the group's rental, leasing and mobility company, expanded its European operations, launching its business in Sweden.

In a very complex market environment, the CA Auto Bank Group continues to increase its offering to its customers with a wide range of products, including not only financial but also insurance solutions to adequately meet the needs of all customers.

At a time when digitalization is the key to building and maintaining contact with Clients, the CA Auto Bank Group works to support the sales phase and continues to improve tools aimed at increasing not only customer satisfaction, but also customer loyalty.

In 2024, CA Auto Bank's strategic journey toward the digitalization of processes and distribution channels firmed up, improving the range of tailored digital solutions designed to propel the Bank into a more flexible and competitive future: from the implementation of integrated systems-such as the online financing e-commerce platform-to the integration of artificial intelligence.

Regarding the insurance offering, the CA Auto Bank Group has confirmed its willingness to collaborate with leading companies in the market in order to be able to build a comprehensive range of products spanning from coverage in the case of events personally involving the customer to coverage dedicated to the vehicle and its use.

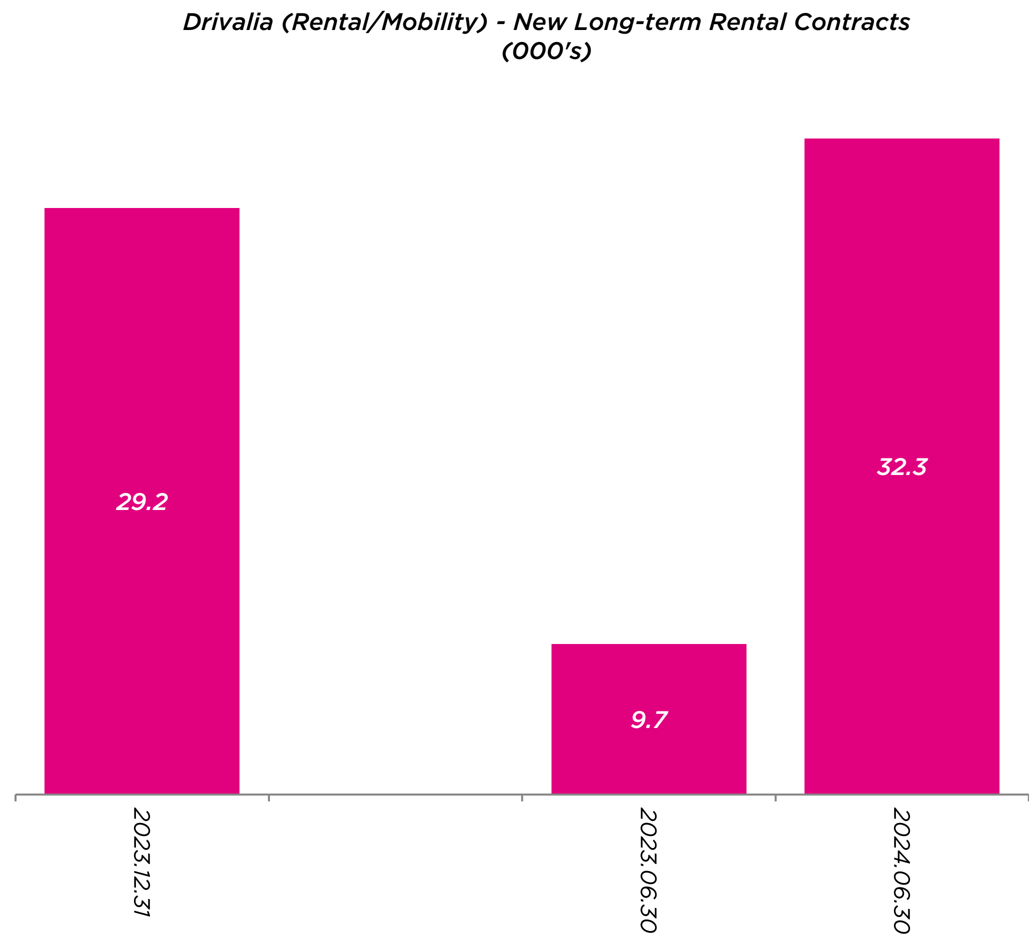
In this way, the financial and insurance offerings flow into a single relationship with the customer, which simplifies and helps the management and payment of the vehicle and related services.

CA Auto Bank has made digitalization one of its strengths and, with this further development, has decided to provide its customers with a new and complementary way to access its services.

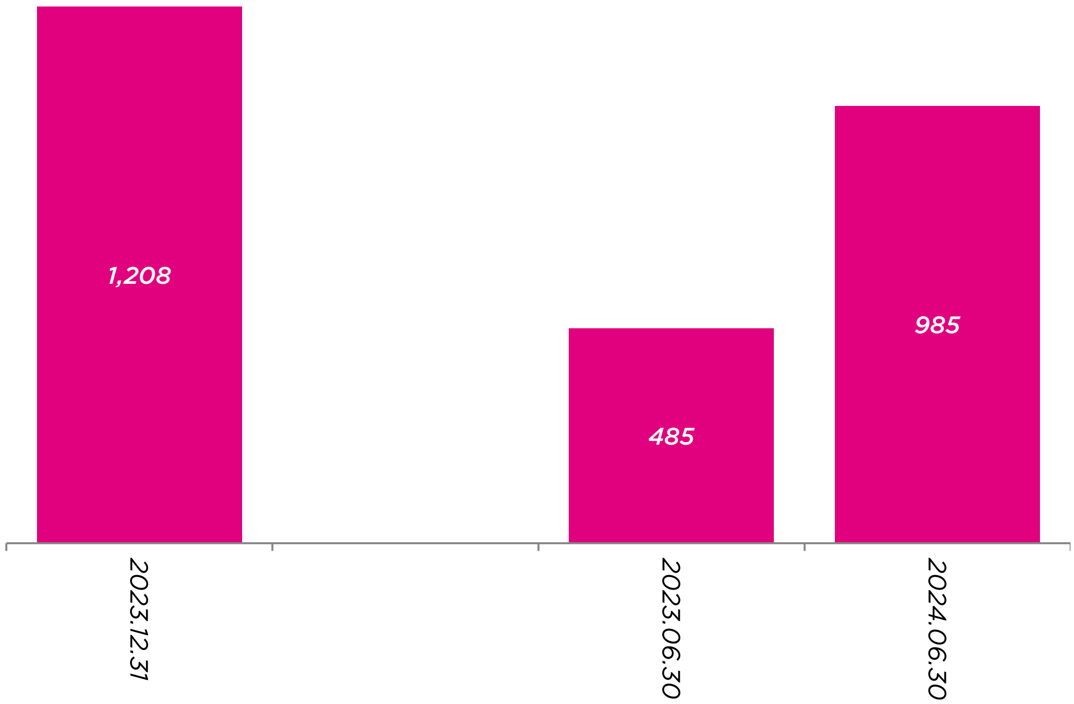
As a "Mobility Bank for a Better Planet," CA Auto Bank has also pursued a solid environmental and social sustainability strategy based on the four ESG pillars of Sustainable Mobility, Innovation and Digitalization, People, and Environment. This strategy has come into being particularly by developing products and services designed to foster green mobility.

DRIVALIA (RENTAL/MOBILITY)

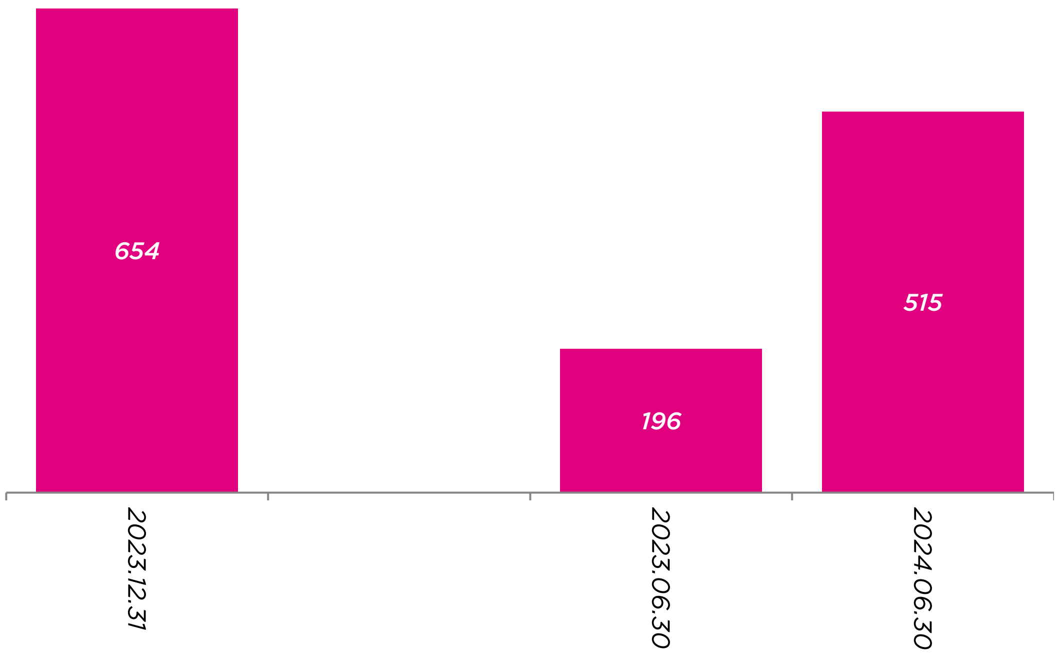
Drivalia rental and mobility production comprises both long-term rental contract activations and the acquisition of cars for short-term rental.



Drivalia (Rental/Mobility) - New Production for Long Rental and New Vehicle Purchases for Short-Term Rental and Subscriptions (€/mln)

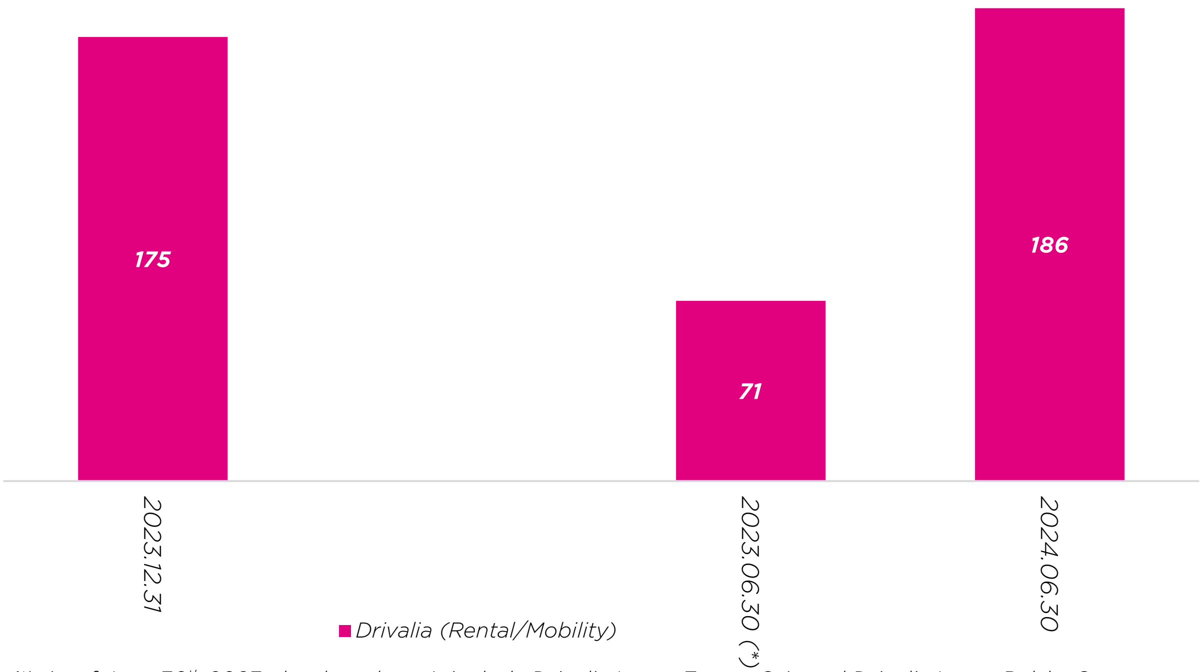


Drivalia (Rental/Mobility) - Customer Revenue (€/mln)



Drivalia's turnover includes invoices for short-term rental (online and subscriptions), car sharing, invoices for long-term rental and resale of vehicles returned at the end of the rental period.

Drivalia (Rental/Mobility) - Fleet (000's)



(*) As of June 30th 2023, the data doesn't include Drivalia Lease France S.A. and Drivalia Lease Polska Sp z.o.o.

Drivalia fleet (Rental/Mobility), as of June 30th 2024, boasts a total of 186 thousand vehicles, while new cars added to the fleet during the period amounted to 32.3 thousand.

Drivalia (Rental/Mobility) - New Vehicles (000's)

Regarding the mobility sector, the CA Auto Bank Group operates through Drivalia in fifteen European countries (Belgium, Czech Republic, Denmark, Finland, France, Greece, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Spain, Sweden and United Kingdom). The number of Drivalia Mobility Stores continues to grow: as of June 2024, there were 782 stores and 1,727 charging stations distributed across Europe.

A major leap forward in Drivalia's European growth process was made in August 2023 with the acquisition of ALD Automotive's operations in Norway and Ireland and Leaseplan in the Czech Republic and Finland.

CA Auto Bank and Drivalia confirm their role as promoters of the European electric and sustainable mobility revolution with a significant program of investment in infrastructure, fleet and services.

Through the services CarCloud (one of the first car subscription services in Europe, renewable every month, without time limits or penalties) and CarBox (an annual mobility subscription that guarantees, for a fixed monthly fee, the right car at the right time), Drivalia offers 21 different plans . CarCloud was initially implemented in Italy, but is now also available in France, Spain, Portugal and soon in the UK.

In addition, a range of services are available from campervan rentals to the flexible BeFree Evo, which grants access to a "no down payment" subscription program, with a fixed fee for the duration of 24 months and the possibility of early termination without penalty.

Also available within Drivalia is the 100% electric e+ share car sharing DRIVALIA, already active in Turin, Rome and Milan with a fleet of only electric Fiat 500 cars in free-floating mode (free-flowing, with no parking restrictions), an innovative solution that in October 2023 crosse the borders of Italy with its debut in Lyon, France.

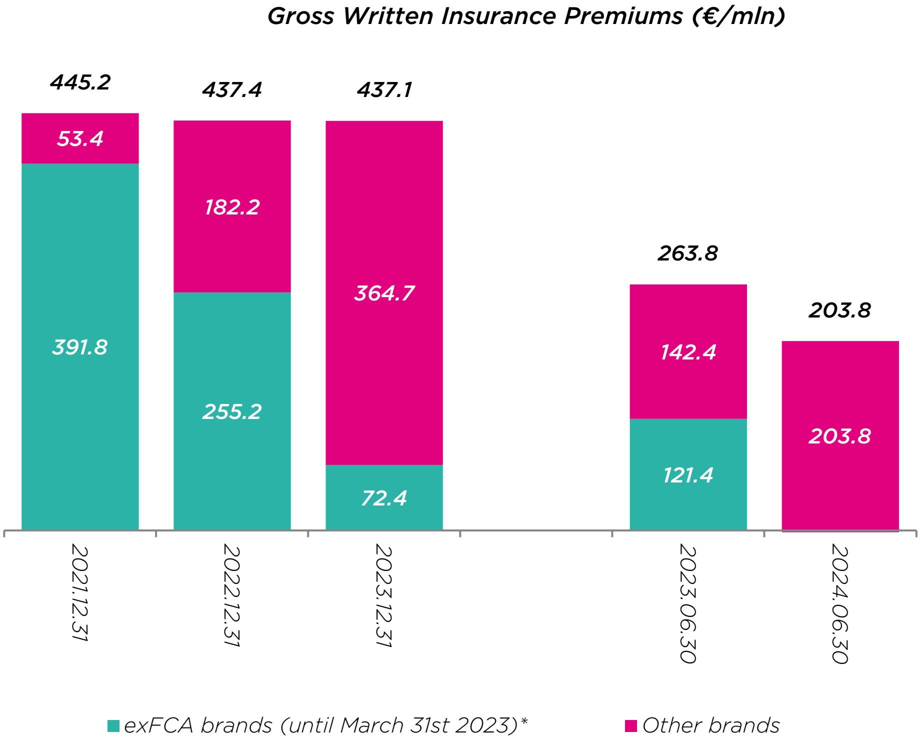
In 2023 Drivalia introduced Drive To Buy, the first monthly subscription rental, dedicated to the DR Automobiles Group's Sportequipe 6 and Sportequipe 7 models.

Drive To Buy is a product designed for private customers and independent professionals, which allows them to choose, within the first two months, whether to continue driving their subscription car or to buy the car, in one lump-sum or in convenient monthly installments, at sticker price minus the monthly payments already made, all through 100% digital CA Auto Bank financing.

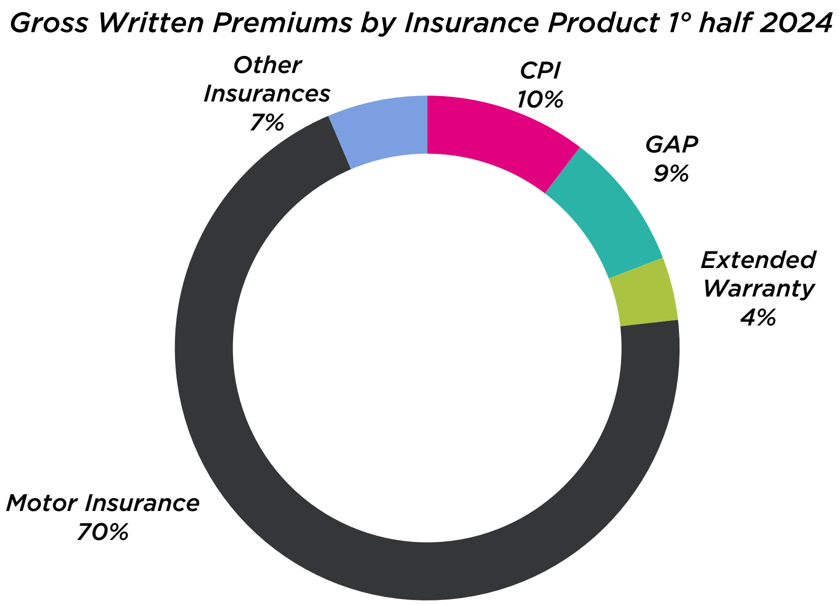
The CA Auto Bank Group, therefore, has shown itself increasingly capable of meeting the diverse mobility needs of all types of customers, starting with large companies and SMEs and ending with professionals and private customers.

Drivalia (Rental/Mobility) - Fleet (End of Period Net Value) (€/bln)

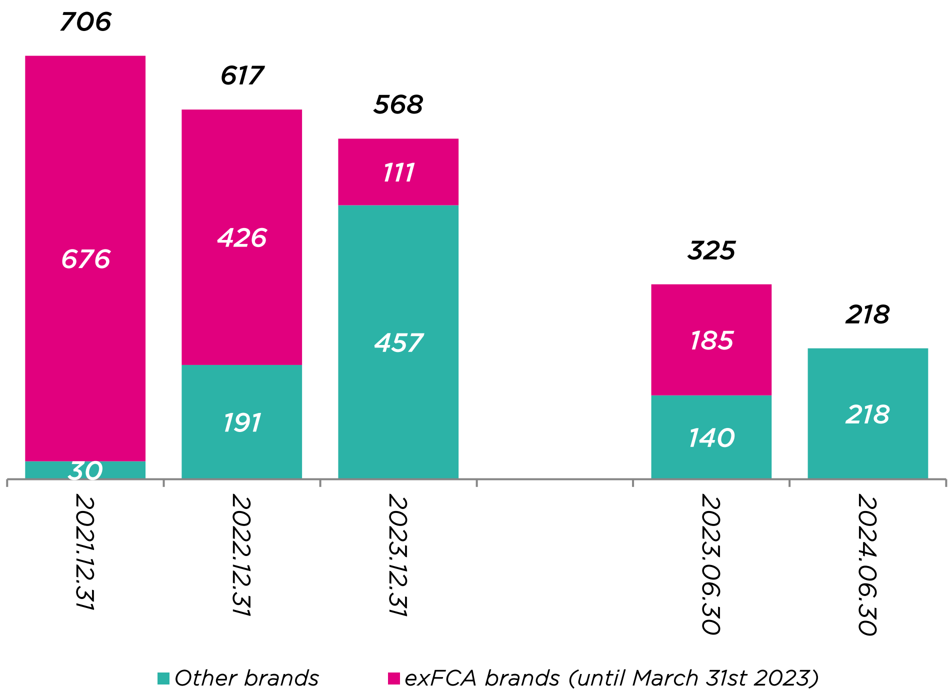
INSURANCE AND SERVICES



(*) Outstanding of exFCA brands in Run off from March 31st, 2023



Insurance Contracts and Intermediated Services (000's)



(*) The new business exFCA brands ends on March 31st, 2023.

The CA Auto Bank Group provides a wide range of insurance products and services in conjunction with the financing contract for both credit protection and vehicle protection, which made it possible, in the first half of 2024, to promote at least one policy per Financing and Rental/Mobility contract, to the benefit of the Bank's customers.

The main insurance services offered in the various European markets are listed below:

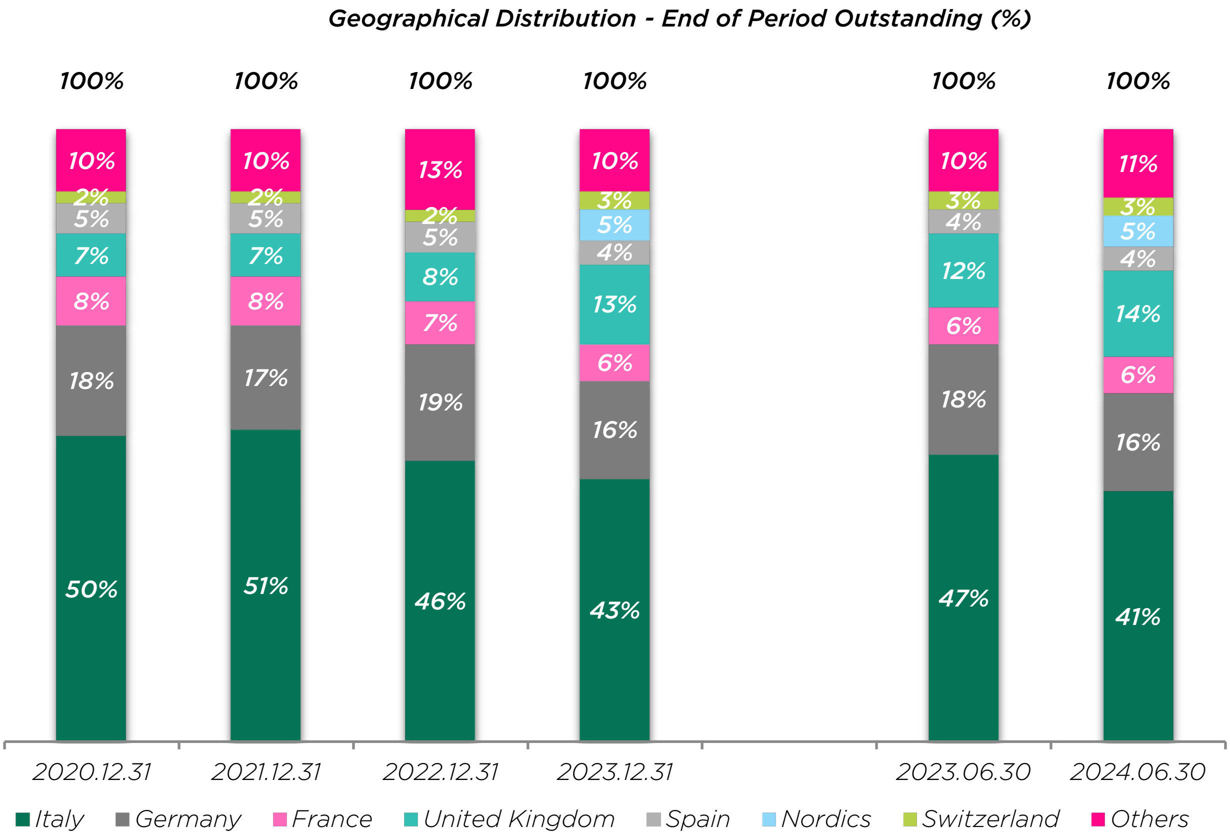
- *Credit Protection Insurance (CPI), relieving the customer of the obligation to pay the outstanding debt in whole or in part in the event of certain sudden and/or unexpected events;*
- *GAP (Guaranteed Asset Protection) insurance, which protects the value of the purchase by guaranteeing the customer, in case of theft or total damage, compensation for the new value of the vehicle for a specified number of years after purchase or an attractive compensation that varies according to the legislation in force in the Country;*

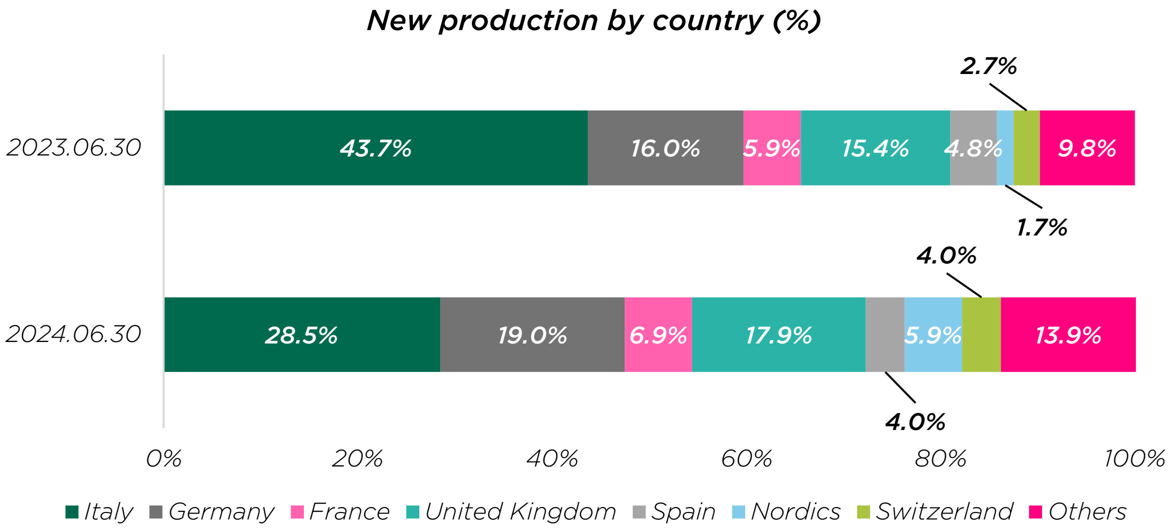
- *Glass/vehicle etching, which is an important deterrent against theft;*
- *Automobile liability insurance, whether or not combined with the financing installment;*
- *Theft and fire policy, which, combined with the financing installment for the entire duration of the contract, insures the vehicle against theft, fire, robbery, natural events, sociopolitical events, vandalism, and glass breakage;*
- *Kasko & Collision, kasko insurance provides reimbursement for damages in the event of a collision with another vehicle, collision with fixed and moving obstacles, rollover, and running off the road. Collision insurance kicks in only in the event of a collision with another identified vehicle;*
- *Extended warranty that lengthens the manufacturer's standard warranty period with a range of solutions that can cover any expenses in the event of vehicle failure.*

All financial and insurance solutions described are locally adapted to the needs of different types of customers in the various European markets in which the CA Auto Bank Group operates and are flexible in responding to market-specific legislative changes.

In the first half of 2024, it confirmed the cooperation with Opteven for extended warranty services and started a survey on Divaria insurance business to create products that meet the needs of each customer.

Below there are the charts related to the geographical distribution of outstanding balances at the end of the period and the new production for the first half of 2024.





THE EVOLUTION OF THE MARKET AND THE AUTOMOTIVE BRANDS

In the first half of 2024, the automotive market in Europe (European Union + UK + EFTA) for new cars grew by 4.4%, with 6,879,438 new car registrations compared to 6,589,174 in the same period of 2023.

CA AUTO BANK'S PARTNERS

CA Auto Bank's in-depth knowledge of the auto financing and leasing sector, as well as of mobility, has led it to serve a number of prestigious automotive brands, and to enrich its offerings with different types of vehicles, particularly electric and hybrid, to support both brands and large distribution groups.

In first half of 2024, CA Auto Bank booked €6,232 million in financed volumes, of which €4,620 million were for financing and financial leasing, 627 for commercial lending and demo and the remaining €985 million related to rental/mobility.

The first half of 2024 was a year of further growth for CA Auto Bank.

First, it saw the consolidation of partnerships with existing OEMs (Original Equipment Manufacturer); second, CA Auto Bank pursued new partnerships to develop additional opportunities. One partnership that has grown significantly since the beginning of this year has been with Mazda, with the inclusion of two new markets - Poland and Austria - in the scope of the partnership.

CA Auto has signed cooperation agreements with more than 60 Brands engaged in the automotive, two-wheeler, leisure, light and heavy commercial vehicles, and marine sectors.

CA Auto Bank has also entered into new partnerships with OEMs entering the European market, including BYD, in Italy and Spain, Dongfeng and Chery, with its Omoda and Jaecco brands.

CA Auto Bank has introduced a wide range of innovative and flexible financial and mobility services designed to make the products of key manufacturers more accessible.

Collaboration with brands that sell electric cars - such as Tesla, Lucid, General Motors, and Vinfast - accelerates our green project (in the first half of 2024, more than 50% of the financed volumes for new vehicles were related to electric or hybrid cars).

About 15% of the financed volumes are sold through E-Commerce especially by the Lucid and Tesla brands.

CA Auto Bank confirms its ambitions in the marine sector through its partnership with Groupe Beneteau, a global player and renowned sailboat manufacturer; wholesales products were launched in 8 countries and retail products in 3 countries in the first half of 2024.

IN THE SPOTLIGHT: REPORTS FROM THE DIFFERENT CORPORATE AREAS

FROM MERGER TO MARKET LEADERSHIP: THE JOURNEY OF THE NEW CA AUTO BANK FRANCE

CA AUTO BANK FRANCE - Etienne Royol

The expansion of the already existing CA Auto Bank French Branch, with the acquisition of Sofinco Auto Moto Loisirs, has marked a fundamental step in our Group's affirmation in Europe and, more broadly, in Crédit Agricole Personal Finance & Mobility.

The new company emerges from the merger of CA Auto Bank France and Sofinco Auto Moto Loisirs, with the primary goal of securing leadership in auto and mobility financing solutions throughout France.

Currently positioned as the second largest player in the French market, our aim is to reach the top by 2026, targeting a retail production milestone of €3.2 billion. I am honored to lead this transformational journey and guide a dedicated team of over 400 professionals.

Under my leadership, CA Auto Bank France has been structured into three business lines: Banking & Insurance, headed by Robert Ogulluk; Drivalia, responsible for short- and medium-term rentals, car subscriptions, and car sharing, led by Pasquale Piccolino; and Drivalia Lease, overseeing long-term rentals, led by Denis Vitellaro.

The creation of this new CA Auto Bank France also signifies a significant cultural shift, with over 350 employees transitioning into the new entity. The legacy of our two histories allows us to consolidate our collective strength to build a strong and shared identity and lead its initiatives.

This merger leverages the synergies of both previous entities. On one side, CA Auto Bank France brings its extensive pan-European reach, digital tools, and deep captive experience of the Group. On the other, Sofinco AML offers a solid national sales network, renowned service excellence, and specialized knowledge in the automotive, motorcycle, leisure, and marine sectors.

The financial solutions offered by CA Auto Bank France include a range of products from the CA Mobility Services catalog, such as extended warranties, maintenance contracts (through the joint venture between CA Personal Finance & Mobility and Opteven), and vehicle delivery services (facilitated by Hiflow).

The results achieved so far by the new CA Auto Bank France demonstrate our commitment and ability to reshape the landscape of automotive financing and mobility solutions throughout France.

This new corporate culture will also allow us to make significant progress: 83% of our key partners have already transitioned in a record time of 6 months, and the signing of our agreements with car manufacturers MG and Tesla highlights the trust our partners place in us, even during this transition period.

Our dedication to innovation is evident in our comprehensive range of financial solutions, from traditional financing options to cutting-edge mobility services. Moreover, our emphasis on sustainability is underscored by our significant contribution to financing new electric vehicles: 28% of the contracts financed in France involve fully electric vehicles.

As we continue on this path, CA Auto Bank France remains steadfast in its commitment to advancing the future of automotive finance, driven by innovation, customer-centric solutions, and sustainable mobility.

MOVING FORWARD: STRATEGIC GROWTH AND EXPANSION OF CA AUTO BANK PARTNERSHIPS

NEW PARTNERSHIPS - Lucyna Bogusz

The first half of 2024 has been a period of further growth for CA Auto Bank.

Firstly, we have continued to work on initiatives aimed at consolidating our partnerships with OEMs we have already collaborated with, and secondly, we have actively sought new partnerships that could open up additional opportunities.

One collaboration that has grown significantly since the beginning of this year is with Mazda. Since January, we have expanded our services in the Austrian and Polish markets, adding to the previously established partnership in Belgium. This represents an example of excellent cooperation with the OEM and its dealers, generating organic growth.

Our focus has also been on developing relationships with electric car manufacturers to support our carbon emission reduction goals. An example of this is our collaboration with Tesla, an OEM whose customers we finance entirely digitally using our innovative e-commerce systems.

We have also initiated new partnerships with OEMs entering the European market. An example of such new cooperation is the signing of an agreement with BYD. We have launched commercial operations with this manufacturer in the Italian and Spanish markets. The digital and multichannel focus of CA Auto Bank ensures a quick and easy purchasing experience for BYD customers, making our relationship fruitful in terms of increasing volumes.

We are also extremely proud that Dongfeng, one of the "Big Four" in the Chinese automotive industry, has placed trust in us for its products in Italy. The agreement includes the entire range of Dongfeng brands, starting with the premium brand Voyah, featuring the electric models Voyah Free and Voyah Dream, alongside MHero and Nammi.

Our expansion to new customers does not stop here, as we have become a new and crucial partner for the new Chinese manufacturer Chery. Together with this OEM, we have just launched financial services to support its two brands, Omoda and Jaecoo, in the Italian market.

In conclusion, the first two quarters of 2024 have proven to be incredibly positive for CA Auto Bank. We have expanded our existing partnerships, developed new ones, and continued our missions of innovation and sustainability.

SUSTAINABILITY PLAN AND CSR: CA AUTO BANK TOWARD AN INCREASINGLY RESPONSIBLE FUTURE

SUSTAINABILITY PLAN - Andrea Mastroeni

Since its inception, CA Auto Bank has paid special attention to environmental, social and governance issues and has embarked on a journey in order to integrate them into its strategy. Our goal is to achieve responsible and inclusive growth with a positive impact on people and the environment, aiming to create value and profits in a virtuous way. This led us to present, in April this year, the Sustainability Plan. This is a significant commitment in this process as we defined in it our ESG goals for the three-year period 2024-2026.

The Plan builds on FCA Bank's previous Non-Financial Statements, incorporating their material themes into our four ESG pillars: Sustainable Mobility, Innovation and Digitalization, Environment, and People. Associated with each pillar is a set of qualitative and quantitative targets for CA Auto Bank and Drivalia, the Group's rental and mobility company.

Regarding the main targets of the first pillar, CA Auto Bank aims to make electric and hybrid vehicles accessible to all, expecting that by 2026 more than 50% of the cars financed will be electric or hybrid. In particular, 35% of the new cars financed will be electric. In parallel, Drivalia will increase its fleet of zero- and low-emission vehicles to 35% of the total, and expand the network of charging stations in Europe by 45% over 2023.

The goals of the second pillar, Innovation and Digitalization, include the adoption of digital signatures for 95% of contracts and a 75% increase in partnerships with startups focused on sustainability and responsible growth.

The third pillar, Environment, emphasizes the reduction of the corporate carbon footprint, with the aim of lowering CO2 emissions by 16% by 2026 (compared to 2022) and using a corporate fleet where electric vehicles account for more than 50%.

The fourth pillar is based on People, promoting initiatives such as the introduction of a 28-day paid leave for second parents and a significant increase in training hours for employees. The Group seeks to achieve gender balance by taking the proportion of female employees to 48%.

In addition to the Plan, CA Auto Bank continues to be actively engaged in social work, collaborating with Save the Children on the "Volunteers of Value" project to combat digital educational poverty and raise awareness of environmental and social issues among children and youth.

In addition, the Group launched the "Green Mobility Challenge" for European students, culminating in the victory of the Ukrainian team "Chance App." These young people developed an innovative app to facilitate access to medical services for people with disabilities, earning them participation in Gen-E 2024, Europe's largest festival dedicated to entrepreneurial education.

THE NEW LIFE OF CARS WITH DRIVALIA FUTURE, BETWEEN INNOVATION AND CIRCULAR ECONOMY

DRIVALIA FUTURE - Franco Oltolini

During the first half of 2024, Drivalia further strengthened its Drivalia Future marketplace, dedicated to the purchase of off-lease and end-of-subscription vehicles, thereby starting a new life cycle for these vehicles.

The initiative reflects Drivalia's focus on sustainable and responsible development in line with the circular economy model, which will generate global growth opportunities worth $4.5 trillion by 2030, including in tomorrow's mobility sector.

In this context, the responsible reuse of Drivalia's fleet plays a key role, with the reintroduction of affordable, latest-generation cars into the market in line with recent emissions regulations.

Drivalia Future, already present in Finland, Ireland, Norway and the Czech Republic, has been extended to Italy with the launch of an online portal-initially available to dealers and industry professionals- simple and intuitive, where cars can be purchased in single units or in lots, through auctions. Each model comes with detailed data sheets, photos and appraisals (carried out by qualified and certified personnel), so that buyers can proceed to purchase with total peace of mind.

Over the course of these months, more than 500 industry professionals have registered with our marketplace, showing great interest in the published auctions, which have reached an almost daily frequency.

Drivalia then expanded the platform by inaugurating Future Lease, the new plan with which to activate a long-term lease on a selection of off-lease and end-of subscription vehicles.

The development of Drivalia Future in Italy continued further with the opening to private customers. The online platform dedicated to them offers a wide selection of vehicles, designed to meet every model and budget need. Customers interested in purchasing can also count on financial support from CA Auto Bank.

In addition, before purchasing, customers will be able to examine the vehicles in person at selected Drivalia Future Stores equipped with display areas. The network of stores will be expanded in the coming months, as the original locations in Rome and Turin will be joined by new openings in Milan and Naples.

SUSTAINABILITY, PROFESSIONAL GROWTH AND AMBITIOUS GOALS: THE KEY ROLE OF HUMAN RESOURCES IN CA AUTO BANK

HR & PEOPLE - Lucilla Castronuovo

Also during this year of consolidation, the mobility business and the ambitious CSR goals play a key strategic role for CA Auto Bank.

The Group presented its Sustainability Plan and, to support the cultural change that such an approach requires, invested time and resources in specific communication and training actions.

In March, a townhall dedicated to CSR and ESG criteria was organized and attended by all employees. This was followed by an internal and external communication plan and training to build skills and awareness of the importance of the Plan.

The need for in-depth CSR had also emerged from the IMR Group survey, whose pilot edition was conducted last year only with Italian and French employees.

The areas for improvement highlighted by the survey were discussed directly with the people involved. In addition to sustainability, the focus is on digitalization, innovation and communication, within and between teams.

In parallel, integration within CA Personal Finance & Mobility is proceeding, starting with goal setting, which has incorporated the group's guidelines.

Opportunities to meet with colleagues from other companies are increasingly frequent, not only as part of intergroup teamwork, but also of specific initiatives to deepen the culture and business of the Crédit Agricole world.

The cornerstones of CA Auto Bank's HR management remain employee growth, training of future leaders, exposure as an opportunity for growth, and cross-functional development plans, in line with Crédit Agricole's Human Project.

These months have seen the start of new digital coaching paths to support inclusive leadership development. We are also designing new onboarding processes to bring in new employees and develop long-term engagement with the company from the start.

Finally, we have joined the group's LinkedIn Project, which will enable us to offer our employees targeted learning tracks, as well as a content library for in-depth self-learning.

Also noteworthy are the launch of the new pan-European payroll in France, Spain, Germany, Poland and the UK (in 2025 it will be Italy and Portugal's turn) and the start of the implementation of a new HR Information System, in all markets, starting in 2025.

All activities are in line with Crédit Agricole's Human Project and the goal of developing people's value and professional autonomy, ensuring gender equality - both in the mix and on aspects of equal pay.

DAILY BANKING: THE INTERNATIONAL GROWTH OF CA AUTO BANK'S DEPOSIT ACCOUNTS

NEW BANKING PRODUCTS – Federico Napoli

During the first half of the year, CA Auto Bank's international growth in daily banking continued, particularly in the placement of term deposits known as Conto Deposito, which have become increasingly competitive in the last few months due to higher interest rates and strong product innovation.

This type of time deposit is gaining in popularity in this particular historical period thanks to higher interest rates and the certainty of a fixed return.

With this in mind, and to support the Group's funding strategy, CA Auto Bank launched its term deposits in Austria, the Netherlands and Spain in January. These three countries thus joined Italy and Germany, where CA Auto Bank has been active for some time with these deposits, which have proven to be one of the instruments that can best meet customers' savings requirements, thanks to the Bank's solidity and transparency. Given the excellent results achieved overall in the three new countries as well, these term deposits were also launched in the Republic of Ireland in June.

The new term deposits, dedicated to individuals who are tax residents in Austria, the Netherlands, Spain and Ireland, feature 6-, 12-, 24-, 36-, 48- and 60-month maturities with competitive returns.

They can be opened and managed fully online, thanks in part to a partnership with Raisin, a company active in the European Union, the United Kingdom and the United States. Through the digital platform, customers residing in Austria, the Netherlands, Spain and the Irish Republic can learn more about CA Auto Bank's term deposits and open one that best suits their needs.

There are no opening, management and closing fees, with the possibility of an extension at maturity, which customers can request directly from their user area. In addition, savers are exempt from withholding tax on deposit interest in Italy. The maximum amount that can be deposited is €100,000. At the end of the deposit period, customers receive the initial capital invested plus contractual interest.

Deposits are guaranteed primarily by the strength of the Credit Agricole Banking Group, as well as by the Italian Interbank Deposit Protection Fund (FITD).

THE FUTURE OF CA AUTO BANK AND DRIVALIA AMID INNOVATION, DIGITAL AND MOBILITY

ICT PROJECTS UPDATE - Rachele Bellezza

In the first half of 2024, CA Auto Bank and its subsidiary Drivalia embarked on a consolidation phase under the Crédit Agricole umbrella. This period was marked by significant progress in ICT activities, in line with the digital roadmap outlined years ago, geared toward technological innovation and change, fundamental pillars of our group.

The main focus has been on developing our omnichannel services - implementing cross-functional systems, adopting cloud computing and integrating artificial intelligence to improve the customer and partner experience - and expanding their European scope.

CA Auto Pay, the digital portal that manages buy now pay later plans, now active in Italy and France, has been enhanced. Thanks to the work done so far, it will be launched in Germany by the end of the year. Similarly, our Retail platform will expand, allowing us to activate the E2E process in Sweden, Finland and Munich in the coming months. Finally, the new HR System, based on "Oracle HCM" and integrated with CAPFM group solutions, will be implemented by the end of the year in all 19 countries of the CA Auto Bank group.

Considerable work has also been done in the area of Mobility and Rental, particularly on "Planet Drivalia," a digital platform designed to meet the increasingly flexible mobility needs of the market. Thanks to Planet, individuals and companies have one-click access to a wide range of services offered by Drivalia: car sharing, short-term rentals, monthly subscriptions and much more. All with a positive impact on the environment through the use of electric fleets and shared mobility.

The secret of Planet Drivalia is simplification: from registration to signing up for products and promotions, every step is intuitive and efficient so that the customer experience is fast, smooth and transparent. There are many benefits for companies as well: with the introduction of new artificial intelligence features, management and operational processes are optimized, starting with the calculation of expected fleet demand or maintenance activities. The platform also supports the digital signing of contracts and, through the app, allows vehicles to be rented in keyless mode.

Planet is currently active in Italy, but we are paving the way for its launch next year in France, Spain and Portugal as well. Through this ongoing commitment, the CA Auto Bank Group will be able to position itself as a pan-European model for innovation and access to sustainable mobility, driven by advanced digital solutions

HALF-YEARLY REPORT ON OPERATIONS

SIGNIFICANT EVENTS AND STRATEGIC TRANSACTIONS

RUSSIA UKRAINE CONFLICT – POTENTIAL IMPACTS

The Russia-Ukraine conflict continues to pose a risk to the economy. Events confirmed leading analysts' assessments that the conflict would be protracted, with risks of escalation.

Oil and gas prices declined in the second half of last year, the former mainly due to lower demand, the latter also due to milder weather and stockpiles. Nevertheless, both 2023 and the first half of 2024 are considered in the baseline scenarios to be a transition period, with GDP growing slightly and inflation rates still high, albeit lower than in 2022 as a result of monetary tightening. In the United States, the period of official interest rate hikes should be almost over, while in Europe further cuts by the ECB are expected.

Although the picture is constantly evolving and extreme scenarios of conflict escalation are excluded, which could lead to geopolitical and economic outcomes that are difficult to assess, it should be noted that since the beginning of the conflict, the Group has continued to closely monitor the evolution of the impact of the Russian-Ukrainian crisis on the Italian real economy and on the main financial variables.

In view of the further tightening of the already severe sanctions imposed on Russia by Western countries during 2023 and 2024, the Group has no exposure to Russian counterparties sanctioned at the European and international level, much less do its subsidiaries have operations in Russia or Ukraine.

CA AUTO BANK EXPANDS ITS DEPOSIT-TAKING ACTIVITIES IN OTHER EUROPEAN COUNTRIES

CA Auto Bank's international development in daily banking continues, particularly in the time deposit sector, which in the last few months has become increasingly competitive thanks to rising interest rates and strong product innovation. CA Auto Bank, part of the Crédit Agricole Group, the tenth-largest bank in the world and first in Europe in terms of number of retail customers, launched its tile deposits in Austria, the Netherlands, Spain, and Ireland during the first half of the year. These four Countries thus join Italy and Germany, where the Bank has long been active with its Conto Deposito accounts.

The new time deposits, dedicated to individuals who are tax residents in Austria, the Netherlands, Ireland and Spain, have 6-, 12-, 24-, 36-, 48- and 60-month maturities, with competitive returns.

CA Auto Bank enters the time deposit market, which is growing rapidly in these four Countries. This type of deposit is becoming increasingly popular due to higher interest rates and the certainty of a fixed return.

Conto Deposito accounts can be opened and managed fully online, thanks to a partnership with Raisin, a company active in the European Union, the United Kingdom and the United States. Through Raisin's digital platform, customers residing in the four countries will be able to learn more about CA Auto Bank's time deposits and sign up for the one that best suits their saving requirements.

LEADERSHIP IN AUTO FINANCING AND MOBILITY IN FRANCE

Achieving leadership in auto financing and mobility in France. It is with this goal in mind that the French branch of CA Auto Bank is expanding through its merger, on January 1, 2024, with Sofinco Auto Moto Loisirs.

The new player ranks second in the French market. The ambition is to become its leader by 2026, with retail production of €3.2 billion.

The new entity combines the strengths of its two worlds. On the one hand, CA Auto Bank France, which can count on the Group's pan-European reach, an offering of digital tools and services, and long experience as a captive. On the other hand, Sofinco Auto Moto Loisirs, which boasts a strong sales network in France, a quality of service recognized in the market, and expertise in all sectors (auto, motorcycle, leisure, and marine).

The financial solutions of the new CA Auto Bank France will also include the CA Mobility Services catalog, offering extended warranties and maintenance contracts (through the joint venture between CA Consumer Finance and Opteven), vehicle delivery with Hiflow, and other services.

SUSTAINABILITY PLAN 2024 – 2026

In April, the Group outlined its ESG strategy, which is intended to create value and generate profits in a virtuous way. The three-year plan rests on four pillars: Sustainable Mobility, Innovation and Digitalization, Environment, and People.

Starting from CA Auto Bank's mission -"creating mobility solutions for a better planet every day"- the Plan brings together all of the Group's environmental, social, and business management goals, outlining an ESG (Environmental, Social, and Governance) strategy that aims to create value and generate profits in a virtuous way. One example of virtuousness is the Bank's ambition to have 80% of its new vehicle portfolio composed of electric and hybrid models by 2030.

The Plan is designed to leverage the sustainable and ethical conduct of all Group companies to achieve responsible growth and profits that have a positive environmental and social impact, while respecting all stakeholders, including employees, customers, suppliers, the territory, and the community.

Key goals include ensuring that by 2026, more than one in two financed cars will be electric or hybrid, increasing the share of new BEV and PHEV models in Drivalia's fleet to 35%, and boosting proprietary charging stations in Europe by 45% compared to 2023.

THE DRIVALIA GROUP

With reference to the Drivalia Group, the rental companies (present in fifteen countries) underwent further developments during the first half of 2024, which had already begun in 2022, mainly involving new acquisitions.

Drivalia, a rental, leasing, and mobility company of the CA Auto Bank Group, has the ambition to become one of the leading players in the new mobility sector in Europe.

Drivalia offers a full range of mobility solutions: from electric car sharing to car subscriptions and rentals of all durations, aimed at individuals and companies of all sizes.

The expansion operations, which took place during the first half of the year, are described below in greater detail.

DRIVALIA LEASE SVERIGE AB

On April 8th, 2024, Drivalia S.p.A. acquired in Sweden all the shares outstanding of the newco Gotlex Lageraktiebolag No. 1357 AB, headquartered c/o the Wistrand law firm, share capital of SEK 25,000 divided into 500 shares, and entered in the Swedish Companies Registration Office under No. 559474-3907.

On the same date, the company resolved, among other things:

- The change of the company name from Gotlex Lageraktiebolag No. 1357 AB to Drivalia Lease Sverige AB.;

- The change of the registered office to the new address of Hyllie Boulevard 53, 215 37, Malmö, Sweden;

- The capital increase of SEK 2,975,000 for a total share capital of SEK 3,000,000 (fully paid up) divided into 60,000 shares.

Therefore, effective April 8, 2024, Drivalia S.p.A. holds 100% of the share capital of Drivalia Lease Sverige AB.

It should be noted that the company, will engage in rental and operating lease activities, and will not carry out banking activities.

DRIVALIA CZECH REPUBLIC S.R.O..

On April 17th, 2024, Drivalia S.p.A. incorporated in the Czech Republic the company Drivalia Czech Republic s.r.o., with registered office at Bucharova 1423/6, Stodůlky, 158 00 Praha 5, share capital of CZK 6,000,000 represented by one share, and registered with the local Companies Register under no. 21484368.

Therefore, effective on the same date of April 17, 2024, Drivalia S.p.A. holds 100% of the share capital of Drivalia Czech Republic s.r.o..

It should be noted that the company will engage in short term rental activities, and will not carry out banking or financial activities.

OUTLOOK FOR THE SECOND HALF

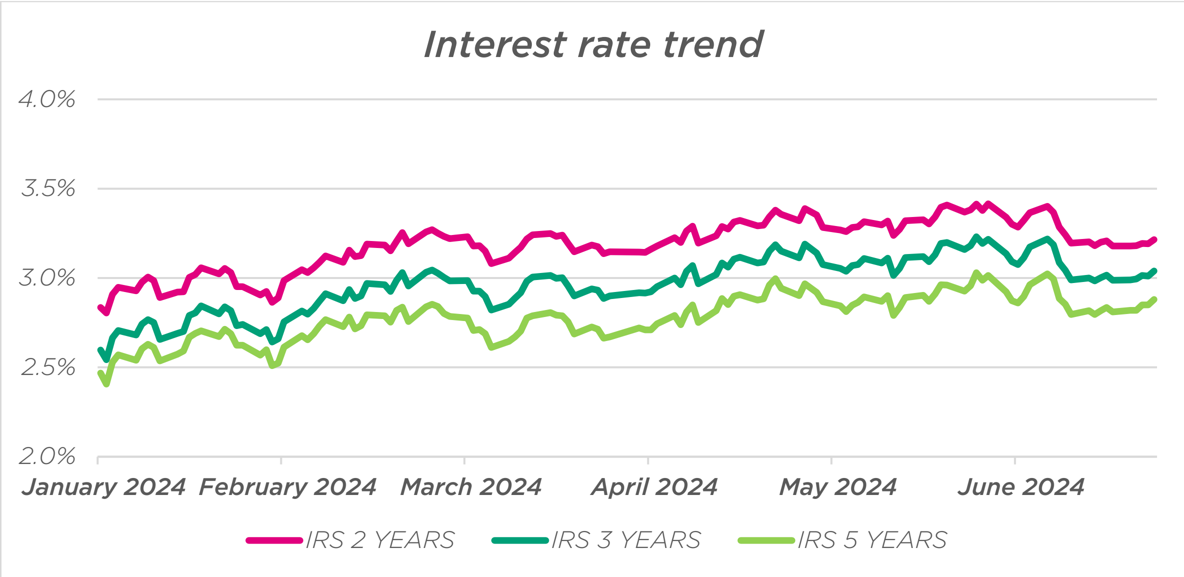
Business activity showed a slight decline during the six months under review compared to the same period in the previous year. Despite this, financial results are still absolutely outstanding, with a net profit of €122 million.

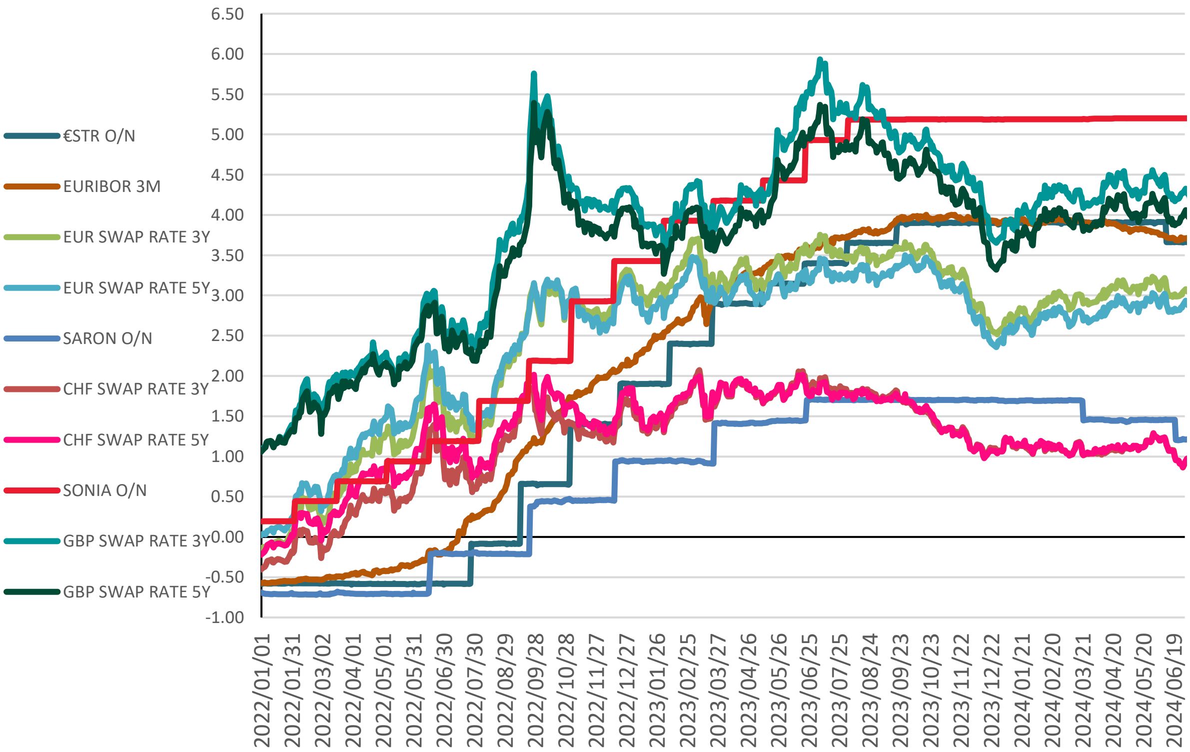
With the completion of the definition of the new corporate structures, the CA Auto Bank Group will continue the development of financing offerings under existing and future White Label Agreements. This transition from "captive bank" to "white label bank" has already been underway for some time (today, end-of-period "white label" financing represents 71% of the portfolio), with growing monthly production volumes.

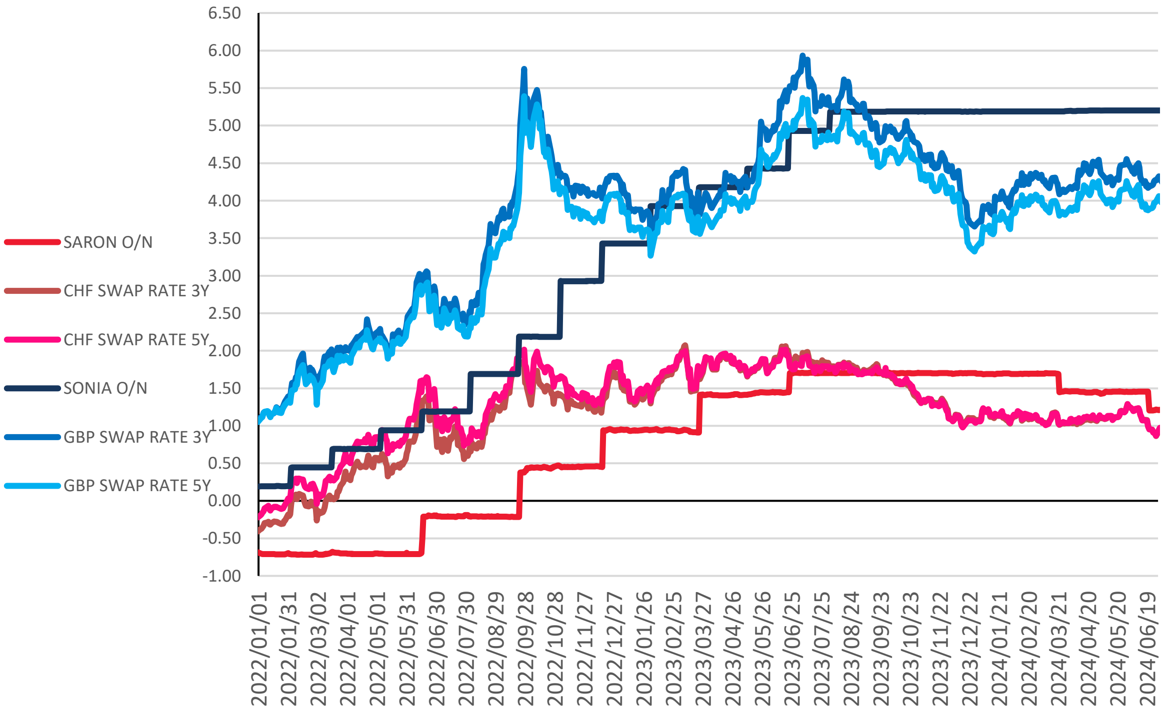
In the current economic context, however, a return to a pre-crisis situation remains decisive, but still uncertain, especially with reference to the full recovery of industrial production in the automotive sector.

Against this economic backdrop, the Board of Directors considers that CA Auto Bank's sound financial and organizational structure makes the Group ready to respond to any worsening of the conditions in which it operates, and at the same time prepared to seize any opportunities that may arise.

FINANCIAL POLICY






SARON O/N
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CHF SWAP RATE 5Y
SONIA O/N
GBP SWAP RATE 3Y
GBP SWAP RATE 5Y
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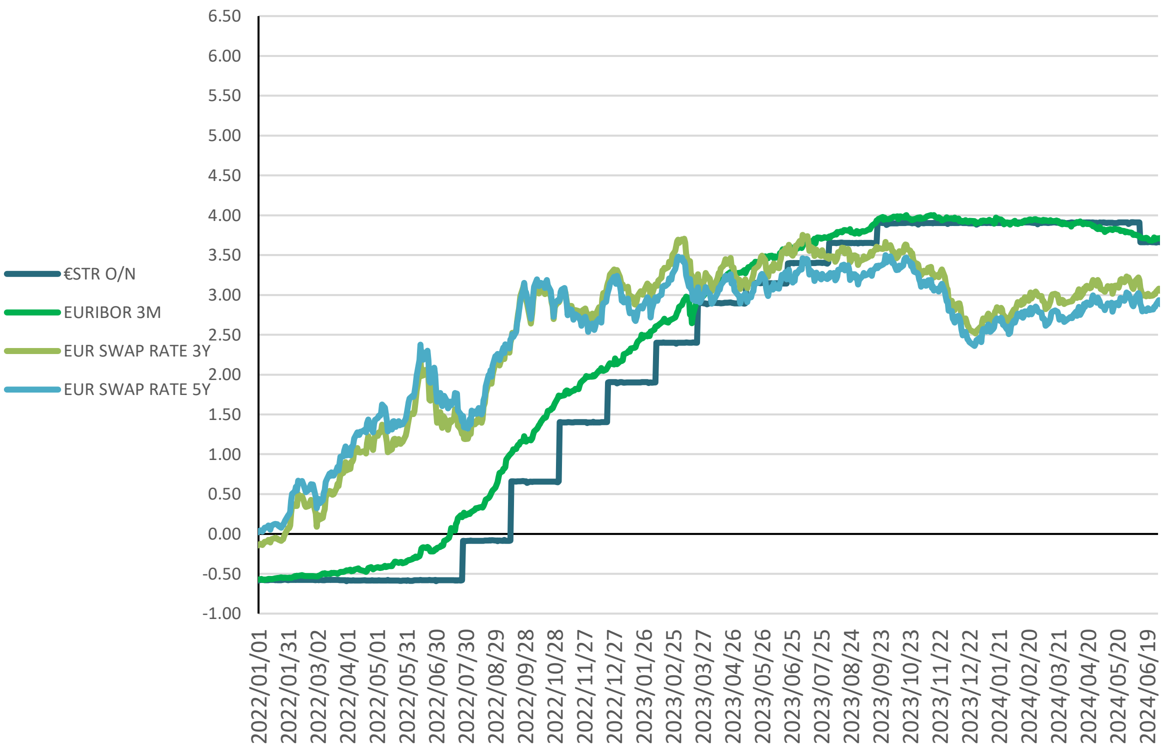
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2024/04/20
2024/05/20
2024/06/19

The Treasury department manages the Group's liquidity and financial risks, in accordance with the risk management policies set by the Board of Directors.

The Group's funding strategy is designed to:

- *maintain a stable and diversified funding source structure;*
- *manage liquidity risk;*
- *minimize the exposure to interest rate, currency and counterparty risks, within the scope of low and pre-set limits, and otherwise in keeping with laws and regulations, where applicable.*

In the first half of 2024, Treasury activities efficiently secured the necessary funding for the Group's growing borrowing requirements.

The most important activities completed during the 1 half of 2024 were:

- *two public bond issues under the EMTN program in euros, priced by CA Auto Bank S.p.A. (through its Irish branch) in January and April 2024, respectively, for a total amount of €1,400 million and maturing in January 2026 and April 2027, respectively;*
- *a public bond issue placed on the Swiss domestic market by CA Auto Finance Suisse SA and guaranteed by CA Auto Bank in April 2024, totaling CHF 125 million and maturing in May 2027;*
- *a completion of an AT1 transaction, in the form of a loan, fully underwritten by Crédit Agricole Consumer Finance in March 2024 in the amount of €500 million. This instrument enables CA Auto Bank to further strengthen its capital structure.*
- *a private placement of two Senior Non-Preferred bond issues priced in June 2024 and placed in June and July 2024, for a total amount of €500 million (subdivided equally between the two transactions), fully subscribed by Crédit Agricole Consumer Finance and maturing in 2026 and 2027. These transactions, in addition to the €450 million of Senior Non-Preferred issued in 2023, allow CA Auto Bank to benefit from an additional cushion of bail-in eligible liabilities to protect its senior creditors;*
- *a placement of "Euro Commercial Paper" issued by CA Auto Bank S.p.A. (through its Irish branch) for a total amount of approximately €380 million, during the six-month period, which, as of June 30th, 2024, were outstanding for a total amount of €202 million;*

• the clean-up in June 2024, of A-Best Seventeen, a securitization transaction originated in 2019, collateralized by loans originated in Italy by the branch of CA Auto Bank S.p.A;

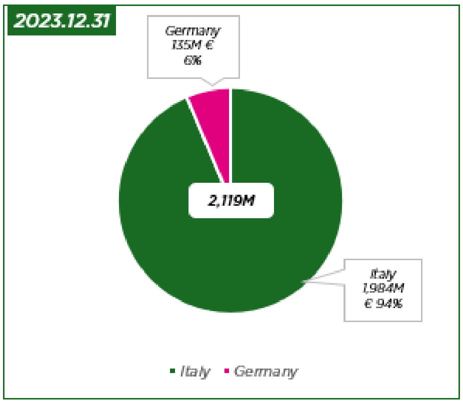
• the rollover of medium- and short-term repurchase agreements (Repos) collateralized by ABSs originated within the Group for a total amount of approximately €138 milion;

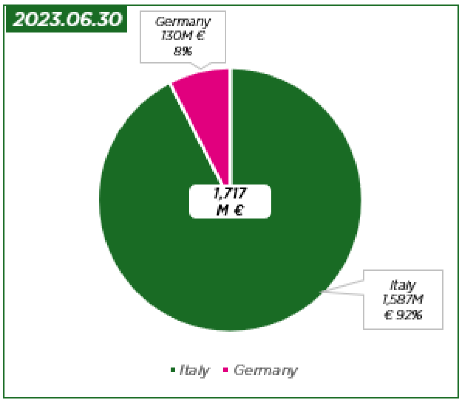
• the maintenance of TLTRO-III monetary policy operations, for a total amount as of June 2024 of €700 million in total, which are collateralized by credits included in the Bank of Italy's A.BA.CO. program;

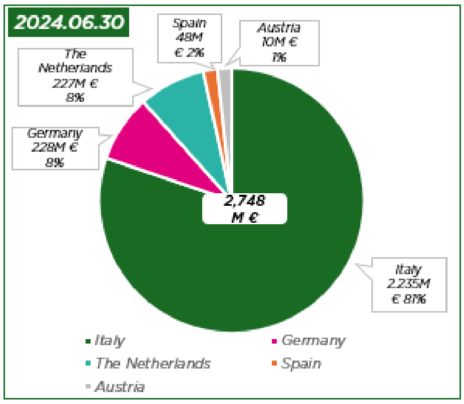
• the renewal or establishment of new credit lines with third-party banks (excluding the Crédit Agricole Group) for an aggregate amount of approximately €1,4 billion;

• the increase in deposits from the public of CA Auto Bank S.p.A., for a total amount of deposits as of June 30, 2024 of approximately €2.8 billion.

During the first half of the year, deposit funding was extended through the platform of partner Raisin to Austria, Ireland, the Netherlands and Spain, thus adding to the existing direct funding channels in Italy and Germany.





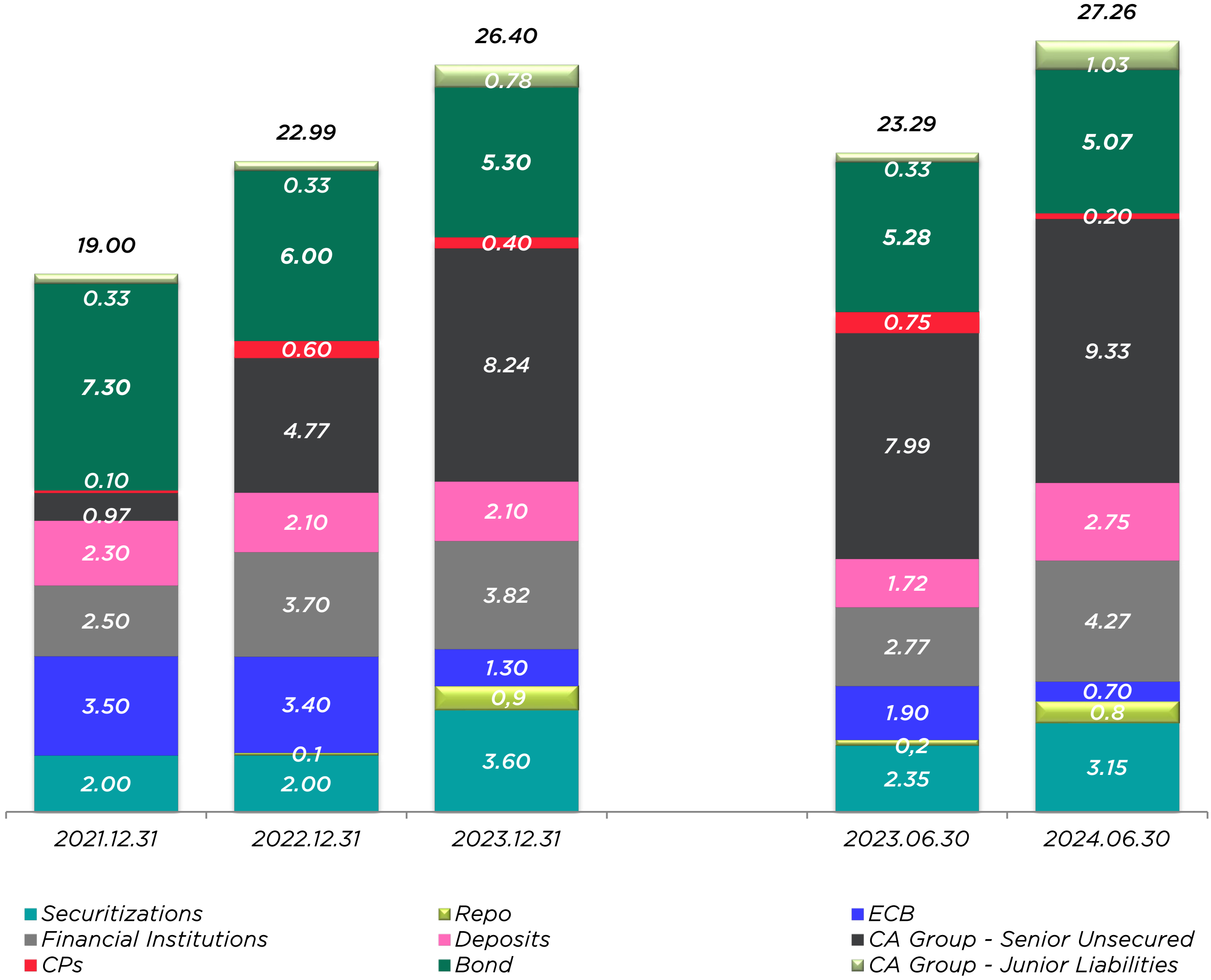


Financial structure and funding sources

The table below shows the financial structure and funding sources as of June 30th 2024:

Description	as a % of total funding sources	as a % of total liabilities and equity
Gruppo Crédit Agricole - Senior unsecured	34%	29%
Gruppo Crédit Agricole - Junior Liabilities	4%	3%
Financial Institutions	16%	13%
ECB	3%	2%
Deposits	10%	8%
Securitizations	11%	10%
MTN	18%	16%
Commercial papers	1%	1%
Repo	3%	2%
Equity		11%
Equity - of which AT1		2%
Non – financial liabilities		5%
Total	100%	100%

External funding sources



The graph demonstrates how the strategy of diversifying funding sources has been solidified following the acquisition by the Crédit Agricole Group. In response to the strong volume growth in 2023 and the first half of 2024, the financial support from the Crédit Agricole Group has significantly increased. This was further reinforced by Crédit Agricole Consumer Finance's subscription to an Additional Tier 1 (AT1) capital instrument amounting to €500 million and an additional Senior Non-Preferred bond issuance totaling €700 million, divided into two tranches.

These operations have enabled CA Auto Bank to maintain liquidity to support its business, while simultaneously strengthening the liability profile.

Financial risk management

Interest-rate risk management policies, which are intended to protect net interest margin from the impact of changes in interest rates, provide for the maturities of liabilities to match the maturities of the asset portfolio (interest reset dates). It is worthy of note that the Group's risk management policies allow the use of interest rate derivatives only for hedging purposes.

Maturity matching is achieved also through more liquid derivative instruments, such as Interest Rate Swaps; occasionally, use is made also for Forward Rate Agreements. The Group's risk management policies do not allow the use of instruments other than "plain vanilla", such as exotic instruments.

The strategy pursued during the semester involved constant hedging, within the limits set by the hedging policies applicable to the risk in question, thereby offsetting the effect of interest rate and market volatility.

In terms of currency risk, the Group's policy does not contemplate the creation of foreign currency positions. As such, non-euro portfolios are usually funded in the matching currencies; where this is not possible, risk is hedged through Foreign Exchange Swaps. It is worthy of note that Group risk management policies allow the use of foreign exchange transactions solely for hedging purposes.

Counterparty risk exposure is minimized, according to the criteria set out by Group risk management policies, by depositing excess liquidity with the Central Bank and held with Banks of primary standing; use of very-short-term investment instruments is limited to short-term deposits and repurchase agreements with government securities as underlying.

Regarding transactions in interest rate derivatives (carried out solely under ISDA standard agreements), counterparty risk is managed solely through the clearing mechanisms under EMIR.

CA Auto Bank's programs and issues

The CA Auto Bank Group's bond issues are managed, as detailed in the following table, through:

- *The Euro Medium Term Note (EMTN) program, with CA Auto Bank S.p.A. as issuer (through its Irish branch). As ofJune 30th 2024, the maximum aggregate nominal value of the program is €12 billion, while that of the outstanding bond issues is approximately €4,1 billion, for the euro-denominated bonds, plus the £400 million issued in December 2023. The notes and the program have been assigned CA Auto Bank S.p.A.'s long-term rating by Moody's and Fitch;*

- *The short-term Euro Commercial Paper program with CA Auto Bank S.p.A. as issuer (through its Irish branch). As of June 30th, 2024 the program had an aggregate maximum nominal amount of €750 million (increased on July 11th to €1,250 million), used for €201.5 million. The program has been assigned CA Auto Bank S.p.A.'s short-term rating by Moody's;*

- *two Senior Non-Preferred bond issues totaling €700 million, fully underwritten by Crédit Agricole Consumer Finance and maturing in 2026 and 2029, allowing CA Auto Bank to benefit from an additional cushion of bail-in eligible liabilities to protect its senior creditors;*

- *three credit-linked notes issues, as part of three synthetic securitization transactions in April 2023, relating to financial leases and loans to individuals, financial leases and loans to SMEs, and receivables from dealers originated in different European jurisdictions, for a total amount of €422.5 million.*

CA Auto Bank's programs and issues

Issuer	Instrument	ISIN	Market	Settlement date	Maturity date	Amount (mln)
CA Auto Bank S.p.A. - Irish Branch	Public	XS2051914963	EUR	13-Sep-19	13-Sep-24	850
CA Auto Bank S.p.A. - Irish Branch	Public	XS2633552026	EUR	08-Jun-23	08-Jun-26	600
CA Auto Bank S.p.A. - Irish Branch	Public	XS2648672231	EUR	12-Jul-23	13-Jan-25	350
CA Auto Bank S.p.A. - Irish Branch	Private	XS2700264604	EUR	05-Oct-23	19-Dec-25	140
CA Auto Bank S.p.A. - Irish Branch	Public	XS2708354811	EUR	25-Oct-23	25-Jan-27	650
CA Auto Bank S.p.A. - Irish Branch	Public	XS2729355649	GBP	06-Dec-23	06-Dec-26	400
CA Auto Bank S.p.A. - Irish Branch	Private	XS2734143121	EUR	14-Dec-23	17-Jun-25	100
CA Auto Bank S.p.A. - Irish Branch	Public	XS2752874821	EUR	26-Jan-24	26-Jan-26	900
CA Auto Bank S.p.A. - Irish Branch	Public	XS2800653581	EUR	12-Apr-24	12-Apr-27	500
CA Auto Bank S.p.A. - Irish Branch	Private	XS2696904619	EUR	25-Sep-23	25-Jul-24	8
CA Auto Bank S.p.A. - Irish Branch	Private	XS2772091281	EUR	20-Feb-24	18-Feb-25	11
CA Auto Bank S.p.A. - Irish Branch	Private	XS2772091281	EUR	20-Feb-24	18-Feb-25	30
CA Auto Bank S.p.A. - Irish Branch	Private	XS2796453673	EUR	26-Mar-24	25-Mar-25	47
CA Auto Bank S.p.A. - Irish Branch	Private	XS2802912423	EUR	10-Apr-24	10-Dec-24	20
CA Auto Bank S.p.A. - Irish Branch	Private	XS2805538670	EUR	15-Apr-24	15-Aug-24	3.5
CA Auto Bank S.p.A. - Irish Branch	Private	XS2808281492	EUR	18-Apr-24	18-Jul-24	62
CA Auto Bank S.p.A. - Irish Branch	Private	XS2832526987	EUR	27-May-24	27-Sep-24	20
CA Auto Finance Suisse SA	Public	CH1118483697	CHF	20-Jul-21	20-Dec-24	200
CA Auto Finance Suisse SA	Public	CH1264887444	CHF	20-Jul-23	20-Jul-26	165
CA Auto Finance Suisse SA	Public	CH1325037047	CHF	14-May-24	14-May-27	125
CA Auto Bank S.p.A.	Private	IT0005566473	EUR	29-Sep-23	29-Sep-29	450
CA Auto Bank S.p.A.	Private	IT0005602286	EUR	28-Jun-24	28-Sep-26	250
CA Auto Bank S.p.A.	Private	XS2608628124	EUR	06-Apr-23	27-Oct-31	318.9
CA Auto Bank S.p.A.	Private	XS2608629445	EUR	06-Apr-23	27-Oct-31	103.1
CA Auto Bank S.p.A.	Private	XS2608630450	EUR	06-Apr-23	27-Oct-25	0.5

RATING

On July 2024, in light of the gradual internationalization of deployments, Fitch improved the outlook on CA Auto Bank's rating to positive from stable.

The ratings assigned to CA Auto Bank as of June 30th, 2023 are as follows:

Entity	Long-term rating	Outlook	Short-term rating	Long-term deposit rating	Outlook
Moody's Investors Service	Baa1	Negative	P-2	Baa1	Stable
Fitch Ratings	A-	Positive	F1 -	-	-

TLTRO-III

Since their introduction, Targeted Longer-Term Refinancing Operations (TLTRO) have been offering credit institutions long-term Euro funding designed to improve the transmission mechanisms of monetary policy and to stimulate Bank lending to the real economy.

In March 2019, the Governing Council of the European Central Bank announced a third series of quarterly longer-term refinancing operations (i.e., TLTRO-III), each with a maturity of three years, starting in September 2019 and ending in March 2021, and eventually extended until December 2021, based on an ECB decision dated December 10th, 2020.

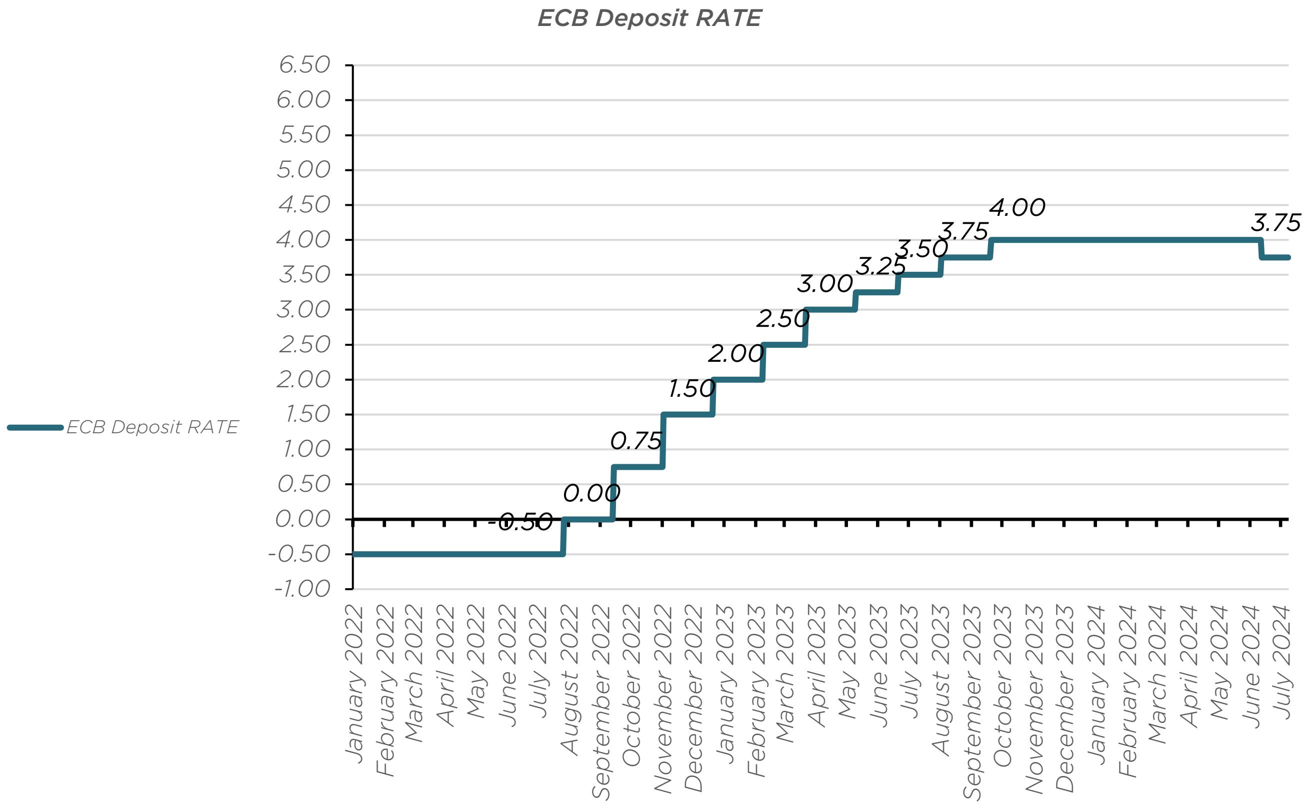
In 2020, starting in March, in light of the Covid-19 emergency, the Governing Council of the ECB introduced also more favorable conditions for the operations in question, which would be applied first between June 24th, 2020 and June 23rd, 2021 and then extended, with the ECB's decision of December 10th, 2020, until June 2022.

At the beginning of the TLTRO-III program, such favorable conditions, equal to the interest rate on deposit facility with the ECB prevailing over the life of the operation, were offered to borrowers whose eligible net lending between March 31st, 2019 and March 31st, 2021 exceeded by 2.5% their benchmark net lending. Subsequently, in March 2020, due to the impacts of the Covid-19 pandemics, this condition was revised (reducing the percentage to 1.15%) and a new, more favorable condition was introduced (which, if met, it supersedes the previous), whereby counterparties whose eligible net lending, between March 1st, 2020 and 31st March 2021, was at least equal to the respective benchmark net lending will be charged a lower interest rate, which can be as low as that on the deposit facility with the ECB prevailing over the life of the respective operation, except for the period between June 24th, 2020 and June 23rd, 2021. In fact, in this "special interest" period, the interest rate will be reduced by an additional 50 basis points, with the resulting interest rate not higher than a minus 100 basis points.

With the ECB decision of December 10th, 2020, this reduction was extended also to the period between June 24th, 2021 and June 23rd, 2022, for counterparties whose eligible net lending between October 1st, 2020 and December 31st, 2021 is at least equal to the respective benchmark net lending.

As of June 24th, 2022, when the so-called "special interest period" ceased, the rate applied by the ECB on each refinancing operation was equal to the average of the Deposit Facility Rate, calculated as of the date of each operation.

On October 27th, 2022, the Governing Council of the ECB decided to recalibrate the conditions applied to TLTRO-III to ensure consistency with the process of normalization of monetary policy, helping to cope with the unexpected and extraordinary rise in inflation; therefore, as of November 23rd, 2022, the interest rate on TLTRO-III operations was indexed to the applicable reference interest rate, namely the Deposit Facility Rate, which has been raised in recent months.



Total utilization of TLTRO-III funding as at June 30th, 2024 was €700 million, in relation to the drawdowns made in December 2021.

COST OF RISK AND CREDIT QUALITY

COST OF RISK

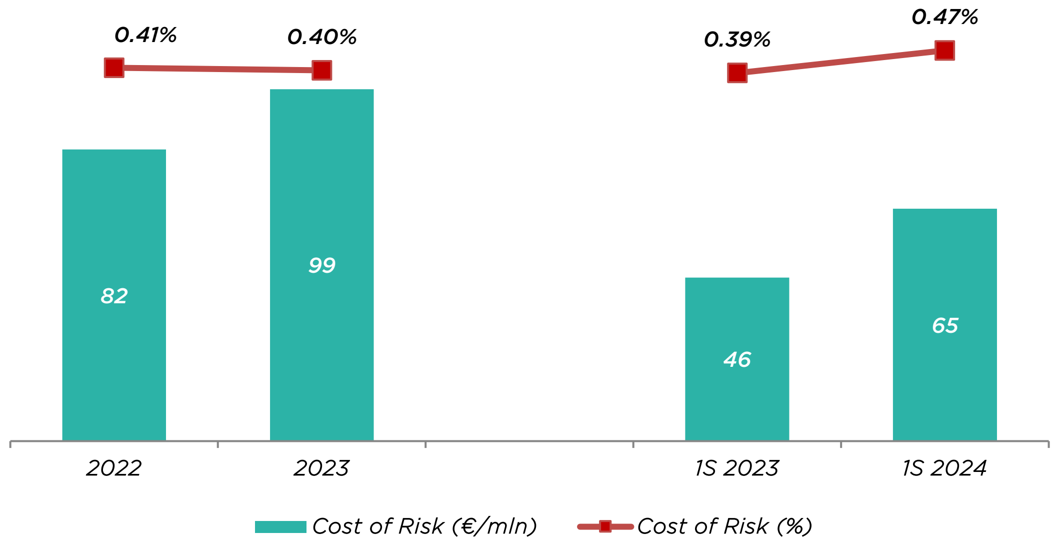
CA Auto Bank's cost of risk performance is the result of factors such as:

- *core activities of financial support to the dealer, broker, and importer network and mobility offerings to end customers;*
- *conservative credit underwriting policies supported by ratings, scoring, and decision engines;*
- *monitoring of credit performance with early detection of deteriorating performance situations through early warning indicators;*
- *effective debt collection actions*

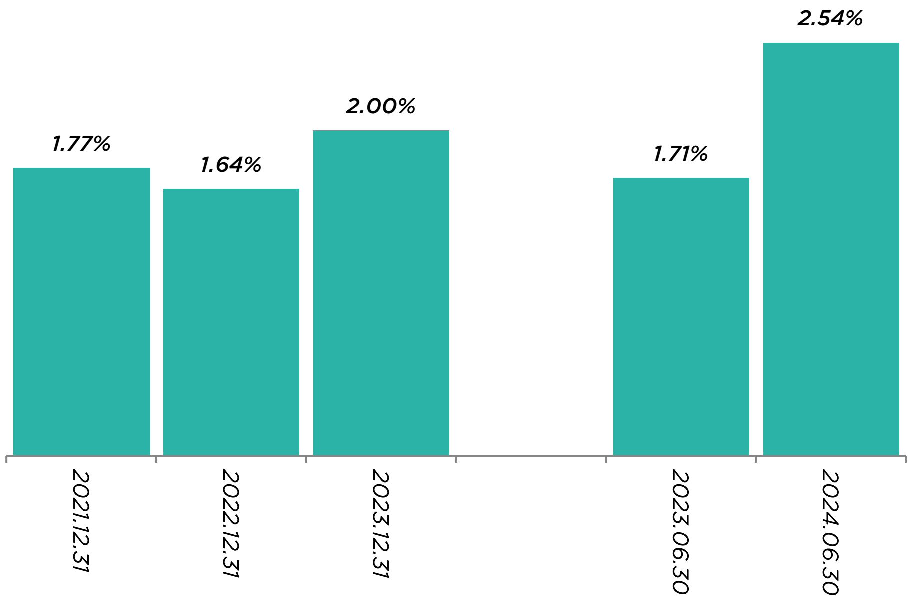
This makes it possible to maintain a low level of impaired loans and customers/contracts that show an increase in risk.

For the first half of 2024, the cost of risk was positive, at 0.47% of the average outstanding portfolio, slightly below budget forecasts.

The 2024 cost of risk performance is affected by CA Auto Bank's transformation from a Stellantis captive bank to an independent, multi-brand bank, wholly owned by Crédit Agricole Consumer Finance, with simultaneous changes in the dealer network of reference and an increase in the portfolio of used vehicle financing (riskier than newly registered vehicles).



Non-Performing Loans



RETAIL FINANCING

In the first half of 2024, particularly in the second quarter, the cost of risk of the Retail Financing business line stood at 0.55% of the average outstanding portfolio, down 4 basis points from December 2023.

This change is mainly attributable to the various action plans implemented in the markets related to stricter credit acceptance rules, new anti-fraud controls and more effective collection practices.

In addition, technical issues related to the change of management software for the entities in Italy, Spain, and Portugal (which had led to a temporary slowdown in debt collection activities in 2023) have in fact been resolved.

WHOLESALE FINANCING

Compared to year-end 2023 (-0.40%), the cost of risk of the Wholesale Financing business line has significantly increased, accounting for 0.31% of average outstanding.

The increase over the previous fiscal year-end was mainly attributable to two factors:

- *a volume effect related to new partnerships in some countries (e.g., Mazda in Austria and Poland)*
- *the deterioration of some positions in the portfolio due to the current macroeconomic situation.*

Scoring models to evaluate "retail" credit risk

The process to evaluate the creditworthiness of retail customers, outlined in the Credit Guidelines of the CA Auto Bank Group, regards the outcome of scorecards as one of the main decision-making drivers.

Scorecards are statistical models designed to estimate the probability of risk associated with a credit application: through the application of the approved threshold amount, the request will be classified in the rejection or acceptance area.

The use of statistical models ensures an objective, transparent, structured and consistent assessment of all the information related to the customer and the application received.

Credit analysis is based on strategies that combine the outcome of scorecards, findings resulting from the use of external databases (e.g., credit bureaus, external ratings, etc.) and the application of the rules governing the credit approval process (e.g., control of external adverse events, status of internal risks, etc.). Where the activity of a credit analyst is envisaged, the outcome of the strategies may be confirmed or revised as appropriate.

Currently, the CA Auto Bank Group uses 29 acceptance scorecards based on country, type of customer and, where possible, seniority of the vehicle and type of product. In the Italian market, an anti-fraud scorecard is also in use.

In CA Auto Bank's organizational model, adopted to improve the level of the services provided by the Parent Company to all the Group companies, the central credit function is responsible, for all the markets:

- *for the statistical development of the scorecards used in the credit process (acceptance, anti-frauds, recovery), for defining the area of acceptance/rejection based on CA Auto Bank's risk appetite, and for managing the related decision-making process;*
- *for defining the scope of an automated credit analysis;*
- *for monitoring the scorecards and to recommend corrective actions in case their predictive ability deteriorates;*
- *for preparing the procedures and the Group operational manuals on credit scorecards and - currently only for the markets of Italy, France, and Poland– to manage and maintain the decision engine.*

From a quantitative point of view, during the first half of 2024 the Retail Financing and Financial Leasing business line were completed and approved the fine tuning of the scorecard for private clients in Denmark, a new scorecard for private clients and sole proprietorships in Poland, a new scorecard for business clients in the UK-already live in system-and the new scorecard for business clients in Belgium was implemented.

In addition, fine-tuning of the anti-fode scorecard in Italy, already approved and live to system, was carried out.

Development of a scorecard for business customers in Spain and a scorecard for private customers in France are underway.

The results of the scorecard monitoring, conducted by the central Credit function, are presented quarterly to the Central Credit Committee (HQICC) and biannually to the Risk & Audit Committee and the Board of Directors. This process aims to evaluate the adequacy of the scorecards and, if necessary, present planned corrective actions.

Rating models to evaluate “corporate” credit risk

The evaluation of "corporate" counterparts utilizes a sophisticated combination of two systems, developed by CA Auto Bank's technical functions (SES system) and its shareholder CA Personal Finance & Consumer (ANADEFI system).

The SES system is specifically aimed at assessing the economic/equity profile of counterparties and their commercial and behavioral indicators to obtain a Rating of the individual counterparty and the consequent management of the credit limits (ceiling) deliberated for each individual credit product.

The ANADEFI system, fed by information from the SES system, has exclusively the objective of defining creditworthiness by means of a statistical model that analyzes the economic/equity and qualitative/behavioral aspect of the counterparty, considering the impact of the probability of default and any default events and membership in an economic group by the counterparty.

The adequacy of the ANADEFI rating system was verified in 2021 through back-testing conducted by Risk & Permanent Control. As a result of the back-testing, some attention points were found to be appropriately managed with corrective actions approved by the relevant committees.

In 2022, Risk & Permanent Control performed the initial validation (with positive results) of the new grid underlying the Anadefi model. In the first quarter of 2024, a new backtesting exercise of the Anadefi model was initiated. This activity is currently ongoing.

The new SES (Score Engine System) model was validated by Risk & Permanent Control prior to go-live during the first quarter of 2024 Validation was successful, and the model went into production, after approval in March 2024 by the Head Quarter Credit Committee of CA Auto bank.

The transition into production of the SES model, on all CA Auto bank markets took place gradually during the third quarter 2024, (replacing the CRIXP model (which was concurrently decommissioned,although still consultable until the third quarter 2024).

The CRIXP and ANADEFI Rating Systems for Corporate Business are governed within the Credit Agricole Auto Bank Group Credit Guidelines approved by the Board of Directors.

The new SES model (which replaced CRIXP) will be included in the future update of the Credit Agricole Auto Bank Group Credit Guidelines scheduled for 2025

Residual values

Residual value is the value of the vehicle when the related loan or lease contract expires. The Bank is exposed to residual value risks in connection with loan and lease contracts with customers that can return the vehicle at the end of such contracts.

Trends in the used vehicle market may entail a risk for the holder of the residual value.

This risk is basically borne by the dealers throughout Europe, with the exception of the UK market, where the risk is managed, regularly monitored, mitigated with specific procedures and covered through specific provisions by the Bank.

CA Auto Bank has long adopted Group guidelines and processes to manage and monitor residual risk on an ongoing basis.

euro/mln	2022/12/31	2023/12/31	2024/06/30
Financing & Leasing			
- Residual Risk borne by Group CA Auto Bank	1,233	1,894	2,198
of wich UK Market	620	1,124	1,265
Provisions for Residual Value	30	31	30

Regarding Rental/Mobility, the risk associated with the residual values of vehicles under lease generally rests with the leasing company, unless specific agreements with third parties are in place. This risk arises from the difference between the market value of the vehicle at the end of the lease/mobility period and the book value of the asset.

The companies within the Group engaged in the Rental/Mobility business are Drivalia S.p.A. and its subsidiaries. The company, which began operations at the end of 2022, continues to enhance its management of residual value risks by closely monitoring market trends for used vehicles and the age of the inventory awaiting sale.

The model for calculating Residual Value Funds is updated quarterly to ensure the most accurate assessment of provisions. Currently, there are no significant issues identified with residual values.

euro/mln	2023/12/31	2024/06/30
Drivalia (Rental/Mobility)		
- Residual Value CA Auto Bank Group	1,350	1,553
Provisions for Residual Value	-	1

(*) Figures as of December 31st, 2022 omitted as they are not meaningful

RESULTS OF OPERATIONS

Financial and operating data (€/mln)	06/30/2024	06/30/2023
Net Banking income and rental margin	400	402
Net operating expenses	(150)	(116)
Cost of risk	(65)	(46)
Operating Income	185	240
Other Income / (Expenses)	(5)	(9)
Other Extraordinary Income/(Expenses)	(18)	139
Profit before tax	162	370
Net profit	122	267
Outstanding		
Average	27,608	23,705
End of period	29,202	24,717
Ratios		
Net Banking Income and Rental margin/ Average Outstanding (1)	2.90%	3.39%
Cost/Income ratio	37.43%	28.8%
Cost of Risk/Average Outstanding (1)	0.47%	0.39%
CET1 (2)	14.91%	12.58%
Total Capital Ratio (TCR) (2)	18.55%	14.06%
Leverage Ratio (2)	11.79%	9.14%

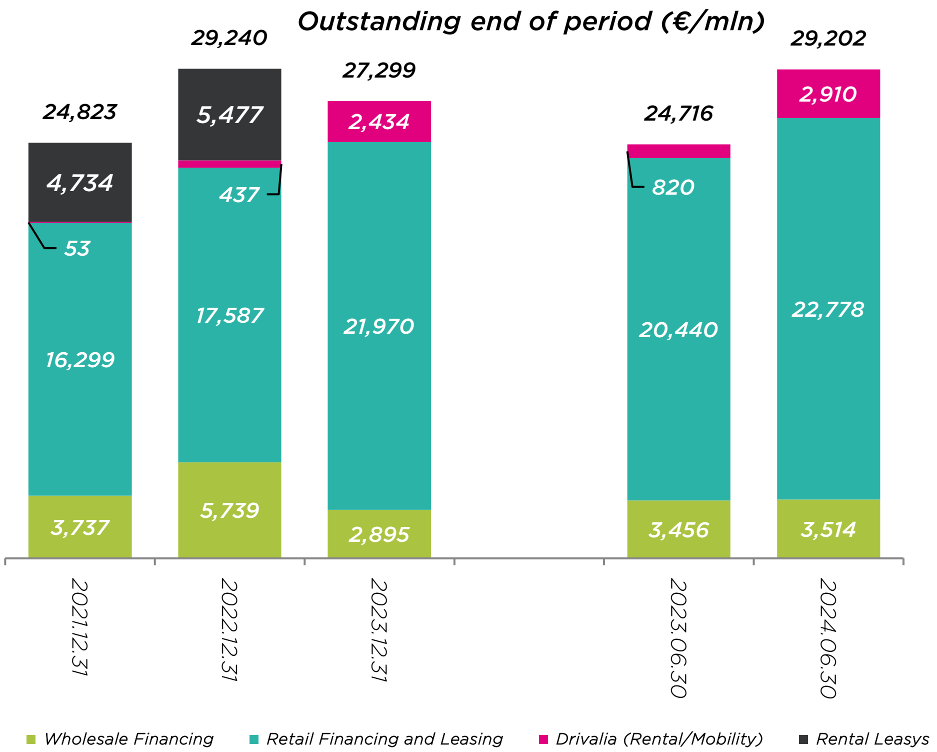
(1) annualized data

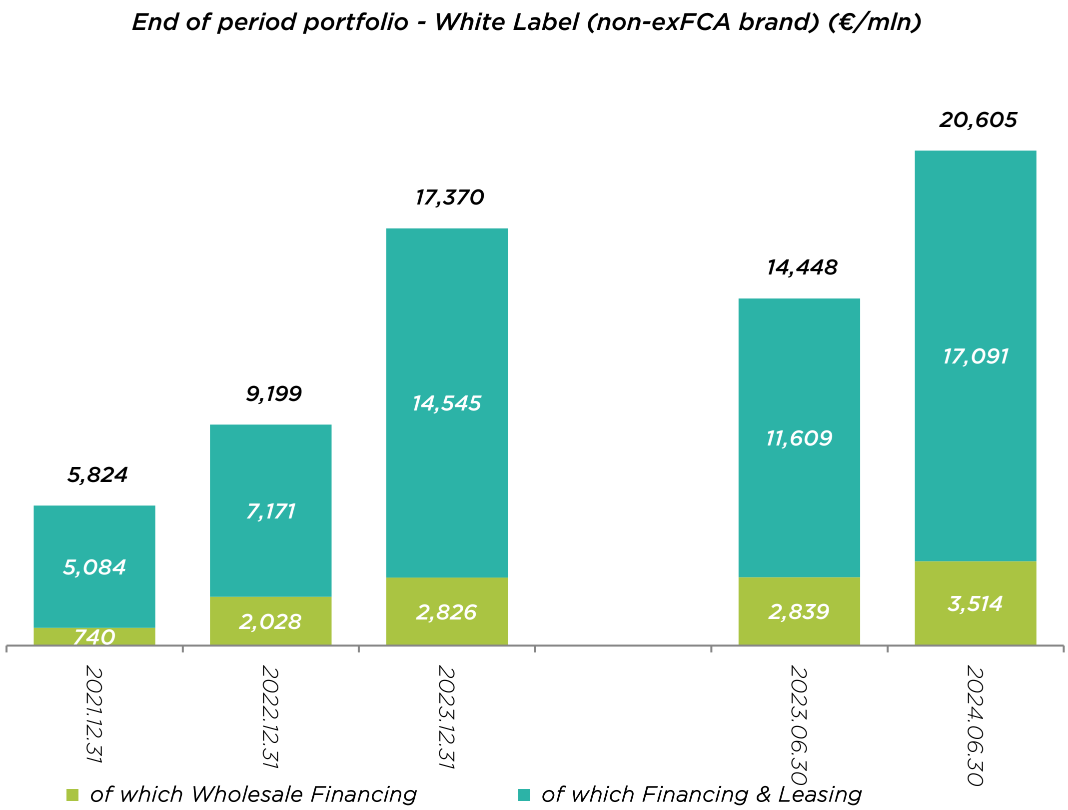
(2) provisional data as of 06/30/2024

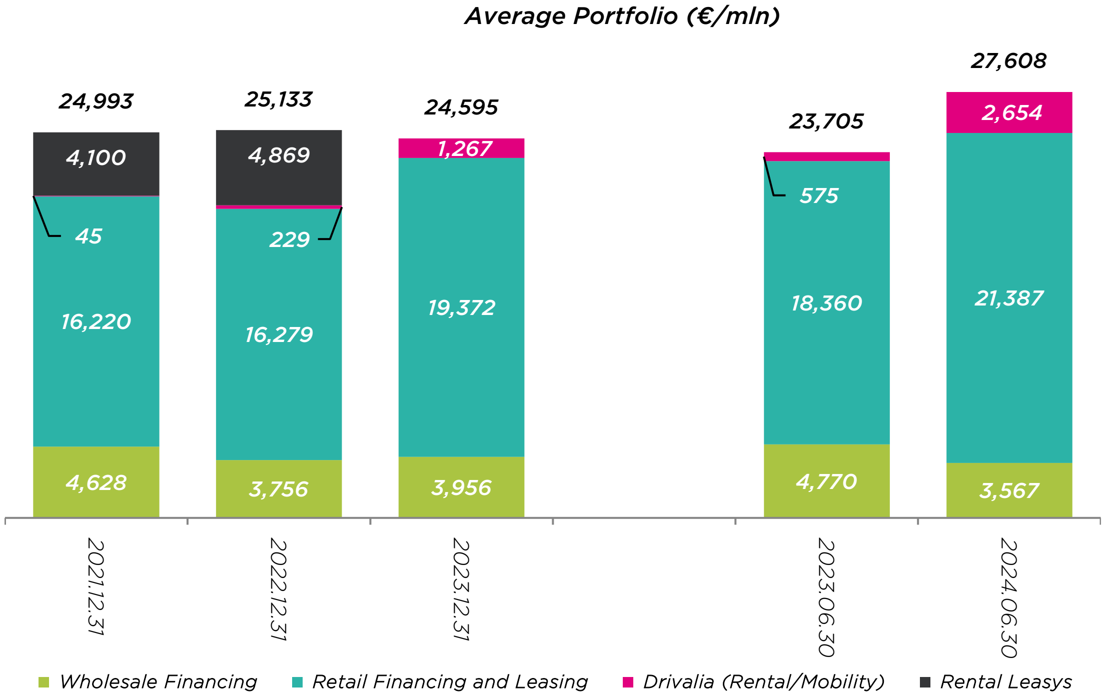
Balance sheet data (€/mln)	06/30/2024	12/31/2023
Cash and cash equivalents	1,316	1,674
Financial assets at fair value through other comprehensive income	1	9
Financial assets at amortized cost	26,047	24,731
a) Loans and deposits with Banks	129	135
b) Leases and loans with customers	25,918	24,596
Hedging derivatives	232	263
Changes in fair value of portfolio hedge items	(177)	(130)
Insurance assets	10	11
Property, plant and equipment	3,018	2,625
Intangible assets	215	192
- of which goodwill	124	98
Tax assets	223	218
Other assets	1,492	1,569
Total assets	32,377	31,162
Total liabilities	28,727	28,131
Net Equity	3,650	3,031

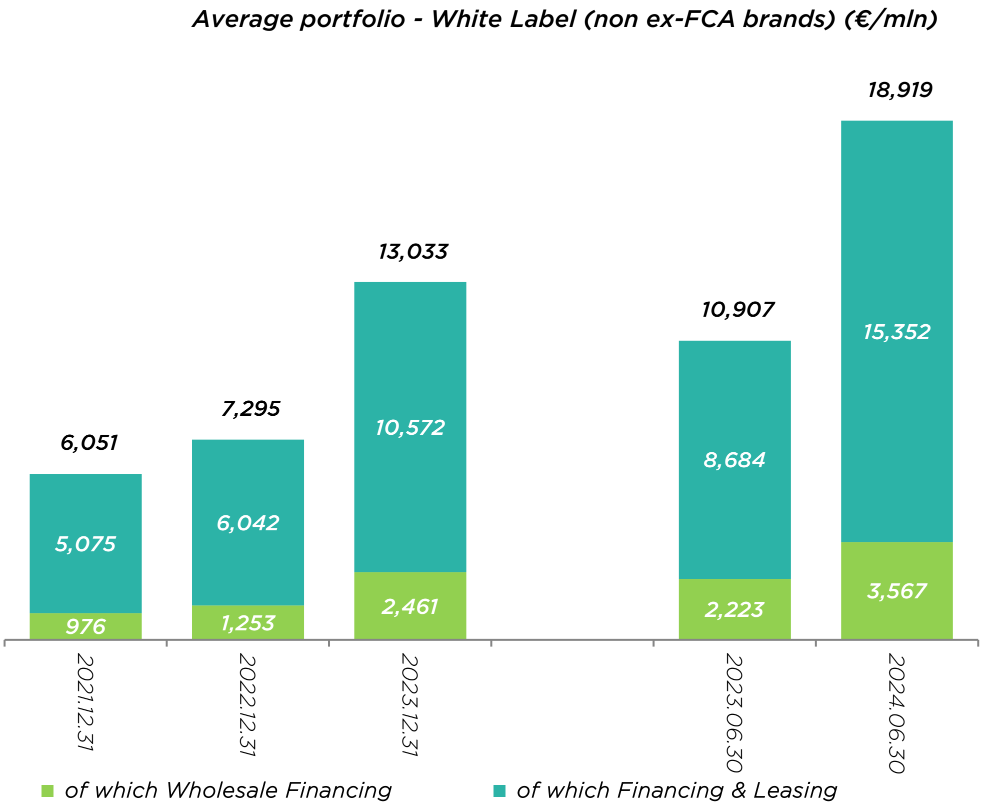
In the first half of 2024, production volumes improved compared to the same period of the previous year, despite the complicated geopolitical environment arising from the Russia-Ukraine conflict and the conflict in the Middle East. This was due to organic growth in the "Loan and Leasing" business line and the acquisition of new rental companies in the second half of 2023, which contributed to the enlargement in the scope of the Drivalia Group.

In fact, as of June 30, 2024, there was an overall increase in the period-end portfolio of 18%. The Wholesale Financing business line, on the other hand, is almost stable compared to last half-year despite the loss of the Stellantis group business totally offset by the new business partnerships established starting in the second half of 2023.

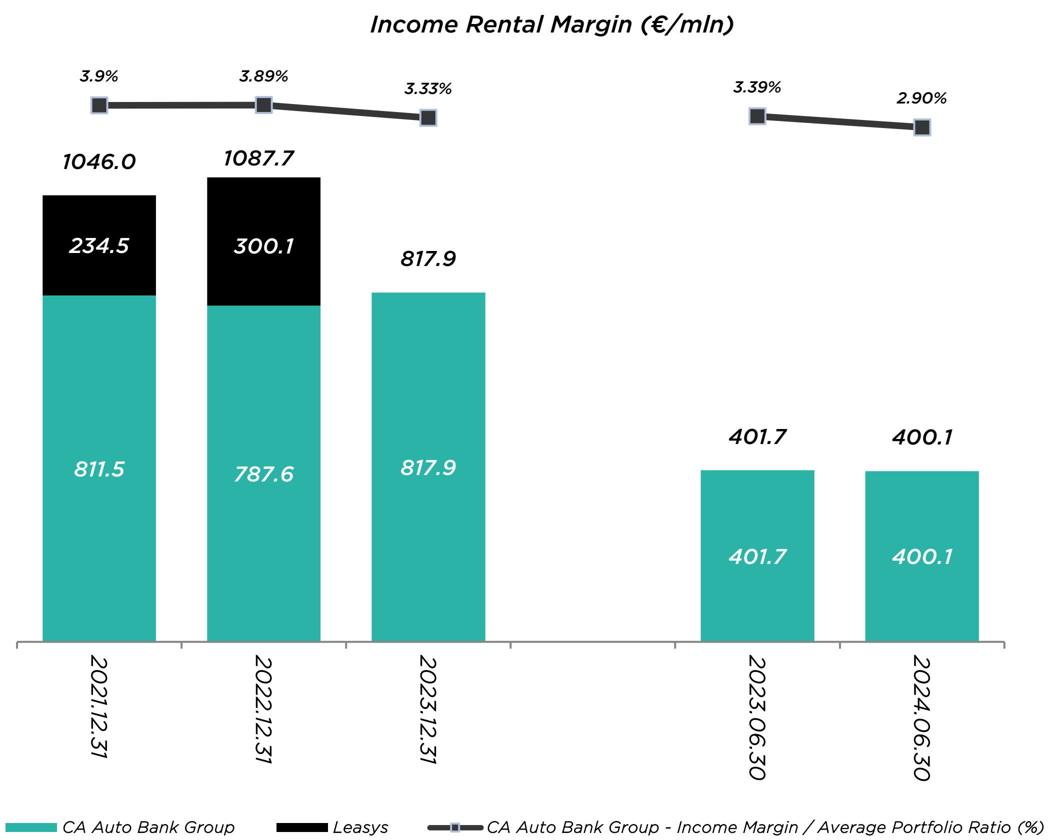

Outstanding end of period (€/mln)
24,823
4,734
53
16,299
3,737
29,240
5,477
437
17,587
5,739
27,299
2,434
21,970
2,895
24,716
820
20,440
3,456
29,202
2,910
22,778
3,514
2021.12.31
2022.12.31
2023.12.31
2023.06.30
2024.06.30
Wholesale Financing
Retail Financing and Leasing
Drivalia (Rental/Mobility)
Rental Leasys


End of period portfolio - White Label (non-exFCA brand) (€/mln)
5,824
5,084
740
9,199
7,171
2,028
17,370
14,545
2,826
14,448
11,609
2,839
20,605
17,091
3,514
2021.12.31
2022.12.31
2023.12.31
2023.06.30
2024.06.30
of which Wholesale Financing
of which Financing & Leasing

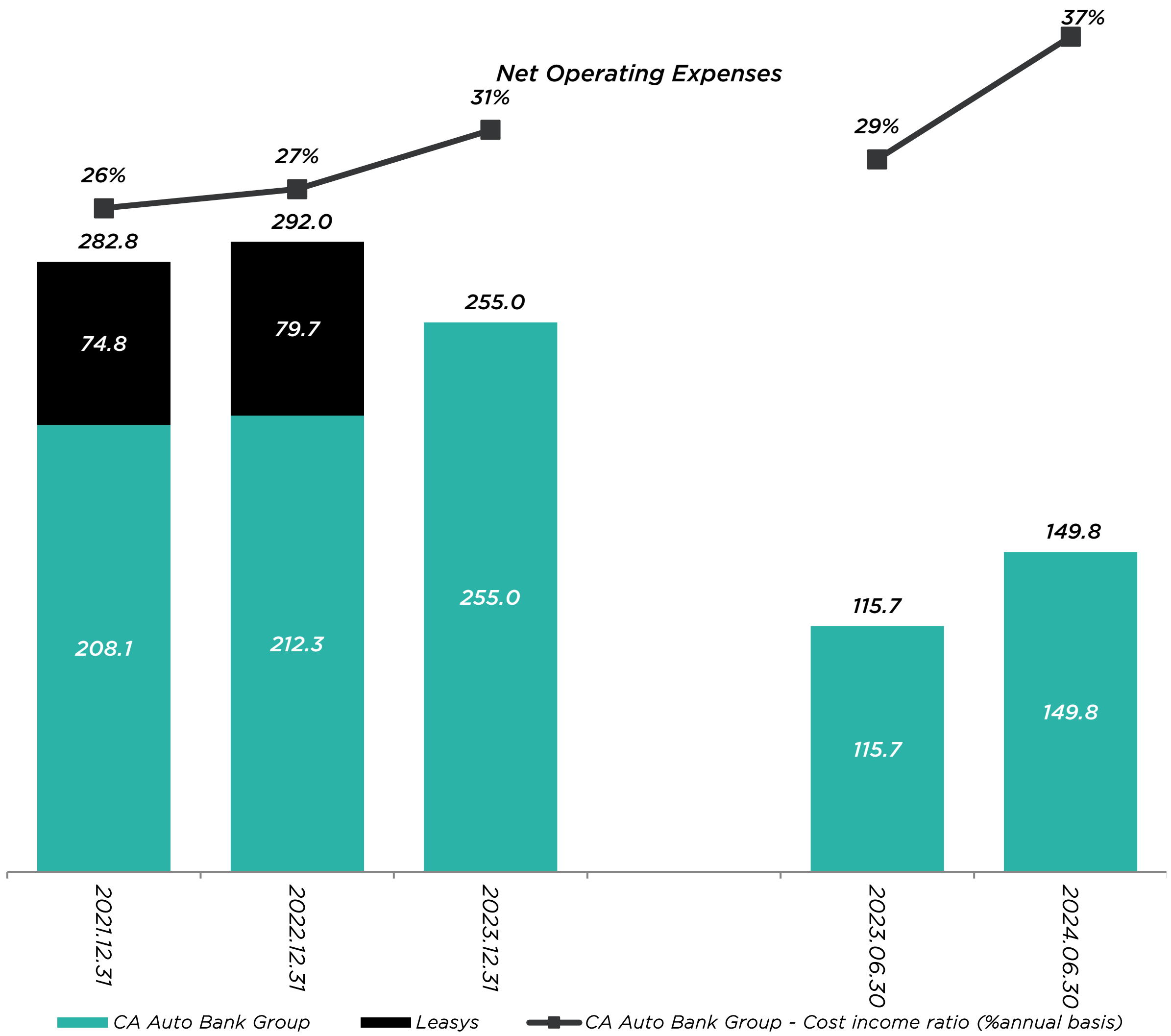

Average Portfolio (€/mln)
24,993
25,133
24,595
23,705
27,608
4,100
4,869
1,267
2,654
45
229
575
16,220
16,279
19,372
18,360
21,387
4,628
3,756
3,956
4,770
3,567
2021.12.31
2022.12.31
2023.12.31
2023.06.30
2024.06.30
Wholesale Financing
Retail Financing and Leasing
Drivalia (Rental/Mobility)
Rental Leasys


Average portfolio - White Label (non ex-FCA brands) (€/mln)
6,051
7,295
13,033
10,907
18,919
5,075
6,042
10,572
8,684
15,352
976
1,253
2,461
2,223
3,567
2021.12.31
2022.12.31
2023.12.31
2023.06.30
2024.06.30
of which Wholesale Financing
of which Financing & Leasing

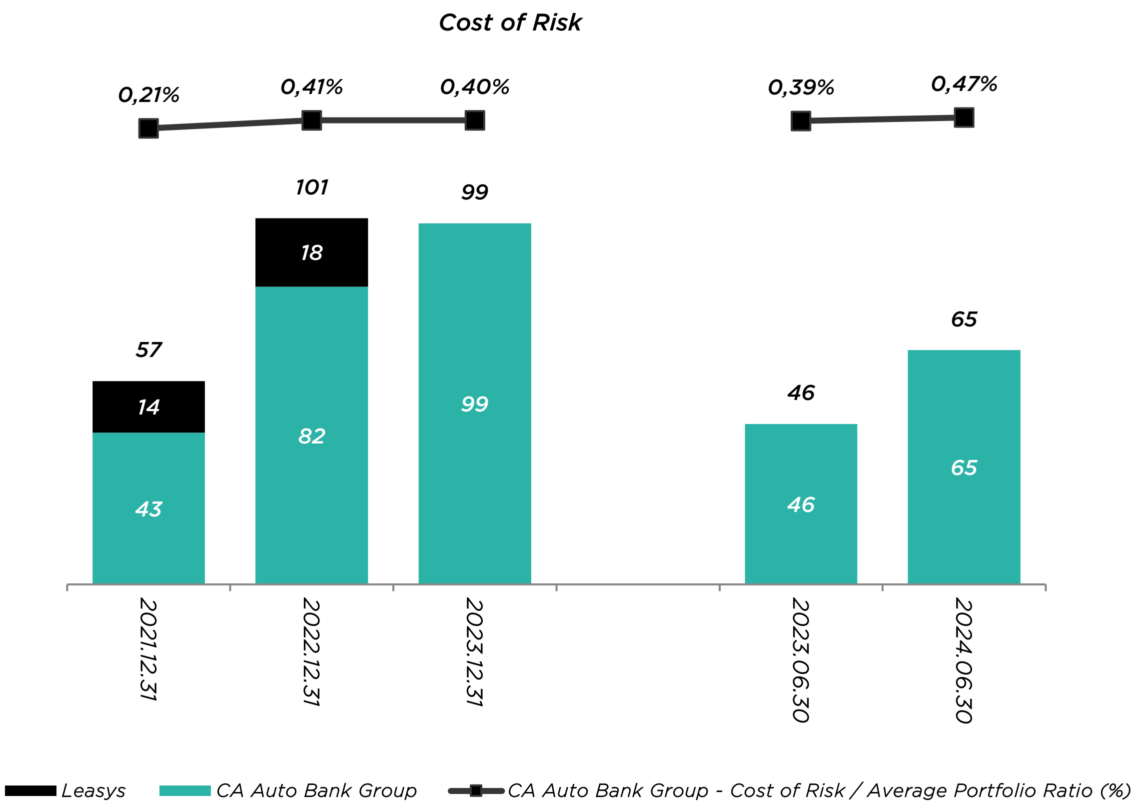
Net interest and other banking income for the first half of 2024 amounted to €400,1 million, essentially in line with the amount of the first half of 2023, despite an increase in the cost of funding that has been consistently observed since the second half of 2023 as a result of a tighter European Central Bank monetary policy to counter rising inflation. Thus, the net interest and other banking income to average outstanding ratio decreased by 49 basis points from the first half of 2023, to 2.90%.



Net operating costs rose in absolute terms by about €34.1 million compared to the first half of 2023, due to several acquisitions of new companies in the Drivalia Group and the integration of the CAPFM Group company Sofinco France within CA Auto Bank. Thus, the cost income ratio increases to 37% from 29% in 2023.

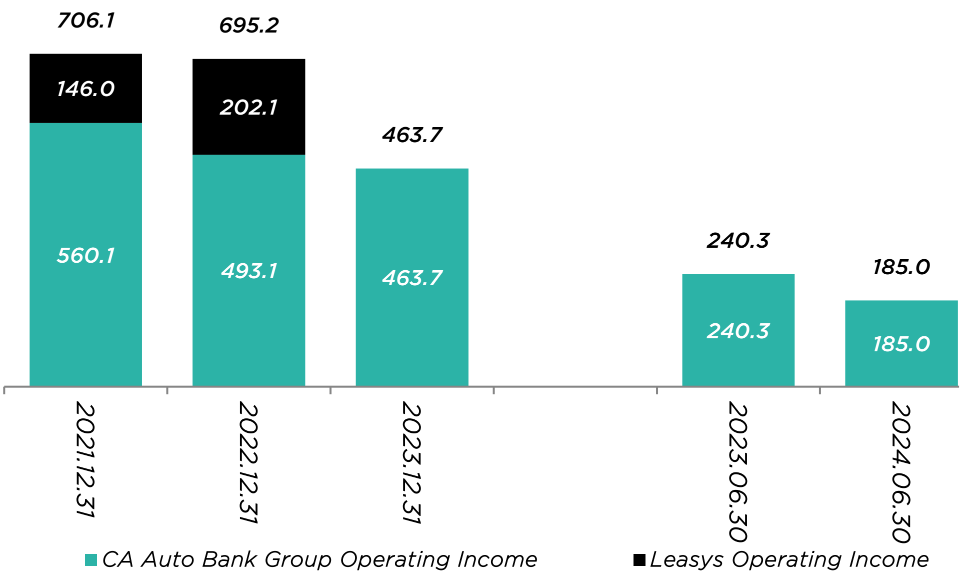


The 2024 cost of risk stands at 0.47% of average outstandings, up from 2023 due to the change in the risk profile of new customers, particularly those in the "Financing and Financial Leasing" business line.

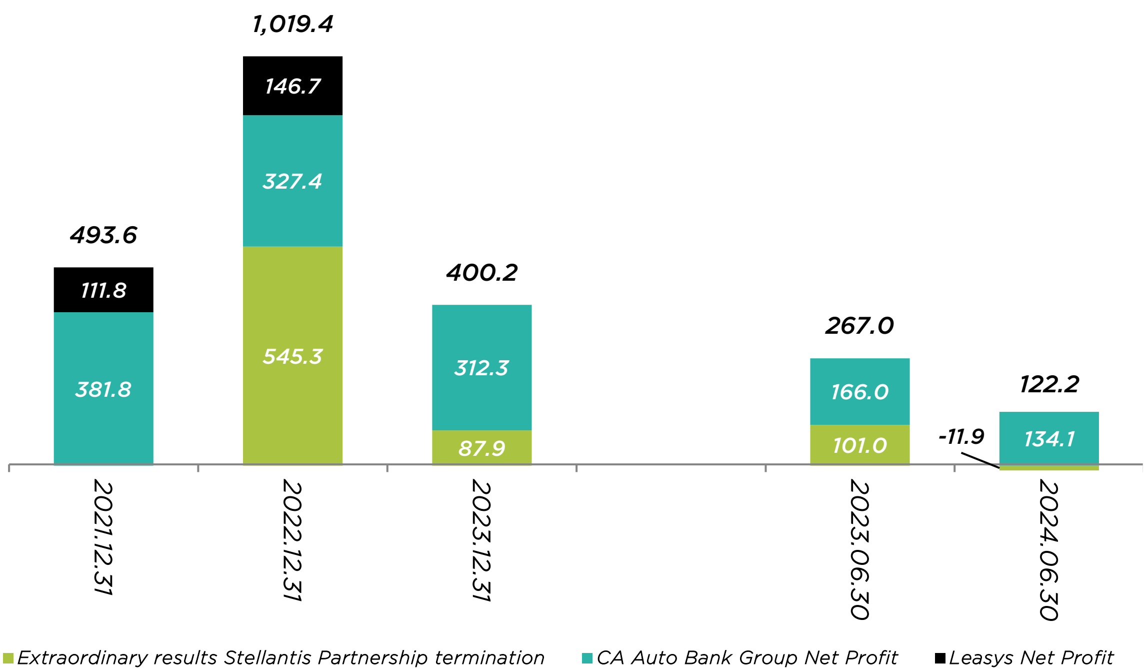


Operating income for the first half of 2024 is €185 million, while net profit is €122.2 million, compared to €166 million in 2023, excluding the extraordinary results related to the dissolution of the partnership with Stellantis. The reduction in net profit is related to the increase in the cost of funding and the integration of the new companies within the CA Auto Bank Group.

Operating Income



Net Profit



OWN FUNDS AND CAPITAL RATIOS

Own Funds and Capital Ratios (€/000)	06/30/2024*	12/31/2023
Common Equity Tier 1 - CET1	3,003,400	2,920,891
Additional Tier 1 - AT1	508,980	8,312
Tier 1 - T1	3,512,380	2,929,203
Tier 2 - T2	225,702	257,703
Own Funds	3,738,082	3,186,906
Risk Weighted Assets (RWA)	20,146,632	18,496,845
REGULATORY RATIOS		
CET 1	14.91%	15.79%
Total Capital Ratio (TCR)	18.55%	17.23%
LCR	178%	160%
NSFR	116%	114%
OTHER RATIOS		
Leverage Ratio	11.79%	10.22%
RONE (Net Profit/Average Normative Equity)	13.32%	17.77%

*provisional data

As of June 30th, 2024, the Total Capital Ratio stands at 18.55%, representing an increase of 1.32% compared to December 31st 2023, due to profit retention and the new Additional Tier 1 instrument, stipulated in the first quarter of 2024. CET1, at the end of the first half, was 14.91%, while RONE (Return On Normative Equity), calculated considering a Normative Equity equal to 9.5% of RWA, stood at 13.32%.

RECONCILIATION BETWEEN RECLASSIFIED AND REPORTED INCOME STATEMENT FIGURES AND OUTSTANDINGS

Statement of reconciliation between reported income statement ad reclassified income statement (€/mln)

	06/30/2024	06/30/2023
10. Interest and similar income	842	624
20. Interest and similar expenses	(647)	(341)
40. Fee and commission income	117	69
50. Fee and commission expenses	(63)	(18)
80. Net income financial assets and liabilities held for trading	3	(1)
90. Fair value adjustments in hedge accounting	(1)	(6)
170. Net other operating income/ charges from insurance activities	(1)	(1)
190. Administrative costs	(9)	(6)
200. Net provisions for risks and charges	1	3
210. Depreciation-Impairment/Recoveries on property, plant and equipment	(184)	(39)
230. Other operating income/expenses	341	118
Net banking income and rental margin	400	402
40. Fee and commission incomes	-	6
190. Administrative costs	(130)	(107)
210. Depreciation-Impairment/Recoveries on property, plant and equipment	(13)	(7)
220. Amortization-Impairment/Recoveries on intangible assets	(10)	(9)
230. Other operating income/expenses	3	1
Net operating expenses	(150)	(116)
50. Fee and commission expenses	(5)	(4)
130. Impairment/Recoveries in relation to credit risk	-	-
a) financial assets at amortized cost	(55)	(39)
230. Other operating income/charges	(5)	(3)
Cost of risk	(65)	(46)
190. Administrative costs	(3)	(9)
230. Other operating income/expenses	(20)	138
Net operating income (expenses)	(23)	130
300. Taxes on earnings from continuing operations	(40)	(103)
Income tax for the period	(40)	(103)
Net profit for the period	122	267

STATEMENT OF RECONCILIATION BETWEEN OUTSTANDINGS AND RECEIVABLES TO CUSTOMERS (€/MLN)

	06/30/2024
Outstanding	29,202
90. Property, plant and equipment (*)	(2,767)
130. Other assets	(221)
10.b) Deposits from customers	34
80. Other liabilities	78
40. b) Loans and receivables with customers not included in the outstanding	7
40.b) Loans and advances to customers	26,333
Allowance for loans Management data	(431)
130. Other assets	15
Allowance for loans with customers Item 40.b) Loans and advances to customers	(416)

(*) Includes assets related to the rental activity.

RECONCILIATION BETWEEN PARENT COMPANY AND CONSOLIDATED EQUITY AND NET PROFIT (€/MLN)

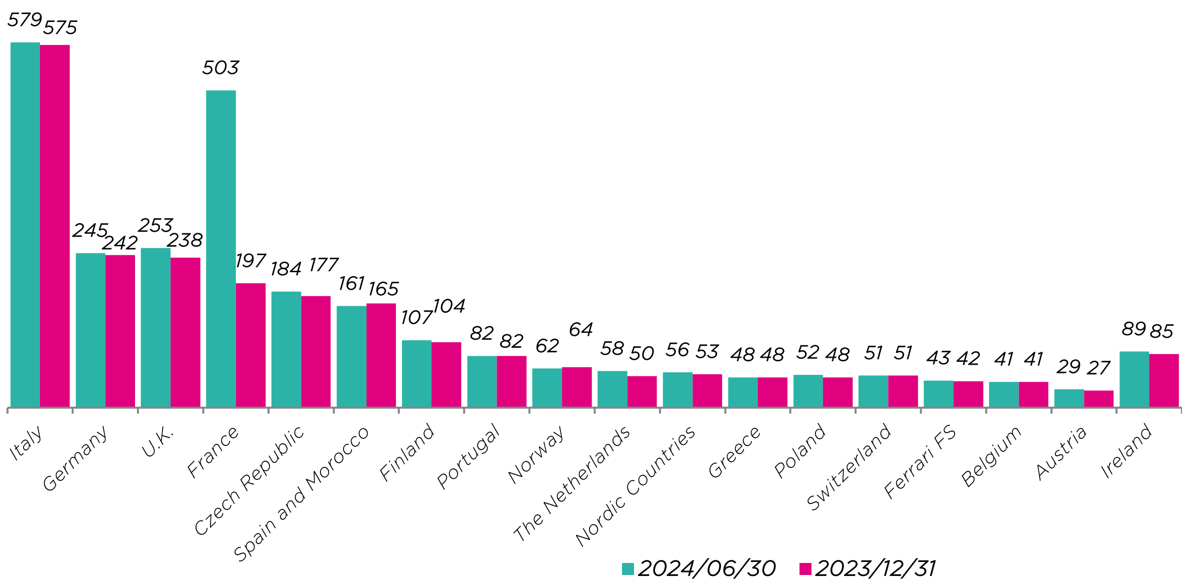
(€/000)	Equity	of which: Profit for the period
Equity and profit for the period of CA Auto Bank S.p.A	3,045,530	56,794
Equity and profit of subsidiaries less non-controlling interests	1,440,244	53,646
Consolidation adjustments:	(925,205)	7,944
Elimination of carrying amount of consolidated companies	(995,362)	-
InterCompany dividends	-	-
Other consolidation adjustments	70,157	7,944
Equity and profit attributable to the Shareholders of CA Auto Bank S.p.A.	3,560,569	118,384
Equity and profit attributable to non-controlling interests	89,986	3,856
Consolidated equity and profit for the period	3,650,555	122,241

ORGANIZATION AND HUMAN RESOURCES

As of June 30th, 2024, the workforce of CA Auto Bank Group totals 2,643 employees, representing an increase of 354 units compared to December 31st, 2023.

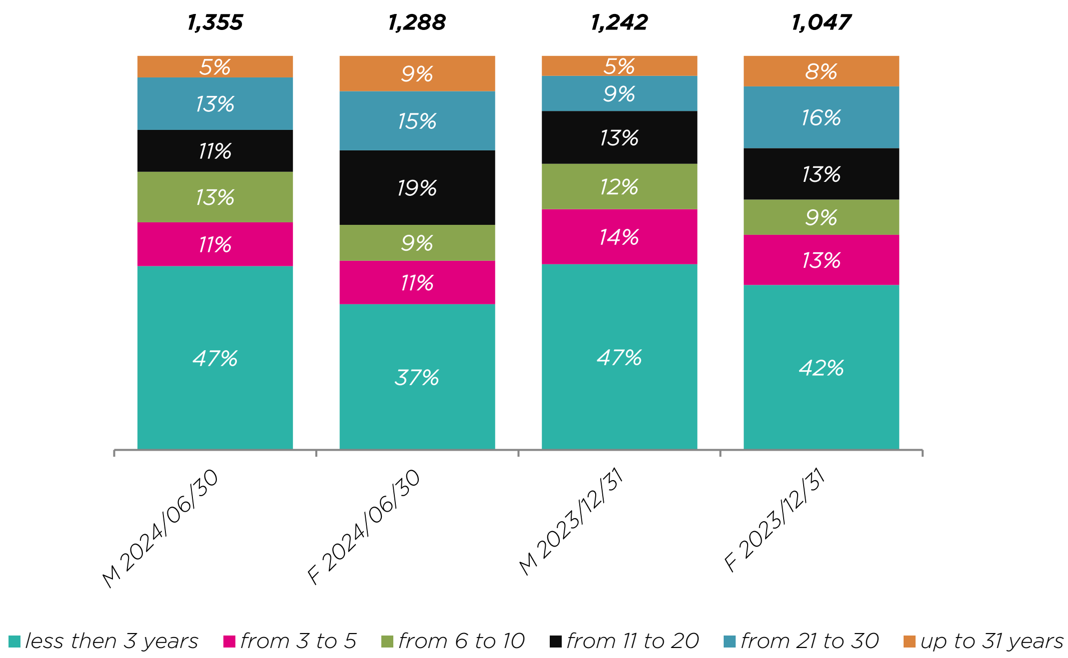
This change is related to the addition of personnel following the integration of Sofinco's Automotive business into CA Auto Bank's French branch.

DISTRIBUTION OF THE NUMBER OF EMPLOYEES IN THE GROUP AS OF JUNE 30TH, 2024



Data analysis shows that the two Italian companies account for 21.9% of total employees. At the end of June 2024, female employees represented 48.7% of the total workforce, while the average age of group employees was 44.2 years (44.4 for men and 43.9 for women), and the average company seniority was 9.8 years (8.3 years for men and 11.4 years for women). Part-timers were 6.6% of the workforce (175 people, including 158 women).

COMPANY SENIORITY BY GENDER



AGE BY CATEGORY

HIERARCHICAL LEVEL

23,7 % of the workforce has supervisory responsibilities.

HUMAN RESOURCES MANAGEMENT

In terms of human resources management, the following activities were highlighted during the semester:

ORGANIZATIONAL DEVELOPMENT

In 2024, activities continued to strengthen the central oversight of various human resources management processes and governance mechanisms. Notable activities included:

- *Integration of Sofinco's Automotive Business: The integration into the French branch of CA Auto Bank and the reallocation of the French market under the direct supervision of the CEO;*
- *Assignment of Business Development Responsibilities: Transferred to the Sales & Marketing department;*
- *Establishment of the Communication & ESG Entity: Created under the direct supervision of the CEO.*

Regarding Industrial Relations, the new Specific Collective Labor Contract (CCSL) for the period 2023-2026 continued to be applied in Italy in 2024.

This contract reaffirms the participatory approach of employees in company results through performance-based remuneration on an annual basis and continued initiatives related to corporate welfare and remote working.

TRAINING

Training for the first semester of 2024 continued across the entire group, with a particular focus on control functions while maintaining cost efficiency.

Notably, an international training initiative was launched for all employees on ESG (Environmental, Social, and Governance) topics.

PERFORMANCE MANAGEMENT

Through the Performance Management process, CA Auto Bank Group ensures alignment of individual behaviors with annual and long-term company and shareholder objectives.

The aim is to establish transparent and bilateral communication with employees to define how they can contribute to organizational results, how they are working effectively towards agreed-upon goals, and to provide adequate support for improvement and development.

The Performance Management methodology involves the active engagement of all employees to make them contributors to achieving business results. In 2024, the CEO & General Manager and all Material Risk Takers participated in the Performance Management process.

GENDER EQUALITY AND INCLUSIVITY

The Group applies structured pay policies aimed at equal opportunities and non-discrimination (both fixed and variable components).

To reinforce this commitment and increase awareness of the issue at the group level, the Gender Neutrality project continued in 2024, considering the guidelines issued by the European Banking Authority.

Key elements of the project aim to ensure gender neutrality in hiring policies, succession planning, development and growth opportunities, and remuneration policies.

To this end, a series of initiatives have been launched, including setting improvement targets on significant KPIs, with specific targets assigned to the HR professional family (e.g., gender balance recruiting, gender-neutral remuneration).

Additionally, to address inclusivity issues, the digital coaching project initiated in 2022 has been continued across all markets, combining the flexibility of the method with the need to address inclusivity in managerial leadership traits.

HEALTH AND SAFETY AT WORK

All companies in the group strictly adhere to legal regulations concerning workplace safety.

CA Auto Bank S.p.A., in the Italian market, manages health and safety risks for workers through the following phases:

- *Risk Assessment: Identifying potential hazards and evaluating their impact.*
- *Prevention and Protection Measures: Determining and implementing measures and procedures to prevent and protect against identified risks.*
- *Action Plan: Developing an intervention plan within a program aimed at continuously improving safety levels.*
- *Implementation: Executing the planned interventions as part of the program.*
- *Information and Training Programs: Creating programs to inform and train employees about health and safety.*
- *Residual Risk Management: Managing risks that remain after implementing preventive measures.*

CA Auto Bank S.p.A. (acting as the employer) works with the Head of the Prevention and Protection Service and the Occupational Physicians to develop and keep updated the risk assessment document, following consultation with the Safety Representatives. The most recent update to the document was completed on August 31st, 2023.

The risk assessment and related document are updated whenever there are significant changes in the company's organization that could affect workers' exposure to risks and following the biennial assessment of work-related stress risks.

WORK-RELATED STRESS

The assessment of work-related stress is updated every two years, unless there are significant changes in the production process or work organization that affect workers' health and safety.

The most recent update was in July 2023, which placed the risk level in the green zone (non-relevant risk).

INFORMATION TECHNOLOGY

The Information and Communication Technology area continued to operate, including in the early part of 2024, in order to consolidate its strategy in digitalization and product diversification.

In particularly:

- *consolidation and extension to new customers of the e-commerce platform, which enables dynamic and integrated management of the process related to the preparation of the contract component, through the application Financial Calculator 3.0, the remote on-boarding of the customer, through the application that manages remote upload of documents, remote recognition of the customer through video-self and remote signature. With such a platform, CA Auto Bank is able to provide its customers with a solution that is fully usable from any device and location to enable a more effective and immediate calculation of the company's financing proposal for the purchase of vehicles and the finalization thereof;*

- *consolidation and extension of the Payment Gateway platform products that enable CA Auto Bank to support digital payments and offer innovative payment solutions such as Instant Credit and Buy Now Pay Later, now available also in the France market for Instant Car and by the end of the year in Germany.*

- *extension of the solution for use by PSD2, as part of customer credit evaluation processes, across different financial products and channels (online and in-store) for Italy, Germany and soon France. This solution is also widely used in the Denmark and UK markets*

- *continued implementation of the Salesforce CRM platform on CA Auto Bank's last European markets, with Germany and Austria representing the markets for the next release. The project to transition Customer Care in the Italy market from the CRM Dynamics platform to CRM Salesforce is also underway. The project will be completed in the first quarter of 2025.*

All European markets are working in synergy with CA Auto Bank's Headquarters on the e-commerce, Payment Gateway, and CRM projects.

During the year 2024, initiatives were also activated to improve reporting to shareholders and the expected timing of monthly closing activities as well as the monitoring of financed vehicles based on CO2 emission levels and fuel type.

In some foreign markets, the strategy of renewing and consolidating management and accounting systems continued; in particular, the rollout of the Triton system is underway in the new markets of Sweden and Finland, scheduled for Q4 2024.

In the infrastructure area, in Q4 2024 the migration of the CRFS platform to a Cloud environment has been planned, in order to make it even more resilient and flexible, so as to manage its growth over time more effectively with faster adaptation to changing application loads and more securely by having an additional datacenter in Turin, besides the one in Milan. Initiatives are also underway to implement the demerger between CA Auto Bank and Stellantis with a focus on infrastructure, network and customer authentication issues.

With regard to the Drivalia scope, the first version of the pan-European Planet Platform for the management of Car Sharing, Short/Medium Term Rental and Subscriptions processes was released in the Italian market at the end of May, which includes all management, Web and APP components for customer management as well as an application for Reporting.

Considerable work has also been done in the area of Mobility and Rental, particularly on "Planet Drivalia," a digital platform designed to meet the increasingly flexible mobility needs of the market. Thanks to Planet, individuals and companies have one-click access to a wide range of services offered by Drivalia: car sharing, short-term rentals, monthly subscriptions and much more. All with a positive impact on the environment through the use of electric fleets and shared mobility.

The secret of Planet Drivalia is simplification: from registration to signing up for products and promotions, every step is intuitive and efficient so that the customer experience is fast, smooth and transparent. There are many benefits for companies as well: with the introduction of new artificial intelligence features, management and operational processes are optimized, starting with the calculation of expected fleet demand or maintenance activities.

The platform also supports the digital signing of contracts and, through the APP, it allows vehicles to be rented in keyless mode. Planet is currently active in Italy, but the company is paving the way for its launch next year in France, Spain, and Portugal as well. Continued efforts will enable the CA Auto Bank Group to position itself as a pan-European model for innovation and access to sustainable mobility, driven by advanced digital solutions.

In continuity with this strategy, Drivalia has also equipped itself with a pan-European CRM platform integrated with the Planet back-end for Customer Care management, Marketing campaigns, and lead management from the Customer Portal. Drivalia CRM will be released at the end of July 2024 in Norway, and then launched during 2025 in the same markets as Planet, France, Spain, and Portugal.

Another pan-European platform in the Drivalia application landscape is Future Drivalia, a platform for selling used vehicles for B2B (via online auctions) and B2C (storefront) channels.

Future Drivalia was launched in Italy in early 2024 and has already been released in Ireland (March 2024). Releases are also expected in Belgium and Norway as well (July 2024), followed by France, the United Kingdom, Poland, and Spain (by the end of 2024).

Also in the RPA (Robotic Process Automation) area, we continue extending the automation of processes in scope in the CA Auto Bank and Drivalia worlds, confirming the strategic plan to automate repetitive tasks in many Operation Areas, thus enabling the optimization of the processes themselves and the reallocation of business resources to activities with greater added value.

THE INTERNAL CONTROL SYSTEM

To ensure a sound and prudent management approach, the CA Auto Bank Group seamlessly integrates profitability, informed risk-taking, and ethical business conduct.

To achieve this, the Group has established an effective internal control system, which continuously identifies, assesses, and mitigates risks associated with its operations. This system involves governing bodies, control functions, committees, the Supervisory Board, senior management, and all personnel.

The comprehensive internal control framework of the Group is centrally managed by the functions of Internal Audit, Risk & Permanent Control, Compliance, Supervisory Relations & Data Protection. These functions operate independently in terms of organizational structure but maintain coordination with corresponding functions in the controlled companies.

Specifically, "Compliance, Supervisory Relations & Data Protection" e "Risk & Permanent Control" report directly to the Chief Executive Officer (CEO) and General Manager (ADDG), while the function of Internal Audit reports directly to the Board of Directors.

Operationally, the CA Auto Bank Group implements three types of controls:

- *First-level controls, which focus on the day-to-day operations and individual transactions, verifying their proper conduct. They are either integrated into IT procedures or carried out by operational structures;*

- *Second-level controls, which are designed to ensure the proper definition and implementation of the risk management process, the compliance of business operations with current regulation and the effectiveness, safety, and consistency of operational activities, as well as compliance with internal and external rules and regulations. These controls are managed by such dedicated departments as "Risk & Permanent Control" and "Compliance, Supervisory Relations & Data Protection," which are separate from the operational units.*

- *Third-level controls, which are conducted by the Internal Audit department to identify abnormal trends, detect breaches of procedures and regulations, and assess the functioning of the overall internal control system.*

The Financial Reporting Process

This paragraph describes the "main features of the existing risk management and internal audit systems with regard to the financial reporting process", pursuant to art. 123-bis, paragraph 2, letter b) of the Consolidated Law on Finance.

The Directors of CA Auto Bank S.p.A. are responsible for maintaining an internal control system in compliance with the criteria set out in the "Internal Control - Integrated Framework" issued by COSO ("Committee of Sponsoring Organizations of the Treadway Commission").

The Internal Control System on corporate reporting is a process which, by involving various corporate functions, guarantees the reliability of financial reporting, the reliability of the financial statements and compliance with rules and regulations.

The oversight of accounting and financial reporting is carried out by the Group Chief Financial Officer and is based on:

- *the adequacy of the processes and procedures used for the purpose of preparing the financial reports and any other financial disclosure;*
- *the monitoring of IT architectures and applications, especially with reference to the management of data processing and the actions taken to develop the summary systems used for financial reporting;*
- *the completeness and consistency of the disclosures made to the market.*

In 2012 the Company had started a complete review of the internal control system connected with the preparation of financial reports (ICFR or "Internal Control over Financial Reporting"), so as to ensure the reliability of financial reports and the preparation of individual and Consolidated Financial Statements.

Over the years, the main processes referring to the individual and Consolidated Financial Statements were included in the ICFR, and the definition and assessment of the controls was carried out so as to ensure adequate coverage of the associated risks and to mitigate the possibility of significant errors in financial reporting.

Today, the risk control matrix is made up of 6 macro processes, for a total of 148 checks, 24 of which referred specifically to the Consolidated Financial Statements.

Control function

Internal Audit

The Internal Audit department is responsible for third-level controls. Based on an annual plan submitted to the Board of Directors for approval, it checks the adequacy of the internal control system and provides the Board of Directors and management with a professional and impartial assessment of the effectiveness of internal controls.

The Head of Internal Audit is responsible for.

- *Preparing the audit plan based on periodic risk assessments and coordinating audit activities;*
- *Providing regular reports on the results and progress of the audit plan to the Board of Directors, the Risk and Audit Committee, the Internal Control Committee, and the Board of Statutory Auditors;*
- *Conducting internal audits, at least annually, of the ICAAP (Internal Capital Adequacy Assessment Process) to ensure compliance with regulatory requirements and conducting periodic reviews of the individual risk assessment process.*

The audit process involves annual risk mapping at the level of individual companies, utilizing a standardized methodology issued by the Parent Company. For subsidiaries without local Internal Audit departments, risk mapping is conducted centrally.

Monitoring the results of audit activities on individual companies includes quarterly reporting on the:

- *Progress of the audit plan and explanations for any deviations;*
- *Audit reports published in the relevant quarter that showed an overall rating of "weak" or "unsatisfactory" in a summary;*
- *Status of implementation of issued recommendations and related action plans.*

Risk & Permanent Control

The mission of the department is to identify, measure and manage risks, as well as supervise the implementation of Group guidelines in terms of risk management, while also directly managing second-level permanent controls.

The activities of Risk & Permanent Control (R&PC) are designed to:

- *Develop and establish the Group's risk management and permanent control guidelines;*
- *Promote a strong risk culture at all levels of the organization;*
- *Identify all types of risks excluding Compliance and AML risks (to oversee which there is a dedicated Control Function);*
- *Propose the quantitative and qualitative parameters addressed to the definition of the RAF and/or in case of changes in the internal and external operating environment, their adjustment;*
- *Monitor at Group level the adequacy of and compliance with the operational limits assigned to the various functions and taken up by the RAF and Risk Strategy approved by the Board of Directors;*
- *Manage, in Collaboration with Other Functions Involved in the Process of Capital Adequacy Assessment (ICAAP), Liquidity Assessment (ILAAP), and Contingency Funding Plan;*
- *Ensure Information Flows to Other Business Functions, Corporate Bodies, and Senior Management;*
- *Collaborate with the Group's other Control Functions (Compliance, Supervisory Relations & Data Protection and Internal Audit) in order to ensure constant monitoring covering the entire scope of internal control;*
- *Provide independent opinions on significant operations and Processes/Projects/Products Submitted to the New Activities and New Products Committee;*
- *Coordinate the Group Risk Strategy, issue its opinion and verify its implementation.*

The head of R&PC is also responsible for the business continuity plan. The R&PC department is represented in each Group Company by its own local contact person.

The supervision of Group Companies is ensured by the hierarchical and functional reporting of subsidiaries' risk management structures as well as the preparation of Group guidelines on risk management and second-level controls;

- *Monitoring the effectiveness of local control plans and the local risk profile (RAF);*

- *Supervising the annual Budget formation process, ensuring alignment with the Group Risk Appetite.*

The results of second-level controls carried out by Risk & Permanent Control are presented quarterly to the Board of Directors, the Internal Control Committee (ICC), the Group Internal Risk Committee (GIRC) and reported annually in the Internal Control Report (ICR).

Compliance, Supervisory Relations & Data Protection

Compliance, Supervisory Relations & Data Protection (CSR&DP) operates as a second- level control function, guided by principles of independence, authority, autonomy, and the adequacy of its resources.

The function encompasses the following key areas of expertise:

- *Compliance: CSR&DP focuses on overseeing the risk of non-compliance, which involves potential legal or administrative penalties, financial losses, or reputational harm stemming from breaches of laws or self-regulatory provisions. This safeguard, in addition to being aimed at avoiding the risk that the Bank may be sanctioned for not properly complying with the rules applicable to it, is also and above all directed at their observance (and compliance with the guiding principles of self-regulation contained in the code of conduct), in the interest of its customers. This is to guard against another risk, perhaps the most important of all, the reputational risk, to protect the most valuable asset, trust;*

- *Supervisory Relations: In this area CSR&DP is dedicated to effectively managing relations with Italian and supranational Supervisory Authorities. Through periodic meetings and comprehensive reporting, it ensures transparent communication of the Group's initiatives and projects. Moreover, it plays a vital role in coordinating interactions with local Supervisory Authorities by diligently monitoring and reporting on inspections, as well as implementing any necessary action plans.*

- *Data Protection, within this domain, the focus lies on safeguarding personal data and ensuring its adequate protection. The team defines clear roles and responsibilities to facilitate the proper management of data in accordance with the specific needs and unique characteristics of the Company.*

The head of the department is also the Anti-Money Laundering Officer, Whistleblowing Officer, Antitrust Compliance Manager and was appointed Data Protection Officer (DPO) on September 25th, 2020; he is also, delegated to the reporting of suspicious transactions and is a member of the Company's Supervisory Board.

CSR&DP conducts an annual Compliance Risk Mapping to identify potential non- compliance risks, followed by diligent monitoring through a plan of activities and controls. This comprehensive plan includes:

- *Controls to assess the effectiveness of existing processes and procedures in alignment with local regulations and Group Policy;*
- *Involvement in various projects, activities, and initiatives, whether ongoing or newly initiated, to ensure compliance from the outset;*
- *Organizing training courses to instill a cohesive and comprehensive risk culture among all employees and collaborators.*

The outcomes of these controls are meticulously documented and shared with the respective area managers, enabling the development of action plans to reinforce the control of non-compliance risks faced by the Company.

The CSR&DP function operates across the Parent Company and extends its coordination and supervision to branches and subsidiaries in foreign markets, as well as the Drivalia Group.

As of June 30th 2024 CSR&DP is involved in the so-called "Convergence Plan" in cooperation with CACF Group Compliance in order to conclude alignment with Group policies and procedures.

Board committees

Risk And Audit Committee

The Risk and Audit Committee (RAC) plays a pivotal role in supporting the Board of Directors with regards to risk management, internal controls, and adherence to accounting standards for both separate and consolidated financial statements, in compliance with supervisory provisions on corporate governance.

Specifically, the Committee supports the Board of Directors in the areas of risk management and control by:

- Defining and approving strategic guidelines and risk governance policies. Within the Risk Appetite Framework (RAF), the Committee provides critical evaluation and proposals to enable the Board to establish risk objectives ("Risk Appetite") and tolerance thresholds ("Risk Tolerance");
- Verifying the effective implementation of risk governance policies and the RAF's strategies;
- Formulating policies and processes for evaluating business activities;
- Reviewing and providing in advance input on the audit plan, activity programs of second-level control functions, and periodic reports from corporate control functions that are presented to the Board of Directors;
- Ensuring the effectiveness of corporate risk control functions, internal control procedures, and information flows to guarantee the Board of Directors receives accurate and comprehensive information.

The Board of Directors, without prejudice to the responsibilities assigned to it by law and regulation, has identified the Risk & Audit Committee as the intra-council committee that, as part of its proposing, advisory and investigative functions, supports the board in the process of drafting the new Corporate Sustainability Reporting Directive, examining with management its general outline and the articulation of its contents at the beginning of the annual reporting process, monitoring the stages of preparation, as well as assessing the completeness of the communication provided to the public through the same document, issuing in this regard a prior opinion to the Board of Directors called upon to approve that document.

More generally, the Board of Directors has assigned to the Risk & Audit Committee as part of its advisory functions to the Board the activities of monitoring the progress of the programs related to social and environmental sustainability issues defined and implemented by management, preliminarily checking their consistency with the strategies defined by the board, and assessing their level of implementation. To this end, it is periodically informed by the corporate functions concerned, as well as by CSR (for social responsibility initiatives) and Finance - Consolidated & Regulatory Reporting with regard to the preparation of CSRD, and ensures constant dialogue with the Board of Statutory Auditors, examining its findings and suggestions arising from its supervisory activities on compliance with the provisions established in this area by law, and, if necessary, making proposals to the management and strategic supervision bodies (i.e., the Managing Director and the Board of Directors).

The committee is composed of two independent Directors and one non-executive Director. A member of the Board of Statutory Auditors and the head of Internal Audit, acting as secretary, participate in the work of the committee. The heads of second-level control functions and the Company's management may be called upon to participate on specific topics.

Nomination Committee

As per the corporate governance supervisory provisions, the Nomination Committee plays a crucial role in supporting the Board of Directors in various important processes. These include the appointment or co-opting of directors, the self-assessment of the Board of Directors, the succession planning of the CEO and General Manager and the Chairman of the Board as well as succession planning and the assignment of positions for key senior management roles.

In accordance with the Articles of Associarion, the Committee provides recommendations and opinions to the Board of Directors, which provides the necessary resources for the performance of duties and may use external consultants within the budget limits and through the Company's structures.

Established on March 23rd, 2016, through a resolution of the Board of Directors, the Nomination Committee comprises three non-executive directors, two of whom are independent. One other Non-Executive Director is permanently invited.

An independent director chairs the Committee. In case of the Chairman's absence, the Committee is chaired by the other independent director.

Remuneration Committee

As per the corporate governance supervisory provisions, the Remuneration Committee fulfills advisory and consultative roles for the CA Bank Group's Board of Directors concerning compensation and incentive practices and policies.

In particular, the Committee, after consulting with the CEO and General Manager, submits proposals to the Board of Directors on incentives, the remuneration policy document, and the report detailing their application (ex-post disclosure). These proposals are then subject to annual approval by the General Meeting of Shareholders.

The Committee provides adequate information annually to the Board of Directors and shareholders about its activities.

The Board of Directors provides the necessary resources for the performance of the tasks, being able to resort, within the limits defined by the budget and through the Company's structures, to external consultants.

Established on March 23rd, 2016, following a resolution of the Board of Directors, the Remuneration Committee consists, since June 30th 2017, of three non-executive directors, two of whom are independent.

An independent director chairs the Committee. In case of the Chairman's absence, the Committee is chaired by the other independent director.

Other committees involved in the Internal Control System (SCI)

To supplement and complement the ICS, the Group has, in addition to the Control Functions and Board Committees, the following committees.

Internal Control Committee

The Internal Control Committee (ICC) plays a vital role in providing essential information to CACF about the internal control system. Additionally, the committee offers support to the CEO, the Board of Statutory Auditors, and the Risk and Audit Committee in their respective functions concerning the internal control system.

The key objectives of the ICC include:

- *Monitoring the findings and action plans resulting from internal control activities;*
- *Analyzing any issues and situations related to the internal control system;*
- *Overseeing fraud events and evaluating the effectiveness of prevention measures.*
- *Facilitate the sharing of information, particularly on events or issues with high impact on the CAPFM Group.*

The ICC convenes quarterly meetings, which are also attended by representatives from CACF.

During these meetings, the committee also presents findings and recommendations resulting from inspections conducted by local supervisory authorities.

Furthermore, the presence of the CEO and General Manager completes the upstream communication process of the internal control system, as the CEO is responsible for implementing necessary operational adjustments in case of deficiencies or anomalies. This ensures a comprehensive and integrated overview of the findings of the conducted controls.

Group Internal Risk Committee

The Group Internal Risk Committee (GIRC) assumes a critical guiding and monitoring role, ensuring the effective functioning of the Group's internal control system in risk prevention and management.

Unlike the other control committees, the GIRC's activities are more analytical in nature. It involves a thorough review of various aspects, including the Risk Appetite Framework (RAF) and the Risk Strategy developed by each manager of the Group's companies. These strategies must align with the Group's Risk Appetite and are submitted annually to the GIRC, following the Group Risk Management policy approved by the Board of Directors.

Additionally, the GIRC has a restricted composition known as the New Products and Activities (NPA) committee. The NPA committee reviews and approves proposals for new products and activities. It also convenes during market or Bank liquidity crises, activating the business continuity plan.

Chaired by the CEO and General Manager, the GIRC includes its first-line representatives and, when necessary, the heads of the Group's companies.

In cases involving the NPA, the heads of the three internal control functions express their opinions based on their specific expertise, ensuring a clear separation between management and control functions.

Supervisory Board

In line with the aim of preventing administrative liability under Legislative Decree 231/01, a Supervisory Board (SB) has been established for both the Parent Company and its Italian subsidiary, Drivalia S.p.A. The primary responsibility of this board is to ensure the effective implementation of the "Organization, Management, and Control Model" and the Code of Conduct.

The Supervisory Board:

- *Convenes at least quarterly and as needed, providing periodic reports to the CEO, General Manager, Board of Directors, and Board of Statutory Auditors;*
- *Conducts regular assessments of the Model's effectiveness in preventing predicate offenses. For this purpose, it collaborates with CA Auto Bank's Compliance Department, Internal Audit Department, and Risk & Permanent Control Department, along with other internal departments that may be relevant from time to time.*

The Supervisory Board for the Parent Company is composed of three members, the Head of Compliance, Supervisory Relations & Data Protection, the Head of Internal Audit and an external professional with expertise in legal matters, serving as Chair.

OTHER INFORMATION

Principal risks and uncertainties

The specific risks that can give rise to obligations for the Company are evaluated when the relevant provisions are made and are reported in the notes to the financial statements, together with significant contingent liabilities. In this section, reference is made to risk and uncertainty factors related essentially to the economic, regulatory and market context which can produce effects for the Company's performance.

The Company's financial condition, operating performance and cash flows are affected first of all by the various factors that make up the macroeconomic picture in which it operates, including increases and decreases in gross domestic product, consumer and business confidence levels, trends in interest, exchange and unemployment rates.

The Group's activity is mainly linked to the performance of the automotive sector, which is historically cyclical. Bearing in mind that it is hard to predict the breadth and length of the different economic cycles, every macroeconomic event (such as a significant drop in the main end markets, the solvency of counterparties, the volatility of financial markets and interest rates, and the continuing semiconductor shortage) can impact the Group's prospects and its financial and operating results.

The geopolitical environment, dominated by the Russia-Ukraine conflict, for which we had hoped for a quick return to peace, was further aggravated by the Israeli-Palestinian tragedy. This had an impact on the economic cycle for the year and, with no end in sight, the effects of the situation will be felt throughout 2024, with GDP growth expected to be low and inflation to remain high.

These considerations should not lead us to unnecessary pessimism but strengthen our determination to act more than ever in the interests of our customers and the Company as a whole.

The CA Auto Bank Group complies with the laws in the countries in which it operates. Most of the legal proceedings are involved in reflect disputes on payment delinquencies by customers and dealers in the course of our ordinary business activities.

Our policy on provisions for lease and loan losses, and the close monitoring under way, allows us to evaluate promptly the possible effects on our accounts.

.Disclosure of government grants

The rules on the disclosure of government grants were introduced by article 1, paragraphs 125-129, of Law no. 124/2017 with wording that had raised numerous interpretative and applicative problems.

The concerns expressed by trade associations (including Assonime) were largely addressed by article 35 of Law Decree no. 34/2019 (Growth Decree), which clarifies important issues in many cases, with a view to simplifying and streamlining the rules

The law provides for the obligation to disclose within the notes to the financial statements and in the consolidated notes to the financial statements, if any - the amounts and information relating to "grants, subsidies, benefits, contributions or aid, in cash or in kind, not of a general nature and not received as consideration, remuneration or compensation from government authorities and other identified parties" (hereinafter referred to as " government grants").

The absence of any such disclosure entails an administrative sanction equal to 1% of the amounts received, with a minimum of €2,000, and the ancillary sanction of complying with the disclosure obligation. Failure to comply with the disclosure obligation and to pay the monetary sanction within 90 days of being notified entails the full repayment of the sums received to the payer.

It should be noted that the Bank did not receive any grant in the first half of 2024.

In addition, it should be noted that since August 2017 the National Register of State Aid has been active at the General Directorate for Business Incentives of the Ministry of Economic Development, in which State aid, including for small amounts, in favor of each company must be disclosed by the entities that rant or manage said aid.

Management and coordination activities

CA Auto Bank S.p.A., as a sole shareholder company, is subject to the management and coordination of CA Consumer Finance S.A., in accordance with article 2497 bis of the Civil Code.

CA Auto Bank S.p.A.'s direct and indirect subsidiaries are also subject to its management and coordination activities. As the Group's Parent Company, CA Auto Bank S.p.A. plays a crucial role in defining and establishing the overall strategic and operational guidelines for the entire Group. These guidelines are geared towards promoting the stability of the Group while outlining general policies on various aspects such as human resource management, sustainable business development, financial and credit management, risk prevention, mitigation, and management, as well as communication with stakeholders.

Furthermore, for the companies within the CA Auto Bank Group, the Parent Company CA Auto Bank S.p.A., establishes clear guidelines in accordance with the instructions issued by the Banking and Financial Supervisory Authorities. These guidelines aim to ensure the sound and prudent management of activities and business operations.

For the purposes of the realization by all Group companies of economies of scale through the use of professionalism and specialized services with increasing quality content, while respecting their managerial and operational autonomy, and without dispersing the concentration of their resources on the management of their core business, the centralized management of certain services and the close connection between the companies themselves and the central functions of the Parent Company are provided for in the CA Auto Bank Group, the declination of which may vary over time based on the results of the continuous monitoring carried out by the system and internal control bodies, and the determinations made by the strategic supervision and management bodies of the Parent Company itself.

Dividends and reserve distributions

No dividends were paid out during the first half of 2024.

Other regulatory disclosures

In line with Bank of Italy's instructions on the preparation of Banks' financial statements, it is noted that:

a) in the period under review the Group did not carry out any significant research and development activities;

b) the Group does not hold and did not purchase and/or sell shares or interests of the controlling company in the period under review.

Consolidated income statement details and reconciliation with reclassified income statement (€/000)		06/30/2024	Reclassified Income Statements Items
10	INTEREST INCOME AND SIMILAR REVENUES	842	NBI
80	NET INCOME FINANCIAL ASSETS AND LIABILTIES HELD FOR TRADING	3	NBI
40	FEE AND COMMISSION INCOME	117	NBI
	FINANCIAL REVENUE	962	
170	NET OTHER OPERATING INCOME/ CHARGES FROM INSURANCE ACTIVITIES	(1)	NBI
	TOTAL FINANCIAL REVENUE	961	
20	INTEREST EXPENSES AND SIMILAR CHARGES	(647)	NBI
90	FAIR VALUE ADJUSTMENTS IN HEDGE ACCOUNTING	(1)	NBI
50	FEE AND COMMISSION EXPENSES	(67)	
	Fee and commission expenses	(63)	NBI
	Insurance credit cost	(4)	COR
	TOTAL FINANCIAL COST	(715)	
130	IMPAIRMENT/REINSTATEMENT FOR CREDIT RISK	(55)	COR
	Impairment on losses and loans	(55)	COR
180	NET PROFIT FROM FINANCIAL AND INSURANCE ACTIVITIES	190	
190	ADMINISTRATIVE COSTS	(142)	
	Administrative costs	(130)	NOE
	Administrative costs	(9)	NBI
	Administrative costs	(3)	OTH
200	NET PROVISIONS FOR RISKS AND CHARGES	1	
	Net provisions for risks and charges	1	NBI
210	IMPAIRMENT ON TANGIBLE ASSETS	(197)	
	Depreciation of rental assets (rental business)	(184)	NBI
	Depreciation of tangibles asset	(13)	NOE
220	IMPAIRMENT ON INTANGIBLE ASSETS	(10)	NOE
230	OTHER OPERATING INCOME / CHARGES	319	
	Rental income/charges (rental business)	341	NBI
	Eexpense recoveries and credit collection expenses	3	NOE
	Impairment of rental receivables (rental business)	(5)	COR
	Other	(20)	OTH
240	OPERATING COSTS	(29)	
290	TOTAL PROFIT OR LOSS BEFORE TAX FROM CONTINUING OPERATIONS	162	
300	TAX EXPENSE RELATED TO PROFIT OR LOSS FROM CONTINUING OPERATIONS	(39)	TAX
330	NET PROFIT OR LOSS	122	
340	MINORITY PORTION OF NET INCOME (LOSS)	4	
350	HOLDINGS INCOME (LOSS) OF THE YEAR	118	

Reclassified Income Statements Items (€/000)	06/30/2024	
Net Banking Income	400	NBI
Net Operating Expenses	(150)	NOE
Cost of risk	(65)	COR
Operating Income	185	
Other income / (expense)	(23)	OTH
Profit before tax	162	
Tax expense	(39)	TAX
Net profit	122	

Turin, July 24th 2024

Chief Executive Officer and General Manager

Giacomo Carelli

HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Assets (€/000)	06/30/2024	12/31/2023
10.	Cash and cash equivalents	1,316,264	1,673,818
20.	Financial assets measured at fair value through profit or loss	870	9,187
	a) financial assets held for trading	870	9,187
40.	Financial assets at amortized cost	26,047,225	24,730,918
	a) loans and deposits with banks	129,045	134,850
	b) leases and loans to customers	25,918,180	24,596,068
50.	Hedging derivatives	231,822	263,105
60.	Changes in fair value of portfolio hedge items (+/-)	(176,943)	(129,644)
70.	Equity investments	70	70
80.	Insurance assets	9,663	10,584
	b) reinsurance cessions constituting assets	9,663	10,584
90.	Property, plant and equipment	3,017,651	2,624,518
100.	Intangible assets	214,791	191,587
	- of which goodwill	123,993	97,628
110.	Tax assets	223,106	217,850
	a) current	70,030	72,845
	b) deferred	153,076	145,005
130.	Other assets	1,492,183	1,569,515
	Total assets	32,376,702	31,161,508

	Liabilities and Equity (€/000)	06/30/2024	12/31/2023
10.	Financial liabilities at amortized cost	27,413,938	26,532,430
	a) deposits from banks	15,236,621	14,448,592
	b) deposits from customers	3,038,539	2,408,374
	c) debt securities in issue	9,138,778	9,675,464
20.	Financial liabilities held for trading	2,385	10,925
40.	Hedging derivatives	48,550	162,514
60.	Tax liabilities	255,143	284,778
	a) current	27,717	53,653
	b) deferred	227,426	231,125
80.	Other liabilities	859,872	991,267
90.	Provision for employee severance pay	3,436	3,455
100.	Provisions for risks and charges	100,500	107,407
	a) commitments and guarantees given	47	44
	b) post-retirement benefit obligations	31,695	28,153
	c) other provisions for risks and charges	68,758	79,210
110.	Insurance liabilities	42,713	37,766
	b) reinsurance cessions constituting liabilities	42,713	37,766
120.	Valuation reserves	507	(4,959)
140.	Capital instruments	499,985	-
150.	Reserves	2,048,557	1,664,124
160.	Share premium	192,746	192,746
170.	Share capital	700,000	700,000
190.	Non-controlling interests (+/-)	89,986	86,130
200.	Net Profit (Loss) for the year (+/-)	118,384	392,925
	Total liabilities and equity	32,376,702	31,161,508

CONSOLIDATED INCOME STATEMENT

	Items (€/000)	06/30/2024	06/30/2023
10.	Interest income and similar revenues	842,243	624,071
20.	Interest expenses and similar charges	(646,530)	(340,989)
30.	Net interest margin	**195,713**	**283,082**
40.	Fee and commission income	117,122	75,445
50.	Fee and commission expenses	(67,132)	(22,251)
60.	Net fee and commission	**49,990**	**53,194**
80.	Net Gains (Losses) on financial assets and liabilities held for trading	3,273	(1,275)
90.	Net Gains (Losses) on hedge accounting	(1,490)	(6,412)
100.	Profits (Losses) on disposal or repurchase of:	(138)	-
	a) financial asstets at amortized cost	(138)	-
120.	Operating income	**247,348**	**328,588**
130.	Net impairment/reinstatement for credit risk:	(55,875)	(39,212)
	a) financial asstets at amortized cost	(55,875)	(39,212)
150.	Net Profit from financial activities	**191,473**	**289,376**
170.	Net other operating income/charges from insurance activities	(1,141)	(613)
	b) net financial income/expenses related to policies ceded to reinsurers	(1,141)	(613)
180.	Net Profit from financial and insurance activities	**190,332**	**288,763**
190.	Administrative costs:	(142,344)	(121,669)
	a) payroll costs	(98,586)	(77,390)
	b) other administrative costs	(43,758)	(44,279)
200.	Net provisions for risks and charges	1,199	2,436
	a) commitments and financial guarantees given	(3)	-
	b) other net provisions	1,202	2,436
210.	Impairment on property, plant and equipment	(196,950)	(46,249)
220.	Impairment on intangible assets	(9,644)	(8,839)
230.	Other operating income/charges	318,992	255,074
240.	Operating costs	**(28,747)**	**80,753**
290.	Total Profit (Loss) before tax from continuing operations	**161,585**	**369,516**
300.	Tax expense related to Profit (Loss) from continuing operations	(39,344)	(102,533)
310.	Total Profit (Loss) after tax continuing	**122,241**	-
330.	Net Profit (Loss) of the year	**122,241**	**266,983**
340.	Minority portion of net income of the year	(3,856)	(4,094)
350.	Holding Income (Loss) of the year	**118,384**	**262,889**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Items (€/000)	06/30/2024	06/30/2023
10.	Profit (Loss) for the period	122,241	266,983
	Other comprehensive after-tax income not reclassified to profit or loss	(151)	(348)
40.	Defined benefit plans	(151)	(348)
	Other comprehensive after-tax income not reclassified to profit or loss	7,950	4,695
80.	Exchange rate differences	3,931	6,549
90.	Cash flow hedges	4,233	(1,854)
110.	Hedge of a net investment in foreign operations	(214)	-
130.	Total other comprehensive income after tax	7,798	4,347
	of which:		
	- related to discontinued operations	-	-
140.	Total comprehensive income (item 10+200)	130,039	271,330
150.	Total comprehensive income attributable to non-controlling interests	3,856	4,094
160.	Total comprehensive income attributable to the Shareholders of the Parent Company	126,183	267,236

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS OF JUNE 30th, 2024 AND JUNE 30th, 2023

(thousands of euros)

						Changes during the period											
				Allocation of profit from previous year			Equity transactions										
	Closing balance as of December 31st 2023	Changes in opening balance	Balance as of January 1st 2024	Reserves	Dividends and other allocations	Changes in reserves	New share issues	Share buybacks	Interim dividends	Special dividends paid	Changes in equity instruments	Derivatives on own shares	Stock options	Consolidated income for the period	Equity as of June 30th 2024	Equity attributable to the Parent Company's shareholders as of June 30th 2024	Equity attributable to non- controlling interests as of June 30th 2024
Share capital:																	
a) common shares	703,389		703,389												703,389	700,000	3,389
b) other shares	-		-												-		
Share premium reserve	195,623		195,623												195,623	192,746	2,877
Reserves:	-		-												-		
a) retained earnings	1,736,568		1,736,568	400,206							(10,434)				2,126,340	2,046,615	79,725
b) other	-		-												-		
Valuation reserve	(4,820)		(4,820)											7,798	2,978	2,839	140
Equity instruments	-		-								499,985				499,985	499,985	
Interim dividends	-		-												-	-	-
Profit (Loss) for the period	-		-												-		
Equity instruments	400,206		400,206	(400,206)	-									122,241	122,241	118,384	3,856
Equity	**3,030,966**		**3,030,966**			**-**			**-**	**-**	**489,551**			**130,039**	**3,650,555**	**3,560,569**	**89,986**
Equity attributable to the Parent Company's shareholders	2,944,836		2,944,836	-					-		489,551			126,183		3,560,569	
Equity attributable to non-controlling interests	86,130		86,130											3,856			89,986

The Additional Tier 1 and the related interest paid during the semester are represented among the capital instruments.

(thousands of euros)

	Closing balance as of December 31st 2022	Changes in opening balance	Balance as of January 1st 2023	Allocation of profit from previous year		Changes during the period									Equity as of June 30th 2023	Equity attributable to the Parent Company's shareholders as of June 30th 2023	Equity attributable to non-controlling interests as of June 30th 2023
							Equity transactions										
				Reserves	Dividends and other allocations	Changes in reserves	New share issues	Share buybacks	Interim dividends	Special dividends paid	Changes in equity instruments	Derivatives on own shares	Stock options	Consolidated income for the period			
Share capital:																	
a) common shares	703,389		703,389												703,389	700,000	3,389
b) other shares	-		-												-		
Share premium reserve	195,623		195,623												195,623	192,746	2,877
Reserves:	-		-												-		
a) retained earnings	1,813,476		1,813,476	1,019,369	(1,100,000)										1,732,845	1,660,382	72,463
b) other	-		-												-		
Valuation reserve	(3,427)		(3,427)											4,347	920	791	129
Equity instruments	-		-												-		
Interim dividends	-		-												-	-	-
Profit (Loss) for the period	-		-												-		
Equity instruments	1,019,369		1,019,369	(1,019,369)	-									266,983	266,983	262,889	4,094
Equity	3,728,430		3,728,430			-			-	-				271,330	2,899,760	2,816,808	82,952
Equity attributable to the Parent Company's shareholders	3,649,572		3,649,572	-	(1,100,000)				-					267,236		2,816,808	
Equity attributable to non-controlling interests	78,858		78,858											4,094			82,952

CONSOLIDATED STATEMENT OF CASH FLOWS (DIRECT METHOD)

Items (€/000) A. OPERATING ACTIVITIES	06/30/2024	06/30/2023
1. Business operations	298,118	1,345,986
- interest income (+)	1,164,179	1,430,424
- interest expense (-)	(640,477)	(190,568)
- fee and commission income (expense) (+/-)	-	-
- net commissions (+/-)	49,990	53,194
- personnel expenses (-)	(81,318)	(67,317)
- other insurance income/expenses (+/-)	-	-
- other expenses (-)	(1,141)	(613)
- other revenue (+)	(452,941)	(16,730)
- taxes and levies (-)	311,504	239,501
- other insurance income/expenses (+/-)	(51,678)	(101,905)
- expenses/revenues relating to discontinued operations net of the tax effect (+/-)	-	-
2. Cash flows generated/absorbed by financial assets	(1,398,736)	(1,179,629)
- financial assets held for trading	8,317	(0)
- financial assets designated at fair value	-	-
- other assets mandatorily at fair value	-	-
- financial assets measured at fair value through other comprehensive income	-	(81)
- financial assets at amortized cost	(1,703,161)	(1,533,957)
,- other assets	296,109	354,408
3. Cash flows generated/absorbed by financial liabilities	750,808	(873,181)
- fiancial liabilities at amortized cost	875,455	85,901
- financial liabilities held for trading	(8,540)	(309)
- outstanding securitizations	-	-
- other liabilities	(116,108)	(958,774)
Cash flows generated/absorbed by operating activities	(349,809)	(706,824)
B. INVESTING ACTIVITIES		
1. Cash flows generated by	29,710	1,755,100
- disposal of shareholdings	-	1,100,000
- dividends received on investments	-	-
- disposal of property, plant and equipment	29,555	418,756
- disposal of intangible assets	156	236,344
- disposal of subsidiaries and business units		
2. Cash flows absorbed by	(527,005)	(1,710,593)
- purchases of shareholdings	-	-
- purchases of property, plant and equipment	(526,499)	(1,439,376)
- purchases of intangible assets	(508)	(271,216)
- purchases of subsidiaries and business units	-	-
Cash flows generated/absorbed by investing activities	(497,295)	44,507
C. FINANCING ACTIVITIES		
- issuance/purchase of treasury shares		
- issuance/purchase of capital instruments	499,985	
- dividend and other distributions	(10,434)	(1,100,000)
- sale/purchase of non-controlling interests		
Cash flows generated/absorbed by financing activities	489,551	(1,100,000)
CASH FLOWS GENERATED/ABSORBED DURING THE YEAR	(357,554)	(1,762,318)

RECONCILIATION

Items (€/000)	06/30/2024	06/30/2023
Cash and cash equivalents at the beginning of the period	1,673,818	3,139,786
Cash flows generated/absorbed during the period	(357,554)	(1,762,318)
Cash and cash equivalents at the end of the period	1,316,264	1,377,466

NOTES

NOTES

ACCOUNTING POLICIES

GENERAL INFORMATION

SECTION 1 – STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING

These Half-Yearly Condensed Consolidated Financial Statements as of and for the period ended June 30th 2024 has been prepared in accordance with IAS 34 Interim Financial Reporting. This abbreviated Consolidated Semi-Annual Financial Report does not include all the disclosures required for the preparation of the annual Consolidated Financial Statements. Therefore, it is essential to read the Consolidated Semi-Annual Financial Report in conjunction with the Consolidated Financial Statements as of December 31st, 2023.

The accounting principles used in the preparation of the Consolidated Semi-Annual Financial Report are consistent with those applied in the preparation of the Consolidated Financial Statements as of December 31st, 2023.

The Group has not adopted any changes, interpretations, or standards issued but not yet effective.

SECTION 2 – BASIS OF PREPARATION

In the preparation of the Consolidated Semi-Annual Financial Report, the IAS/IFRS principles effective as of June 30th, 2024 (including the interpretative documents known as SIC and IFRIC), as approved by the European Commission, have been applied.

ABBREVIATED HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS

The Condensed Consolidated Semi-Annual Financial Report, prepared in a summarized form as permitted by IAS 34, consists of Consolidated Statement of Financial Position, Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement. Additionally, it includes an interim management report from the directors on the performance of the Group and from the consolidated notes.

UNIT OF ACCOUNT

The amounts shown in the financial statements are expressed, unless otherwise specified, in thousands of euros.

GOING CONCERN

The Directors of CA Auto Bank S.p.A. believe that there is a reasonable expectation that the Group will continue its operational existence in the foreseeable future and, consequently, the condensed consolidated half-year financial statements have been prepared on this going concern basis, using operating criteria. They also specify that they have not detected any signs in the capital and financial structure or in the operational performance that could raise uncertainties about the going concern assumption.

RISKS AND UNCERTAINTIES RELATED TO THE USE OF ESTIMATES

The preparation of the Consolidated Semi-Annual Financial Report requires the management to make estimates and assumptions that affect the values of revenues, costs, assets, and liabilities in the financial statements, as well as the disclosure of potential assets and liabilities as of the date of the Consolidated Semi-Annual Financial Report.

In particular, estimation processes have been adopted to support the carrying amounts of some significant valuation items recorded in the Consolidated Semi-Annual Financial Report. These processes are largely based on estimates of the future recoverability of amounts recorded in the abbreviated Consolidated Semi-Annual Financial Statements, in accordance with current regulations, and have been carried out with a going concern perspective.

Estimates and assumptions are revised regularly and updated from time to time. In case performance fails to meet expectations, carrying amounts might differ from original estimates and should, accordingly, be changed. In these cases, changes are recognized through profit or loss in the period in which they occur or in subsequent years.

The main areas where management is required to make subjective assessments include:

- *fairness of the value of goodwill;*
- *recoverability of receivables and, in general, financial assets not measured at fair value and the determination of any impairment;*

- determination of the fair value of financial instruments to be used for financial reporting purposes; in particular, the use of valuation models to determine the fair value of financial instruments not traded in active markets;

- quantification of employee provisions and provisions for risks and charges;

- recoverability of deferred tax assets.

It should also be noted that certain valuation processes, particularly the more complex ones, are generally carried out in full only during the preparation of the annual financial statements, when all potentially necessary information is available, except in cases where there are impairment indicators that require an immediate assessment of potential value losses.

TLTRO-III

Since their introduction, Targeted Longer-Term Refinancing Operations (TLTRO) have been offering credit institutions long-term Euro funding designed to improve the transmission mechanisms of monetary policy and to stimulate Bank lending to the real economy.

In March 2019, the Governing Council of the European Central Bank announced a third series of quarterly longer term refinancing operations (i.e. TLTRO-III), each with a maturity of three years, starting in September 2019 and ending in March 2021, and eventually extended until December 2021, based on an ECB decision dated December 10th, 2021

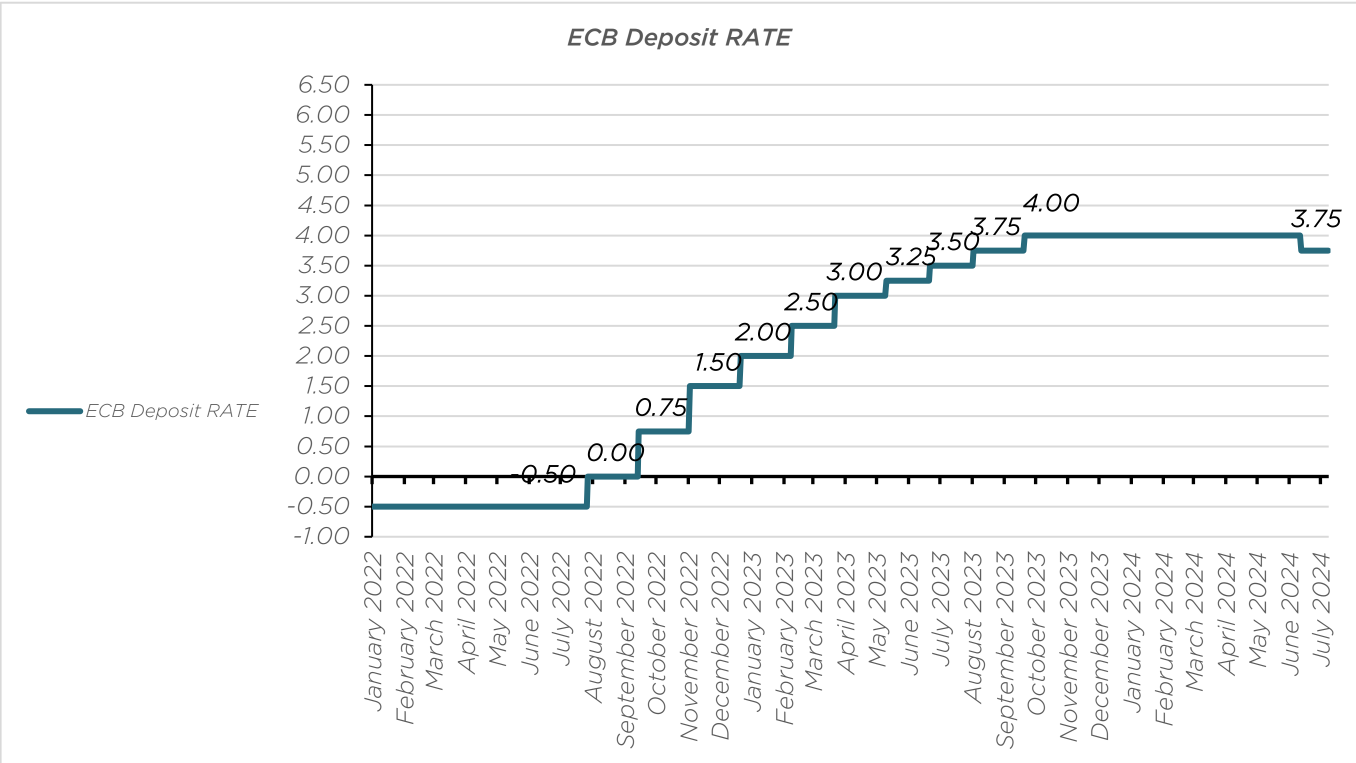
In 2020, starting in March, in light of the Covid-19 emergency, the Governing Council of the ECB introduced also more favorable conditions for the operations in question, which would be applied first between June 24th, 2020 and June 23rd, 2021 and then extended, with the ECB's decision of December 10th, 2020, until June 2022.

At the beginning of the TLTRO-III program, such favorable conditions, equal to the interest rate on deposit facility with the ECB prevailing over the life of the operation, were offered to borrowers whose eligible net lending between March 31st, 2019 and March 31st, 2021 exceeded by 2.5% their benchmark net lending. Subsequently, in March 2020, due to the impacts of the Covid-19 pandemics, this condition was revised (reducing the percentage to 1.15%) and a new, more favorable condition was introduced (which, if met, it supersedes the previous), whereby counterparties whose eligible net lending is at least equal to the respective benchmark net lending will be charged a lower interest rate, which can be as low as that on the deposit facility with the ECB prevailing over the life of the respective operation, except for the period between June 24th, 2020 and June 23rd, 2021. In fact, in this "special interest" period, the interest rate will be reduced by an additional 50 basis points, with the resulting interest rate not higher than a minus 100 basis points. With the ECB decision of December 10th, 2020, this reduction was extended also to the period between June 24th, 2021 and

June 23rd, 2022, for counterparties whose eligible net lending between October 1st, 2020 and December 31st, 2021 is at least equal to the respective benchmark net lending.

As of June 24th, 2022, when the so-called "special interest period" ceased, the rate applied by the ECB on each refinancing operation was equal to the average of the Deposit Facility Rate, calculated as of the date of each operation.

On October 27th, 2022, the Governing Council of the ECB decided to recalibrate the conditions applied to TLTRO-III to ensure consistency with the process of normalization of monetary policy, helping to cope with the unexpected and extraordinary rise in inflation; therefore, as of November 23rd, 2022, the interest rate on TLTRO-III operations was indexed to the applicable reference interest rate, namely the Deposit Facility Rate, which has been raised in recent months:



As of June 30th, 2024, the total use of TLTRO-III financing amounts to €700 million and pertains to the refinancing operations carried out in December 2021.

OTHER ASPECTS

For the information required by IAS 34, paragraph 16A, please refer to the management report, specifically to the following sections:

- *The programs and issuances of CA Auto Bank;*
- *Dividends and reserves paid;*

For details on changes in equity investments, refer to the section on significant events.

The Consolidated Semi-Annual Financial Report is subject to a limited review by PricewaterhouseCoopers S.p.A.

SECTION 3 – SCOPE AND METHODS OF CONSOLIDATION

The scope of consolidation as of June 30th, 2024 includes the Parent Company, CA Auto Bank S.p.A., and the Italian and foreign companies directly or indirectly controlled by it, as specifically required by IFRS 10.

They reflect also the entities, including structured entities, in relation to which the Parent Company has exposure or rights to variable returns and the ability to affect those returns through power over them.

To determine the existence of control, the Group considers the following factors:

- *the purpose and design of the investee, to identify the entity's objectives, the activities that give rise to its returns and how such activities are governed;*
- *the power over the investee and whether the Group has contractual arrangements, which attribute it the ability to govern the relevant activities; to this end, attention is paid only to substantive rights, which provide practical governance capabilities;*
- *the exposure to the investee to determine whether the Group has arrangements with the investee whose returns vary depending on the investee's performance.*

If the relevant activities are governed through voting rights, control may be evidenced by considering potential or actual voting rights, the existence of any arrangements or shareholders' agreements giving the right to control the majority of the voting rights, to appoint the majority of the members of the Board of Directors or otherwise the power to govern the financial and operating policies of the entity.

Subsidiaries may include any structured entities, where voting rights are not paramount to determine the existence of control, including Special Purpose Vehicles (SPVs).

Structured entities are considered subsidiaries where:

- *the Group has the power, through contractual arrangements, to govern the relevant activities;*
- *the Group is exposed to the variable returns deriving from their activities.*

The Group does not have any investments in joint ventures.

The changes in the consolidation scope during the reporting period do not pertain to the scenarios represented by IFRS 10—investment entities or those ceasing to be such—or the disclosures required by paragraph 9B of IFRS 12—Disclosures on Interests in Other Entities. The following are the companies that were established/acquired during the first half of 2024:

- *Drivalia Lease Sverige AB – Acquired from third parties as a new company (inactive company) under the name Gotlex Lageraktiebolag no. 1357 AB, and subsequently renamed Drivalia Lease Sverige AB on April 24th, 2024.*
- *Drivalia Czech Republic s.r.o. – Established on April 17th, 2024*

In the following table, the companies included in the consolidation scope are listed.

1. Investments in controlled subsidiaries

NAME	REGITERED OFFICE	OPERATIONAL HQ (*)	TYPE OF RELATION	PARENT COMPANY(***)	SHAREHOLDING %
CA Auto Bank S.p.A.	Turin - Italy				
Drivalia S.p.A.	Turin - Italy	Rome - Italia	1		100.00
Drivalia Lease France S.A.	Massy - France		1		99.99
Drivalia France S.A.S.	Limonest - France		1	Drivalia S.p.A.	100.00
CA Versicherungsservice GmbH	Heilbronn - Germany		1		100.00
Ferrari Financial Services GmbH	Pullach - Germany		1		50.00
CA Auto Finance UK Ltd.	Slough - United Kingdom		1		100.00
Drivalia Lease UK Ltd.	Slough - United Kingdom		1	Drivalia S.p.A.	100.00
Drivalia UK Ltd.	Slough - United Kingdom		1	Drivalia S.p.A.	100.00
Drivalia Lease España S.A.U.	Alcobendas - Spain		1	Drivalia S.p.A.	100.00
Drivalia España S.L.U.	Alicante - Spain		1	Drivalia S.p.A.	100.00
Drivalia Portugal S.A.	Loures - Portugal		1	Drivalia S.p.A.	100.00
CA Auto Finance Suisse S.A.	Schlieren - Switzerland		1		100.00
Drivalia Lease Polska Sp. z o.o.	Varsavia - Poland		1	Drivalia S.p.A.	100.00
CA Auto Finance Nederland B.V.	Amsterdam - Netherlands		1		100.00
CA Auto Finance Danmark A/S	Brøndby - Denmark		1		100.00
Drivalia Lease Danmark A/S	Brøndby - Denmark		1	Drivalia S.p.A.	100.00
CA Auto Bank GmbH	Vienna - Austria		2		50.00
CA Auto Insurance Hellas S.A.	Athens - Greece		1		100.00
Drivalia Lease Hellas SM S.A.	Athens - Greece		1	Drivalia S.p.A.	100.00
CA Auto Reinsurance DAC	Dublin - Ireland		1		100.00
CA Auto Finance Sverige AB	Höllviken - Sweden		1	CA Auto Finance Danmark A/S	100.00
CA Auto Finance Norge AS	Oslo - Norway		1	CA Auto Finance Danmark A/S	100.00
Drivalia Lease Belgium S.A.	Auderghem – Brussels - Belgium		1	Drivalia S.p.A	100.00
Drivalia Lease Nederland B.V.	Amsterdam - Netherlands		1	Drivalia S.p.A	100.00
Drivalia Lease Finland Oy	Itsehallintokuja - Finland		1	Drivalia S.p.A	100.00
Drivalia Lease Czech Republic s.r.o.	Prague – Czech Republic		1	Drivalia S.p.A	100.00
Fleet Insurance Plan s.r.o.	Prague – Czech Republic		1	Drivalia Lease Czech Republic s.r.o.	100.00
Drivalia Lease Ireland Ltd	Dublin – Ireland		1	Drivalia S.p.A	100.00
Drivalia Lease Norge AS –	Stabekk - Norway		1	Drivalia S.p.A	100.00
Drivalia Lease Sverige AB	Malmo - Sweden		1	Drivalia S.p.A	100.00
Drivalia Czech Republic S.r.o	Prague – Czech Republic		1	Drivalia S.p.A	100.00

(*) f different from Registered Office

(**) Relation Type:

1 = majority of voting rights at ordinary AGM

2 = dominant influence at AGM

(***) If different from CA Auto Bank S.p.A.

So The structured entities related to securitization transactions, whose details are provided below, are fully consolidated:

Name	Registered office
NIXES SIX PLC	London – United Kingdom
A-BEST NINETEEN UG	Frankfurt am Main - Germany
A-BEST TWENTY	Madrid - Spain
A-BEST TWENTY-ONE UG	Frankfurt am Main - Germany
A-BEST TWENTY-TWO S.r.l.	Conegliano - Italy
RACE AUTO SECURITIZATION TRANSACTION S.A.R.L	Luxembourg - Grand Duchy of Luxembourg

2. Investments in subsidiaries with significant non-controlling interests

Name	Non-controlling interests (%)	Availability of non-controlling interests' voting rights (%)	Dividends distributed to non-controlling interests
CA Auto Bank GmbH (Austria)	50%	50%	-
Ferrari Financial Services GmbH (Germania)	49.99%	49.99%	-

Pursuant to IFRS 10, CA Auto Bank GmbH (Austria), a 50%-held Subsidiary, and Ferrari Financial Services GmbH a 50.0001%-held Subsidiary, are included in the scope of consolidation.

2.2 Investments in subsidiaries with significant non-controlling interests: financial and operating highlights

In the following table, information is provided regarding the participation in CA Auto Bank GmbH and Ferrari Financial Services GmbH, including certain accounting details prior to the elimination of intra-group transactions as required by IFRS 12:

(€/000)

CA AUTO BANK GMBH (AUSTRIA)	06/30/2024	12/31/2023
Total assets	445,321	287,690
Financial assets	411,936	254,750
Financial liabilities	371,282	221,206
Equity	64,845	64,356
Net interest income	4,813	6,492
Net fee and commission income	(155)	287
Banking income	4,657	6,779
Net result from investment activities	3,967	6,434
Net result from investment and insurance activities	3,967	6,434
Operating costs	(3,271)	(4,598)
Profit (loss) before taxes from continuing operations	696	1,836
Net profit (loss) for the period	489	1,629

(€/000)

FERRARI FINANCIAL SERVICES GMBH (GERMANY)	06/30/2024	12/31/2023
Total assets	1,244,903	1,142,112
Financial assets	1,204,722	1,087,991
Financial liabilities	1,091,268	1,008,197
Equity	322,418	108,134
Net interest income	16,794	28,895
Net fee and commission income	(591)	332,079
Banking income	16,001	29,063
Net result from investment activities	15,096	28,063
Net result from investment and insurance activities	15,096	28,003
Operating costs	(4,962)	9,644
Profit (loss) before taxes from continuing operations	10,135	18,359
Net profit (loss) for the period	7,145	13,213

CONSOLIDATION METHODS

In preparing the Half-Yerly Consolidated Condensed Financial Statements, the financial statements of the Parent Company and its subsidiaries, prepared according to IAS/IFRSs, are consolidated on a line-by-line basis by aggregating together like items of assets, liabilities, equity, income and expenses.

The carrying amount of the parent's investment in each Subsidiary and the corresponding portions of the equity of each such Subsidiary are eliminated.

Any difference arising during this process – after the allocation to the assets and liabilities of the Subsidiary – is recognized as goodwill on first time consolidation and, subsequently, among other reserves.

The share of net profit pertaining to non-controlling interests is indicated separately, in order to determine the amount of net profit attributable to the Parent Company's shareholders.

Assets, liabilities, costs and revenues arising from intercompany transactions are eliminated.

The financial statements of the Parent Company and those of the subsidiaries used for the Consolidated Financial Report are all as of the same date.

For foreign subsidiaries, which prepare their accounts in currencies other than the euro, assets and liabilities are translated at the exchange rate prevailing on the balance sheet date, while revenues and costs are translated at the average exchange rate for the period.

Exchange differences arising from the conversion of costs and revenues at the average exchange rate and the conversion of assets and liabilities at the reporting date are reported in profit or loss in the period.

Exchange differences arising from the equity of consolidated subsidiaries are recognized in other comprehensive income and reversed to profit and loss when loss of control over the subsidiaries occurs.

The exchange rates used to translate the financial statements on June 30th, 2024 are as follows:

	End of year 06/30/2024	Average 06/30/2024	End of year 12/31/2023	Average 12/31/2023
Polish Zloty (PLN)	4.309	4.318	4.340	4.544
Danish Krone (DKK)	7.458	7.458	7.453	7.451
Swiss Franc (CHF)	0.963	0.962	0.926	0.972
GB Pound (GBP)	0.846	0.855	0.869	0.870
Norwegian Krone (NOK)	11.397	11.493	11.241	11.421
Moroccan Dirham (MAD)	10.666	10.836	10.945	10.957
Swedish Krona (SEK)	11.360	11.394	11.096	11.472
Czech Koruna (CZK)	25.025	25.023	24.724	24.002

SUBSEQUENT EVENTS OF THE HALF-YEAR

After the semester-end date, no events occurred that would necessitate adjustments to the results presented in the Half-Yerly Consolidated Condensed Financial Statements as of June 30th, 2024. It is important to highlight that the Group diligently monitors developments regarding potential issues and economic impacts arising from conflicts between Russia and Ukraine, as well as in the Middle East. Based on available information and analysis conducted, the Group has no credit exposures to entities associated with Russia, Ukraine, Belarus, Israel, and Palestine. Furthermore, there are no direct consequences stemming from the Russia/Ukraine conflict or the related geopolitical tensions.

All available information as of the date has been duly taken into account in the Abbreviated Consolidated Interim Financial Statements.

It is also noted that on July 13th, the first transfer of a new securitization operation concerning the retail loan portfolio of CA Auto Bank S.p.A. has taken place. The previously established special purpose vehicle is named A-Best Twenty-four S.r.l.

International Financial Reporting Standards endorsed by the European Union and effective January 1st, 2024

EC endorsement regulation	Publication date	Effective as of	Description of standard/amendment
2024/1317	*May 15th, 2024*	*January 1st, 2024*	***Amendments to IAS 7 Cash Flow Statements and IFRS 7 Financial Instruments: Disclosure of Supplier Finance Arrangements.*** *On May 25th, 2023, the International Accounting Standards Board issued Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments, Disclosures: Supplier Finance Arrangements."* *These amendments introduce new disclosure requirements to improve the transparency and, therefore, the usefulness of information provided by entities on supplier finance arrangements. These amendments address the presentation of liabilities and related cash flows arising from finance arrangements, as well as the disclosures required for such arrangements. The purpose is to help financial statement users understand the effects such arrangements have on trade payables, cash flows, and liquidity risk exposure.* *The amendments clarify the characteristics of financing arrangements. In these agreements, one or more outside lenders pay the amounts the entity owes to its suppliers. The entity agrees to settle these amounts with the lenders under the terms and conditions of the agreements, on or after the same date as the lenders pay the entity's suppliers. Accordingly, the finance arrangements provide the entity with extended payment terms and the entity's suppliers with payment in advance of their original due dates.* *Different terms are used to describe these arrangements, such as supply chain finance, payables finance, and reverse factoring. Arrangements involving financial guarantees, including letters of credit used as collateral, are not considered supplier finance arrangements. Similarly, instruments used to settle amounts directly with a supplier, such as credit cards, are not supplier finance arrangements.* *The amendments will take effect for fiscal years beginning on or after January 1st, 2024.*

2023/2822	*December 19th, 2023*	*January 1th, 2024*	***Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities into Current and Non-current and the deferral of the effective date of these amendments*** *On January 23rd, 2020, the IASB issued amendments to IAS 1 Presentation of Financial Statements to clarify how to classify payables and other liabilities between current and non-current.* *The amendments aim to promote consistency in the application of the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due within one year) or non-current.* *The amendments include clarification of classification requirements for debt that a company could settle by converting it to equity.* *The amendments clarify, without making changes, existing requirements and therefore should not significantly affect companies' financial statements. However, they could result in the reclassification of some liabilities from current to non-current and vice versa.* *The amendments are effective no later than January 1st, 2024.*
2023/2579	*November 20th, 2022*	*January 1st, 2024*	***Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback.*** *On September 22nd, 2022, the International Accounting Standards Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16).* *The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising from a sale and leaseback transaction to ensure that the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use.* *A sale and leaseback transaction involves the transfer of an asset from one entity (the seller-lessee) to another entity (the buyer-lessor) and the leaseback of the same asset by the seller-lessee.* *The amendment is intended to improve the requirements for sale and leaseback transactions under IFRS 16. It does not change the accounting for leases unrelated to sale and leaseback transactions.* *The amendment applies retrospectively for fiscal years beginning on or after January 1st, 2024.*

Accounting standards, amendments and IFRS interpretations not yet endorsed by the European Union

Standard/amendment	IASB Date of Issue	Date of first-time adoption	Description of standard/amendment
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	August 15th, 2023	January 1st, 2025	Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability On August 15th, 2023, the International Accounting Standards Board (the IASB or Board) published Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates). The Amendments to IAS 21 clarify how an entity should assess the exchange rate of a currency that has low or no exchangeability. The amendments define a currency as exchangeable when the exchange occurs within a time frame that allows exchange with another currency. In addition, a currency is defined as nonexchangeable with another when the entity is only able to obtain an insignificant amount of the other currency. In such scenarios, the entity must proceed by estimating an exchange rate used in an ordinary transaction between market participants under prevailing economic conditions. When an entity estimates the exchange rate, it must provide information on how that exchange rate affects its results of operations and financial position. It must also provide information on (i) the inability to exchange one currency for another; (ii) the exchange rate used; (iii) the process of estimating the exchange rate; and (iv) the risks to which it is exposed because the currency is not exchangeable for another. When the functional currency of a foreign operation is not exchangeable with the presentation currency or the presentation currency is not exchangeable with the functional currency of a foreign operation, the entity is also required to provide the following information: 1) The name of the foreign operation and the type of control; 2) Summary financial information about the foreign operation; 3) Nature and terms of any contractual arrangements that may require the entity to provide financial support to the foreign operation.

IFRS 18 Presentation and Disclosure in Financial Statements	*April 9th, 2024*	*January 1st, 2027*	*IFRS 18 Presentation and Disclosure in Financial Statements* *On April 9th, 2024, the International Accounting Standards Board (IASB or the Board) published the new accounting standard IFRS 18 "Presentation and Disclosure in Financial Statements," which will replace IAS 1 "Presentation of Financial Statements" starting from January 1st, 2027. The new standard introduces new requirements to improve the reporting of corporate financial performance and provide investors with a better basis for analyzing and comparing the performance of different companies more easily.* *IFRS 18 introduces better comparability in the income statement, greater transparency of management-defined performance measures, and more useful grouping of information in financial statements.* *The new standard will be applicable for fiscal years beginning on or after January 1st, 2027. Early application is permitted.*
IFRS 19 Subsidiaries without Public Accountability: Disclosures	*May 9th, 2024*	*January 1st, 2027*	*IFRS 19 Subsidiaries without Public Accountability: Disclosures* *On May 9th, 2024, the International Accounting Standards Board (IASB or the Board) published the new standard IFRS 19 "Subsidiaries without Public Accountability: Disclosures," which allows subsidiaries to apply IFRSs with a reduced set of disclosure requirements.* *The proposed new Standard would be available to non-publicly accountable subsidiaries-companies that are not financial institutions or publicly traded-whose parent company prepares consolidated financial statements by applying IFRSs.* *IFRS 19 will enable subsidiaries to maintain a single set of accounting records and provide reduced disclosures that meet the needs of both the parent company and the users of their financial statements.*

Amendments to the Classification and Measurement of Financial Instruments	*May 30th, 2024*	*January 1st, 2026*	***Amendments to the Classification and Measurement of Financial Instruments*** *On May 30th, 2024, the International Accounting Standards Board (IASB) published amendments to IFRS 9 and IFRS 7: "Amendments to the Classification and Measurement of Financial Instruments" (Amendments to IFRS 9 and IFRS 7).* *The amendments clarify that a financial liability is extinguished on the settlement date and introduce an option for the derecognition of financial liabilities settled through an electronic payment system before the settlement date. Entities that adopt this option must apply it to all settlements made through the same electronic payment system.* *The proposed amendments also provide guidance on how an entity can assess whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement; enhance the description of the term "without recourse"; clarify the characteristics that distinguish contractually linked instruments from other types of instruments; and introduce additional disclosures for financial instruments with contingent features and for equity instruments classified at fair value through other comprehensive income (fair value through OCI).* *The amendments will apply to fiscal years beginning on or after January 1st, 2026. Early adoption is permitted only for the amendments related to contingent features.*

MAIN ITEMS IN THE FINANCIAL STATEMENTS

This section shows the accounting policies adopted to prepare the Half-Yearly Consolidated Condensed Financial Statements as at and for the year ended June 30th, 2024. Such description is provided with reference to the recognition, classification, measurement and derecognition of the different assets and liabilities.

1. CASH AND CASH EQUIVALENTS

The following are reported under this item: legal tender currencies, including foreign banknotes and coins; current accounts and demand deposits with Central Banks, with the exception of the mandatory reserve, as well as demand loans (current accounts and demand deposits) to Banks.

2. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

This category includes financial assets other than those classified as Financial assets at fair value through profit or loss and Financial assets measured at amortised cost. Specifically, this item includes:

- *Financial assets held for trading, essentially consisting of debt and equity securities and the positive value of derivative contracts held for trading purposes;*

- *Financial assets mandatorily measured at fair value, represented by financial assets that do not meet the requirements for measurement at amortised cost or fair value with an impact on comprehensive income. These are financial assets whose contractual terms do not provide exclusively for principal repayments and interest payments on the principal amount to be repaid (SPPI test not passed) or which are not held as part of a business model whose objective is the holding of assets for the purpose of collecting contractual cash flows ("Hold to Collect" business model) or whose objective is achieved both by collecting contractual cash flows and by selling financial assets ("Hold to Collect and Sell" business model);*

- *Financial assets designated at fair value, i.e. financial assets so defined at initial recognition and where the conditions exist. In this case, an entity may irrevocably designate a financial asset as measured at fair value through profit or loss if, and only if, doing so eliminates or significantly reduces a measurement inconsistency.*

Therefore, the following are recognised under this item:

- *debt securities and loans that are included in an Other/Trading business model (thus not attributable to the "Hold to Collect" or "Hold to Collect and Sell" business models) or that do not pass the SPPI test, including the portions of syndicated loans underwritten that, from the outset, are intended for sale and that are not attributable to a Hold to Collect and Sell business model;*
- *equity instruments - not qualifying as control, connection and joint control - held for trading purposes or for which the designation at fair value with impact on comprehensive income was not opted for upon initial recognition.*

This item also includes derivative contracts, recognised as financial assets held for trading, which are reported as assets if the fair value is positive and as liabilities if the fair value is negative. It is only possible to offset positive and negative fair values arising from outstanding transactions with the same counterparty if there is a current legal right to offset the amounts recognised in the accounts and it is intended to settle the offset positions on a net basis. Derivatives also include those embedded in complex financial contracts - where the host contract is a financial liability - that have been subject to separate recognition because:

- *their economic characteristics and risks are not closely related to the characteristics of the underlying contract;*
- *the embedded instruments, even if separated, meet the definition of a derivative;*
- *the hybrid instruments to which they belong are not measured at fair value with the related changes recognised in the Income Statement.*

According to the general rules of IFRS 9 on reclassification of financial assets (with the exception of equity securities, for which no reclassification is permitted), reclassifications to other categories of financial assets are not permitted unless the entity changes its business model for managing financial assets. In such cases, which are expected to be highly infrequent, the financial assets may be reclassified from the category measured at fair value through profit or loss into one of the other two categories under IFRS 9 (Financial Assets Measured at Amortised Cost or Financial Assets Measured at Fair Value through Profit or Loss). The transfer value is the fair value at the time of reclassification and the effects of reclassification operate prospectively from the date of reclassification. In this case, the effective interest rate of the reclassified financial asset is determined based on its fair value at the date of reclassification and this date is considered as the initial recognition date for the allocation to the different credit risk stages (stage assignment) for impairment purposes.

Initial recognition of financial assets takes place on the settlement date for debt and equity securities and on the subscription date for derivative contracts. Upon initial recognition, assets held for trading are recognised at fair value, which normally corresponds to the consideration paid, without considering transaction costs and income directly attributable to the instrument itself.

Subsequent to initial recognition, financial assets and liabilities held for trading are measured at fair value. The effects of applying this valuation criterion are recognised in the income statement, under item 80. 'Net trading income'.

In order to determine the fair value of derivative contracts listed in an active market, the market prices prevailing at the end of the period are used. In the absence of an active market, estimation methods and valuation models are used that take into account the risk factors related to the instruments and that are based on market observable data, such as interest rates. Equity securities and derivative instruments involving equity securities, which are not listed in an active market and for which fair value cannot be reliably determined in accordance with the above guidelines, are carried at cost.

Financial assets and liabilities held for trading are derecognised when the contractual rights to the cash flows from the assets and liabilities expire or when the financial asset or liability is sold, transferring substantially all the risks and rewards associated with it.

3. FINANCIAL ASSETS MEASURED AT FAIR VALUE WITH IMPACT ON COMPREHENSIVE INCOME (FVOCI)

Financial assets that meet both of the following conditions are included in this category:

- *the financial asset is held according to a business model whose objective is achieved either by collecting contractually scheduled cash flows or by selling them (the "Hold to Collect and Sell" business model), and*
- *the contractual terms of the financial asset provide, at specific dates, cash flows represented solely by principal and interest payments on the amount of principal to be repaid (passing the so-called "SPPI test").*

Also included in this item are equity instruments, not held for trading purposes, for which at initial recognition the fair value designation option was exercised with impact on the statement of comprehensive income.

Specifically, included in this item are.

- *debt securities that are attributable to a Hold to Collect and Sell business model and that have passed the SPPI test;*
- *equity investments that do not qualify as control, connection and joint control, not held for trading purposes, for which the fair value designation option has been exercised with impact on comprehensive income;*
- *loans that are attributable to a Hold to Collect and Sell business model and that have passed the SPPI test, including the portions of syndicated loans underwritten that, from origination, are intended for sale and that are attributable to a Hold to Collect and Sell business model.*

According to the general rules of IFRS 9 regarding reclassification of financial assets (with the exception of equity securities, for which no reclassification is permitted), reclassifications to other categories of financial assets are not permitted unless the entity changes its business model for managing financial assets. In such cases, which are expected to be highly infrequent, financial assets may be reclassified from the category measured at fair value through other comprehensive income to one of the other two categories under IFRS 9 (financial assets measured at amortized cost or financial assets measured at fair value through profit or loss). The transfer value is the fair value at the time of reclassification, and the effects of reclassification run prospectively from the date of reclassification. In the case of reclassification from this category to the amortized cost category, the cumulative gain (loss) recognized in the valuation reserve is considered as an adjustment to the fair value of the financial asset at the date of reclassification. On the other hand, in the case of reclassification to the fair value category with an impact on the income statement, the cumulative gain (loss) previously recognized in the valuation reserve is reclassified from equity to net income (loss) for the year.

Initial recognition of financial assets occurs on the settlement date for debt and equity securities and on the disbursement date for loans. Upon initial recognition, assets are recorded at fair value, including transaction costs or income directly attributable to the instrument itself.

Subsequent to initial recognition, assets classified at fair value with an impact on the statement of comprehensive income, other than equity securities, are measured at fair value, with the impacts resulting from the application of amortized cost, the effects of impairments, and any foreign exchange effects recognized in the statement of income, while other gains or losses resulting from a change in fair value are recognized in a specific equity reserve until the financial asset is derecognized. Upon total or partial disposal, the cumulative gain or loss in the valuation reserve is reversed, in whole or in part, to the income statement.

Equity instruments, for which we have chosen to classify them in this category, are measured at fair value, and the amounts recognized as a balancing entry in equity (statement of comprehensive income) need not be subsequently transferred to the income statement, even if they are sold. The only component referable to the equity securities in question, which is subject to recognition in the income statement, is the related dividends. Fair value is determined on the basis of the criteria already explained for Financial assets measured at fair value with impact on the income statement.

For the equity securities included in this category, which are not listed in an active market, the cost criterion is used as an estimate of fair value only residually and limited to a few circumstances, i.e., in cases where all the previously mentioned valuation methods are not applicable, or where there is a wide range of possible fair value measurements, within which cost is the most significant estimate.

Financial assets measured at fair value with an impact on comprehensive income-both in the form of debt securities and loans-are subject to the test for a significant increase in credit risk (impairment) required by IFRS 9, in the same way as assets at amortized cost, resulting in the recognition of a value adjustment in the income statement to cover expected losses. Specifically, for instruments classified as stage 1 (i.e., for financial assets at inception, if they are not impaired, and for instruments for which there has been no significant increase in credit risk since the date of initial recognition) a one-year expected loss is recognized at the date of initial recognition and at each subsequent reporting date. In contrast, for instruments classified as stage 2 (performing for which there has been a significant increase in credit risk since the initial recognition date) and stage 3 (impaired exposures), an expected loss is recognized for the entire remaining life of the financial instrument. In contrast, equity securities are not subject to the impairment process.

Financial assets are derecognized only if the transfer resulted in the substantial transfer of all risks and rewards associated with the assets. Conversely, if a significant portion of the risks and rewards associated with the transferred financial assets have been retained, they continue to be carried on the balance sheet, even if legally ownership of the assets has actually been transferred. Where the substantial transfer of risks and rewards cannot be ascertained, financial assets are derecognized if control over them has not been retained.

Otherwise, the retention, even partial, of such control results in the assets being retained in the balance sheet to the extent of residual involvement, as measured by exposure to changes in the value of the transferred assets and changes in their cash flows. Finally, transferred financial assets are derecognized if there is retention of the contractual rights to receive the related cash flows, with simultaneous assumption of the obligation to pay those flows, and only those flows, without significant delay to other third parties.

4. FINANCIAL ASSETS MEASURED AT AMORTIZED COST

This item includes the financial assets (in particular loans and debt securities) that meet both the following conditions:

- *the financial asset is held under a business model whose objective is achieved through the collection of expected contractual cash flows (Hold to Collect business model);*
- *the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI Test" passed).*

More specifically, the following are recognized in this item:

- *loans to banks in their various forms that meet the requirements referred to in the paragraph above;*
- *loans to customers in their various forms that meet the requirements referred to in the paragraph above;*
- *debt securities that meet the requirements referred to in the paragraph above.*

This category also includes the operating loans and receivables connected to the provision of financial activities and services as defined by the Consolidated Law on Banking and the Consolidated Law on Finance (e.g., for the distribution of financial products and servicing activities). According to the general rules established by IFRS 9 on the reclassification of financial assets, reclassifications to other categories of financial assets are not permitted unless the entity changes its business model for those financial assets. In such cases, which are expected to be highly infrequent, the financial assets may be reclassified from the amortized cost category to one of the other two categories established by IFRS 9 (Financial assets measured at fair value through other comprehensive income or Financial assets measured at fair value through profit or loss). The transfer value is the fair value at the time of the reclassification and the effects of the reclassification apply prospectively from the reclassification date. Gains and losses resulting from the difference between the amortized cost of a financial asset and its fair value are recognized through profit or loss in the event of reclassification to Financial assets measured at fair value through profit or loss and under Shareholders' equity, in the specific valuation reserve, in the event of reclassification to Financial assets measured at fair value through other comprehensive income.

Initial recognition of the financial asset occurs at settlement date for debt securities and at disbursement date for loans. On initial recognition, assets are recorded at fair value, including transaction costs and revenues directly attributable to the instrument.

In particular, for loans, the disbursement date is usually the same as the date of signing of the contract. Should this not be the case, a commitment to disburse funds is made along the subscription of the contract, which will cease to exist upon disbursement of the loan. The loan is recognized based on its fair value, equal to the amount disbursed or subscription price, inclusive of the costs/revenues directly attributable to the single loan and determinable from inception, even when settled at a later date. Costs that, even with the aforementioned characteristics, are reimbursed by the borrower or are classifiable as normal internal administrative costs are excluded.

After the initial recognition, these financial assets are measured at amortized cost, using the effective interest method. The assets are recognized in the balance sheet at an amount equal to their initial carrying amount less principal repayments, plus or minus the cumulative amortization (calculated using the effective interest rate method referred to above) of the difference between this initial amount and the amount at maturity (typically attributable to costs/income directly attributable to the individual asset) and adjusted by any provision for losses.

The effective interest rate is the rate that exactly discounts estimated future cash payments of the asset, as principal and interest, to the amount disbursed inclusive of the costs/revenues attributable to that financial asset. This measurement method uses a financial approach and allows distribution of the economic effect of the costs/income directly attributable to a financial asset over its expected lifetime.
The amortized cost method is not used for assets, measured at historical cost, whose short duration makes the effect of discounting negligible, or for assets without a definite maturity or revocable loans. The measurement criteria are closely linked to the inclusion of these instruments in one of the three stages of credit risk established by IFRS 9, the last of which (stage 3) consists of non-performing financial assets and the remaining (stages 1 and 2) of performing financial assets.

With regard to the accounting representation of the above measurement effects, the value adjustments for this type of asset are recognized in profit or loss:

- *on initial recognition, for an amount equal to the 12-month expected credit loss;*
- *on subsequent measurement of the asset, when the credit risk has not increased significantly since initial recognition, in relation to changes in the amount of adjustments for the 12-month expected credit losses;*

• on subsequent measurement of the asset, when the credit risk has increased significantly since initial recognition, in relation to the recognition of adjustments for expected credit losses over the contractually agreed remaining lifetime of the asset;

• on subsequent measurement of the asset, where – after a significant increase in credit risk has occurred since initial recognition – the increase is no longer "significant" due to the alignment of the cumulative value adjustments to take account of the change from a lifetime expected credit loss to a 12-month expected credit loss for the instrument.

If, in addition to a significant increase in credit risk, there is also objective evidence of impairment, the amount of the loss is measured as the difference between the carrying amount of the asset – classified as "non-performing", like all the other relationships with the same counterparty – and the present value of the estimated future cash flows, discounted using the original effective interest rate.

The amount of the loss, to be recognized through profit or loss, is established based on individual measurement or determined according to uniform categories and, then, individually allocated to each position, and, takes account of forward-looking information and possible alternative recovery scenarios. Non-performing assets include financial assets classified as bad, unlikely-to-pay or past due by over ninety days according to the rules issued by the Bank of Italy, in line with the IAS/IFRS and EU Supervisory Regulations. The expected cash flows take into account the expected recovery times and the estimated realizable value of any guarantees. The original effective rate of each asset remains unchanged over time even if the relationship has been restructured with a variation of the contractual interest rate and even if the relationship, in practice, no longer bears contractual interest.

If the reasons for impairment are no longer applicable following an event subsequent to the registration of impairment, recoveries are recorded in the income statement. The size of the recovery must not lead the carrying value of the financial asset to exceed the amortized cost had no impairment losses been recognized in previous periods. Recoveries on impairment with time value effects are recognized in net interest income. In some cases, during the lifetime of these financial assets, and of loans in particular, the original contractual conditions may be subsequently modified by the parties to the contract.

When the contractual clauses are subject to change during the lifetime of an instrument, it is necessary to verify whether the original asset should continue to be recognized in the balance sheet or whether, instead, the original instrument needs to be derecognized and a new financial instrument needs to be *recognized. In general, changes to a financial asset lead to its derecognition and the recognition of a new asset when they are "substantial".*

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognized (e.g., removed from the Group's consolidated statement of financial position) when:

- *the rights to receive cash flows from the asset have expired, or*
- *the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay and:*

  (a) the Group has transferred substantially all the risks and rewards of the asset, or

  (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

5. HEDGING TRANSACTIONS

The Group accounts for hedging transactions in accordance with the provisions of IAS 39.

Hedging transactions are aimed at neutralizing potential losses on a specific item or group of items, attributable to a certain risk, if such a risk should actually occur. The CA Auto Bank Group hedges its exposure to the interest rate risk associated with receivables arising from instalment loans and bonds issued at fixed interest rates with derivatives designated as fair value hedges.

Derivatives entered into to hedge the variable interest rate risk associated with the debt of the companies engaged in long-term rental are designated as cash flow hedges.

Only derivatives entered into with a counterparty not belonging to the Group may be treated as hedging instruments.

Hedging derivatives are stated at fair value. Specifically:

- *in the case of cash flow hedges, derivatives are recognized at their fair value, any change in the fair value of the effective part of the hedge is recognized through other comprehensive income (OCI), in item 120. "Valuation reserve" while any change in the fair value of the ineffective part of the hedge is recognized through profit or loss in item 90. "Net result of hedging activity";*

- *in the case of fair value hedges, any change in the fair value of the hedging instrument is recognized through profit or loss in item 90. "Net result of hedging activity". Any change in the fair value of the hedged item, attributable to the risk hedged with the derivative instrument, is recognized through profit and loss as an offsetting entry of the change in the carrying amount of the hedged item or at specific item for the macro-hedge.*

The fair value of derivative instruments is calculated on the basis of interest and exchange rates quoted in the market, taking into account the counterparties' creditworthiness, and reflects the present value of the future cash flows generated by the individual contracts.

Gains or losses on derivatives hedging interest rate risk are allocated either to the item 10. "Interest and similar income" or to the item 20. "Interest and similar expenses", as the case may be.

A derivative contract is designated for hedging activities if there is a formal document of the relationship between the hedged instrument and the hedging instrument and whether the hedge is effective since inception and, prospectively, throughout its life.

A hedge is effective, in a range between 80% and 125%, when the changes in the fair value (or cash flows) of the hedging financial instrument almost entirely offset the changes in hedged item with regard to the risk being hedged.

Effectiveness is assessed at every year-end or interim reporting date by using:

- *prospective tests, to demonstrate an expectation of effectiveness in order to qualify for hedge accounting;*
- *retrospective tests, to ensure that the hedging relationship has been highly effective throughout the reporting period, measuring the extent to which the achieved hedge deviates from a perfect hedge.*

If the tests fail to demonstrate hedge effectiveness, hedge accounting, as indicated above, is discontinued and the derivative contract is reclassified to held-for-trading financial assets or financial liabilities and is therefore measured in a manner consistent with its classification.

In case of macro hedging, IAS 39 permits the establishment of a fair value hedge for the interest rate risk exposure of a designated amount of financial assets or liabilities so that a Group of derivative contracts can be used to offset the changes in fair value of the hedged items as interest rates vary.

Macro hedges cannot be applied to a net position being the difference between financial assets and liabilities.

Macro hedging is considered highly effective if, at inception and in subsequent periods the changes in fair value of the hedged amount are offset by the changes in fair value of the hedging derivatives in the range of 80% to 125%.

6. INVESTMENTS

Investments in joint ventures (IFRS 11) as well as in companies subject to significant influence (IAS 28) are recognized with the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognized at cost.

If there is any evidence that the value of an investment has been impaired, the recoverable value of the investment is estimated, taking account the present value of the future cash flows that it will generate, including its disposal value.

If the recovery value is lower than book value, the difference is recorded in the income statement.

In subsequent periods, if the reasons for the impairment cease to exist, the original value may be restored through the income statement.

7. PROPERTY, PLANT AND EQUIPMENT

This item includes furniture, fixtures, technical and other equipment and assets related to the leasing business.

These tangible assets are used to provide goods and services, to be leased to third parties, or for administrative purposes and are expected to be utilized for more than one period.

The item is divided into the following categories:

- *assets for use in the business;*
- *assets held for investment purposes.*

Assets held for use in the business are utilized to provide goods and services as well as for administrative purposes and are expected to be used for more than one period. Typically, this category includes also assets held to be leased under leasing arrangements.

This item includes also assets provided by the Group in its capacity as lessor operating lease agreements.

Assets leased out include vehicles provided under operating lease agreements by the Group's long and short term car rental companies. Trade receivables to be collected in connection with recovery procedures in relation to operating leases are classified in item 130. "Other assets". Operating lease agreements with a buyback clause are also included in item 130. "Other assets".

Property, plant and equipment comprise also leasehold improvements, whenever such expenses are value accretive in relation to identifiable and separable assets. In this case, classification takes place in the specific sub-items of reference in relation to the asset.

Property, plant and equipment are initially recognized at cost, inclusive of purchase price and all the incidental charges incurred directly to purchase and to put the asset in service. Costs incurred after purchase are only capitalized if they lead to an increase in the future economic benefits deriving from the asset to which they relate. All other costs are recorded in the income statement as incurred.

Subsequently, property, plant and equipment are recognized at cost, less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis considering the remaining useful life and value of the asset.

At every reporting date, if there is any evidence that an asset might be impaired, the book value of the asset is compared with its realizable value – equal to the greater of fair value, net of any selling costs, and the value in use of the asset, defined as the net present value of future cash flows generated by the asset. Any impairment losses and adjustments are recorded in the income statement, item 210. "Impairment/reinstatement of tangible assets".

If the reasons that gave rise to the impairment no longer apply, then the loss is reversed for the amount that would restore the asset to the value that it would have had in the absence of any impairment, less accumulated depreciation.

Initial direct costs incurred in the negotiation and execution of an operating agreement are added to the leased assets in equal instalments, based on the length of the agreement.

Property, plant and equipment are derecognized upon disposal or when they are retired from production and no further economic benefits are expected from them. Any difference between the selling price or realizable value and the carrying amount is recognized through profit or loss, item 280. "Gains (losses) from the sale of investments".

8. INTANGIBLE ASSETS

Intangible assets are non-monetary long-term assets, identifiable even though they are intangible, controlled by the Group and which are likely to generate future economic benefits.

Intangible assets include mainly goodwill, software, trademarks and patents.

Goodwill represents the positive difference between the purchase cost and the fair value of the assets and liabilities acquired as part of business combinations.

In the case of software generated internally the costs incurred to develop the project are recognized as intangible assets provided that the following conditions are met: technical feasibility, intention to complete, future usefulness, availability of sufficient technical and financial resources and the ability to measure reliably the costs of the project.

Intangible assets purchased separately and/or generated internally are initially recognized at cost and, except for goodwill, are amortized on a straight-line basis over their remaining useful life.

Subsequently, they are measured at cost net of accumulated amortization and any accumulated impairment losses. The useful life of intangible assets is either definite or indefinite.

Definite-life intangible assets are amortized over their useful life and are subject to a verification of the adequacy of their value whenever there are indications of a possible loss in value. The amortization period of a definite-life intangible asset is reviewed at least once every year, at year-end. Changes in the useful life in which the future economic benefits related to the asset will materialize result in changes in the amortization period and are considered as changes in estimates. The amortization of definite-life intangible asset is recognized in the income statement in the cost category consistent with the function of the intangible asset.

Indefinite-life intangible assets, including goodwill, are not amortized but are tested every year for impairment both individually and at the level of cash generating units (CGUs). Every year (or whenever there is evidence of impairment) goodwill is tested for impairment. To this end, the cash generating unit to which goodwill is to be attributed is identified. The amount of any impairment is calculated as the difference between the carrying amount of goodwill and its recoverable value, if lower. Recoverable value is equal to the greater of the fair value of the cash generating unit, less any selling costs, and the relevant value in use.

Any adjustments are recognized in the income statement, item 270. "Goodwill impairment". No reversal of impairment is permitted for goodwill.

Intangible assets are derecognized upon disposal or when and no further economic benefits are expected from them. Any difference between the selling price or realizable value and the carrying amount is recognized through profit or loss, item 280. "Gains (losses) from the sale of investments".

9. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets and groups of assets/liabilities for which a disposal process has been initiated and their sale is considered highly probable are classified as "Non-current assets held for sale and discontinued operations" under assets and "Liabilities associated with assets held for sale" under liabilities. In the case of transactions subject to authorizations by supervisory bodies, the Group's accounting policy, assigning significant importance to such authorizations, provides for the recognition of "Non-current assets/liabilities held for sale and discontinued operations" as of the date of receipt of such (express or tacit) authorization.

These assets/liabilities are measured at the lower of their carrying amount and their fair value, net of disposal costs, except for certain types of assets - such as all financial instruments falling within the scope of IFRS 9 - for which IFRS 5 requires that the measurement criteria of the accounting standard of reference must continue to be applied.

Income and expenses attributable to groups of assets and liabilities held for sale, if they are attributable to discontinued operations (under IFRS 5), are shown in the income statement, on an after-tax basis, under item "320. Net profit (loss) from discontinued operations," while those relating to individual non-current assets held for sale are shown in the most appropriate income statement item.

"Discontinued operations" means an important segment or geographic area of activity, including as part of a single coordinated divestment program, rather than a subsidiary acquired solely with a view to reselling it.

10. CURRENT AND DEFERRED TAXATION

Tax assets and liabilities are recognized in the consolidated statement of financial position in line item 110. "Tax assets" on the asset side and line item 60. "Tax liabilities" on the liability side.

In accordance with the «Balance sheet method» current and deferred taxes are accounted for as follows:

- *current tax assets, that is payments in excess of taxes due under applicable national tax laws;*
- *current tax liabilities, or taxes payable under applicable national tax laws;*
- *deferred tax assets, that is income taxes recoverable in future years and related to:*
  - *deductible timing differences;*
  - *unused tax loss carry-forwards, and*
  - *unused tax credits carried forward.*
- *deferred tax liabilities, that is income tax amounts payable in future years due to the excess of income over taxable income due to timing differences.*

Current and deferred tax assets and liabilities are calculated by applying national tax laws in force and are accounted for as an expense (income) in accordance with the same accrual basis of accounting applicable to the costs and revenues that generated them.

Generally, deferred tax assets and liabilities arise in the cases where the deductibility of a cost or the taxability of a revenue is deferred with respect to their recognition.

Deferred tax assets and liabilities are recognized on the basis of the tax rates that, at the balance sheet date, are expected to be applicable in the year in which the asset will be realized or the liability extinguished, on the basis of the tax legislation in force, and are periodically revised to take account of any change in legislation.

Furthermore, deferred tax assets are recognized only to the extent that their recovery is envisaged through the production of sufficient taxable income by the entity. In accordance with IAS 12, the probability that there is sufficient taxable income in future should be verified from time to time. If the analysis reveals that there is no sufficient future income, the deferred tax assets are reduced accordingly.

Current and deferred taxes are recognized in the income statement, item 300. "Income tax on continuing operations", with the exception of those taxes related to items recognized, in the current or in another year, directly through equity, such as those related to gains or losses on available-for-sale financial assets and those related to changes in the fair value of cash flow hedges, whose changes in value are recognized, on an after-tax basis, directly in the statement of comprehensive income in the "Valuation reserve".

Current tax assets are shown in the balance sheet net of current tax liabilities whenever the following conditions are met:

- *existence of an enforceable right to offset the amounts recognized, and*
- *the parties intend to settle the assets and liabilities in a single payment on a net basis or to realize the asset and simultaneously extinguish the liability.*

Deferred tax assets are reported in the Statement of financial position net of deferred tax liabilities whenever the following conditions are met:

- *existence of a right to offset the underlying current tax assets with current tax liabilities, and*
- *both deferred tax assets and liabilities relate to income taxes applied by the same tax jurisdiction on the same taxable entity or on different taxable entities that intend to settle the current tax assets and liabilities on net basis (typically in the presence of a tax consolidation agreement).*

11. PROVISIONS FOR RISKS AND CHARGES

POST-EMPLOYMENT BENEFITS AND SIMILAR OBLIGATIONS

Post-employment benefits, or provisions relating to employee benefits to be paid after the termination of the employment relationship, are established in accordance with labor agreements and are qualified as defined-benefit plans.

Obligations associated with employee defined-benefit plans and the relevant pension costs associated to current employment are recognized based on actuarial estimates by applying the "Projected Unit Credit Method". Actuarial gains/losses resulting from the valuation of the liabilities of the defined-benefit plan are recognized through other comprehensive income (OCI) in the "Valuation reserve".

The discount rate used to calculate the present value of the obligations associated with post-employment benefits changes depending on the country/currency in which the liability is denominated and is set on the basis of yields, at the balance sheet date, of bonds issued by prime corporates with an average maturity consistent with that of the liability.

OTHER PROVISIONS

Other provisions for risks and charges relate to costs and charges of a specified nature and existence certain or probable, but whose amount or date of payment is uncertain on the balance sheet date.

Provisions for risks and charges are made solely whenever:

a) there is a current (legal or constructive) obligation as a result of a past event;

b) fulfilment of this obligation is likely to be onerous;

c) the amount of the liability can be reliably estimated.

When the time value of money is significant, the amount of a provision is calculated as the present value of the expenses that will supposedly be incurred to extinguish the obligation.

This item includes also long-term benefits to employees whose expenses are determined with the same actuarial criteria as those of the defined-benefit plans. Actuarial gains or losses are all recognized as incurred through profit or loss.

12. FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST

The sub-items Deposits from banks, Deposits from customers and Debt securities in issue include the financial instruments (other than financial liabilities held for trading and recognized at their fair value) issued to raise funds from external sources. In particular, Debt securities in issue reflect bonds issued by Group companies and securities issued by the SPEs in relation to receivable securitization transactions.

These financial liabilities are recognized on the date of settlement at fair value, which is normally the amount collected or the issue price, less any transaction costs directly attributable to the financial liability.

Subsequently, these instruments are recognized at their amortized cost, on the basis of the effective interest method. The only exception is short-term liabilities, as the time value of money is negligible, which continue to be recognized on the basis of the amount collected.

Financial liabilities are derecognized when they reach maturity or are extinguished. Derecognition takes place also in the presence of a buyback of previously issued securities. The difference between the carrying amount of the liability and the price paid to buy it back is recognized through profit or loss, item 100.c) "Gains (Losses) on buyback of financial liabilities".

13. FINANCIAL LIABILITIES HELD FOR TRADING

Financial liabilities held for trading include mainly derivative contracts that are not designated as hedging instruments.

These financial liabilities are recognized initially at their fair value and subsequently until they are extinguished, with the exception of derivative contracts to be settled with the delivery of an unlisted equity instrument whose fair value cannot be determined reliably and that, as such, are recognized at cost.

14. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are entered, upon initial recognition, in the reference currency by applying to the foreign currency amount the exchange rate prevailing on the transaction date.

At every interim and year-end reporting date, items originated in a foreign currency are reported as follows:

- *cash and monetary items are converted at the exchange rate prevailing at the reporting date;*
- *non-monetary items, recognized at historical cost, are converted at the exchange rate prevailing on the date of the transaction;*
- *non-monetary items, recognized at fair value, are converted at the exchange rate prevailing at the reporting date.*

Exchange rate differences arising from the settlement of monetary items and the conversion of monetary items at exchange rates other than the initial ones, or those used to translate the previous year's accounts, are recognized in the income statement as incurred.

When a gain or a loss related to a non-monetary item is recognized through other comprehensive income (OCI), the exchange rate difference related to such item is also recognized through OCI. By converse, when a gain or a loss is recognized through profit or loss, the exchange rate difference related to such item is also recognized through profit or loss.

15. INSURANCE ASSETS AND LIABILITIES

Insurance assets and liabilities that fall within the scope of IFRS 17 Insurance Contracts are classified in this category.

IFRS 17 defines insurance contracts as those contracts under which one party (the insurer) accepts a significant insurance risk from a third party (the policyholder), agreeing to indemnify the policyholder in the event that it suffers loss as a result of a specific uncertain future event (the insured event).

The Group's insurance business relates to the reinsurance of life and non-life risks of insurance policies sold by insurance companies to customers of consumer credit companies in order to protect the payment of debt.

At initial recognition, insurance contracts are recognised as the algebraic sum of the present value of all expected contractual cash flows (Present Value Future Cash Flow), discounted to present value and including an appropriate Risk Adjustment (for non- financial risks) and the Contractual Service Margin, which represents the present value of future profits. Included in estimates of the present value of future cash flows relating to the group of reinsurance contracts held is the effect of the risk of default by the issuer of the reinsurance contract, including the effects of collateral and litigation losses.

At the end of each reporting period, the carrying amount of the group of insurance contracts is equal to the sum of:

- *liability for residual cover comprising the fulfilment cash flows relating to future services allocated to the group at that date, the margin on the group's contractual services at that date;*
- *incurred claims liability comprising the fulfilment cash flows relating to past services allocated to the group at that date.*

Revenues and expenses are recognised for the following changes in the carrying amount of the liability for residual coverage:

- *insurance revenue: for the reduction in the liability for residual coverage due to services provided during the period;*
- *insurance service costs: for losses on onerous groups of contracts and recoveries of those losses;*
- *revenues or costs of a financial nature related to insurance contracts: for the effect of the time value of money and the effect of financial risk.*

Revenues and expenses are recognized for the following changes in the carrying amount of the liability for claims incurred:

- *costs for insurance services: for the increase in the liability due to claims incurred and for costs incurred during the period, excluding investment components;*
- *costs for insurance services: for subsequent changes in the fulfilment cash flows related to incurred claims and costs incurred; and*

- *income or expenses of a financial nature related to insurance contracts: for the effect of the time value of money and the effect of financial risk.*

The margin on contractual services at the end of the reporting period represents the profit of the group of insurance contracts not yet recognised in profit (loss) for the period as it relates to the service to be provided under the group's contracts in the future.

In summary, as defined and governed by IFRS 17, they are recognized:

- *under item 80 "Insurance assets", reinsurance cession contracts belonging to portfolios of reinsurance cession contracts, which, according to the sign of the closing balance, constitute assets;*
- *under item 110 "Insurance liabilities" reinsurance cession contracts belonging to portfolios of reinsurance cession contracts which are, according to the sign of the closing balance, liabilities;*
- *in items 160 "Result from insurance services" and 170 "Balance of income and expenses of a financial nature relating to insurance operations" of the income statement:*

  (i) the balance of income and expenses for insurance services from reinsurance ceded;

  (ii) the amount recovered from reinsurers and the positive/negative balance of write-backs and write-downs related to expected losses arising from the risk of default by the reinsurer;

  (iii) commissions/other acquisition costs charged fully to profit or loss;

  (iv) the balance, whether positive or negative, of changes in the balance sheet value of reinsurance ceded associated with the effects and changes in the financial risks associated with the cash flows of reinsurance ceded, other than those that are recognized in other comprehensive income.

16. OTHER INFORMATION

EMPLOYEE SEVERANCE FUND

The CA Auto Bank Group has established different defined-benefit and defined- contribution pension plans, in line with the conditions and practices in the countries in which it carries out its activities.

In Italy, the Employee severance fund is treated as "post-employment benefits", classified as:

- *"defined-contribution plan" for the severance amounts accrued to employees as of January 1st, 2007 (effective date of Legislative Decree no. 252 on the reform of supplementary pension funds), both in case the employee exercised the option to allocate the sums attributable to him/her to supplementary pension funds and in case the employee opted for the allocation of these sums to INPS's Treasury fund. For these sums, the amount accounted for as personnel expenses is determine on the basis of the contributions due without applying actuarial calculation methods;*
- *defined-benefit plan", recognized on the basis of its actuarial value as determined by using "the projected credit unit method", for the severance amounts accrued until December 31st, 2006. These amounts are recognized on the basis of their actuarial value as determined by using "the projected credit unit method". To discount these amounts to present value, the discount rate was determined on the basis of yields of bonds issued by prime corporates taking into account the average remaining duration of the liability, as weighted by the percentage of any payment and advance payment, for each payment date, in relation to the total amount to be paid and paid in advance until the full amount of the liability is extinguished.*

Costs related to the employee severance fund are recognized in the income statement, item 190. "Administrative expenses: a) personnel expenses" and include, for the part relating to the defined-benefit plan:

(i) service costs related to companies with less than 50 employees;

(ii) interest cost accrued for the year, for the defined-contribution part;

(iii) the severance amounts accrued in the year and credited to either the pension funds or to INPS's Treasury fund.

On the statement of financial position, item 90. "Employee severance fund" reflects the balance of the fund exiting at December 31st, 2006, minus any payment made until December 31st, 2023. Item 80. "Other liabilities" – "Due to social security institutions" shows the debt accrued at December 31st, 2023 relating to the severance amounts payable to pension funds and INPS's Treasury fund.

Actuarial gains and losses, reflecting the difference between the carrying amount of the liability and the present value of the obligation at year-end, are recognized through equity in the Valuation reserve, in accordance with IAS 19 Revised.

REVENUE RECOGNITION

Revenues are recognized when they are received or, otherwise, when it is probable that future benefits will be received and these benefits can be reliably measured. In particular, interest on loans to customers, commission income and interest from banks are classified under interest and similar income from loans to banks and customers and are recognized at amortized cost, using the effective interest method.

Commissions and interest received or paid related to financial instruments are accounted for on an accrual basis. Fees and commissions considered in amortized cost for the purpose of determining the effective interest rate are excluded, and are recognized instead as interest income or expense, as the case may be.

Revenues from services are recognized when the services are rendered.

Dividends are recognized in the year in which their distribution is approved.

COST RECOGNITION

Costs are recognized as they are incurred. Costs attributable directly to financial instruments measured at amortized cost and determinable since inception, regardless of when the relevant outlays take place, flow to the income statement via application of the effective interest rate.

Impairment losses are recognized in the income statement as incurred.

FINANCE LEASES

Lease transactions are accounted for in accordance with IFRS 16.

In particular, recognition of a lease agreement as a lease transaction is based on the substance that the agreement on the use of one or more specific assets and whether the agreement transfers the right to use such asset.

A lease is a finance lease if it transfers all the risks and benefits incidental to ownership of the leased asset, if it does not, then a lease is an operating lease.

For finance lease agreements where the CA Auto Bank Group acts as lessor, the assets provided under finance lease arrangements are reported as a receivable in the statement of financial position for a carrying amount equal to the net investment in the leased asset, whereas all the interest payments are recognized as interest income (finance component in lease payments) in the income statement while the part of the lease payment relating to the return of principal reduce the value of the receivable.

USE OF ESTIMATES

Financial reporting requires use of estimates and assumptions which might determine significant effects on the amounts reported in the statement of financial position and in the income statement, as well as the disclosure of contingent assets and liabilities reported in the balance sheet.

The preparation of these estimates implies the use of the information available and subjective assessments, based on historical experience, used to make reasonable assumptions to record the transactions.

By their nature, the estimates and assumptions used may vary from one year to the next and, as such, so may the carrying amounts in the following years, significantly as well, as a result of changes in the subjective assessments made.

The main cases where subjective assessments are required include:

- *quantification of losses on loans and receivables, investments and, in general, on financial assets;*
- *evaluation of the recoverability of goodwill and other intangible assets;*
- *quantification of employee provisions and provisions for risks and charges;*
- *estimates and assumptions on the recoverability of deferred tax assets.*

The estimates and assumptions used are periodically and regularly updated by the Group. By converse, variations in actual circumstances could require that those estimates and assumptions are subsequently adjusted.

The impacts of any changes in estimates and assumptions are recognized directly in profit or loss in the period in which the estimates are revised, if the revision impacts only that period, or also in future periods, if the revision impacts both the current and future periods.

Following are the key considerations and assumptions made by management in applying IFRS and that could have a significant impact on the amounts recognized in the Consolidated Financial Statements or where there is significant risk of a material adjustment to the carrying amounts of assets and liabilities during a subsequent financial period.

RECOVERABILITY OF DEFERRED TAX ASSETS

The CA Auto Bank Group had deferred tax assets on deductible temporary differences and theoretical tax benefits arising from tax loss carry forwards. The Group has recorded this amount because it believes that it is likely to be recovered.

In determining this amount, management has taken into consideration figures from budgets and forecasts consistent with those used for impairment testing and discussed in the preceding paragraph on the recoverable amount of the assets.

Moreover, the contra accounts that have been recognized are considered to be sufficient to protect against the risk of a further deterioration of the assumptions in these forecasts, taking account of the fact that the net deferred assets so recognized relate to temporary differences and tax losses which, to a significant extent, may be recovered over a very long period, and are therefore consistent with a situation in which the time needed to exit from the crisis and for an economic recovery to occur extends beyond the horizon implicit in the above-mentioned estimates.

PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS

Employee benefit liabilities with the related assets, costs and net interest expense are measured on an actuarial basis, which requires the use of estimates and assumptions to determine the net liabilities or net assets.

The actuarial method takes into consideration parameters of a financial nature such as the discount rate and the expected long-term rate of return on plan assets, the growth rate of salaries as well as the likelihood of potential future events by using demographic assumptions such as mortality rates, dismissal or retirement rates.

In particular, the discount rates selected are based on yields curves of high-quality corporate bonds in the relevant market. The expected returns on plan assets are determined considering various inputs from a range of advisors concerning long-term capital market returns, inflation, current bond yields and other variables, adjusted for any specific aspects of the asset investment strategy. Salary growth rates reflect the Group's long-term actual expectation in the reference market and inflation trends.

Changes in any of these assumptions may have an effect on future contributions to the plans.

CONTINGENT LIABILITIES

The Group makes provisions for pending disputes and legal proceedings when it is considered probable that there will be an outflow of funds and when the amount of the losses arising therefrom can be reasonably estimated. If an outflow of funds becomes possible but the amount cannot be estimated, the matter is disclosed in the notes. The Group is the subject of legal and tax proceedings covering a range of matters which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the outflow of funds which will result from such disputes. Moreover, the cases and claims against the Group often derive from complex and difficult legal issues which are subject to a different degree of uncertainty, including the facts and circumstances inherent in each case, jurisdiction, and different applicable laws, which are carefully analyzed.

TREATMENT OF FACTORING TRANSACTION WITH CONTINUING INVOLVEMENT

As a result of this type of transaction, which is considered a non-recourse assignment, the Bank has a residual involvement in the transferred financial asset, as contractually towards the factor there are obligations inherent in the transferred receivables.

For the purposes the application of the provisions of IFRS 7, in Part E of Consolidated Financial Statements as of December 31st , are provided qualitative and quantitative Information.

SELF-SECURITIZATION TRANSACTIONS

As of the closing date of the Consolidated Financial Report for six months, it should be noted that CA Auto Bank has entered into three self-securitization transactions, wherein it has purchased all the securities issued. These transactions were initiated in compliance with the retention requirements provided for by the European Securitization Regulation.

The financial assets underlying the securities issued pertain to portfolios of installment loans (autoloans) resulting from consumer credit activity for the purchase of cars, portfolios of receivables arising from the leasing business and portfolios of installment loans (autoloans) and receivables arising from leasing activities.

PILLAR II

The new international tax rules established by the OECD, aimed at subjecting large international groups to additional taxation when the Effective Tax Rate (ETR) of a jurisdiction in which they are established is less than 15%, came into force on 1 January 2024.

The first financial year in which these rules apply is 2024.

On the basis of the provisions of the European Directive adopted at the end of 2022 and its transposition in the countries of the European Union, the Group has estimated the additional GloBE tax for the first half of 2024.

Given the non-material results of this estimate, the Group does not expect to recognize any additional GloBE tax at June 30th 2024.

In addition, in accordance with the amendments to IAS 12, published on May 23rd 2023 by the IASB and adopted by the European Union on November 8th 2023, the Group is applying the mandatory and temporary exception to the recognition of deferred tax relating to the implementation of the GloBE rules.

DISCLOSURE ON TRANSFERS BETWEEN PORTFOLIOS OF FINANCIAL ASSETS

No transfers between portfolios were made during the semester.

FAIR VALUE DISCLOSURE

The disclosure on fair value changes required by IFRS 13 applies to financial instruments and non-financial assets and liabilities that are measured at fair value on a recurring or non-recurring basis.

The standard classifies fair value according to three levels, based on the observability of inputs used in the valuation:

- *Level 1 (L1): quotations (without adjustments) observed in an active market – as defined by IFRS 9 – for the assets or liabilities being measured;*
- *Level 2 (L2): inputs other than quoted prices included within Level 1, which are observable directly (prices) or indirectly (derived from prices) in the market;*
- *Level 3 (L3): inputs that are not based on observable market data.*

The methodologies adopted by the Company for the determination of fair value are illustrated below.

Financial instruments classified as Level 1 (L1), whose fair value is represented by market value (instruments quoted in an active market), refer to:

- *Bonds issued by CA Auto Bank S.p.A. through the Irish branch and the Swiss subsidiary under the Euro Medium Term Notes program and quoted on regulated markets (Item 10. "Financial liabilities measured at amortized cost – c) Securities in issue");*
- *Quoted securities issued in the context of public or private securitization operations, originated by various entities of the Group (Item 10. "Financial liabilities measured at amortized cost – c) Securities in issue").*

For quoted securities issued in the context of securitization operations, reference is made to prices quoted by Bloomberg.

Financial assets and liabilities classified as Level 2 (L2), whose fair value is determined using inputs other than quoted prices in an active market, which are observable directly (prices) or indirectly (derived from prices) in the market, refer to:

- *OTC derivatives for trading to hedge securitization operations;*
- *OTC derivatives contracted to hedge the loan portfolio of the Group's companies;*
- *Loans to banks, the fair value for this item is determined for disclosure purposes only.*

The loan portfolio to customers (Item 40. "Financial assets measured at amortized cost – b) Loans to customers"), financial debts, and other unquoted issued securities are classified as Level 3 (L3), for which fair value is determined for disclosure purposes only.

Derivatives are valued according to the discounted cash-flows methodology using market rate curves provided by Bloomberg.

As required by IFRS 13, to determine the fair value, the CA Auto Bank Group also considers the effect of default risk, which includes both changes in the counterparty's creditworthiness and changes in the issuer's own creditworthiness.

In particular:

- *Credit Value Adjustment (CVA) is a negative value that takes into account scenarios where the counterparty defaults before the Company and the Company has a positive exposure to the counterparty. In such scenarios, the Company incurs a loss equal to the replacement cost of the derivative itself.*
- *Debt Value Adjustment (DVA) is a positive value that takes into account scenarios where the Company defaults before the counterparty and has a negative exposure to the counterparty. In such scenarios, the Company benefits from a gain equal to the replacement cost of the derivative itself.*

The valuation of securities in circulation is derived from prices published on Bloomberg.

For listed and unquoted securities, reference is made to quoted prices, using equivalent transactions as a benchmark.

For securities issued in private securitization transactions, reference is made to prices provided by leading banks active in the market using equivalent transactions as a benchmark, or to the nominal value of the security, or the fair value attributed by the bank counterparty that underwrote the securities.

The Group uses valuation methods (Mark to Model) in line with generally accepted and market-utilized methods. The valuation models include techniques based on the discounting of future cash flows and the estimation of volatility, and they are reviewed both during their development and periodically to ensure full consistency with the valuation objectives.

These methodologies use inputs based on prices formed in recent transactions of the instrument being evaluated and/or prices/quotes of instruments with similar characteristics in terms of risk profile.

A.4.1 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, universally recognized valuation models, which refer to observable market parameters, have been defined. Derivative contracts are valued using specific calculation algorithms, depending on the type of the various categories of operations.

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

A.4.2 Processes and Sensitivity of measurement

The definition of the fair value category for the financial instruments presented in the financial statements is as follows: absolute priority is given to official prices that are available on active markets for the 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 calculated based on valuation techniques that reference unobservable market parameters and, therefore, are more discretionary (Level 3).

A.4.3 Fair Value Hierarchy

During the period, there were no transfers between fair value levels.

A.4.4 Other Information

There are no situations as specified in IFRS 13 paragraphs 51, 93 (i), and 96.

A.4.5 Fair Value Hierarchy

A.4.5.1 Assets and Liabilities Valued at Fair Value on a Recurring Basis: Breakdown by Fair Value Levels

Assets/Liabilities measured at fair value	06/30/2024			12/31/2023		
	L1	L2	L3	L1	L2	L3
1. Financial assets measured at fair value through profit or loss of which:	-	870	-	-	9,187	-
a) Financial assets held for trading	-	870	-	-	9,187	-
b) Financial assets designated at fair value	-	-	-	-	-	-
c) Other financial assets mandatorily measured at fair value	-	-	-	-	-	-
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-
3. Hedge derivatives	-	231,822	-	-	263,105	-
4. Property, plant and equipment	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-
Total	-	232,692	-	-	272,292	-
1. Financial liabilities held for trading	-	2,385	-	-	10,925	-
2. Financial liabilities designated at fair value	-	-	-	-	-	-
3. Hedge derivatives	-	48,550	-	-	162,514	-
Total	-	50,935	-	-	173,439	-

Legend:

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

A.4.5.4 Assets and Liabilities Not Measured at Fair Value or Measured at Fair Value on a Non-Recurring Basis: Breakdown by Fair Value Levels

Assets/Liabilities not measured at fair value or measured at fair value on a non-recurring basis	06/30/2024				12/31/2023			
	VB	L1	L2	L3	VB	L1	L2	L3
1. Financial assets at amortized cost	26,047,225	-	129,045	25,741,237	24,730,917	-	134,849	24,466,424
2. Financial assets available for sale	-	-	-	-	-	-	-	-
3. Non-current assets and disposal groups classified as held for sale	-	-	-	-	-	-	-	-
Total	26,047,225	-	129,045	25,741,237	24,730,917	-	134,849	24,466,424
1. Financial liabilities at amortized cost	27,413,938	6,732,254	-	20,514,204	26,532,431	7,091,713	-	19,151,660
2. Liabilities associated with assets classified as held for sale	-	-	-	-	-	-	-	-
Total	27,413,938	6,732,254	-	20,514,204	26,532,431	7,091,713	-	19,151,660

Legend:

BV=Book Value L1 = Level 1 L2 = Level 2 L3 = Level 3

Credit risk

The CA Auto Bank Group's cost of risk is a function of such factors as:

- *core business activities: support to the dealer network, loans and leases and mobility offerings for end customers;*
- *conservative credit acceptance policies, supported by ratings, scores, decision engines;*
- *monitoring of credit performance, with prompt detection of performance deterioration situations through early warning indicators;*
- *effective credit collection actions.*

This makes it possible to maintain a low level of non-performing loans and customers/contracts showing a risk increase.

For the first half of 2024, the risk cost performance remains extremely positive, at 0.47% of average loans, although it has slightly increased compared to December 2023.

Credit Quality

Item 40.b) – Loans and receivables to customers (€/thousand)

	06/30/.2024			12/31/2023		
Description	Gross exposures	Allowance for loan and lease	Net exposure	Gross exposures	Allowance for loan and lease	Net exposure
- Bad debt exposures	189,203	(99,438)	89,765	114,604	(72,415)	42,189
- Unlikely to pay	117,251	(46,668)	70,583	72,807	(30,512)	42,294
-Non Performing Past Due	363,424	(115,644)	247,780	310,851	(105,406)	205,446
Non performing loans	669,878	(261,750)	408,128	498,262	(208,333)	289,929
Performing Loans	25,663,419	(153,368)	25,510,051	24,466,310	(160,171)	24,306,139
Total	26,333,297	(415,118)	25,918,179	24,964,572	(368,504)	24,596,068

Description	06/30/2024 Gross exposure weight	06/30/2024 Net exposure weight	06/30/2024 Coverage ratio	12/31/2023 Gross exposure weight	12/31/2023 Net exposure weight	12/31/2023 Coverage ratio
- Bad debt exposures	0.72%	0.35%	52.56%	0.46%	0.17%	63.19%
- Unlikely to pay	0.45%	0.27%	39.80%	0.29%	0.17%	41.91%
-Non Performing Past Due	1.38%	0.96%	31.82%	1.25%	0.84%	33.91%
Non performing loans	2.54%	1.57%	39.07%	2.00%	1.18%	41.87%
Performing Loans	97.46%	98.43%	0.60%	98.00%	98.82%	0.65%
Total	100.00%	100.00%	1.58%	100.00%	100.00%	1.48%

The credit quality in 2024 is influenced by the transformation of CA Auto Bank from Stellantis' captive bank into an independent and multi-brand bank, 100% controlled by Crédit Agricole Consumer Finance. This transition involves a change in the network of reference dealers and an increase in the portfolio of used vehicle financing (which is riskier compared to new vehicle financing). Due to these factors (for which markets have implemented a series of actions, including stricter acceptance rules, new anti-fraud controls, and strengthened collection practices), the incidence of net non-performing loans increased from 2.00% to 2.54% of the total portfolio. The net exposure of these loans amounts to €408 million out of a total of over €26 billion in customer loans.

As of the end of June 2024, the total value adjustments amount to €415 million, compared to €368 million for the previous year. The gross exposure of impaired loans stands at €669 million at the end of the period, compared to €669 million as of December 31st, 2023.

Legal risk

In Germany, the tax audit of the German subsidiary (years 2017, 2018 and 2019 before it was transformed into a branch of CA Auto Bank S.p.A.) was closed with a notice of assessment served in April 2024 for approximately €12 million in taxes and €800,000 in interest for transfer pricing adjustments.

An appeal was filed against said notice of assessment and at the same time an application for a stay of execution was requested; the stay of execution was approved by the German tax authorities in May.

Since this is a transfer pricing adjustment resulting from the German tax authority's rejection of the content of the unilateral ruling signed by CA Auto Bank with the Italian Revenue Agency on the subject of the spreads charged to affiliates on loans granted to them, the Bank and the German subsidiary (now branch) are preparing an application to file for MAP (Mutual Agreement Procedure) in order to reach a settlement of this double taxation issue.

No provision is therefore necessary as a result of the forthcoming opening of the previously described procedure.

With regard to the tax audit report dated September 29th, 2022, in which the Guardia di Finanza charged CA Auto Bank S.p.A. with the failure to regularize VAT on exempt invoices issued by dealers, in relation to certain intermediation fees within the framework of promotional campaigns, was ended.

The conclusion came as a result of two agreements signed with the Revenue Agency, the first in September 2023 for the years 2017, 2018 and 2019 and the second in May 2024 for the year 2016.

Thus, there is no longer any tax risk for this case.

Italian Antitrust Authority (AGCM)

On May 9th, 2024, Drivalia S.p.A. was notified by the AGCM (Antitrust Authority), along with other sector operators, of the termination of proceedings regarding the allegedly vexatious nature of the administrative fees charged for managing customers' traffic fines. The Authority imposed a fine of €4.3 million.

The Company will appeal and request a suspension of the penalty (within 60 days of the ruling), citing strong legal and substantive grounds for the challenge.

While respecting the AGCM's work, the Company believes that the allegations in the order are inaccurate and flawed in many respects, and that it has solid defensive arguments.

The Company considers the grounds for appeal pertinent and worth pursuing. The administrative costs in question are justified and are neither abusive nor excessive, as rental companies incur significant costs and undertake substantial activities to manage traffic tickets. These costs were duly documented during the investigation phase but this evidence was completely ignored by the Authority.

Pending the final decision, following the appeal proceeding, Drivalia S.p.A. suspended the application of these fees from the beginning of the second quarter of 2024. Meanwhile, the Company has initiated an internal project to review and harmonize all terms and conditions with the latest regulatory provisions and market best practices.

Measurement methods for expected losses

With the implementation of IFRS 9 for both Wholesale Financing and Retail Financing operations, and a simplified approach for the rental business, the Bank's provisioning policies now rely on covering loans within a forward-looking expected loss rationale. Additionally, in 2021, updates were made to both the basic models and the forward-looking Retail and Wholesale Financing models to incorporate changes introduced by the New Definition of Default (NDD).

The Expected Credit Loss (ECL) is calculated as follows:

ECL= PDxLGDxEAD

- *Probability of default (PD). The probability that a counterparty or contract will go into default within a pre-defined time horizon;*
- *Loss given default (LGD). The amount of loss the Bank would suffer, given the probabilities of a counterparty or contract going into default over a defined time horizon;*
- *Exposure at default (EAD). The exposure at the time of the occurrence of default.*

The Portfolio is divided into 3 buckets, with a classification of loans into stages according to the level and change over time of credit risk.

The change in stage can thus result from either a deterioration in credit risk or an improvement in credit risk.

CA Auto Bank has developed two impairment models for the Wholesale Loans and Retail Loans business, respectively.

In both businesses, the Loss Given Default (LGD) model estimates the expected loss if the counterparty goes into default.

For the Retail Financing business, the LGD is equal to the Probability of Loss (PL) multiplied by the Loss Given Loss (LGL):

*LGD=PL*LGL*

where:

PL represents the probability that a contract that has entered default will incur a loss (write off or managerial) within the next 60 months:

$$PL = \frac{\begin{array}{c}\textit{All contracts that defaulted 60 months beore the observation date}\\ \textit{that subsequently went into loss during the followiong 60 months}\end{array}}{\textit{All contracts that defaulted 60 months beore the observation date}}$$

LGL is the expected portion of EAD of a contract that will be lost if a contract goes into loss (last 36 months loss). The LGL is equal to:

$$LGL = \frac{\begin{array}{c}(\textit{Sum of EAD of all contracts that went into loss during the previous 36 months})\\ (\textit{Sum of all inflows, discounted to the moment of default, collected after the default event}\\ \textit{for contracts that went into loss during the previous 36 months})\end{array}}{\textit{Sum of EAD of all contracts that went into loss during the previous 36 months}}$$

For the Wholesale Financing business, the Workout LGD involves determining the Loss Given Default Rate (LGDR) as complementary to 1 of the recovery rate from the date of default:

LGDR = 1 - RR

Where RR is the Recovery Rate, expressed as a percentage of the EAD.

The Recovery Rate parameter was calculated for different macro product clusters based on the total of CA Auto Bank parameter meter data.

To incorporate the forward-looking impact on ECL, two satellite models were developed, one for Retail Financing and one for Wholesale Financing.

The output of the forward-looking models is a "calibrated PD," which considers the forward- looking aspects based on two macroeconomic scenarios: the base scenario and the adverse scenario.

To build these two scenarios, a significance analysis was conducted, and specific macroeconomic variables (e.g., GDP) were used for both the Retail Financing model and the Wholesale Financing model. The forward-looking values were updated with a weight of 55% for the base scenario and 45% for the adverse scenario, applying to both the Retail Financing product and the Wholesale Financing product.

In Q2 2023, the forward-looking impact was updated based on the NDD Forward Looking models, which were fed with Q1 2023 macroeconomic scenarios. The total impact on the cost of risk is in the amount of €5 million.

The provision models are subject to validation by the Risk & Permanent Control department, in accordance with company procedures 12G.29 (Model Risk Management procedure) and 12G.34 (Initial and Periodic Validation of Models procedure), along with the related manuals (12G.35 - Initial and Periodic Validation of Models Retail handbook and 12G.36 - Initial and Periodic Validation of Models Dealer Financing handbook).

The purpose of this validation process is to ensure the adequacy and accuracy of the methodological choices adopted by the group in the provision models and to confirm their validity.

Significant increase in credit risk

IFRS 9 requires the Bank to identify elements of deterioration in the credit quality of financial instruments.

The staging model should incorporate major qualitative and quantitative indicators that capture any significant deterioration in the quality of each exposure.

CA Auto Bank Group's staging was developed by combining regulatory requirements and business characteristics.

For Retail Financing, past due information is considered the most reliable in identifying any significant credit risk increases. Therefore, there is a "rebuttable presumption" that credit risk is significantly increased from initial recognition when the contract installment is more than one day past due.

In the Wholesale Financing business, the signal of significantly increased credit risk is based on days past due and the customer's presence on the "watch list." The watch list monitors the client's conduct over the life of the contract.

Credit risk monitoring framework

Each Market must have an adequate and effective monitoring system to ensure that the information related to its credit risk exposures, borrowers, and collateral is relevant and up-to-date, and that the reporting is reliable, complete, current, and timely.

The monitoring system should enable each Market to manage and monitor its credit risk exposures in alignment with its credit risk appetite, strategy, policies, and procedures at both the portfolio and, where relevant and material, individual exposure levels. The credit risk monitoring system must be clearly defined and documented in the local repository and procedures.

The credit risk monitoring framework covers the following:

- *The payment record of borrowers (including the presence of past due receivables, seniority of past due receivables, etc.);*
- *Credit risk associated with both the borrower and the transaction in relation to:*
    - *Group of connected customers;*
    - *Portfolio categories (e.g., new and used retail, Wholesale financing for new vehicles and parts);*
- *Loan loss provisions, write-offs, and the level of credit coverage.*

The monitoring system and data infrastructure are relevant to tracking the credit decision- making process, which includes, among other things, monitoring and reporting of all credit decisions, exceptions to credit policies, and escalations to higher levels of credit decision- makers (e.g., approved, rejected, and suspended requests; number of requests approved at the market level or managed at HQ level).

GOODWILL IMPAIRMENT TEST

According to IAS 36, all indefinite-life intangible asset must be tested for impairment at least annually, to verify the recoverability of their amount.

In addition, IAS 36 states that the results of the annual test may be considered valid for subsequent valuations, provided that the probability that the recoverable amount of the intangible asset is less than its carrying amount is considered remote.

The assessment may be based on the analysis of events and circumstances that have changed since the most recent annual impairment test conducted. On the basis of the statements of aforementioned standard, the CA Auto Bank Group has chosen to carry out an impairment test on indefinite-life intangible asset as of December 31st of each year: the results of the aforementioned tests may be considered valid for subsequent interim situations, unless evidence emerges that requires an impairment test to be carried out in advance to ascertain the recoverability of the value.

The analyses carried out at June 30th, 2024, did not indicate the need to make any impairment adjustments to the Goodwill recognized in the financial statements.

It is noted that part of the Goodwill is related to the Mercury operations carried out in the second half of 2023, specifically in the month of August.

As of the reporting date of the Consolidated Half-Year Financial Report, it is noted that in the second half of 2023, specifically in August, Drivalia S.p.A. acquired 100% of the capital of Drivalia Lease Czech Republic s.r.o., Drivalia Lease Ireland Ltd, Drivalia Lease Norge AS, and Drivalia Lease Finland Oy. The total consideration paid for the acquisition of the shares of these subsidiaries amounted to 252 million. Following this acquisition, these companies have become part of the CAAB Group.

The transaction is classified as a business combination according to the international accounting standards IAS/IFRS, specifically IFRS 3, which requires the application of the purchase method. According to IFRS 3, the acquiring entity must allocate the cost of the combination to the acquired assets and assumed liabilities, including any contingent liabilities, measured at fair value (so-called "Purchase Price Allocation" – "PPA"). Any unallocated positive/negative difference represents, respectively, the "goodwill" to be recorded on the balance sheet as an intangible asset, or the "bargain purchase" to be credited to the income statement as a gain realized from the acquisition.

During the final allocation of the PPA, evaluations will be carried out to potentially identify and value specific intangibles related to the transaction and the fair value of the acquired assets and liabilities. In this regard, appropriate assessments are underway to enable the correct evaluation of these assets.

Items (€/000)	Drivalia Lease Czech Republic s.r.o. 01/08/2023	Drivalia Lease Ireland Ltd 01/08/2023	Drivalia Lease Norge AS 01/08/2023	Drivalia Lease Finland Oy 01/08/2023	Total
Assets					
Cash and cash equivalents	1,187	2,700	8,400	-	12,287
Financial assets at amortized cost	20,873	14,300	12,100	12,261	59,534
- leases and loans to customers	20,873	14,300	12,100	12,261	59,534
- loans and deposits with banks					-
Property, plant and equipment	457,923	156,100	217,300	463,424	1,294,747
Intangible assets	-	-	-	-	-
Tax assets:	-	900	-	-	900
- current		900			900
Other assets	22,145	600	12,500	10,631	45,876
Total assets	502,128	173,700	250,300	486,316	1,412,444
Liabilities					
Financial liabilities at amortized cost	368,850	133,100	202,100	358,334	1,062,384
- deposits from banks	356,393	125,600	201,600	339,267	1,022,860
- deposits from customers	12,457	7,500	500	19,067	
Tax liabilities:	39,855	-	11,100	22,465	73,420
- current	39,855	-	11,100	22,465	73,420
Other liabilities	15,609	487	17,106	42,146	75,348
Provision for employee severance pay					-
Provisions for risks and charges	814	7,200			8,014
Total liabilities	425,128	140,787	230,306	422,945	1,219,166
Equity	77,000	33,813	19,994	63,371	194,178

As a result, no amount has not yet been allocated to the balance sheet at June 30th 2024 as intangible as the net fair value of the assets and liabilities acquired is provisionally considered to be equal to the net book equity resulting from the situation at the date of purchase August 1st 2023, amounting to €194 million as shown in the following table:

Items (€/000)	Drivalia Lease Czech Republic s.r.o. 01/08/2023	Drivalia Lease Ireland Ltd 01/08/2023	Drivalia Lease Norge AS 01/08/2023	Drivalia Lease Finland Oy 01/08/2023	Total	
Shareholders' equity as at date	77,000	33,813	19,994	63,371	194,178	A
Overall fair value difference - interim data	-	-	-	-	-	B
Fair value of assets and liabilities subject to acquisition - interim data	77,000	33,813	19,994	63,371	194,178	C=A+B
Transfer fee - interim data	110,000	51,160	26,286	65,000	252,446	D
Goodwill	33,000	17,347	6,292	1,629	58,268	E = C - D

In conclusion, with reference to the business combination under consideration, as detailed in the table above, the difference between the cost of the combination (€252.4 million) and the fair value of the acquired assets and assumed liabilities (provisionally determined at €194 million, as indicated above) is negative by €58 million. This difference has been provisionally recorded as Goodwill under the "Intangible Assets" section.

As of the date of this interim consolidated report, the final PPA allocation activity for the four companies is in the process of being completed.

Business combinations involving companies or branches of companies

Transactions carried out during the period

As already highlighted in the significant events section of the Management Report, on January 1st, the CA Auto Bank France acquired the business unit of Sofinco Auto Moto Loisirs for a price of €18.2 million, referred to over 350 employees and the related contractual relationships, as well as exclusive rights to the new car financing business in France.

The acquisition of Sofinco Auto Moto Loisirs is considered strategic and significant for the Group, aiming to position itself as the second largest player in the French market for auto and mobility financing.

On January 1st, a provisional Goodwill of €26.3 million was posted under intangible assets; as previously described for the acquisition of Mercury, the PPA exercise is currently undergoing to determine the fair value of the assets and liabilities, as well as to identify any latent intangible values that could not be individuated at the time of acquisition.

If a higher or lower fair value of the identifiable acquired assets and assumed liabilities emerge following the completion of the PPA process, such a difference, taking into account the tax effect, will adjust the provisional goodwill value recorded in this financial statement.

RELATED-PARTY TRANSACTIONS

INFORMATION ON RELATED PARTY TRANSACTIONS

Related party transactions were carried out under conditions equivalent to those applied for transactions with independent third parties. Intercompany transactions were carried out, following assessments of mutual benefits, at arm's length. In the preparation of the Half-Yearly Consolidated Condensed Financial Statements, intercompany transactions and outstanding balances were eliminated.

The table below shows assets, liabilities, costs and revenues as of and for the year ended June 30th, 2024 by type of related party.

TRANSACTIONS WITH RELATED PARTIES: BALANCE SHEET (€/000)

	AMOUNTS AT 06/30/2024			
	SHAREHOLDERS	KEY EXECUTIVE DIRECTORS	OTHER RELATED PARTIES	TOTAL
Cash and cash equivalents	-	-	2,586	2,586
Financial assets at fv with effects on P&L	-	-	-	-
- Financial assets held for trading	-	-	-	-
Financial assets held to maturity	-	-	-	-
Financial assets valued at amortized cost	393	-	8,747	9,139
- Loans and receivables with Banks	393	-	8,230	8,622
- Loans and receivables with Customers	-	-	517	517
Hedging derivatives	-	-	2,486	2,486
Other assets	-	-	380	380
Total Assets	393	-	14,199	14,592
Financial liabilities valued at amortized cost	8,043,184	-	2,374,161	10,417,345
- Deposits from banks	8,043,184	-	2,374,151	10,417,335
- Deposits from customers	-	-	10	10
Financial liabilities held for trading	-	-	-	-
Hedging derivatives	-	-	10,220	10,220
Securities in issue	700,195	-	-	700,195
Other liabilities	552	-	1,074	1,626
Total Liabilities	8,743,930	-	2,385,455	11,129,385

TRANSACTIONS WITH RELATED PARTIES: PROFIT & LOSS (€/000)

	AMOUNTS AT 06/30/2024			
	SHAREHOLDERS	KEY EXECUTIVE DIRECTORS	OTHER RELATED PARTIES	TOTAL
Interest and similar income	107,192	-	9,910	117,102
Interest and similar expense	(289,553)	-	(48,906)	(338,460)
Fee and commission income	-	-	7,713	7,713
Fee and commission expense	-	-	-	-
Income and expenses from financial instruments at FV	-	-	(2,356)	(2,356)
Administrative expenses	(154)	(534)	(70)	(1,291)
Other operating income/expenses	4,239	-	(231)	4,008

SEGMENT REPORTING AS OF JUNE 30th, 2024

OPERATIONS AND PROFITABILITY BY BUSINESS LINE

Data on operations and profitability by segment are reported in accordance with IFRS 8 Operating Segments, with the adoption of the "full management reporting approach".

The CA Auto Bank Group operates through an organizational structure divided into three business lines: Financing and Leasing, Wholesale Financing, and Drivalia (Rental/Mobility).

Assets by segment (volumes as of the reporting date) consist exclusively of loans and leases to customers. At the end of the 2024 first the activities of the Financing and Leasing business line reached €22.8 billion, representing a significant increase of 11,8% compared to June 30th, 2023. The activities of the Wholesale Financing business line remain unchanged compared to June 30th, 2023, standing at €3.5 billion. Meanwhile, the activities of the Drivalia (Rental/Mobility) business line have increased significantly compared to June 30th, 2023, reaching €2.9 billion.

In accordance with IFRS 8, it is specified that the Group's business is primarily conducted in Europe; however, performance reports that break down activities by foreign geographic area are not periodically submitted to management.

Since June 2023, there has been significant expansion concerning the Drivalia group.

SEGMENT REPORTING (€/mln)	FINANCING AND LEASING	WHOLESALE FINANCING	DRIVALIA (RENTAL/MOBILITY)	OTHER	TOTAL
	06/30/2024	06/30/2024	06/30/2024	06/30/2024	06/30/2024
Net banking income and rental margin	286	39	75		400
Net operating expenses	(100)	(12)	(38)		(150)
Cost of risk	(58)	(5)	(2)		(65)
Other unallocated income (expenses)	(5)	0	0	(18)	(23)
Pre-tax profit	123	22	35	(18)	162
Imposte non allocate				(39)	(39)
Net profit	123	22	35	(57)	122
Figures as of 06/30/2024 Assets					
Period-end assets by segment	22,778	3,514	2,910		29,202
Average assets by segment	21,387	3,567	2,654		27,608
Unallocated assets					

SEGMENT REPORTING (€/mln)	FINANCING AND LEASING	WHOLESALE FINANCING	DRIVALIA (RENTAL/MOBILITY)	OTHER	TOTAL
	06/30/2023	06/30/2023	06/30/2023	06/30/2023	06/30/2023
Net banking income and rental margin	317	59	26		402
Net operating expenses	(90)	(10)	(16)	-	(116)
Cost of risk	(44)	0	(1)	-	(46)
Other unallocated income (expenses)	(12)	2	-	139	130
Pre-tax profit	172	51	8	139	370
Imposte non allocate				(103)	(103)
Net profit	172	51	8	36	267
Figures as of 06/30/2023 Assets					
Period-end assets by segment	20,440	3,456	820	-	24,716
Average assets by segment	18,360	4,770	575	-	23,705
Unallocated assets					

Compared to the previous financial statements, there are no differences in the sectoral breakdown base.

INDEPENDENT AUDITORS' REPORT

JUNE 30th, 2024

REVIEW REPORT ON HALF-YEARLY CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

To the Shareholder of
CA Auto Bank SpA

Foreword

We have reviewed the accompanying half-yearly consolidated condensed financial statements of CA Auto Bank SpA and its subsidiaries (the "CA Auto Bank Group") as of 30 June 2024, which comprise the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity as of 30 June 2024 and 30 June 2023, consolidated statement of cash flows and related notes. The directors of CA Auto Bank are responsible for the preparation of the half yearly consolidated condensed 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 consolidated condensed financial statements based on our review.

Scope of Review

We conducted our work in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of half-yearly consolidated condensed 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 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 consolidated condensed financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the half-yearly consolidated condensed financial statements of CA Auto Bank Group 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, 7 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.