EDMOND
DE ROTHSCHILD

Edmond de Rothschild (France)

Half-year financial results

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Half-year activity report

GROUP ACTIVITY AND RESULTS

The first half of 2024 delivered mixed returns for capital markets. Equities continued to rally, while bond markets disappointed due to sticky inflation and buoyant economic growth. Macron's surprise decision to dissolve French parliament unsettled the end of H1, impacting the French market which wiped all gains accumulated since the beginning of the year, reflecting investor uncertainty.

In this environment, the Net income - Group share of Edmond de Rothschild (France) amounted to €16.9 million at 30 June 2024, vs. €32.4 million at 30 June 2023. Assets under management totalled €46.5 billion at end-June 2024, down -€0.3 billion year-to-date and including a -€1.3 billion impact of the removal of Edmond de Rothschild *Private Equity* from the Edmond de Rothschild (France) consolidation scope. Excluding this scope-related impact, assets under management rose +€1.1 billion with net inflows of +€58 million and a performance effect of +2.2%. Net inflows are split between +€937 million from Private Banking and -€879 million from asset management, including €-950 million due to the early withdrawal of a mandate with a lower margin than the stock.

Net banking income

At €173.1 million, the net banking income is lower than it was on June 30th 2023 (-9%) due to arbitrage movements from cash to money market funds within the Private Banking division and to the seasonality of the results delivered by *Corporate Finance*. Edmond de Rothschild (France)'s deconsolidation of the *Private Equity* business had a -€1.6 million impact on NBI compared to 30 June 2023. Based on a constant scope - thereby excluding data relating to Edmond de Rothschild *Private Equity,* the NBI is down by €-16.5 million*.*

- Management fees excluding *Private Equity* rose +9% compared to the first half of 2023 at €82.4 million.

- Portfolio management generated a performance fee income of +€5.0 million, vs. €2.2 million at 30 June 2023.

- Investment portfolio income stood at €1.8 million, down €-7.6 million compared to the first half of 2023 due to a higher change in fair value in H1 2023.

- On-balance sheet income from Private Banking and Asset Management came to €16.2 million, down €-2.6 million compared to the first half of 2023, with a lower contribution from revenues generated by cash credits from private banking clients.

- Transactional activity was up compared to the first half of 2023, at €34.9 million, with a +3% rise in revenues from asset management and a +7% increase for Private Banking.

- Other revenues declined by €-18.2 million (to €32.5 million) including a €-10.8 million drop for the *Corporate Finance* business and a negative impact from lower cash holdings in private client accounts in favour of money market funds.

The resulting gross margin was 75bp, vs. 87bp in the first half of 2023 and 89bp excluding *Private Equity*.

Operating expenses

Operating expenses stood at €149.6 million, €1.5 million higher than at June 30th 2023 excluding costs relating to *Private Equity*.

- Personnel expenses came to €86.4 million, a -4% decrease over the level recorded in the first half of 2023, and -2% excluding Edmond de Rothschild Private Equity, mainly due provisions for variable remuneration related to business performance.
- Other expenses rose +3% and +6% excluding the costs relating to *Private Equity* in 2023, principally due to higher IT fees and project costs, partly offset by the absence of payment into the SRU (Single Resolution Fund).

Operating income

Operating income was +€23.5 million, compared to +€41.5 million at 30 June 2023 excluding *Private Equity*. The cost/income ratio deteriorated (82% vs. 74% a year ago).

Net income - Group share

After taking into account the contribution of equity-accounted entities (+€0.1 million), minority interests (+€0.3 million), tax expense (-€7.0 million), the net income Group share amounted to +€16.9 million, down €-15.1 million compared with 30 June 2023, excluding *Private Equity* data.

ACTIVITY AND RESULTS OF THE BUSINESS LINES

Private Banking

Private Banking assets (€23.6 billion) are up +9% year to date. Strong business momentum brought net inflows of €937 million, and thanks to buoyant markets, assets grew +1.9% compared to end-2023 figures.

Down 1% to €67.8 million, the NBI fell slightly compared to June 2023:

- Private Banking revenues in France are virtually stable at €63.2 million, driven by high transactional activity due to market movements which offset the lower revenue from loans and cash deposits.
- Private Banking revenues in Italy are down -9%, principally due to lower average assets under management.

The Private Banking margin fell to 59bp vs. 64bp at end-June 2023.

Operating expenses totalled €54.6 million, up +1% compared to June 2023:

- Private Banking operating expenses in France were up +7%, including the full-year impact of headcount growth.

- Private Banking expenses in Italy fell -34% year on year, mainly due to provisions for litigation recorded in H1 2023.

The cost/income ratio (excluding depreciation and amortisation) was 76% vs. 75% at end-June 2023.

Operating expenses totalled +€13.1 million, down -7% compared to 30 June 2023.

Asset Management

At €27.1 billion, assets under management were down -1% compared to the end of 2023, with negative net new money of -€667 billion (including €-950 million from a mandate with lower margins than the stock) and a performance effect of +1.9%.

NBI was €71.2 million, up +15% compared to the first half of 2023, including:

- A 15% rise in management fees year-over-year with improving margins, an 8% rise in average assets under management, and the impact of administrative fees implemented during the first quarter offsetting the end of fees on flows.

- Performance fees of +€5 million versus +€2.2 million in the first half of 2023.

- A 3% increase in fees on transactional activity.

The gross margin (excluding performance fees) stood at 49bp, an improvement compared to the level recorded at 30 June 2023 (48bp).

Expenses are up +6% compared to June 2023, including:

- Personnel costs up +5%.

- Other expenses have risen +8%, including increased IT costs (market data) and higher fees on projects conducted in 2024.

As a result, operating income amounted to €8 million in the first half of 2024, up €5.5 million compared with H1 2023.

Other businesses

Corporate Advisory Services

Revenues from the Corporate consultancy activity in the first half of the year amounted to €10.2 million, vs. €21 million for the same period a year earlier.

Operating expenses were down -26%, in line with the lower level of income compared to the first half of 2023.

Overall, the contribution of Corporate consultancy to operating income was negative at -€4.4 million, vs. +€1.3 million at 30 June 2023.

Proprietary Trading

Total revenues from proprietary trading stood at +€23.9 million, vs. +€38.0 million at 30 June 2023. This decline stems principally from private clients' lower cash holdings and a lower contribution from the portfolio.

Operating expenses increased by +18% compared to the first half of 2023.

In total, operating income from proprietary trading came to +€6.7 million over the period.

DESCRIPTION OF THE MAIN RISKS AND UNCERTAINTY FOR THE REMAINING SIX MONTHS OF THE FINANCIAL YEAR

Current political issues will likely impact the Group’s 2024 performance.

Related party transactions

During the first half of 2024, relations between Edmond de Rothschild (France) and affiliated companies were similar to those of the 2023 financial year, and no unusual transactions, in nature or amount, took place during this period.

Consolidated financial statements and notes

IFRS consolidated balance sheet (in thousands of euros)

Assets		30.06.2024	31.12.2023
Cash, due from central banks and postal accounts		2,150,441	2,475,815
Financial assets at fair value through profit or loss	3.1	90,545	80,481
Hedging derivatives	3.2	52,262	47,755
Financial assets at fair value through other comprehensive income	3.3	742	990
Securities at amortised cost	3.5	88,906	79,218
Loans and receivables due from credit institutions, at amortised cost	3.6	784,544	835,091
Loans and receivables due from clients, at amortised cost	3.7	1,246,426	1,212,759
Revaluation differences on interest rate risk-hedged portfolios	3.2	-39,553	-35,377
Current tax assets		7,237	389
Deferred tax assets		5,197	12,625
Accruals and other assets	3.8	128,306	144,166
Investments in associates	3.9	8,687	8,534
Property, plant and equipment		33,355	34,399
Right-of-use assets		50,049	17,924
Intangible assets		57,650	48,646
Goodwill	3.10	50,125	50,125
Non-current assets held for sale		-	-
Total assets		**4,714,919**	**5,013,540**

Liabilities		30.06.2024	31.12.2023
Financial liabilities at fair value through profit and loss	3.11	2,333,807	2,743,145
Hedging derivatives	3.2	1,843	3,477
Due to credit institutions	3.14	45,397	35,263
Due to clients	3.12	1,670,439	1,558,489
Debt securities		-	-
Current tax liabilities		299	274
Deferred tax liabilities		-	-
Accruals and other liabilities	3.8	238,718	210,761
Provisions	3.13	16,725	19,915
Subordinated debt		-	-
Shareholders’ equity		407,691	442,216
Equity attributable to equity holders of the parent		406,990	441,208
. Capital and related reserves		*201,195*	*201,195*
. Consolidated reserves		*178,164*	*174,118*
. Gains and losses recognised directly in equity		*10,742*	*5,601*
. Results of the financial year		*16,889*	*60,294*
Minority interests		701	1,008
Total liabilities		**4,714,919**	**5,013,540**

Consolidated Income Statement (in thousands of euros)

		30.06.2024	30.06.2023
+ Interest and similar income	4.1	107,649	88,487
- Interest and similar expenses	4.2	-86,081	-65,980
+ Commissions (income)	4.3	183,516	189,490
- Commissions (expenses)	4.3	-42,295	-48,900
+/- Net gains or losses on financial instruments at fair value through profit or loss	4.4	14,581	31,082
+/- Net gains or losses on financial assets at fair value through equity	4.5	41	45
+ Income from other activities	4.6	7,765	7,022
- Expenses from other activities	4.6	-12,115	-10,049
Net banking income		173,061	191,197
- General operating expenses	4.7	-138,169	-139,700
- Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-11,387	-11,441
Gross operating income		23,505	40,056
+/- Cost of risk		-31	-128
Operating income		23,474	39,928
+/- Share of net income of equity-accounted associates		81	1,604
+/- Net gains or losses on other assets	4.8	-	472
+/- Change in the value of goodwill		-	-
Recurring income before tax		23,555	42,004
- Income tax		-6,973	-9,065
Net income		16,582	32,939
- Minority interests		307	-516
Net income – Group share		**16,889**	**32,423**
Earnings per share in euros		2.96	5.78
Diluted earnings per share in euros		2.96	5.78

Statement of net income and gains and losses recognised directly in equity (in thousands of euros)

	30.06.2024	30.06.2023
Net income	**16,582**	**32,939**
Items relating to changes in currency exchange rates	2,895	-1,310
Change in the deferred value of hedging derivatives (*)		
Financial assets at fair value through equity (*)	158	46
Actuarial gains and losses on defined-benefit plans (*)	2,088	-1,532
Total gains and losses recognised directly in equity	**5,141**	**-2,796**
Net income and gains and losses recognised directly in equity	**21,723**	**30,143**
o/w Group share	*22,030*	*29,627*
o/w minority interests	*-307*	*516*

(*) Amounts net of tax.

IFRS cash flow statement (in thousands of euros)

	30.06.2024	30.06.2023
Cash flow from operating activities		
Net income for the financial year	**16,582**	**32,939**
Net income from disposals of long-term assets	-41	-517
Net allocations to amortisation and provisions	6,618	6,801
Share of income from equity-accounted entities	-81	-1,604
Reclassification of net income from financial instruments at fair value through profit or loss	-14,581	-31,082
Other income and expenses calculated	2,508	1,981
Net losses/income from financing activities	-	-
Income tax expense (including deferred taxes)	6,973	9,065
Cash flow before income from financing activities and tax	17,978	17,583
Tax paid	-6,912	-2,154
Net increase/decrease related to transactions with credit institutions	-325,390	-174,872
Net increase/decrease related to customer transactions	79,291	-390,949
Net increase/decrease related to transactions affecting other financial assets or liabilities	-29,579	-594,055
Net increase/decrease from transactions in other non-financial assets and liabilities	11,408	47,569
Net cash from operating activities	**-253,204**	**-1,096,878**
Cash flows from investing activities		
Cash payments for acquisitions of property, plant and equipment and intangible assets	-15,011	-17,471
Cash payments for acquisitions of financial fixed assets	-	-
Change in security deposits	-	-
Dividends received from equity-accounted associates	-	490
Disposals or reductions of fixed assets	-	-
Net cash from investment activities	**-15,011**	**-16,981**
Cash flow from financing activities		
Increase/decrease in cash from financing activities	-	-
Increase/decrease in cash from transactions with shareholders	-55,755	-95,587
Net cash from financing activities	**-55,755**	**-95,587**
Effect of changes in exchange rates on cash and cash equivalents	34	-155
Net change in cash and cash equivalents	**-323,937**	**-1,209,601**
Net balance of cash accounts and central banks	2,475,002	3,844,162
Money market UCITS classified as cash equivalents	-	-
Net balance of demand deposits with and loans from credit institutions	14,896	-10,716
Opening cash and cash equivalents	**2,489,898**	**3,833,446**
Net balance of cash accounts and central banks	2,149,778	2,525,120
Money market UCITS classified as cash equivalents	-	-
Net balance of demand deposits with and loans from credit institutions	16,183	98,725
Cash and cash equivalents at year-end	**2,165,961**	**2,623,845**
Change in the net cash position	**-323,937**	**-1,209,601**

Statement of changes in shareholders' equity (in thousands of euros)

	31/12/2022	Capital increase	Appropriation of income	Other changes	31/12/2023
Group share					
– Share capital	83,076	-	-	-	83,076
– Issue premiums	98,244	-	-	-	98,244
– Equity instruments (TSS)	19,875	-	-	-	19,875
– Interest on equity instruments (TSS)	-17,846	-	-	-908	-18,754
– Elimination of treasury shares	-	-	-	-	-
– Other reserves	213,124	-	71,997	-92,440	192,872
– Gains and losses recognised directly in other comprehensive income	9,212	-	-	-4,533	5,601
– 2022 income	-	-	-71,997		-
Sub-Total	**405,685**	**-**	**-**	**-97,881**	**380,914**
– 2023 income	72,659	-	-	60,294	60,294
Total Shareholders' equity, Group share	**478,344**	**-**	**-**	**-37,587**	**441,208**
Minority interests					
– Reserves	3,192	-	-1,546	-67	1,579
– 2022 income	-	-	1,546	-	-
– 2023 income	-1,546	-	-	-571	-571
Total minority interests	**1,646**	**-**	**-**	**-638**	**1,008**

	31.12.2023	Capital increase	Appropriation of income	Other changes	30.06.2024
Group share					
– Share capital	83,076	-	-	-	83,076
– Issue premiums	98,244	-	-	-	98,244
– Equity instruments (TSS)	19,875	-	-	-	19,875
– Interest on equity instruments (TSS)	-18,754	-	-	-521	-19,275
– Elimination of treasury shares	-	-	-	-	-
– Other reserves	192,872	-	60,294	-55,727	197,439
– Gains and losses recognised directly in other comprehensive income	5,601	-	-	5,141	10,742
– 2023 income	60,294	-	-60,294	-	-
Sub-Total	**441,208**	**-**	**-**	**-51,107**	**390,101**
– 2024 income	-	-	-	16,889	16,889
Total Shareholders' equity, Group share	**441,208**	**-**	**-**	**-34,218**	**406,990**
Minority interests					
– Reserves	1,579	-	-571	-	1,008
– 2023 income	-571	-	571	-	-
– 2024 income	-	-	-	-307	-307
Total minority interests	**1,008**	**-**	**-**	**-307**	**701**

Notes to the consolidated financial statements

Note 1 – General context for the preparation of the consolidated financial statements

1.1. BACKGROUND

In compliance with EU Regulation 1606/2002 of 19 July 2002 concerning the application of international accounting standards by entities issuing publicly traded debt securities, and in connection with the regular issue of publicly traded debt securities, Edmond de Rothschild (France) prepared its financial statements in accordance with International Financial Reporting Standards (IFRSs) for the first time in 2007. (International Financial Reporting Standards). The financial statements were approved by the Executive Board on 29 July 2024 and reviewed by the Audit Committee and the Supervisory Board, respectively, on 26 and 27 August 2024.

1.2. COMPLIANCE WITH ACCOUNTING STANDARDS

Applicable accounting standards

The Group's condensed half-year consolidated financial statements for the interim financial position as at 30 June 2024 have been prepared and are presented in accordance with IAS 34 "Interim Financial Reporting". The financial statements presented therefore cover the significant items of the half-year period and must be read in conjunction with the annual consolidated financial statements for the financial year ended 31 December 2023, prepared in accordance with IFRS as adopted by the European Union.

New standards published and not yet applicable

The Group did not opt for early application of the new standards, amendments and interpretations adopted by the European Union when their application in 2024 is only optional.

1.3. USE OF ESTIMATES

The preparation of financial information involves the use of estimates and assumptions regarding future circumstances.

In addition to available information, making estimates requires an element of judgement, particularly as regards the following:

- the impairment tests performed on intangible assets;
- the impairment tests performed on investments in equity-accounted associates;
- assessing a significant increase in credit risk in the calculation of expected credit losses;
- determining whether a market is active or not to use a valuation technique.

In addition, the Group considers that among the other accounting areas that necessarily involve an element of assessment, the most significant relate to provisions, pension commitments and share-based payments.

1.4. CHANGES IN THE SCOPE OF CONSOLIDATION

The consolidation scope did not change during the first half of 2024.

As part of a restructuring and streamlining process within the Edmond de Rothschild group, the Italian branch of the Edmond de Rothschild (France) will be transferred to another group entity, Edmond de Rothschild (Europe).
Subject to the usual suspensive terms for similar disposals, the branch should be sold within 12 months following the end of the FY. Its accounting value will be recovered principally through disposal rather than through use.
However, the decision was made not to apply accounting standard IFRS 5 as the reclassification of the branch's assets and liabilities if the standard was applied would not have a significant impact on the group's accounts.

Translation of transactions in foreign currencies

At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated into euros at the indicative exchange rates published by the Banque de France at the balance sheet date. Unrealised or realised exchange differences are recognised in profit or loss. Spot foreign exchange transactions are valued at the spot exchange rate at the end of the period. The resulting revaluation differences are recorded in the income statement. Forex forwards are valued at the forward rate for the remainder of the period, with the impact of changes in fair value through profit or loss.
Non-monetary assets denominated in foreign currencies, and in particular non-consolidated equity investments denominated in foreign currencies, are recorded on the assets side of the balance sheet at their value in foreign currency converted at the exchange rate on the date of acquisition or subscription. Exchange differences relating to these assets are recognised in profit or loss only when they are sold or impaired, or in the case of fair value hedges of foreign exchange risk.

Financial assets and liabilities

On initial recognition, financial assets and liabilities are measured at fair value by including acquisition costs (with the exception of financial instruments recognised at fair value through profit or loss) and are classified in the following categories:

Loans and receivables

- loans granted to customers as part of the commercial banking activity are classified in the balance sheet under item “Loans and receivables due from clients at amortised cost”. They are initially recognised at fair value and are subsequently measured at amortised cost at the balance sheet date on the basis of the effective interest rate, which takes into account the financial flows arising from all the contractual terms of the instrument. They are subject to impairment of receivables (see section “Impairment of financial assets”). Securities received under repurchase agreements also come under this category.

- reverse repurchase agreements for cash are recorded at their amount equivalent to the amount received. Income from these transactions is recognised at amortised cost in the income statement.

- loans and receivables due from credit institutions that were not designated on initial recognition as measured at fair value through profit or loss are subsequently measured at amortised cost on the basis of the effective interest rate. As with repurchase agreements with financial clients, any income from reverse repurchase agreements with credit institutions is recorded at amortised cost.

Financial assets at fair value through profit and loss

This is a very small proportion of assets held for trading that are measured at fair value at the reporting date and for which changes in fair value are recorded in profit or loss under “Net gains or losses on financial instruments at fair value through profit or loss”.

In addition to these held-for-trading financial assets, there are the non-derivative financial assets and liabilities designated by the Group on initial recognition as measured at fair value through profit or loss. The purpose of the Group’s fair value option is:

- firstly, to enable certain hybrid instruments to be measured at fair value so as not to separate embedded derivatives subject to separate recognition.
  Structured EMTNs and BMTNs issued by the Bank are classified in this category,

- secondly, to eliminate or significantly reduce discrepancies in the accounting treatment of certain financial assets and liabilities. The Group thus recognises all its forward cash management transactions at fair value through profit or loss. The Bank’s cash management is based on the following principles:
  1. the contraction of term loans and borrowings with credit institutions or financial customers;

2. the acquisition or issue of negotiable debt securities on the interbank market;
3. any hedging of these items using interest rate derivatives.

When an item recognised at amortised cost is backed by a financial asset, which would be classified under financial assets at fair value through equity, and for which its changes in fair value would impact equity, the use of the fair value option allows for the elimination of the distortion resulting from the different types of accounting recognition for financial assets and liabilities that share the same interest rate risk with opposite changes in value that tend to offset each other.
Similarly, when an interbank loan for which the hedging relationship was not initially recognised experiences the same changes in fair value (due to the exposure to interest rate risk), but in the opposite direction, the use of the fair value option mitigates the distortion that would have resulted from the loan being recognised at amortised cost and the derivative as a change in fair value through profit or loss.

Other financial assets at fair value through profit or loss also include:

- debt instruments whose contractual cash flows are not solely payments of principal and interest (non-SPPI instruments),
- equity instruments for which the Group has not chosen the option for classification at fair value through equity.

Finally, this category of financial assets and liabilities includes the positive or negative fair values (without offsetting) of derivatives that have not been designated as hedging instruments.

Financial assets at fair value through other comprehensive income

Debt instruments

Debt instruments (loans and receivables, bonds and other similar securities) under the hold to collect and sell business model (representing basic SPPI loans) are classified as “Financial assets at fair value through equity”.
Changes in value, excluding accrued or earned income, are recognised on a specific equity line entitled “Gains and losses recognised directly in equity” and are reclassified to profit or loss in the event of disposal. These financial assets are subject to a calculation of expected credit risk losses.

Equity instruments

The Group has opted for the classification at fair value through equity of a portion of its equity securities required for it to carry out certain activities.
This choice, which is irrevocable, must be made line by line of securities.
Changes in the fair value of these instruments are recorded under “Gains and losses recognised directly in equity”, without the option of recycling to profit or loss. Assets classified in this category are not subject to impairment. Only dividends are recognised in profit or loss.

Reclassification of financial assets

Reclassification of financial assets provided for by the standard is only required when there is a change in the associated business model.

Impairment of financial assets

Financial assets measured at amortised cost and debt instruments measured at fair value through equity recyclable to profit or loss

Loans and debt instruments classified at amortised cost or at fair value through equity fall within the scope of the impairment model for credit risk. These financial assets are systematically impaired from their trade date (acquired or granted).
The provisioning model is based on monitoring the relative deterioration in credit quality, corresponding to changes in the counterparty's credit risk, without waiting for objective evidence of actual loss.

Step 1: Performing assets that have not significantly deteriorated since initial recognition

Expected credit losses in the next 12 months are calculated on assets that have not undergone any significant deterioration in credit quality since inception.

Step 2: Performing assets that have significantly deteriorated since inception

Within the Group, loans are not scored but monitored according to a Basel approach, depending on the type of eligible security covering the loan granted.
Three indicators qualify as a deterioration in credit quality: payments past due, unauthorised overruns or debits and margin calls.

For loans with eligible financial collateral, the (refutable) presumption of a significant deterioration in assets with payments past due of more than 30 days is not used (no default observed over the last few years) and the classification in "Stage 2" is made in the case of payments past due or unauthorised overruns or debits of more than 60 days.
Mortgages follow the same rules.
Outstandings without collateral or without eligible collateral are classified as "Stage 2" on the occurrence of payments past due or unauthorised overruns or debits of more than 30 days.
The provision for impairment corresponds to lifetime expected credit losses on financial assets.

Step 3: Assets in default

Assets classified as non-performing loans are identified on the basis of the occurrence of one or more past due payments for at least 90 days.
Credit risk will be assessed for lifetime expected credit losses.
The amount of the impairment is recognised under cost of risk in the income statement and the value of the financial asset is reduced by the recognition of an impairment loss. Impairment allowances and reversals due to changes in recovery prospects are recorded under "Cost of risk" while the reversal over time of the effects of discounting constitutes the financial income from impaired loans and is recorded under "Interest and similar income" in the income statement.

Measurement of expected credit losses

Expected credit losses are defined as the discounted probable expected value of the credit loss (principal and interest). The methodology for measuring these losses is based on the following components:

- Probability of default (PD)

Probability of default is an estimate of the likelihood that a default will occur.
The majority of loans granted to the Group's clients have a maturity of 1 year and, in the absence of default in recent years, it was decided to retain:

- for exposures classified as "Stage 1", the average 1-year PD observed on the first quartile of PD of the retail portfolio (home loans) of the large French banks,
- a flat-rate 20% PD for loans on which credit risk has significantly deteriorated.

- Loss given default (LGD)

The LGD corresponds to the evaluation of the loss incurred in the event of default by a counterparty. This amount takes into account the loan values applied to the market values of assets and securities hedging loans granted by the Bank (discounts established in accordance with the provisions of the Group's risk policy).

- Exposure at default (EAD)

EAD is the amount owed by the counterparty at the time it defaults on a given commitment.

- Forward-looking approach

IFRS 9 requires the introduction of forward-looking data in the calculation of expected credit risk losses.
The aim is to be able to take into account as early as possible forward-looking information and macroeconomic indicators that may affect the risk profile of counterparties.
The group takes this forward-looking information into account in the context of the loan values used to determine the LGD.

Derecognition of financial assets or liabilities

Derecognition of financial assets

The derecognition (total or partial) of a financial asset on the balance sheet is done on expiry of the contractual rights to the cash flows of the instrument or on transfer to a third party of these flows and of almost all of the risks and rewards of the instrument.

Derecognition of financial liabilities

The Group removes a financial liability from its balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

Derivatives and hedges

All derivatives are recognised on the balance sheet at fair value, with changes in value recognised in profit or loss, with the exception of derivatives that are recognised as hedging instruments (see below). Derivatives are recorded on the balance sheet at the trade date. They are classified into two categories:

Derivative instruments held for trading

Derivatives are automatically classified as held for trading unless they qualify for accounting purposes as hedging instruments. They are recognised in the balance sheet under "Financial assets at fair value through profit or loss" when their fair value is positive, and under "Financial liabilities at fair value through profit or loss" when their fair value is negative. Changes in the fair value of derivatives are recognised in the income statement under "Net gains or losses on financial instruments at fair value through profit or loss".
Income or expenses recognised on intermediate settlements of the interest difference or on the settlement of the final maturity provided for in the derivative contract are recorded in the income statement under "Interest and similar income" or "Interest and similar expenses". Gains or losses arising from early unwinding of derivatives before their maturity provided for in the contract are recorded in the income statement under "Net gains or losses on financial instruments at fair value through profit or loss".

Hedging derivatives

Hedge accounting is an exception to the general principles for recognising financial instruments and can only be applied if, and only if, strict criteria are met:

- the exposure must be generated by specific risks eligible for hedge accounting
- the exposure must have a potential impact on income
- the hedge must be formally identified and documented at the outset, including the company's strategy and objectives for using the hedge, the identification of the hedging instrument and the

hedged item, the nature of the hedged risk, the probability of occurrence of the future transaction, the methodology for assessing effectiveness and measuring ineffectiveness
- the hedge must be highly effective at the start and during the life of the transaction in order to offset changes in the fair value or cash flows of the hedged risk.

Hedging derivatives are reported in the balance sheet under “Hedging derivatives”.
Depending on the nature of the hedged risk, the Group must designate the hedging derivative as an instrument hedging fair value, cash flow or foreign exchange risk related to a net investment abroad.

The Group does not apply the “hedge accounting” component of IFRS 9 based on the option offered by the standard. All hedging relationships are documented in accordance with the rules of IAS 39, at the latest until the date of application of the macro-hedge rule when it is adopted by the European Union.

Fixed assets

Operating fixed assets are recorded on the assets side of the balance sheet at their acquisition cost.
Property, plant and equipment and intangible assets qualifying for depreciation or amortisation are depreciated or amortised over their period of use within the company.

Intangible assets

Intangible assets include IT software and acquired contract portfolios:

Intangible assets that have an indefinite useful life are subject to an annual impairment test carried out in the second half of the year. These tests may be carried out at any time during the year, provided the date remains unchanged from one year to the next. An intangible asset recorded over the current period is tested before the end of the current financial year.

Intangible assets that have a defined useful life are recognised at cost less the accumulated amortisation and impairment, and are amortised over their useful life. The useful life is the shorter of the useful life as defined by law and the expected economic life of the asset. Acquired computer software is depreciated over a period of 1 to 3 years.

They are tested for impairment if events or new circumstances indicate that the carrying amount may be irrecoverable.

Property, plant and equipment

Equipment, fixtures, fittings and real estate assets are recognised at acquisition cost less depreciation; depreciation is calculated, for the most part, on a straight-line basis, to fully amortise the assets over their useful life, i.e. between 4 and 10 years and 25 years, respectively.
Property, plant and equipment are tested for impairment if events or new circumstances indicate that the carrying amount may not be recoverable.
Capital gains or losses on the disposal of operating fixed assets are recorded under “Net gains or losses on other assets”.
The Group does not have any investment property in its fixed assets.

Financial liabilities at amortised cost

Debts issued by the Group that are not classified as financial liabilities measured at fair value through profit or loss are initially recognised at cost, which corresponds to the fair value of the amounts borrowed net of transaction costs.
These debts are measured at amortised cost at the balance sheet date using the effective interest rate method. Accrued interest on these debts is recorded under accrued interest and related payables and offset in the income statement.

Amounts due to banks and amounts due to customers

Amounts due to credit institutions and customers are broken down according to their initial term or type of debt: demand deposits and term deposits for credit institutions; regulated savings accounts and other deposits for customers. They also cover liabilities on securities sold under demand or term repurchase agreements with credit institutions or customers, which are included in these two headings.
They are recorded at the sale price of the securities. Securities sold under repurchase agreements are kept on the asset side of the balance sheet in their original items and are valued according to the rules specific to the portfolio to which they belong; income from these securities is also recognised as if the securities were still in the portfolio.

Debt securities

Debt securities include in particular certificates of deposit, interbank market securities and debt securities, bonds, excluding subordinated securities classified as subordinated debt. Accrued interest payable on these securities is recorded under accrued interest and related payables and offset in the income statement.

Provisions

Provisions, other than those relating to credit risks or employee benefits, represent liabilities for which the maturity or amount are not precisely set. They are made if a legal or implicit obligation exists for the Group, due to past events with respect to a third party where it is probable or certain that this will result in an outflow of resources to the benefit of this third party, without at least equivalent consideration expected from the latter.
The amount of the expected outflow of resources is then discounted to determine the amount of the provision, if the effect of this discounting is significant.

Allocations to and reversals of these provisions are recorded in profit or loss on the lines corresponding to the type of future expenses thus covered.

Treasury shares

The term “Treasury Shares” refers to the shares of the consolidating company Edmond de Rothschild (France) and its fully consolidated subsidiaries.
Treasury shares held by the Group for any purpose are deducted from consolidated shareholders’ equity, and related gains or losses are eliminated from consolidated profit and loss.

Income tax

Income tax for the year includes current and deferred taxes. Income tax is recognised in the income statement, with the exception of the portion relating to items directly recognised in equity.
Current taxes are the provisional taxes payable on taxable profits for the financial year, calculated on the basis of the rates in force at the balance sheet date, and any adjustment to taxes due in respect of previous financial years. Current tax assets and liabilities are offset when Edmond de Rothschild (France) intends to settle on a net basis and is legally authorised to do so.
Deferred taxes are recognised on the basis of temporary differences between the carrying amount of assets and liabilities on the balance sheet and the tax value allocated to these assets and liabilities. As a general rule, all taxable temporary differences give rise to the recognition of a deferred tax liability, while deferred tax assets are recognised to the extent that there is a probability of future taxable profits that these deductible temporary differences can be applied to. Deferred tax assets and liabilities are offset when they relate to the same financial consolidation group, fall under the same financial authority and the entity is legally authorised to offset them. Deferred taxes are not discounted.

Deferred taxes relating to actuarial gains and losses on defined benefit plans are recognised directly in equity. Deferred taxes relating to the revaluation of the fair value of financial assets measured at fair value through equity that can be reclassified to profit or loss and cash flow hedges (which are recognised directly in equity) are also recognised directly in equity and subsequently recognised in the income statement when the fair value gain or loss is recognised in the income statement.

In France, the standard corporate income tax rate is 25%. In addition, there is a Social Contribution on profits of 3.3% (after application of an allowance of €0.76 million) introduced in 2000. The additional 3% corporate tax contribution on the amounts distributed by companies, regardless of the beneficiaries, and introduced by the 2nd Amended Finance Act for 2012, was deemed unconstitutional. Long-term capital gains on investments in subsidiaries and associates are exempt, subject to fees and charges equal to 12% of the gross amount of the capital gains being taxed at the ordinary rate. In addition, under the regime for parent companies and subsidiaries in which the investment is at least 5%, net income from shareholdings is exempt, subject to taxation at the ordinary rate of a share of 1% of fees and expenses in the tax-integrated groups. For companies that have not opted for the tax consolidation regime, the share of fees and expenses is 5%.
For the 2024 financial year, the tax rate used to calculate the stock of deferred taxes of French companies amounts to 25.83% for earnings taxed at the normal rate. For income taxed at the reduced rate, the rates used were 4.13% and 15.50%.

Methods for determining the fair value of financial instruments

Fair value is the amount for which an asset could be exchanged or a liability settled between well informed, consenting parties in an arm's-length transaction. The Group distinguishes three categories of financial instruments according to the consequences of their characteristics on their valuation method and relies on this classification to present some of the information in the notes to the financial statements:

Level 1: financial instruments listed on an active market;

Level 2: financial instruments measured using valuation techniques based on observable parameters;

Level 3: instruments valued using valuation techniques based fully or partially on unobservable parameters; an unobservable parameter is defined as a parameter for which the value is derived from assumptions or correlations that do not rely on observable transaction prices on the market, the same instrument at the valuation date, or observable market data available at the same date.

A financial instrument is considered to be listed on an active market if prices are readily and regularly available from a stock exchange, broker, trader, pricing service or regulatory agency, and these prices represent actual and regularly occurring transactions on the market under normal competition conditions.

Instruments traded on active markets

When a financial instrument is traded on an active market and listed prices are available, the fair value of the financial instrument is represented by its market price.

Instruments traded on inactive markets

When the market for an instrument is not active, its fair value is determined using observable market data and valuation techniques.
Depending on the financial instrument, they use data from recent transactions and discounted future cash flow models based at the rates in force at the balance sheet date.

Structured debt and indexed derivatives

For the purpose of determining the fair value of structured debt and index-linked derivatives, the valuation parameters are not observable as a whole. The fair value of the financial instrument at the time of the transaction is then deemed to be the transaction price and the commercial margin is recognised in profit or loss over the life of the product.
During its life, as structured debt is not traded on an active market, the valuation parameters established with the counterparties at the set-up of the instruments are not modified. In the event of redemption of

negotiable debt securities issued, the transaction price of the redeemed securities constitutes their fair value and the portion of the commercial margin not yet recognised is recognised in profit or loss.

Cash receivables and payables

For fixed-rate liabilities that are generally less than one year, in the absence of an active market, the fair value is assumed to be the present value of future cash flows, at the market rate in force at the balance sheet date. These market rates are determined on the basis of standard internal valuation models using the deposit certificate issue curves.

Similarly, for securities acquired representing fixed-rate debt, the fair value is determined by discounting expected cash flows at market rates.

Loans and other financing to clients

Edmond de Rothschild (France) considers that the fair value of variable-rate loans, due to the multi-year frequency of adjustments, is equivalent to their book value.
For loans with a variable rate adjusted once a year and for fixed-rate loans, the fair value method is calculated as follows: future recoverable capital and interest flows are discounted, over the remaining term at the interest rate on production of the period for loans of the same category and with the same maturities.

Interest rate derivatives

The fair value of interest rate derivatives and the interest rate segment of index-linked derivatives is determined on the basis of internal valuation models incorporating observable market data. Thus, the fair value of interest rate swaps is calculated on the basis of the discounting of future interest flows, at rates derived from zero-coupon swap rate curves.

Forward foreign exchange contracts

Forex forwards are booked as derivative financial instruments recognised on the balance sheet at fair value, with impact of the changes in fair value in the income statement. The fair value of forex forwards is determined by the forward rate remaining at the reporting date.

Cost of risk

The cost of risk includes allocations and reversals related to impairment of fixed-income securities and loans and receivables due from customers and credit institutions, allocations and reversals relating to financing and collateral commitments given, losses on irrecoverable loans and recoveries of loans written off.

Commissions

The Group recognises fee and commission income in the income statement according to the nature of the services to which they relate. Commissions for one-off services are recognised immediately in the income statement. Fees and commissions paid for ongoing services are recognised in income over the duration of the service rendered. Fees and commissions that form an integral part of the effective yield of a financial instrument are recognised as an adjustment to the effective yield of the financial instrument.

Social security commitments

The Group recognises four categories of benefits defined in IAS 19:

1. short-term employee benefits, for which payments are recorded directly as an expense: remuneration, incentives, profit-sharing, paid leave.

2. post-employment benefits, measured using an actuarial method and provisioned for defined benefit plans (except for mandatory defined-contribution plans, recognised directly as an expense): pension commitments, supplementary pension plans, career benefits.

Post-employment benefits are classified as either defined-contribution plans or defined-benefit plans, depending on the actual economic impact on the company.
In defined **contribution plans**, commitments are covered by contributions paid as and when they are paid to independent pension organisations that then manage the payment of pensions.

The company's obligations are limited to the payment of a contribution, which does not include any commitment by the company to the level of the benefits provided. The contributions paid are expenses for the year.

In **defined benefit plans**, the company is responsible for the actuarial risk and investment risk. They cover several types of commitments, including "additional supplementary" pension plans and retirement benefits. A provision is recorded in liabilities to cover the total value of those pension commitments. These commitments are valued by an independent actuary, once a year on the annual closing date.
In accordance with IAS 19, the Group uses the projected unit credit method to calculate its employee benefits. Based on actuarial assumptions, this retrospective method, with projection of end-of-career salaries and pro-rata entitlements depending on seniority, takes into account, based on actuarial assumptions, the probability of the length of the employee's future service, the level of future compensation, life expectancy and employee turnover.
Actuarial gains and losses, determined by plan, include, on the one hand, the effects of differences between the actuarial assumptions used previously and the reality observed, and, on the other hand, the effects of changes in actuarial assumptions.

The Group applies the "SORIE" amendment to IAS 19 relating to the method of recognition of actuarial gains and losses on defined-benefit pension plans. These are fully recorded in equity over the period during which they were recognised. When the plan is funded by assets, those assets are measured at fair value at the closing date and deducted from the value of the commitments recorded. The annual expense recognised as personnel expenses in respect of defined benefit plans includes:

- the additional rights vested by each employee (cost of services rendered);
- the financial cost corresponding to the impact of the unwinding of the discount;
- the expected income from investments in hedge funds;
- amortisation of past service costs;
- the effect of plan reductions or liquidations.

The Group recognises as an expense on a straight-line basis the cost of past services over the remaining average term until the rights are definitively vested by the employees. The past service cost is an increase in the present value of the obligation for services rendered in previous years, resulting from the introduction of a new plan or changes made during the year.

3. other long-term benefits, measured as post-employment benefits and fully provisioned, including long-service awards, time savings accounts and deferred remuneration.

4. compensation for termination of employment, severance pay, voluntary departure offers. These are fully provisioned as soon as the agreement is signed.

Cash flow statement

The balance of cash and similar accounts consists of the net balances of cash, central banks and postal accounts as well as net balances of sight loans and borrowings with credit institutions.
Changes in cash generated by operating activities reflect cash flows generated by the Group's activities, including those relating to held-to-maturity financial assets and negotiable debt securities.

Changes in cash flow related to investment transactions result from cash flows related to acquisitions and disposals of subsidiaries and associates, as well as those related to acquisitions and disposals of real estate. Changes in cash flow related to financing transactions include receipts and disbursements from transactions with shareholders, flows related to subordinated and bonds, and debt securities other than TCN debt securities.

Earnings per share

Earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding for the period, with the exception of treasury shares. The diluted earnings per share reflect the impact of the potential dilution of earnings and the number of shares resulting from the implementation of the various plans (allocation of bonus shares, stock options) set up by Edmond de Rothschild (France) and its subsidiaries, in accordance with IAS 33. Plans that do not have a dilutive impact are not taken into account.

Note 3 – Analysis of balance sheet items

3.1. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

in thousands of euros	30.06.2024	31.12.2023
Interest rate instruments - Firm commitments	1,655	672
Foreign exchange instruments - Firm commitments	10,880	-
Equity and index instruments - Firm commitments	8,012	11,822
Related receivables on trading derivatives	1,914	1,753
Sub-total Derivatives	**22,461**	**14,247**
Equities and other variable-income securities	-	-
Sub-total Other financial instruments held for trading	**-**	**-**
Sub-total Trading portfolio	**22,461**	**14,247**
Fair value of loans and related receivables	-	-
Sub-total loans and related receivables designated at fair value through profit or loss	**-**	**-**
Treasury notes and similar securities	-	-
Treasury bills and similar securities - related receivables	-	-
Sub-total Financial assets designated at fair value through profit or loss	**-**	**-**
Equity securities	337	323
Other variable-income securities	17,760	16,348
Sub-total	**18,097**	**16,671**
Sub-total Equity instruments	**18,097**	**16,671**
Debt instruments and similar	49,987	49,563
Sub-total Non-SPPI debt instruments	**49,987**	**49,563**
Sub-total Other financial assets at fair value through profit or loss	**68,084**	**66,234**
Total	**90,545**	**80,481**

The total notional amount of trading derivatives was €991.8 million at 30 June 2024 compared with €1,791.2 million at 31 December 2023.
The notional amount of derivative instruments is only an indication of the volume of the Group's activity in financial instrument markets and does not reflect the market risks attached to these instruments.

3.2. HEDGING DERIVATIVES

	30.06.2024	
In thousands of euros	Positive market value	Negative market value
Fair value hedges	**52,262**	**1,843**
– Foreign exchange derivatives	-	-
– Interest rate derivatives	52,262	1,843
Cash flow hedges	**-**	**-**
– Foreign exchange derivatives	-	-
– Interest rate derivatives	-	-
Hedging derivatives	**52,262**	**1,843**

Fair value macro hedges: breakdown of hedged items and hedging instruments

	30.06.2024		
	Book value	Cumulative change in fair value of the hedged risk	Change in fair value recorded over the period
Interest rate risk hedging (macro-hedge)			
Hedged assets			
Customer loans at amortised cost	355,584	-38,087	-3,870
TOTAL	**355,584**	**-38,087**	**-3,870**

	30.06.2024				
		Fair value			
	Notional amounts	Assets	Liabilities	Change in fair value recorded over the period	Ineffectiveness recognised in profit or loss for the period
Interest rate risk hedging (macro-hedge)					
Firm commitments					
Interest rate swaps	394,925	52,262	1,843	3,870	-
TOTAL	**394,925**	**52,262**	**1,843**	**3,870**	**-**

The Group has decided to apply a fair value hedge for a portfolio of interest rate items (macro fair value hedge) in accordance with the provisions defined by IAS 39 (European Union carve-out).
More specifically, a macro-hedging model on a portfolio of fixed-rate financial assets using fixed/variable swaps has been implemented.
Changes in fair value attributable to the hedged risk, reflected on the balance sheet by revaluation differences of the portfolios hedged against interest rate risk, offset each other in a symmetrical manner to the changes in the fair value of derivatives with the minimum ineffectiveness.

3.3. FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY

in thousands of euros	30.06.2024	31.12.2023
Treasury notes and similar securities	-	-
Bonds and other fixed income securities	-	-
Sub-total Debt instruments measured at fair value through equity that may be recycled to profit or loss	**-**	**-**
Equity securities	742	990
Equities and other variable-income securities	-	-
Sub-total Equity instruments measured at fair value through equity that will not be recycled to profit or loss	**742**	**990**
Total	**742**	**990**

3.4. BREAKDOWN OF FINANCIAL INSTRUMENTS BY TYPE OF MARKET PRICE OR MODEL USED FOR THEIR VALUATION

	30.06.2024				31.12.2023			
in thousands of euros	Market price	Model with observable parameters	Model with unobservable parameters	TOTAL	Market price	Model with observable parameters	Model with unobservable parameters	TOTAL
Financial instruments at fair value through profit or loss held for trading	-	22,461	-	22,461	-	14,247	-	14,247
Hedging derivatives	-	52,262	-	52,262	-	47,755	-	47,755
Non-SPPI debt instruments	-	49,987	-	49,987	-	49,563	-	49,563
Other financial instruments at fair value through profit and loss	-	18,097	-	18,097	-	16,671	-	16,671
Total financial assets at fair value through profit and loss	**-**	**142,807**	**-**	**142,807**	**-**	**128,236**	**-**	**128,236**
Debt instruments at fair value through equity	-	-	-	-	-	-	-	-
Equity securities at fair value through equity	-	733	9	742	-	981	9	990
Total financial assets at fair value through equity	**-**	**733**	**9**	**742**	**-**	**981**	**9**	**990**
Financial instruments at fair value through profit or loss held for trading	259	17,605	-	17,864	14.359,	10,874	-	25,233
Hedging derivatives	-	1,843	-	1,843	-	3,477	-	3,477
Financial instruments at fair value through profit or loss by option	-	1,506,068	809,875	2,315,943	-	1,872,712	845,200	2,717,912
Total financial liabilities at fair value through profit and loss	**259**	**1,525,516**	**809,875**	**2,335,650**	**14.359**	**1,887,063**	**845,200**	**2,746,622**

3.5. SECURITIES AT AMORTISED COST

in thousands of euros	30.06.2024	31.12.2023
Treasury notes and similar securities	-	-
Bonds and other fixed income securities	88,906	79,218
Total	**88,906**	**79,218**

3.6. LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS, AT AMORTISED COST

in thousands of euros	30.06.2024	31.12.2023
Due from credit institutions		
- Demand deposits	61,588	50,165
- Term	722,590	783,122
Sub-total	**784,178**	**833,287**
Related receivables	366	1,804
Gross total	**784,544**	**835,091**
Impairment	-	-
Net total	**784,544**	**835,091**

3.7. LOANS AND RECEIVABLES DUE FROM CLIENTS, AT AMORTISED COST

in thousands of euros	30.06.2024	31.12.2023
Current accounts with overdrafts	727,397	707,849
Other customer loans		
- Credit	519,144	505,006
- Securities received under repurchase agreements	-	-
- Trade receivables	-	-
Gross total	**1,246,541**	**1,212,855**
- O/w related receivables	4,980	3,196
Impairment	-115	-96
Net total	**1,246,426**	**1,212,759**
Fair value of customer loans and receivables	**1,246,426**	**1,213,066**

Impairment of customer loans and receivables at amortised cost

in thousands of euros	31.12.2023	Allocations	Reversals	Transfers	30.06.2024
Impairment on performing loans (Stage 1)	-24	-32	3	23	-30
Impairment on loans with deteriorated credit risk (Stage 2)	-25	-10	25	-22	-32
Impairment on non-performing loans (Stage 3)	-47	-38	33	-1	-53
Total	**-96**	**-80**	**61**	**-**	**-115**

3.8. ACCRUALS AND OTHER LIABILITIES

in thousands of euros	30.06.2024		31.12.2023	
	Assets	Liabilities	Assets	Liabilities
Items under collection	7	-	61	-
Security deposits paid (*)	14,384	-	27,072	-
Prepaid expenses	16,200	-	13,447	-
Accrued income	74,880	-	77,463	-
Deferred revenue	-	126	-	107
Accrued expenses	-	83,321	-	66,104
Other assets and liabilities (**)	22,835	155,271	26,123	144,550
Total	**128,306**	**238,718**	**144,166**	**210,761**

(*) of which €2,040 thousand related to collateral at 30 June 2024 versus €14,610 thousand at 31 December 2023 in security deposits paid.
(**) of which €12,820 thousand related to collateral at 30 June 2024 versus €2,580 thousand of other liabilities at 31 December 2023

3.9. INVESTMENTS IN EQUITY-ACCOUNTED ASSOCIATES

in thousands of euros	30.06.2024	31.12.2023
Zhonghai Fund Management Co. Ltd.	8,687	8,534
ERAAM	-	-
Investments in associates	**8,687**	**8,534**

3.10. GOODWILL

in thousands of euros	30.06.2024	31.12.2023
Net carrying amount at the beginning of the period	**50,125**	**50,125**
Acquisitions and other increases	-	-
Disposals and other reductions	-	-
Impairment		-
Net carrying amount at the end of the period	**50,125**	**50,125**

	Net carrying amount	
in thousands of euros	30.06.2024	31.12.2023
Edmond de Rothschild Asset Management (France)	39,891	39,891
Edmond de Rothschild Assurances et Conseils (France)	5,753	5,753
Edmond de Rothschild Corporate Finance, Paris	4,481	4,481
Total	**50,125**	**50,125**

3.11. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS

in thousands of euros	30.06.2024	31.12.2023
Interest rate instruments - Firm commitments	1,817	-
Interest rate instruments - Options	-	-
Foreign exchange instruments - Firm commitments	259	14,359
Foreign exchange instruments - Options	-	-
Equity and index instruments - Firm commitments	11,450	7,923
Equity and index instruments - Options	-	-
Sub-total	**13,526**	**22,282**
Related payables on trading derivatives	4,338	2,951
Sub-total of the trading portfolio	**17,864**	**25,233**
Due to credit institutions	1,429,357	1,815,348
Customer deposits	55,919	37,033
Sub-total	**1,485,276**	**1,852,381**
Accrued interest and related payables	20,796	20,331
Sub-total liabilities at fair value through profit or loss by option	**1,506,072**	**1,872,712**
Negotiable debt securities (TCN)	804,720	838,949
Bonds	-	-
Other debt securities	-	-
Sub-total	**804,720**	**838,949**
Accrued interest and related payables	5,151	6,251
Sub-total of debt securities at fair value through profit or loss	**809,871**	**845,200**
Sub-total of financial liabilities at fair value through profit or loss by option	**2,315,943**	**2,717,912**
Total financial liabilities at fair value through profit and loss	**2,333,807**	**2,743,145**

In thousands of euros	30.06.2024 Fair value	Amount repayable at maturity	Difference between fair value and repayable amount at maturity
Financial liabilities at fair value through profit and loss by option	2,315,943	2,318,132	-2,189

In thousands of euros	31.12.2023 Fair value	Amount repayable at maturity	Difference between fair value and repayable amount at maturity
Financial liabilities at fair value through profit and loss by option	2,717,912	2,715,206	2,706

3.12. DUE TO CLIENTS

	30.06.2024			31.12.2023		
in thousands of euros	Demand deposits	Term	Total	Demand deposits	Term	Total
Special savings accounts						
- Regulated savings accounts	-	25,631	25,631	-	31,960	31,960
- Related payables	-	-	-	-	-	-
Sub-total	**-**	**25,631**	**25,631**	**-**	**31,960**	**31,960**
Other payables						
- Client current accounts	1,138,070	-	1,138,070	990,056	-	990,056
- Client term deposit accounts	-	387,654	387,654	-	441,950	441,950
- Securities delivered under repurchase agreements	-	-	-	-	-	-
- Other miscellaneous payables	-	114,901	114,901	1	89,592	89,593
- Related payables	-	4,183	4,183	71	4,859	4,930
Sub-total	**1,138,070**	**506,738**	**1,644,808**	**990,128**	**536,401**	**1,526,529**
Total	**1,138,070**	**532,369**	**1,670,439**	**990,128**	**568,361**	**1,558,489**
Fair value of amounts due to customers			**1,670,439**			**1,558,489**

3.13. PROVISIONS

in thousands of euros	Legal and tax risks	Post-employment benefit obligations	Loan and collateral commitments	Loss-making contracts	Other provisions	Total book value
Balance at 31.12.2023	**-**	**7,718**	**-**	**-**	**12,197**	**19,915**
Allocations	-	191	-	-	2,872	3,063
Amounts used	-	-	-	-	-3,350	-3,350
Unused amounts reversed during the period	-	-	-	-	-87	-87
Other changes	-	-2,816	-	-	-	-2,816
Balance at 30.06.2024	**-**	**5,093**	**-**	**-**	**11,632**	**16,725**

Other provisions notably include provisions relating to “additional supplementary” pension plans (detailed in Note 6.1.A.), and the AIFM Directive at Edmond de Rothschild Asset Management (France).

3.14. DUE TO CREDIT INSTITUTIONS

in thousands of euros	30.06.2024	31.12.2023
- Demand deposits	45,392	35,250
- Term	-	-
Sub-total	**45,392**	**35,250**
Accrued interest and related payables	5	13
Total due to credit institutions	**45,397**	**35,263**

3.16. EQUITY INSTRUMENTS: DEEPLY-SUBORDINATED NOTE (TSS)

In June 2007, the Bank issued €50 million of undated super-subordinated notes. After discussions with one of the noteholders, the Bank made an offer to repurchase part of the notes with a nominal amount of €29 million, at a discount of 7.5%. After obtaining authorisation from the ACPR on 12 July 2013, the €29 million buyback, followed by destruction, was carried out in August 2013.
In the event of the issuer's liquidation, holders of these notes will be paid only after other creditors but before holders of participating loans or participating securities.
The undated super-subordinated notes carry financial covenants:

- non-payment of interest in the event of insufficient capital due to non-compliance with the prudential capital adequacy ratio or the deterioration in the Bank's financial position;
- reduction of accrued interest payable and then the nominal amount of the issue if the issuer has not, within a specified period, remedied the capital shortfall observed.

Given the discretionary nature of the decision to pay the compensation for this deeply subordinated security, which is linked to the payment of a dividend, it was classified under equity instruments and related reserves.

The main financial characteristics of this TSS are as follows:

Issue date	Maturity date	Early redemption date (call option)	Interest rate	Interest rate step up from the redemption option date
June 2007	June 2017	June 2012 then quarterly	3-month Euribor + 0.67%	+ 50 basis points

(1) Rate set by reference to the 10-year euro swap rate raised on 4 June 2007: 4.71% + 1.65%.

Note 4 – Information on income statement items

4.1. INTEREST AND SIMILAR INCOME

in thousands of euros	30.06.2024	30.06.2023
Interest and income on loans and receivables due from credit institutions, at amortised cost	**58,323**	**51,481**
- Demand accounts and interbank loans	58,323	51,481
- Income from guarantee or financing commitments	-	-
- Repurchase agreements	-	-
Interest and income on loans and receivables due from customers	**23,392**	**22,944**
- Demand accounts and customer loans	23,392	22,944
- Repurchase agreements	-	-
Interest on financial instruments	**25,934**	**14,062**
- Debt instruments at amortised cost	15	25
- Financial assets at fair value through equity	-	-
- Financial assets at fair value through profit or loss	789	682
- Interest on derivatives	25,130	13,355
Total interest and similar income	**107,649**	**88,487**

4.2. INTEREST AND SIMILAR EXPENSES

in thousands of euros	30.06.2024	30.06.2023
Interest and other expenses on loans and payables due to credit institutions, at amortised cost	**-36,658**	**-35,810**
- Demand accounts and interbank borrowings	-36,554	-35,609
- Expenses on guarantee or financing commitments	-104	-201
- Repurchase agreements	-	-
Interest and expenses on amounts due to customers, at amortised cost	**-10,600**	**-6,055**
- Customer demand accounts and borrowings	-10,600	-6,055
- Expenses on guarantee or financing commitments	-	-
- Repurchase agreements	-	-
Interest on financial instruments	**-38,022**	**-23,920**
- Debt securities	-22,073	-13,853
- Interest on derivatives	-15,949	-10,067
Interest and charges on lease obligations	**-801**	**-195**
Total interest and similar expenses	**-86,081**	**-65,980**

4.3. COMMISSIONS

	30.06.2024		30.06.2023	
in thousands of euros	Income	Expenses	Income	Expenses
Cash and interbank transactions	95	-6	5	-2
Transactions with clients	209	-	171	-
Securities transactions	-	-	-	-
Foreign exchange transactions	11	-	9	-
Off-balance sheet transactions	-	-	-	-
- Securities commitments	*971*	-	*1,101*	-
- Derivatives	*920*	*-498*	*839*	*-440*
Financial services	181,310	-41,791	187,365	-48,458
Allocations/Reversals related to provisions	-	-	-	-
Total fees and commissions	**183,516**	**-42,295**	**189,490**	**-48,900**

4.4. NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

in thousands of euros	30.06.2024	30.06.2023
Net gains or losses on financial assets held for trading	1,168	702
Net gains or losses on financial liabilities at fair value through profit or loss	7,906	-25,094
Net gains or losses on derivatives	-6,160	27,838
Net income on hedging transactions	-305	-246
Gains and losses on foreign exchange transactions	10,160	18,486
Net gains or losses on equity instruments at fair value through profit and loss	33	79
Net gains or losses on non-SPPI debt instruments	1,779	9,317
Total net gains or losses on financial instruments at fair value through profit and loss	**14,581**	**31,082**

4.5. NET GAINS OR LOSSES ON FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY

in thousands of euros	30.06.2024	30.06.2023
Dividends received on equity instruments at fair value through other comprehensive income	41	45
Net gains or losses on financial assets at fair value through other comprehensive income	-	-
Total net gains or losses on financial assets at fair value through other comprehensive income	**41**	**45**

4.6. INCOME AND EXPENSES FROM OTHER ACTIVITIES

in thousands of euros	30.06.2024	30.06.2023
Expenses transferred to other companies	168	164
Other ancillary income	2,053	920
Miscellaneous	5,544	5,938
Income from other activities	**7,765**	**7,022**
Revenues transferred to other companies	-11,697	-9,710
Miscellaneous	-418	-339
Expenses on other activities	**-12,115**	**-10,049**

4.7. GENERAL OPERATING EXPENSES

in thousands of euros	30.06.2024	30.06.2023
Wages and salaries	-54,537	-58,048
Pension expenses	-5,859	-5,308
Social security contributions	-20,221	-21,352
Employee incentives	-141	-434
Employee profit-sharing	-1,023	-324
Taxes and similar payments on compensation	-5,131	-4,615
Allocations to provisions for personnel expenses	-2,871	-2,533
Reversals of provisions for personnel expenses	3,336	3,013
Sub-total personnel expenses	**-86,447**	**-89,601**
Taxes and duties	-2,010	-1,840
Leases	-1,995	-2,237
Third-party services	-46,672	-45,059
Transport and travel	-1,045	-963
Other operating expenses	-	-
Allocations to provisions for administrative expenses	-	-
Reversals of provisions for administrative expenses	-	-
Sub-total - Administrative expenses	**-51,722**	**-50,099**
Total operating expenses	**-138,169**	**-139,700**

4.8. GAINS OR LOSSES ON OTHER ASSETS

in thousands of euros	30.06.2024	30.06.2023
Losses on sales of intangible assets and property, plant and equipment	-	-1
Gains on sales of intangible assets and property, plant and equipment	-	-
Income from transactions related to investments in consolidated associates	-	473
Total net gains or losses on other assets	**-**	**472**

Note 5 – Note on commitments

in thousands of euros	30.06.2024	31.12.2023
Commitments given		
Financing commitments		
Commitments to credit institutions	-	-
Commitments to customers	413,281	445,062
Guarantee commitments		
Commitments to credit institutions	-	-
Commitments to customers	84,496	84,325
Commitments received		
Financing commitments		
- Commitments received from credit institutions	-	-
Commitments received from customers	-	-
Guarantee commitments		
Commitments received from credit institutions	73,505	72,393
Commitments received from customers	-	-

Note 6 – Employee benefits and share-based payments

6.1.A. PENSION EXPENSES – DEFINED-BENEFIT PLAN

At 30 June 2024, commitments amounted to €20,517 million before tax, the fair value of the assets was €19,403 million. The residual net income from past services was nil, i.e. a provision of €1.114 million.

In thousands of euros	30.06.2024	31.12.2023
Current value of the bond	20,517	22,855
- Value of plan assets	-19,403	-19,246
Financial position of the plan	**1,114**	**3,609**
- Unrecognised past service cost	-	-
Provision	**1,114**	**3,609**

6.1.B. RETIREMENT BENEFITS

The gross amount of commitments stood at €3.979 million at 30 June 2024 and €4,109 million at 31 December 2023.

The cost of services in the first half of 2024 was €172 thousand, the cost of discounting was €62 thousand, the benefits actually paid amounted to €100 thousand and the actuarial loss recorded for the first half of 2024 was €264 thousand.

- Post-employment benefits, defined-benefit plans (additional supplementary pension and retirement benefits)

Breakdown of the expense recorded:

In thousands of euros	30.06.2024	30.06.2023
Cost of services rendered during the year	-72	-71
Financial cost	-413	-445
Expected return on plan assets	294	353
Net expense recognised	**-191**	**-163**

Key actuarial assumptions (retirement benefits)	30.06.2024	31.12.2023
Discount rate	3.66%	3.15%
Long-term expected inflation rate	2.00%	2.10%
Rate of increase in wages		
- Employees	2.00%	2.10%
- Executives	2.50%	2.60%
- Senior managers	3.00%	3.10%
Rate of employer social security and tax contributions	54.87%	54.87%
Mortality table	THTF 17 19	THTF 16 18

Change in provision:

In thousands of euros	30.06.2024	31.12.2023
Provision/Assets at the beginning of the period	**7,718**	**4,990**
- Expenses recognised in the income statement	*291*	*520*
- Benefits paid directly by the employer (not financed)	*-100*	*-159*
- Changes in scope (acquisitions, disposals)	*-*	*-15*
- Actuarial gains and losses	*-2,816*	*2,382*
- Other changes	*-*	*-*
Provision/Assets at the end of the period	**5,093**	**7,718**

Table of recorded commitments:

In thousands of euros	30.06.2024	31.12.2023
Change in the value of commitments		
Present value of the bond at the beginning of the period	26,964	24,270
- Cost of services rendered	*172*	301
- Cost of discounting	*413*	903
- Actuarial gains or losses	*-2,372*	2,793
- Benefits paid by the employer and/or the fund	*-681*	-1,288
- Change in scope (acquisitions, disposals)	-	-15
- Other changes	-	-
Total present value of the commitment at the end of the period (A)	**24,496**	**26,964**
Change in hedging assets and reimbursement rights		
Fair value of plan assets at the beginning of the period	19,246	19,280
- Financial income on plan assets	*294*	*684*
- Actuarial gains or losses	*444*	*411*
- Benefits paid by the fund	*-581*	*-1,129*
Fair value of plan assets at the end of the period (B)	**19,403**	**19,246**
Financial coverage		
Financial position (A) - (B)	5,093	7,718
Provision/Assets	**5,093**	**7,718**

6.1.C. DEFERRED REMUNERATION

The updated Compensation Policy for 2023 was approved by the Supervisory Board after the Remuneration Committee and the Executive Board issued favourable opinions.

The Group applies the above-mentioned professional standards taking into account the individual performance of employees, competition in its markets, its strategy, long-term objectives and the interests of shareholders.

Regulatory context

BANKING SECTOR

The French government order of 3 November 2009 and the professional standards of the French Banking Federation require financial institutions to regulate variable compensation payment practices for financial market professionals and executives, to ensure that financial institutions have a level of equity that would not expose them to risk.

The French government order of 13 December 2010 extends the FBF standards issued on 5 November 2009 – which were reserved for financial market executives and professionals (defined as employees whose performance and compensation are linked to market instruments) – to "risk-taker" employees and all employees within an equivalent compensation bracket and whose professional activities are likely to have an impact on the firm's risk profile. That order also adopted the FBF criteria regarding payment of variable compensation to the employees concerned.

Since 2015, compensation-related regulations have been based on CRD IV (Directive 2013/36/EU, as amended by Directive (EU) 2019/878 (CRD V), which was enacted into French law in particular by decree 2020-1637 of 22 December 2020 and order 2020-1635 of 21 December 2020.

ASSET MANAGEMENT INDUSTRY

On 23 November 2010, the AFG, AFIC and ASPIM issued common provisions on the compensation policies of asset management companies.

Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (AIFMD), transposed into French law by government order 2013-676 of 27 July 2013, took effect in 2015 (variable compensation paid in March 2016).

Directive 2014/91/EU, known as UCITS V (where UCITS stands for Undertakings for Collective Investment in Transferable Securities), transposed into French law by government order 2016-312 of 17 March 2016, came into force in 2017 (variable compensation paid in March 2018). Its provisions are very similar to those of the AIFMD.

Governance and formalisation of existing practices

In application of the texts cited above, an annual report on the variable compensation of the employees concerned is sent to France's prudential supervisory authority (Autorité de Contrôle Prudentiel et de Résolution). The process for determining compensation and the resulting budgets must be reviewed each year by the Bank's Compensation Committee and submitted for approval by the Supervisory Board.

The Bank's system

1 – "Risk-takers" or "Identified" staff members in accordance with CRDV

The employees concerned are:

A) all members of the executive and management bodies, members of the supervisory board and "effective directors" (Article L511-71 of the CMF),

B) members of personnel with managerial responsibilities within the entity's supervisory bodies or key operational divisions,

C) "High-earning" members of personnel in the past FY, provided that the following conditions are all met:

- The remuneration of the individual in question is equal to or above EUR 500,000 and equal to or above the average compensation paid to the members of the executive and management teams of the entity referred to in point a),
- The member of personnel serves in a key operational unit and his/her activities can potentially have a significant impact on the risk profile of the operational unit in question.

The variable compensation of employees who are "risk takers" is determined according to the following principles:

Bonuses are partially deferred, on a straight-line basis over at least three years when employees reach a certain level of variable compensation.

With regard to variable compensation for 2023 having reached a certain threshold, a fraction representing 40% to 60% will be paid in cash and/or in instruments, and staggered over three financial years.

The Bank has put in place an instrument to pay cash compensation, deferred over three years in three equal instalments, linked to the share price of Edmond de Rothschild Holding S.A. (unlisted Swiss holding company of the Edmond de Rothschild Group), known as the Group Performance Plan.

2 – Fund managers, sales representatives of asset management companies

In accordance with the AIFM and UCITS V Directives, Edmond de Rothschild Asset Management (France) has changed its remuneration policy, and in particular its practices in terms of deferred variable remuneration, for fund managers as well as the other categories of employees covered by the Directives (employees referred to as Material Risk Takers).

The main features of the arrangement are as follows:

- 40-60% of the variable compensation granted to a beneficiary is deferred for three years,
- indexation at least 50% of the variable compensation (both deferred and immediate) to a basket of securities representing the Group's various management expertise,
- payment of the deferred portion subject to the condition of presence and the different conditions provided for in the AIFM and UCITS V Directives (no excessive risk-taking, financial situation of the company, etc.) that could reduce the amount between their initial award and their vesting.

In order to protect the company against a very sharp increase in the value of the basket, a hedging mechanism was also put in place.

A compensation expense is recognised spread over time to reflect the vesting based on the presence of the beneficiaries.

In the event that the fund's performance increases, the variable compensation debt will not be revalued for the hedged portion. The hedging asset will be retained at historical cost. A provision must be made for the unhedged portion.

In the opposite case, the hedging asset will be subject to impairment (in the amount of its market value); in exchange, the variable compensation debt will be adjusted downwards.

Employee Share Plan

The Edmond de Rothschild Group has set up a plan to award free shares in Edmond de Rothschild Holding S.A. (an unlisted Swiss holding company of the Edmond de Rothschild Group) for the benefit of certain employees of the Group (the "Beneficiaries").

The objectives for implementing this plan are to improve the retention of key employees and promote alignment of interests between employees and shareholders.

The main features of the plan are as follows:

- the Beneficiaries are allocated rights to receive EdRH shares according to a 3-year vesting schedule (1/3 per year, i.e. three tranches vesting respectively in March Y+2, March Y+3 and March Y+4),
- the Beneficiaries become shareholders on the vesting date (they acquire economic rights only, no corporate rights (voting rights)). These are "participation certificates" of the scheme under Swiss law,
- The shares received can only be sold after the lock-up period has expired,
- the resale period is limited over time as each vintage has a lifetime of seven years. The shares may only be sold back to Edmond de Rothschild Holding S.A.

In addition, the participation certificates will be delivered to the beneficiaries of Edmond de Rothschild (France) by Edmond de Rothschild Holding S.A.

Under the contract between Edmond de Rothschild Holding S.A. and Edmond de Rothschild (France), Edmond de Rothschild Holding S.A. bills Edmond de Rothschild (France) for the cost of acquiring its own shares to be transferred to French beneficiaries.

An expense is recorded in respect of services rendered by employees. In the absence of a commitment to pay a cash sum to employees, the plan is qualified as equity-settled (IFRS 2.43B), with the following accounting consequences:

- an expense is determined at the award date and without subsequent revaluation, except to take account of changes in service and/or performance conditions (IFRS 2.B57),

- this expense is spread over the period during which the services are rendered, in exchange for an equity item representing the parent company's contribution (IFRS 2.B53),

- the deferral period is that during which the beneficiaries provide services to the Group on the basis of the conditions of presence necessary to the vesting of the rights. In this case, the charge for the 2024 plan is spread between 1 January 2024 and the vesting dates, i.e. over 2.25, 3.25 and 4.25 years for the tranches that will vest in March 2026, March 2027 and March 2028, respectively.

At 30 June 2024, the net expense relating to the Group's bonus share plan was €2,200 thousand versus a net expense of €2,276 thousand at 30 June 2023.

Note 7 – Additional information

		% interest		% control	
		30.06.2024	31.12.2023	30.06.2024	31.12.2023
7.1.	**Scope of consolidation**				
	Consolidating entity				
	Bank				
	• Edmond de Rothschild (France)				
	Full consolidation method				
	Portfolio Companies				
	• Financière Boréale	100.00	100.00	100.00	100.00
	• EdR Real Estate (Eastern Europe) Cie SàRL *	62.73	62.73	62.73	62.73
	• CFSH Luxembourg SàRL *	100.00	100.00	100.00	100.00
	• Edmond de Rothschild Europportunities Invest II SàRL *	58.33	58.33	58.33	58.33
	• Bridge Management SàRL *	99.99	99.99	100.00	100.00
	Asset management companies				
	• Edmond de Rothschild Asset Management (France)	99.99	99.99	99.99	99.99
	• Edmond de Rothschild Asset Management (Hong-Kong) Limited *	99.99	99.99	100.00	100.00
	• EDR Immo Magnum	100.00	100.00	100.00	100.00
	Consulting firm				
	• Edmond de Rothschild Corporate Finance	100.00	100.00	100.00	100.00
	Insurance Company				
	• Edmond de Rothschild Assurances et Conseils (France)	100.00	100.00	100.00	100.00
	Miscellaneous				
	• Edmond de Rothschild Boulevard Buildings Ltd *	100.00	100.00	100.00	100.00
	• Groupement Immobilière Financière	100.00	100.00	100.00	100.00
	Equity-accounted associates				
	Asset management company				
	• Zhonghai Fund Management Co. Ltd *	25.00	25.00	25.00	25.00
	• ERAAM	34.00	34.00	34.00	34.00

* Foreign company.

		30.06.2024	31.12.2023
7.2.	**Average number of employees**		
	Average headcount of the French companies	773	734
	- Technical staff	*84*	*75*
	- Executives	*689*	*659*
	Average headcount of the foreign companies	51	56
	Overall average headcount	**824**	**790**

In accordance with the requirements of the French Commercial Code, the breakdown by category of the average headcount, salaried and available to the Group during the financial year is communicated. The headcount employed on a part-time basis or for a period of less than the financial year is accounted for in proportion to the actual working time, by reference to the contractual or legal duration of the work.

7.3. Post-balance sheet events

There are no post-closing events.

7.4. Disclosures concerning capital

Pursuant to regulation no. 2000-03 of the French Banking and Finance Regulatory Committee, compliance with the solvency ratio is assessed at the level of Edmond de Rothschild (France), which complies with capital requirements.

At 30 June 2024, the share capital of Edmond de Rothschild (France) amounted to €83,075,820 consisting of 5,538,388 shares with a par value of €15.

The Group’s activities are structured around two core business divisions (Private Banking and Asset Management), plus another division (Other activities and Own management).

The Private Bank covers a range of services including: portfolio and wealth management, wealth planning and family office.

Asset Management covers the following investment areas:
- long only management including equity, corporate debt, asset allocation and sovereign bonds,
- clean investment solutions,

The “Other activities and “Proprietary Trading” division comprises:
- under Other Activities, corporate advisory services provided by the dedicated subsidiary Edmond de Rothschild Corporate Finance, including M&A advisory, business valuations and financial engineering, and the proprietary activities of the Capital Markets Department;
- under Own management, the Group’s wealth management activities (in particular the securities portfolio), the central function of the Bank for its various business lines, the costs associated with the activities of this division and its oversight role over the Group and income and expenses;
- not directly related to the activity of the other business divisions;

Comments regarding methodology

The management accounts of each business division were prepared with the following objectives:
- to determine the results of each of these divisions as if they were independent entities;
- to provide a fair view of their results and profitability during the financial year.

The accounting principles used to prepare these financial statements are as follows:
- the net banking income of each of the divisions corresponds to the income generated by its activity, net of the trailer fees paid to business providers;
- the operating expenses of the business divisions include their direct costs, their portion of the charges for the logistics and operational support provided by the Bank and a share of the Group’s overheads;
- provisions are allocated to the various divisions in order to reflect the cost of the risk inherent in its business for each of them. Provisions that cannot be allocated to a business line are allocated to Proprietary Trading.

The detailed breakdown of earnings recorded by each of these divisions and their contribution to the Group’s profitability is presented below.

In thousands of euros	Private Banking		Asset management and Private equity		Other Activities and Proprietary Trading		Group	
	2024	2023	2024	2023	2024	2023	2024	2023
Net banking income	**67,753**	**69,980**	**71,206**	**63,702**	**34,101**	**57,515**	**173,060**	**191,197**
Operating expenses	-54,614	-54,294	-63,199	-62,627	-31,743	-34,220	-149,556	-151,141
Personnel expenses	-34,281	-34,472	-35,341	-35,296	-16,825	-19,833	-86,447	-89,601
- direct	*-25,023*	*-25,269*	*-27,242*	*-27,327*	*-12,252*	*-16,258*	*-64,517*	*-68,854*
- indirect	*-9,258*	*-9,203*	*-8,100*	*-7,969*	*-4,572*	*-3,575*	*-21,930*	*-20,747*
Other operating expenses	-17,254	-16,527	-25,393	-24,809	-9,075	-8,763	-51,722	-50,099
Depreciation expenses	-3,079	-3,295	-2,465	-2,523	-5,842	-5,623	-11,386	-11,441
Gross operating income	**13,139**	**15,686**	**8,008**	**1,075**	**2,358**	**23,295**	**23,505**	**40,056**
Cost of risk	0	0	0	0	-31	-128	-31	-128
Operating profit*	**13,139**	**15,686**	**8,008**	**1,075**	**2,327**	**23,167**	**23,474**	**39,928**
Share in net income of associates	0	0	0	1,604	81	0	81	1,604
Net gains or losses on other assets	0	0	0	0	0	472	0	472
Change in value of goodwill	0	0	0	0	0	0	0	0
Recurring income before tax	**13,139**	**15,686**	**8,008**	**2,679**	**2,408**	**23,639**	**23,555**	**42,004**
Income tax	-3,394	-4,052	-2,069	-325	-1,510	-4,688	-6,973	-9,065
Net income	**9,745**	**11,634**	**5,938**	**2,354**	**899**	**18,951**	**16,582**	**32,939**

Note 9 – Related party transactions

During the first half of 2024, relations between Edmond de Rothschild (France) and affiliated companies were similar to those of the 2023 financial year, and no unusual transactions, in nature or amount, took place during this period.

Parent company financial statements

Parent company balance sheet and off-balance sheet items (in thousands of euros)

	30/06/2024	31/12/2023
Assets		
Cash, due from central banks and postal accounts	2,150,438	37,001
Treasury notes and similar securities	88,452	78,757
Due from credit institutions	772,704	3,260,616
Transactions with clients	1,225,114	1,218,099
Bonds and other fixed income securities	-	-
Equities and other variable-income securities	14,007	13,314
Investments in subsidiaries and associates and other long-term investments	9,801	10,026
Shares in affiliated companies	167,467	164,454
Intangible assets	57,232	48,643
Property, plant and equipment	15,705	16,428
Treasury shares	-	-
Other assets	35,139	66,584
Adjustment accounts	97,274	102,275
Total assets	**4,633,333**	**5,016,197**

	30/06/2024	31/12/2023
Liabilities		
Due to credit institutions	1,494,910	1,870,198
Transactions with clients	1,786,058	1,668,720
Debt securities	902,708	922,125
Other liabilities	82,687	91,120
Adjustment accounts	72,615	97,520
Provisions	6,389	4,606
Subordinated debt	21,059	21,065
Shareholders’ equity (excluding funds for general banking risks)	296,907	340,843
. Share capital	*83,076*	*83,076*
. Issue premiums	*98,244*	*98,244*
. Reserves	*32,278*	*32,278*
. Retained earnings (+/-)	*73,193*	*65,716*
. Income for the financial year (+/-)	*11,117*	*61,529*
Total liabilities	**4,663,333**	**5,016,197**

Off-balance sheet		
Commitments given		
Financing commitments	417,182	454,099
Guarantee commitments	84,662	84,490
Commitments on securities	3,939	5,597
Commitments received		
Guarantee commitments	73,505	72,393
Commitments on securities	-	910

Parent company’s income statement

In thousands of euros	30.06.2024	30.06.2023
+ Interest and similar income	107,221	101,422
- Interest and similar expenses	-84,913	-78,840
+ Income from variable-income securities	415	2,259
+ Commissions (income)	54,167	52,205
- Commissions (expenses)	-14,112	-12,822
+/- Gains or losses on trading portfolio transactions	12,072	20,679
+/- Gains or losses on investment portfolio transactions and similar	-236	-252
+/- Other income from banking operations	23,190	20,230
-Other expenses from banking operations	-1,730	-1,839
Net banking income	**96,074**	**103,042**
-General operating expenses	-86,587	-85,193
-Depreciation, amortisation and impairment of intangible assets and property, plant and	-5,452	-5,552
Gross operating income	**4,035**	**12,297**
+/- Cost of risk	-5	-1
Operating income	**4,030**	**12,296**
+/- Gains or losses on fixed assets	3,170	3,431
Recurring income before tax	**7,200**	**15,727**
+/- Exceptional profit/loss	20	-2
- Income tax	3,897	845
Net income	**11,117**	**16,570**

Auditors' report

Period from 1 January 2024 to 30 June 2024

Statutory auditors' report on the interim financial information

To the Shareholders
EDMOND DE ROTHSCHILD (FRANCE)
47, rue du Faubourg St Honoré
75008 PARIS cedex 08,

As part of the assignment entrusted to us by your General Shareholders' Meeting and in accordance with Article L. 451-1-2 III of the French Monetary and Financial Code, we have carried out:

- the limited review of the condensed half-year consolidated financial statements of EDMOND DE ROTHSCHILD (FRANCE), for the period from 1 January to 30 June 2024, as appended to this report;
- the verification of the information provided in the half-year activity report.

These condensed interim consolidated financial statements were prepared under the responsibility of the Management Board. It is our responsibility, on the basis of our limited review, to express an opinion on these financial statements.

I – OPINION

We conducted our limited review in accordance with the professional standards applicable in France.
A limited review essentially consists of meeting with senior management members in charge of the accounting and financial aspects and implementing analytical procedures. This work is less extensive than that required for an audit conducted in accordance with professional standards applicable in France. As a result, the assurance that the financial statements, taken as a whole, do not contain material misstatements, obtained as part of a limited review, is a moderate assurance, lower than that obtained in an audit.

Based on our limited review, we did not identify any material misstatements likely to call into question the compliance of the condensed interim consolidated financial statements with IAS 34 - IFRS as adopted by the European Union for interim financial reporting.

II – SPECIFIC VERIFICATION

We also verified the information provided in the interim management report commenting on the condensed interim consolidated financial statements on which our review was conducted.

We have no comments to make as to its fair presentation and consistency with the condensed interim consolidated financial statements.

Neuilly-sur-Seine and Paris, on 13 September 2024

The Auditors

PricewaterhouseCoopers Audit	**Cabinet Didier Kling& Associés**
Frank Vanhal	**Christophe Bonte**

Statement of the half-year financial report

Statement by the person responsible for the half-year financial report

I certify, to the best of my knowledge, that the condensed financial statements for the half-year period ended were prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position and income of the company and of all the companies included in the consolidation, and that the attached half-year management report presents a true and fair view of the significant events that occurred during the first six months of the financial year, their impact on the financial statements, the main related party transactions, as well as a description of the main risks and uncertainties for the remaining six months of the financial year.

Signed in Paris, on 13 September 2024
Chair of the Executive Board

Renzo Evangelista