

# Crédit Mutuel Alliance Fédérale

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*2023 Full-Year Results*

*March 2024*

## Disclaimer

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Crédit Mutuel Alliance Fédérale ("The Group") represents the Group members of the Caisse Fédérale de Crédit Mutuel and the consolidated data of its subsidiaries: the Caisses de Crédit Mutuel Nord Europe, Centre Est Europe, Sud-Est, Ile de France, Savoie-Mont Blanc, Midi-Atlantique, Loire-Atlantique & Centre-Ouest, Centre, Normandie, Dauphiné-Vivarais, Méditerranée and Anjou, Massif Central, Antilles Guyane and their common Caisse fédérale (CF de CM), and of the Banque Fédérative du Crédit Mutuel, its main subsidiaries: ACM, CIC, Targobank Germany, Targobank Spain (sold in October 2023), Cofidis, BECM, EI and others.

**Changes in scope:** exits of GACM España and Targobank España; entry of Crédit Mutuel Impact(asset management), the « Fonds de Révolution Environnementale et Solidaire » (holding) and ACM Deutschland (ACM tier).

**Restated results for 2022:** Starting from January 1, 2023, Crédit Mutuel Alliance Fédérale applies the IFRS 17 accounting standard for "insurance contracts" at the group level, as well as the IFRS 9 standard for "financial instruments" for its insurance entities. To have a consistent reference, the 2022 data has been restated.

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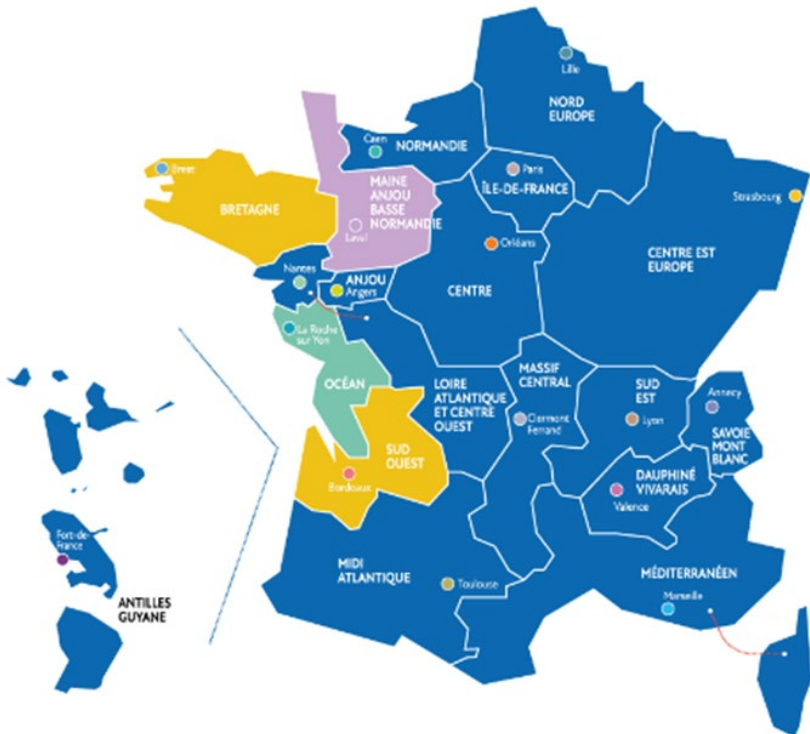
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01

# Crédit Mutuel Alliance Fédérale Presentation

# — Crédit Mutuel Group

## Structure & Governance



- Caisse Interfédérale **Crédit Mutuel Arkéa**
- Caisse fédérale de **Crédit Mutuel Alliance Fédérale**
- Crédit Mutuel **Maine-Anjou, Basse-Normandie**
- Crédit Mutuel **Océan**

**c.1,990**  
Crédit Mutuel Local Banks

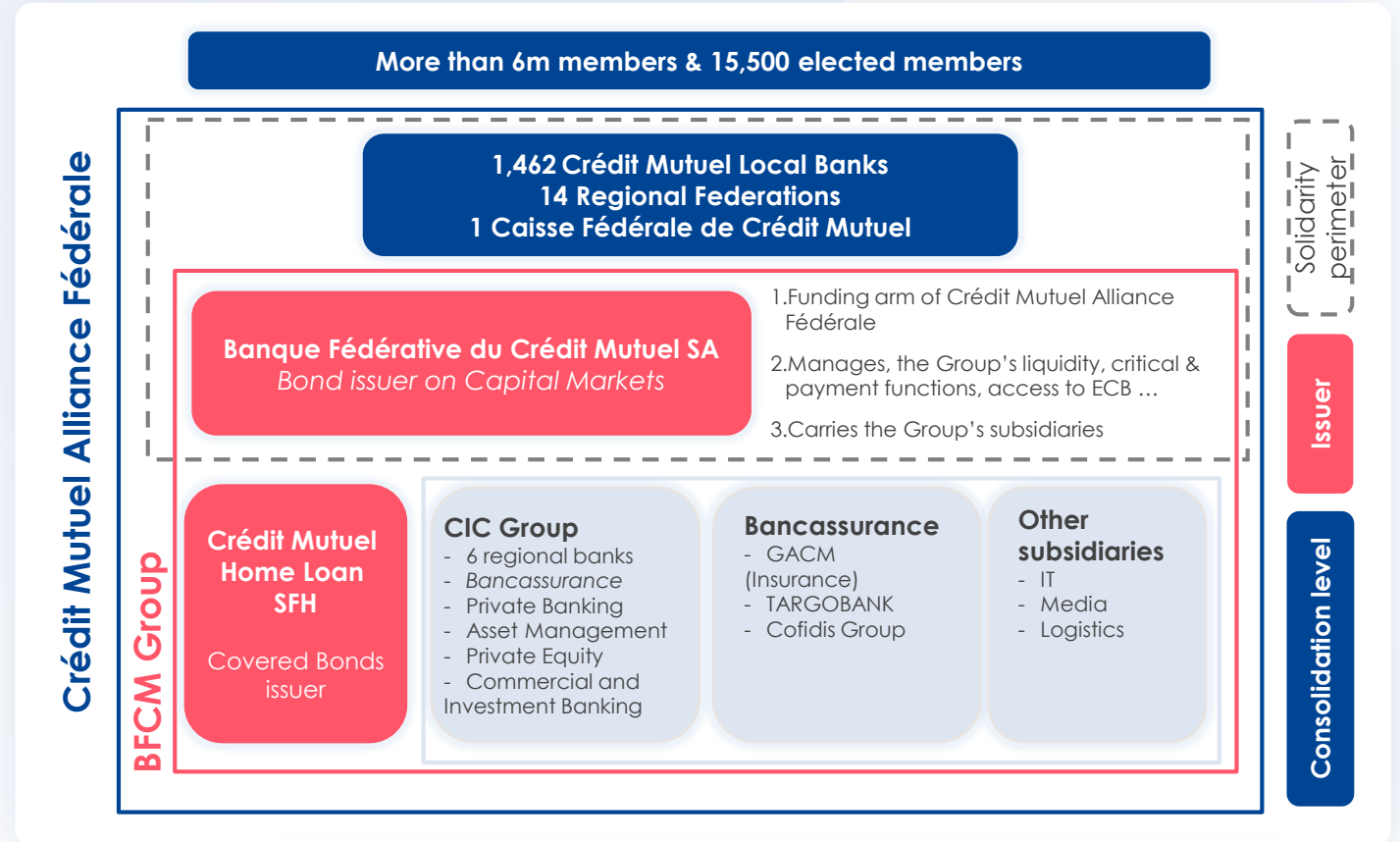
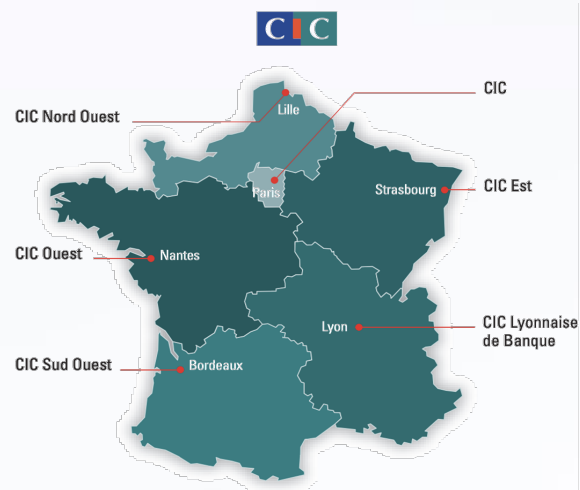
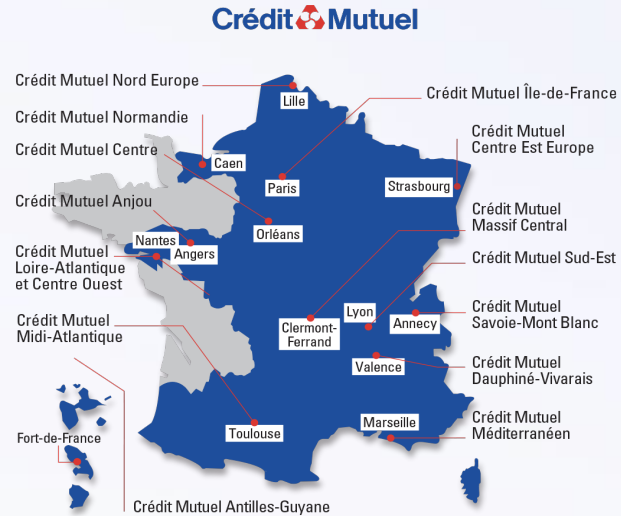
**18**  
Regional Federations

**4**  
« Caisse Fédérale »

*NATIONAL BODY*  
**Confédération Nationale du Crédit Mutuel**

# Crédit Mutuel Alliance Fédérale

## 2 issuers on the Capital Markets



### Changes in scope:

- exits of GACM España and Targobank España;
- entry of Crédit Mutuel Impact, the « Fonds de Révolution Environnementale et Solidaire » and ACM Deutschland.

# Executive summary

Crédit Mutuel Alliance Fédérale a “Bancassurance” business model with a sound risk profile

→ A real innovative cooperative group belonging to its customers, with a cross selling business

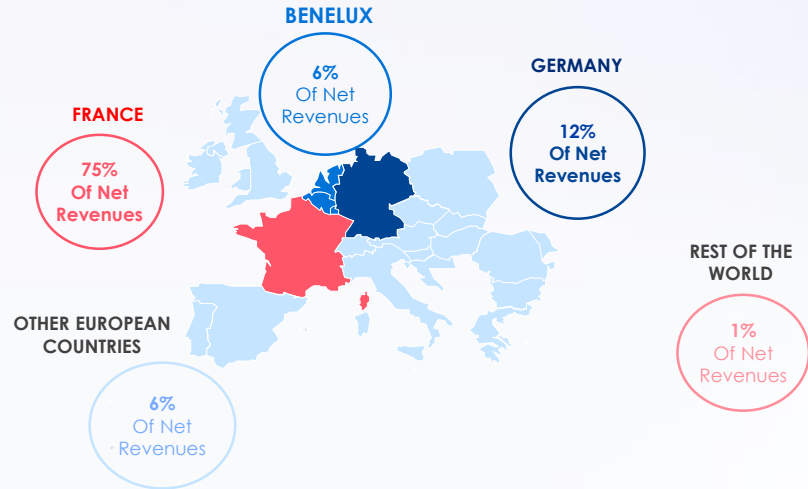
31.2 million customers  
c. 6.3 million members  
15,232 elected members  
4,367 branches



Total loans: **€521.9 bn**  
Total savings: **€892 bn**  
- of which customer deposits 481,095  
- of which insurance savings 105,920  
- of which financial savings (under management and in custody) 305,773  
Balance sheet total: **c.913 bn**

→ A group with a low risk profil:

87% of Net Revenues in France and Germany



€4.1bn in net income, 77% of which generated by Retail banking and Insurance activities

• Retail Banking



• Insurance



• Specialized business lines

Asset Management & Private banking,  
Corporate banking, Market activity and Private equity



• Others

IT & Media



## Best rating among French & European Banks

Recognition of the financial stability & pertinence of the business model

Financial ratings reaffirmed

**Moody's** Aa3 / P-1 / stable  
**Standard & Poor's** A+ / A-1 / stable  
**Fitch Ratings** AA- / F1+ / stable

Extra-financial ratings:

**ISS ESG:** C  
**MSCI:** AA  
**Moody's ESG:** 64  
**Sustainalytics:** 19.7

## Strong capitalization and best solvency ratio in Europe

- Shareholders' equity: **€62.3 bn**
- CET1 capital: **€55.7 bn<sup>(\*)</sup>** (+9.4%)
- CET1: **18.5%<sup>(\*)</sup>** (above strategic plan targets)
- Overall solvency ratio: **20.7%<sup>(\*)</sup>**
- Best ranking among universal banks in **2023 EU wide stress tests**

(\*) estimated

## Leading player in the environmental and social transition

- Creation of the **Societal Dividend** in January 2023
- First bank to adopt the status of a **benefit corporation** in 2020
- **Stringent policies** to exit coal and unconventional oil and gas sectors

# — 2023-2024 Strategic developments





# — Focus on the Societal Dividend

Putting financial performance to work for the benefit of the whole society



Allocation target **€2.5bn by 2027**

Launch year achievements : **€439mn allocated i.e. 80%** of the goal for 2023

€363mn

## Impact investments

1.5Md€ allocation target by 2027



colonies



### Focus on the acquisition of the Dambach forest

- One of the biggest carbon sinks in the Grand Est region
- Enabling 23,000 tons of carbon to be sequestered a year
- Resources to be deployed to protect it from the consequences of global warming (forest fires, proliferation of parasites, etc.)

€8mn

## Services that benefit the community

- **0% bicycle loan** for all (without fee)
- **100% solidarity banking package** to support local cultural and sport associations
- **Facil'accès** for customers in financial difficulty, with an account at €1 net per month and no incident fees

€68mn

## Sponsorship

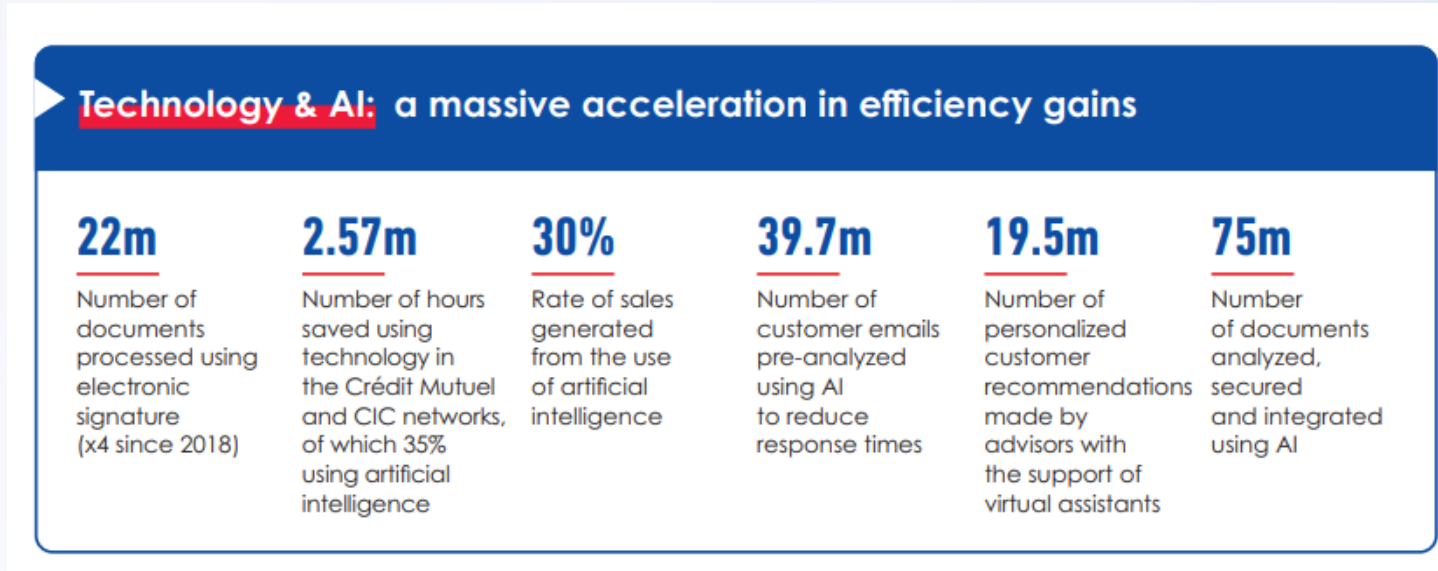


- To fight against precariousness
- To fight against inequalities
- To preserve nature and the living world



## — Focus on IT

### Massive investments in technology at the human service



- In 2023, launch of the “**quantum factory**”: deployment of quantum computing to accelerate the development of the technology within the Group
- In 2024, launch of **the Strategic Plan** whose technological objectives are to:
  - **Enhance the digital pathway with sales growth of 20% through this channel**
    - Reach 100% autonomy for interested existing and prospective customers
    - Rolling out leading edge cognitive, OCR (optical character recognition) and voice recognition technologies
  - **Innovate constantly to remain at the leading edge of upcoming technologies and ensure they can protect the sovereignty of the Group**
    - Speeding up investment in technology, particularly in new datacenters, the private cloud and highly resilient systems

# 02 Financial Results

# 2023 Full-Year Results – Key Takeaways

## Net revenue

€16.1bn +€435mn +2.8%

### Growth maintained with contrasting trends across business lines

- Excellent resilience in retail banking (+1.7% or +€200m) thanks to consumer credit (Targobank) and business line subsidiaries (factoring), while the banking networks were stable (-0.4%) despite the sharp rise in the cost of deposits
- Good performance by specialised business lines (up 15.3% or €362m), particularly private banking, CIB and capital markets activities
- Insurance stable (-1.5% or -€18m)

## Operating expenses

€9.2bn +€564mn +6.5%

### Contained rise in costs in an inflationary environment

- Increase across the board, faster in specialised businesses than in retail banking
- Incorporation of sponsorship expenses (€68m) incl. Crédit Mutuel Alliance Fédérale foundation's donations expenses and the effects of salary increases in 2023 and 2024
- Lower contributions to the SRF<sup>(1)</sup> and DGF<sup>(2)</sup>
- Cost/income ratio deteriorates 57.1% (-2pp vs 2022) but still below 61% target set in the 2019-2023 strategic plan

## Cost of risk

€1.3bn +€528mn +68.7%

### Rise in overall cost of risk at pre-COVID level

- 65.8% (+€586m) increase in proven risk, driven by local business and higher cost of risk in retail banking, consumer finance
- Net reversal of unproven risk of €181m (vs. €123m in 2022) after dropping sectoral provisions and adjusting a management overlay
- As a % of loans, the cost of customer risk is 24 bp compared with 17 bp in 2022, and below the pre-Covid level

## Other items

**No major adjustment in 2023** (In 2022: €1.2bn impairment on the goodwill arising on the acquisition of TARGOBANK Germany and the provision for the loss on the disposal of TARGOBANK Spain)

## Net income

€4.1bn +€630mn +18.1%

**Net profit of over €4bn**

## Financial strength

- **CET1 ratio<sup>(3)</sup>: 18.5%** vs. 18.2% in dec. 2022
- **LCR ratio** (average): **162.8%** vs 153.3 % in 2022
- **LDR ratio: 108.5%** vs. 109.9% in dec. 2022

Results of the 2023 EU-wide stress test  
**Crédit Mutuel ranks as  
the strongest French Universal Banks**

(1) SRF: Single Resolution Fund  
(2) DGF: Deposit Guarantee Fund  
(3) Estimated

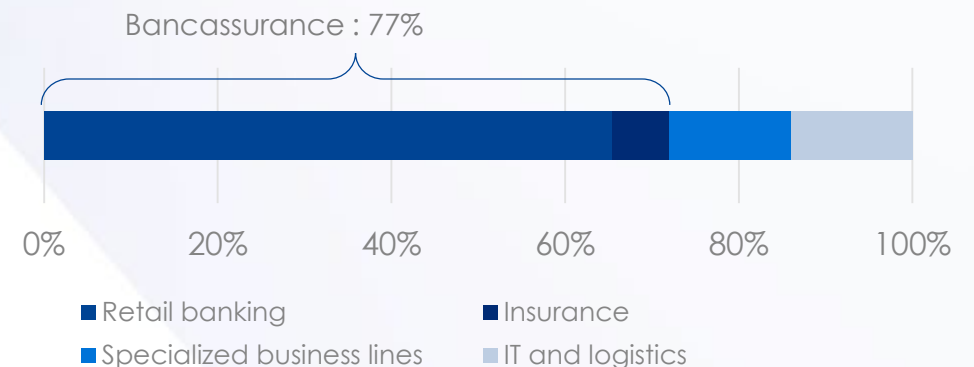
# 2023 Full-Year Results – Net revenues by business lines

Net revenues growth of 2.8% in a challenging economic and financial environment

- **Increase in retail banking revenues** despite a fall in loan production, the rise in funding cost and the constraints imposed by the usury rate
  - **Increase in interest margin** thanks to higher loan income and an efficient interest rate risk management.
  - **Growth in consumer credit**, particularly with TARGOBANK in Germany, Cofidis being more constrained by the usury rate in France
- Contribution from **asset management and private banking up 14.8%**, reflecting sustained commercial activity, an increase in the interest margin and higher stock market and management fees
- **Good level of activity in corporate loans and project finance**, boosting net revenues by 33.7%
- **Volatility** in the financial markets benefited to capital markets activities, with a 36% increase in net banking revenues
- **Other business** lines affected by IFRS 17 restatements relating to insurance activities carried by the banking network

in €M	31/12/2023	2022 proforma	change
<b>Retail Banking</b>	<b>12,273</b>	<b>12,074</b>	<b>+1.7%</b>
Banking network	8,440	8,474	-0.4%
Consumer credit	3,131	2,960	+5.8%
<b>Insurance<sup>(1)</sup></b>	<b>1,188</b>	<b>1,206</b>	<b>-1.5%</b>
<b>Specialized business lines</b>	<b>2,724</b>	<b>2,361</b>	<b>+15.3%</b>
Asset Management & Private banking	1,285	1,119	+14.8%
Corporate banking	629	471	+33.7%
Capital markets	465	342	+36.0%
Private equity	345	430	-19.8%
<b>Others (IT, Logistic, Media &amp; others)<sup>(1)</sup></b>	<b>-125</b>	<b>-16</b>	<b>x 7,8</b>
<b>Net Revenues</b>	<b>16,060</b>	<b>15,625</b>	<b>+2.8%</b>

Contribution to net revenues<sup>(2)</sup>



(1) Of which reclassification of operating expenses related to insurance contracts as expenses related to insurance contracts classified under net revenue  
 (2) Operational activities, excluding Holding company services

# 2023 Full-Year Results – Net revenues breakdown

Net interest margin represents 53% of net revenues

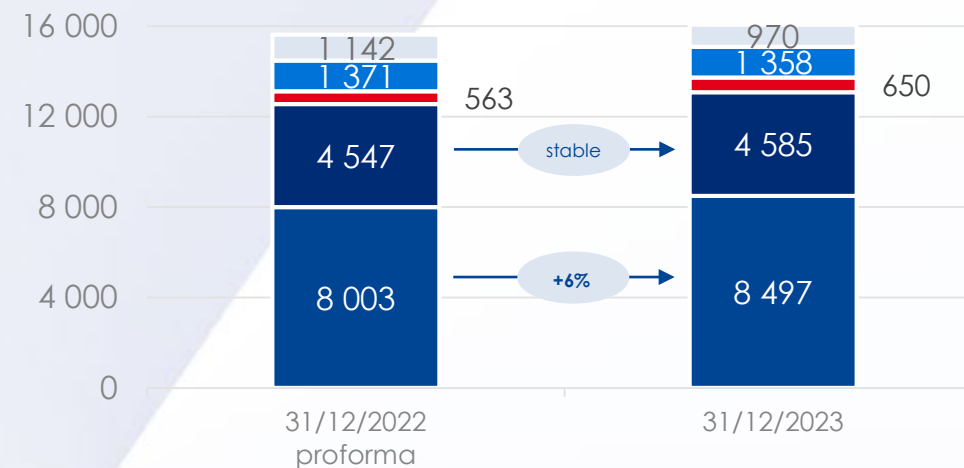
- The growth in net revenue (+2.8 %) was the result of an **increase in the interest margin** and **commission income**

- Increase of the **net interest margin by 6%** thanks to the increase in loan income and good management of interest rate risk
- Commissions stable** at around €4.5 bn
- Impact of **IFRS17/IFRS9** on income from insurance activities of -€1.8 bn compared with published 31/12/2022 (reclassification of expenses relating to insurance contracts from general expenses to net revenue)

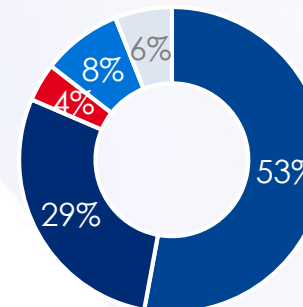
- Contrasted trends in net interest margin** between business lines

- Solidity of Crédit Mutuel bancassurance network** with growth in interest margin (up 5.6%) and a good level of commission income (up 1.8%)
- Less favourable evolution by the **other banking networks in France**, given their loan and deposit structures
- Increased margin for most activities** (consumer finance, business financing, corporate banking, private banking), which were able to benefit from rapid loan repricing (due to short maturities or variable-rate loans)

Evolution of components (in €mn)



- Net income and expenses of other activities
- Net profit/(loss) of the insurance activities
- Net gain/(loss) on financial instruments
- Fees and Commissions
- Net interest margin



Net revenue breakdown

- Net interest margin
- Fees and commissions
- Net gain/(loss) on financial instruments
- Net profit/(loss) of the insurance activities
- Net income and expenses of other activities

# – 2023 Full-Year Results – Contribution by Business Units to Net Income

Net income up to €4.1bn (+18.1%) year-on-year

Retail banking and Insurance represent **77 %** of the net income

Contribution to Net Income by operational business units<sup>(1)</sup>

## Retail Banking

### “Bancassurance” networks

Crédit Mutuel, CIC, BECM, Beobank

### Consumer credit

Cofidis Group, Targobank Germany

### Others

Leasing, Factoring, Real Estate, others



## Insurance

Groupe des Assurances du Crédit Mutuel



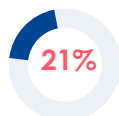
## Specialized business lines

Asset Management & Private banking

Corporate banking

Market activity

Private equity



## Others

IT & Media



in €mn	31/12/2023	2022 proforma	change
<b>Retail Banking</b>	<b>2,428</b>	<b>2,750</b>	<b>-11.7%</b>
Banking network	1,780	2,195	-18.9%
Consumer credit	481	427	+12.6%
Factoring and finance leasing solutions	167	128	+30.3%
<b>Insurance</b>	<b>822</b>	<b>814</b>	<b>+0.9%</b>
<b>Specialized business lines</b>	<b>860</b>	<b>918</b>	<b>-6.3%</b>
Asset Management & Private banking	262	241	+8.8%
Corporate banking	195	260	-25.0%
Capital markets	147	77	+90.1%
Private equity	256	340	-24.6%
<b>Others (IT, Logistic, Media &amp; others)</b>	<b>6</b>	<b>-997</b>	<b>ns</b>
<b>Net Income</b>	<b>4,115</b>	<b>3,485</b>	<b>+18.1%</b>

<sup>(1)</sup> Excluding “Holding company services” business line

# 2023 Full-Year Results – Cost of risk

Risk indicators up but still below pre-Covid 2019 levels

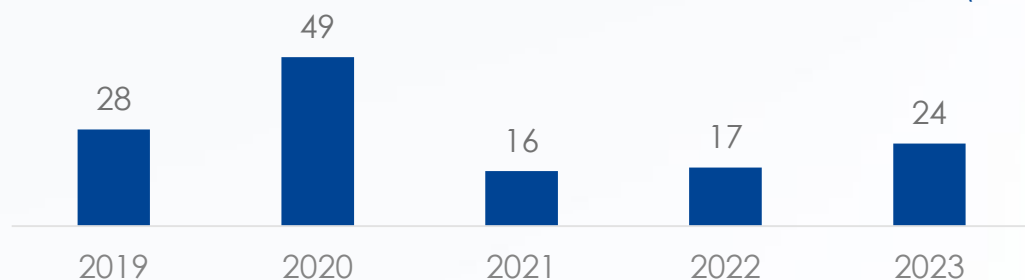
- **Increase in overall cost of risk** (+68.7%) to €1.3bn
- **Proven cost of risk** at 27 bp (vs. 18 bp in 2022), increase recorded:
  - on retail banking & consumer finance activities
  - on corporate banking, due to a rise in defaults on the professional and corporate market
- **Unproven cost of risk:** net reversal of provision of €181m
  - Discontinuation of sectoral provisions booked during the pandemic period
  - Adjustment of a management overlay relating to uncertainties in the current economic climate
- **Deterioration in indicators** (cost of risk/doubtful debt ratio) compared with 2022, but still lower than the pre-Covid19 period

in €mn	31/12/2023	31/12/2022	2019
Cost of customer risk	-1,241	-833	-1,071
Average gross customer loans	521,861	482,844	392,979
<b>Cost of customer risk related to outstanding loans (in bp) - annualized</b>	<b>24</b>	<b>17</b>	<b>28</b>
	<b>0.24%</b>	<b>0.17%</b>	<b>0.28%</b>

in €mn	31/12/2023	31/12/2022	2019
Gross receivables subject to individual impairment (S3)	15,133	13,181	12,079
Gross customer loans	532,054	511,668	392,979
<b>Non-performing loan ratio</b>	<b>2.8%</b>	<b>2.6%</b>	<b>3.10%</b>

in €mn	31/12/2023	31/12/2022	2019
Provisions for loan losses	-10,103	-9,571	-8,444
provisions for losses on non-performing loans (Stage 3)	-7,013	-6,278	-6,471
provisions for losses on performing loans (Stages 1 & 2)	-3,090	-3,293	-1,973
Gross receivables subject to individual impairment (S3)	15,133	13,181	12,079
<b>Verified coverage ratio</b>	<b>46.3%</b>	<b>47.6%</b>	<b>53.60%</b>
<b>Total coverage ratio</b>	<b>66.76%</b>	<b>72.61%</b>	<b>69.90%</b>

**Total Cost of customer risk<sup>(1)</sup>** (in bp)



(1) Cost of customer risk in basis point (bp) of average gross outstanding loans (proven and unproven)

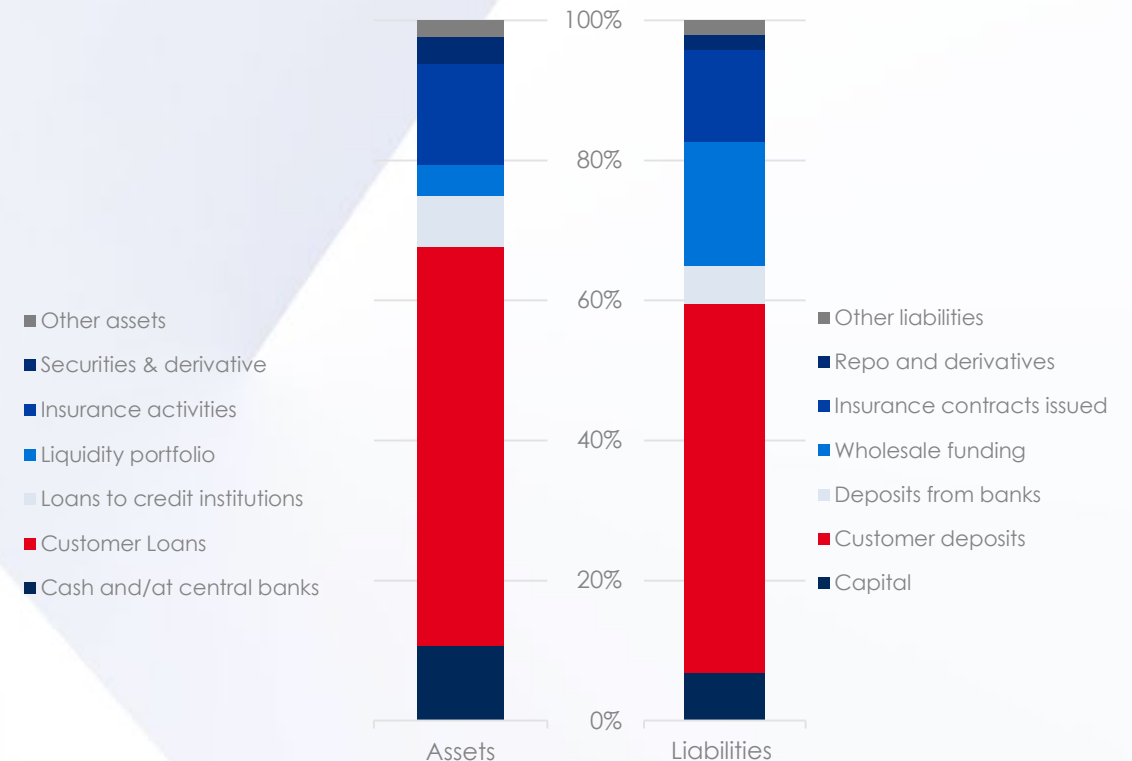


# — Simplified balance sheet<sup>(1)</sup>

Conservative balance sheet with customer deposits as the primary source of funding

- Total balance sheet of €913.3bn (+3.4% vs 31/12/2022 proforma)
  - Share of **customer deposits** : **53%**
  - Share of **customer loans** : **57%**
- Loan to deposit ratio : **108.5%** (vs 109.9% in 2022)
- **External funding** obtained: €155.2bn (-0.98%)
  - €52.6bn of short-term money market funding (<1 year)
  - €102.7bn of medium and long-term (MLT) funding
- **Total shareholders' equity**: €62.4bn i.e. +€4bn
  - €2bn in non controlling interests
- €60.3bn of **shareholders' equity - attributable to the group**
  - 13% in capital and related reserves i.e. €8bn
  - **80% in consolidated reserves** i.e. €48bn
  - 7% in profit for the period i.e. €3.9bn

€913.3bn<sup>(1)</sup>



(1) Figures under review by auditors

# Customers loans

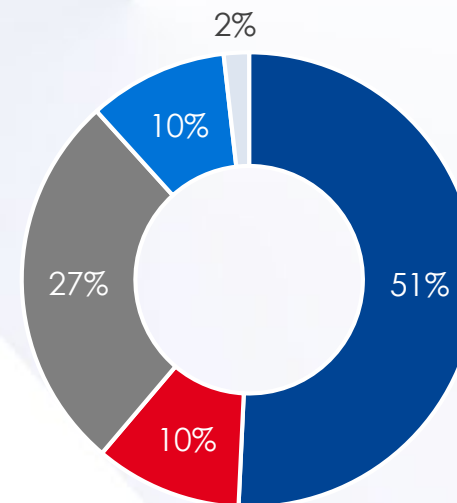
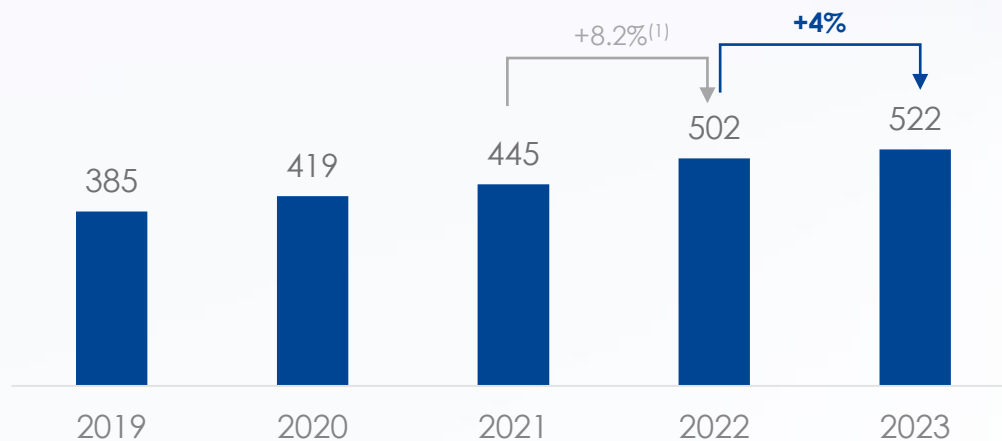
Favorable trend in outstanding loans despite rising interest rates

- **Outstanding loans up** by €20bn to €522bn from €502bn, an increase of 4.0% year-on-year
- **Slower loan growth** since the start of the year, with growth of 8.2% at end-December 2022 and 5% at end-June 2023, reflecting the decline in new lending (-20% in France)
- On the French banking networks (Crédit Mutuel and CIC), the **volume of loans granted fell** by 18%
- **Loan structure unchanged** compared with 2022

outstanding end of year, in €bn	31/12/2023	31/12/2022	change
Mortgage Lending	264,9	254,4	+4,1%
Consumer loans	54,6	51,0	+6,9%
Equipment and leasing	141,4	134,8	+4,9%
Operating loans <sup>(1)</sup>	51,7	54,5	-5,0%
Others	9,4	7,4	+27,1%
<b>Customer loans</b>	<b>522,0</b>	<b>502,1</b>	<b>+4,0%</b>

(1) Current accounts in debit & cash flow loans

Evolution (in €bn)



Breakdown by products

- Mortgage lending
- Consumer loans
- Equipment and leasing
- Operating loans
- Others

(1) Current accounts in debit & cash flow loans

(2) 2022 change at constant perimeter

# Customer deposits

Growth in outstandings with significant transfers following the repricing of commercial liabilities

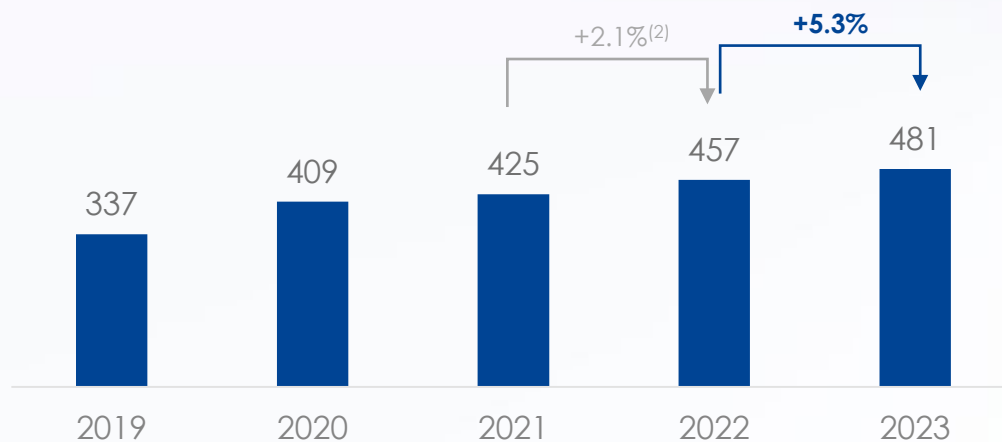
- Volume of **deposits up 5.3%** to end-2023, impacted by a sudden repricing of commercial liabilities
- **Strong inflows** of “Livret Bleu” and “Livret A” passbooks
  - General trend in regulated savings<sup>(1)</sup> with growth of 7% to €124.5bn, or 26% of customer deposits
- **Doubling of negotiated deposits** to €107bn, i.e. share of 22% of total volume (vs. 11% in 2022)
- Decline in **non-interest-bearing current accounts** (-€31bn), i.e. a relative weighting of 40% (vs. 49% in 2022)

outstandings end of year, in €bn

	31/12/2023	31/12/2022	change
Current accounts	191,1	221,7	-13,8%
Livrets Bleu & A	54,2	47,6	+13,9%
Other passbook accounts	71,3	78,0	-8,6%
Mortgage savings agreements	37,7	42,0	-10,3%
Interest-serving deposits <sup>(1)</sup>	107,1	52,4	x 2
Others	19,7	15,3	+29,0%
<b>Customer deposits</b>	<b>481,1</b>	<b>457,0</b>	<b>+5,3%</b>

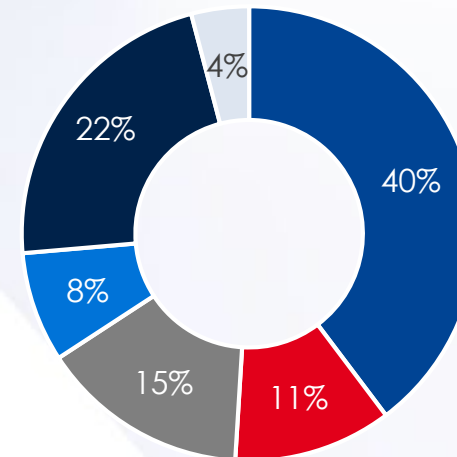
(1) Term deposits and PEPs

Evolution (in €bn)



(1) « Livret Bleu, livret A, LDD, LEP, CEL, livret jeune, PEL, PEP »

(2) 2022 change at constant perimeter



Breakdown by products

- Current accounts
- Livrets Bleu & A
- Other passbook accounts
- Mortgage savings agreements
- Interest-serving deposits
- Others

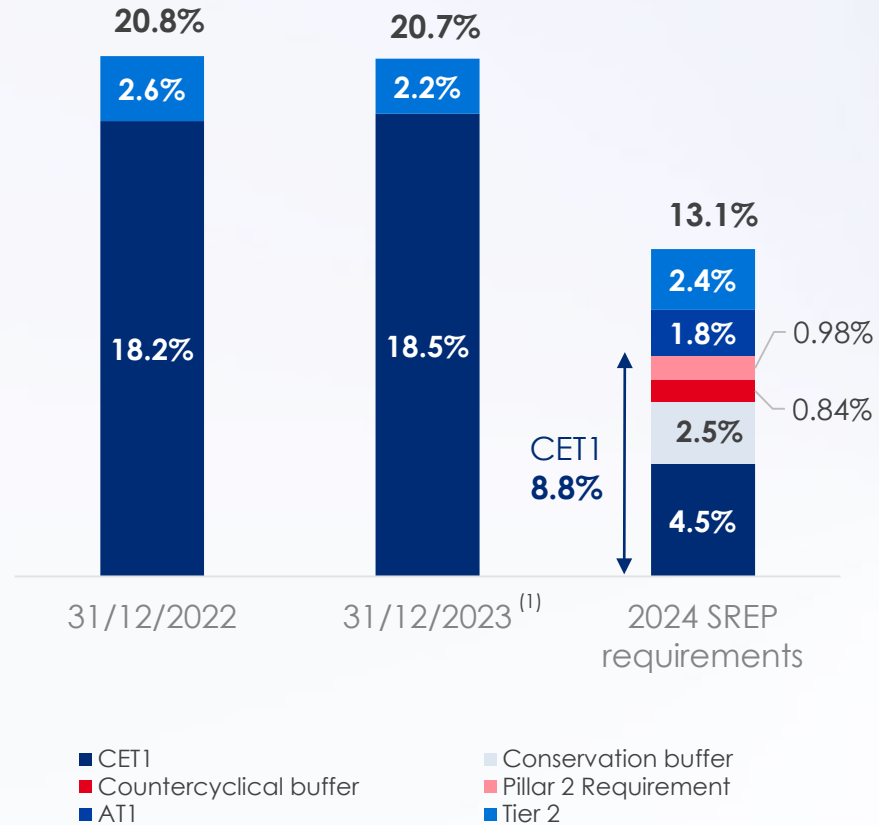
03

# Capital and liquidity

# Capital and solvency

Among the highest solvency ratios in Europe driven by recurring results

## Total capital position vs capital requirements



## Regulatory ratios well above requirements and to Strategic Plan target (between 17% and 18% by 2023)

- CET1 capital : €57.7bn<sup>(1)</sup> (+9.4%) due to retained earnings
- CET1 ratio : 18.5%<sup>(1)</sup>, above strategic plan target
- Risk-weighted assets (RWA) : €300.8bn<sup>(1)</sup> (+7.4%)
  - credit risk-weighted assets represent 91% of the total
- RoRWA<sup>(3)</sup> : 1.42%, above strategic plan target
- Negligible impact of the first-time application of the finalized Basel III regulation in 2025  
(including the output floor at the Crédit Mutuel Alliance Fédérale level and transitional arrangements)

### Results of the 2023 EU-wide stress test N°1 among the French Universal Banks

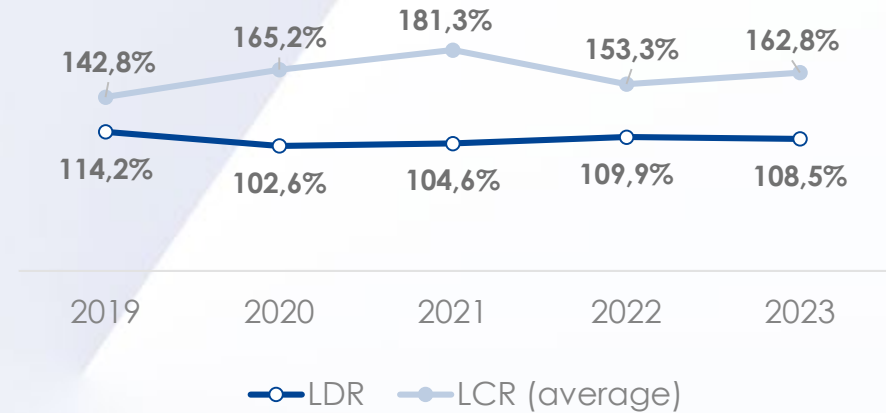
Realized <sup>(2)</sup> 31/12/2022	Baseline scenario 31/12/2025	Adverse scenario 31/12/2025
18.8%	19.5%	11.4% (-7.3 pp)

(1) Estimated  
 (2) CET1 ratio at Credit Mutuel Group level  
 (3) Return on Risk-weighted Assets

# Liquidity

Strong liquidity reserve that covers market funding due over 12 months

## Total liquidity reserves



- **Average LCR liquidity buffer** of €125.6bn, 80% of which in central bank deposits (mainly ECB)
- **Total liquidity reserve** of €170bn to cover 12-month shortfalls in market resources
- **HQLA securities** fully eligible for central bank operations and classified at fair value through equity

- LDR: **108,5%** (vs 109.9% December 2022)
- Average LCR over 2023: **162.8 %** (vs 153.3% in 2022)

(1) HQLA : High Quality Liquid Assets

# Minimum Requirement Eligible Liabilities – MREL<sup>(1)</sup>

The MREL is set for the Crédit Mutuel Group on a consolidated basis for the resolution group<sup>(2)</sup>

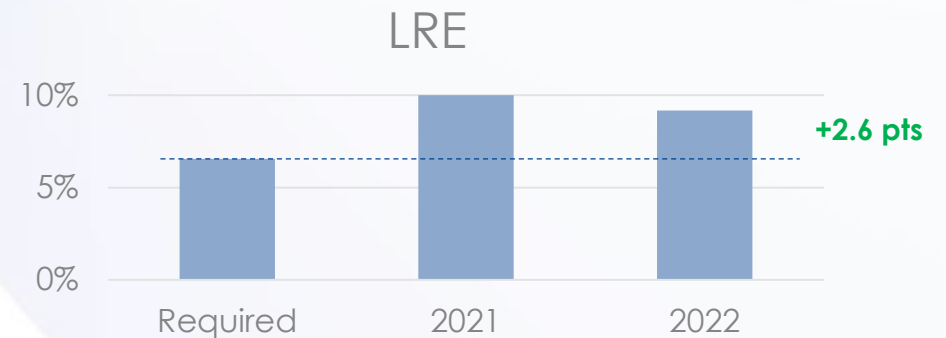
The Group received its MREL notification applicable on a **consolidated basis** at the level of the **resolution group**.

Crédit Mutuel's external MREL requirement is set at **20.99%** of the Group's risk-weighted assets (the "RWA") and at **6.54%** of the leverage ratio exposure.

The subordinated MREL requirement is set at **14.35%** of RWA and at **6.54%** of the leverage ratio exposure.

Crédit Mutuel is **well above** the requirements as of December 2022:

- Subordinated MREL ratio **22.8%** of the Group's RWA
- **9.18%** of the leverage ratio



(1) As an D-SIB, Crédit Mutuel is not subject to the TLAC requirements defined by the Financial Stability Board

(2) Applicable on a consolidated basis at the level of the resolution group, which is composed of the central body (Confédération Nationale du Crédit Mutuel), its affiliated entities including Banque Fédérative du Crédit Mutuel, and all their subsidiaries.

# 04 FUNDING



# Funding program 2023

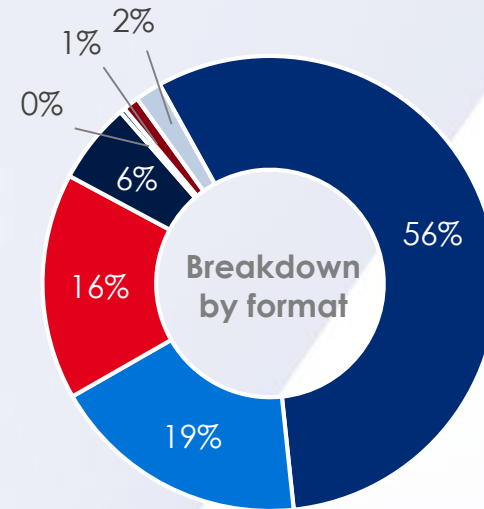
## Review of MLT resources raised in 2023

- €21.7bn raised in MLT funding
  - Initial objective €20bn
  - Prefunding for 2024 of €1.25bn (Senior Non Preferred format)
  - Average maturity of 2023 issuances : 5.8 years
- 23 public issues for €18,9bn
- 13% of private placements

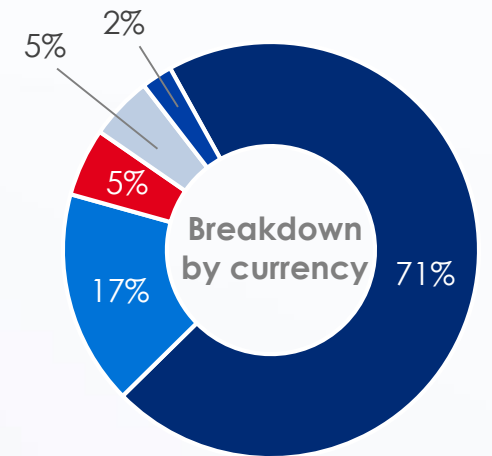
### Format of 2023 public issues:

- €3.5bn in covered bonds – average spread of 0.314%
- €10.1bn in senior preferred – average spread of 1.085%
  - of which **€750mn in social bond**
- €4bn<sup>(1)</sup> in senior non-preferred (SNP) – average spread of 1.462%
- €1.25bn in Tier 2 – average spread of 2.190%

(1) including €1.250bn - Senior non preferred issued in 2023 as prefunding for 2024



- Senior preferred
- Senior non preferred
- Covered bond
- Tier 2
- MLT deposits
- Senior-NEU MTN
- CRH



- EUR
- USD
- GBP
- JPY
- CHF

# Funding program 2024

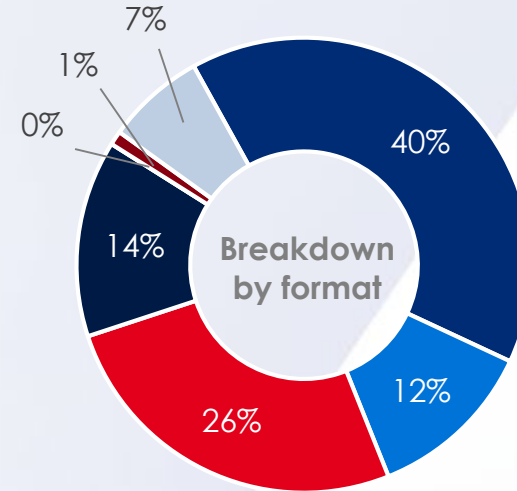
## Objective of €15bn to €17bn in MLT funding

- SNP/Tier 2 : objective of c. €4bn<sup>(1)</sup>
- Annual issue of GSS bond<sup>(2)</sup>
- Public and private issues in various format under BFCM (EMTN, US 144A, Samurai) and SFH (covered bonds) names
- Diversification of the investor base through currencies (USD, GBP, CHF, YEN...)

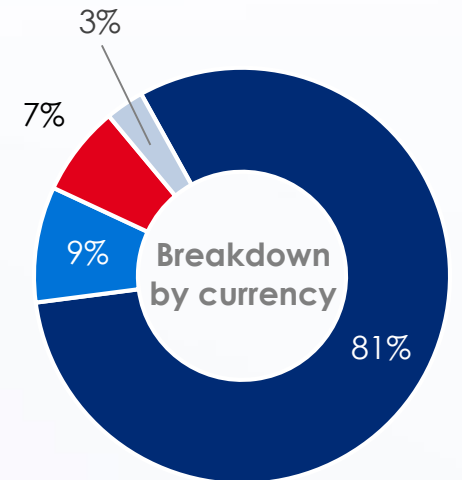
As of 20 march 2024, **€10.7bn has been raised in MLT issues**  
i.e. c.70% of 2024 target  
With an average maturity of **6.82 years**

### Main 2024 public issues:

- Tier 2 - €1.5bn – 4.375% - 01/2034 - MS+195
- Senior preferred – €1bn – 3.75% - 02/2034 – MS+125
- Senior preferred – CHF 310m – 2.223% - 01/2032 – SARON+96
- Covered bond – €1.5bn – 3% – 02/2032 – MS+40
- US MTN 144A - \$1bn - 01/2027 - T+97 / SOFR +113
- Senior preferred – GBP 600m – 5% - 10/2029 - UKT+105
- Covered bond - €1.250bn - 3% - 11/2030 - MS +31



- Senior preferred
- Covered bond
- MLT deposits
- CRH
- Senior non preferred
- Tier 2
- Senior-NEU MTN



- EUR
- USD
- GBP
- CHF

(1) including €1.250bn - Senior non preferred issued in 2023 as prefunding for 2024

(2) Green Social and Sustainable bond

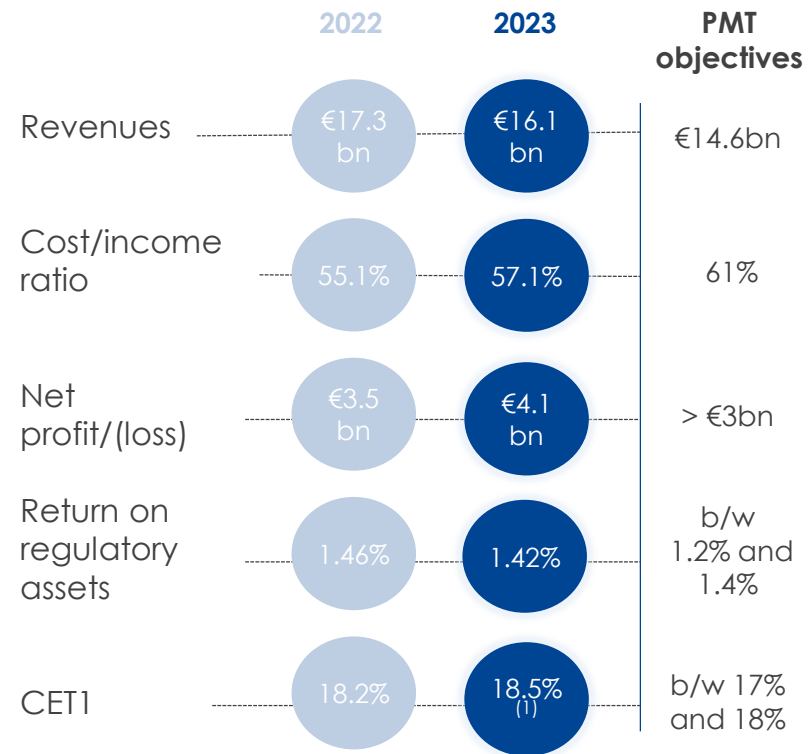
# 05 Strategic Plan

# 2019-2023 Strategic plan

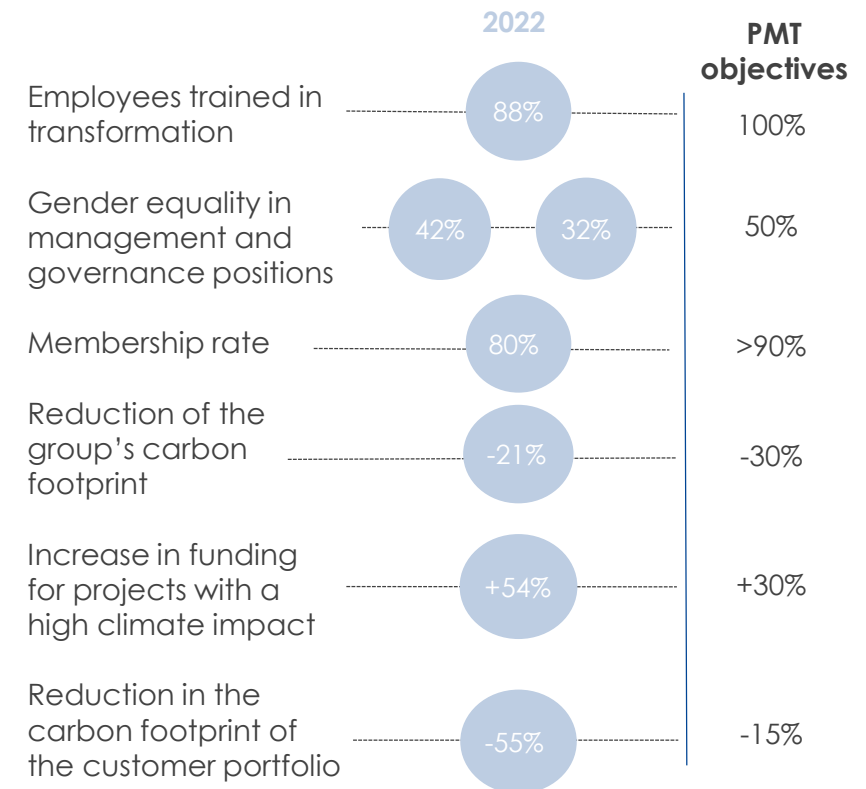
Major catalyst for development and transformation to achieve sustainable and responsible performance



## Financial performance in line with targets



## Social and mutualist ambitions on track



(1) Estimated

## — 2024-2027 strategic plan

*stepping up its development ambitions to put its financial performance to work for the benefit of society*

ENSEMBLE —  
— PERFORMANT  
SOLIDAIRE —

### OUR PRIORITY:

**A spirit of  
conquest  
& initiative**

### OUR COMMITMENT:

**Be at  
the forefront  
of ecological  
& societal  
transformation**

### A winning trio:

**Employees  
& Elected  
members,  
Technology**

# — 2024-2027 strategic plan

Focus on performance indicators

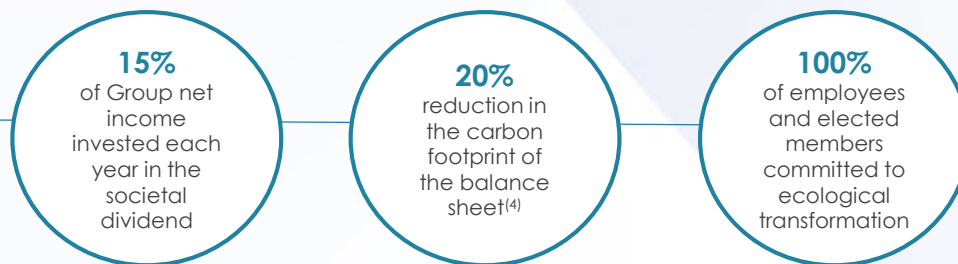
## ENSEMBLE



## PERFORMANT



## SOLIDAIRE



<sup>(1)</sup> Group management committees, boards of directors and supervisory boards of the umbrella structures of Crédit Mutuel Alliance Fédérale. Average target for the Group. The individual objectives of each entity take into account the reality of the labor market for that activity

<sup>(2)</sup> Scope of French network

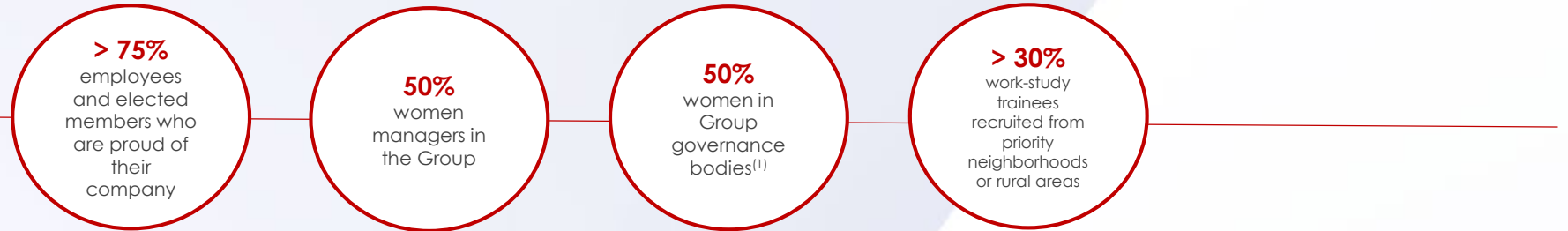
<sup>(3)</sup> Customers with a major product

<sup>(4)</sup> Scope: all loan and investment portfolios

# — 2024-2027 strategic plan

*A winning trio: employees, elected members and technology*

ENSEMBLE



- Develop the **Mutualist University**, powerful stimulus for action by the elected members in partnership with the University of Strasbourg
- Enhance of the **expertise of the networks** with the goal of 80% of the Crédit Mutuel local banks and CIC branches having at least seven employees
- **Innovate constantly** to remain at the **leading edge of upcoming technologies** and ensure they can **protect the sovereignty** of the Group
  - Speeding up investment in technology, particularly in new datacenters, the private cloud and highly resilient systems
  - Rolling out leading edge cognitive, OCR (optical character recognition) and voice recognition technologies
- **Reduce significantly the times to market its new solutions** in all of its business lines across all customer segment

# — 2024-2027 strategic plan

*A spirit of conquest & initiative*

## PERFORMANT

€19 bn  
Net banking  
income

54%  
cost/income  
ratio

€ 5 bn  
Net income

€ 0.5  
Net income  
for every €100  
of assets

≤ 110%  
Loans to  
deposits ratio

>15 M  
Bancassurance  
customers<sup>(2)</sup>  
and 8 million in  
Insurance<sup>(3)</sup>

- **Surpass 15 million customers** in its Crédit Mutuel and CIC networks in France representing nearly one million new members
- **Enhance the digital pathway** with sales growth of 20% through this channel
  - Reach 100% autonomy for interested existing and prospective customers
  - Already, 30% of our sales comprise an artificial intelligence component
- **Development ambitions**, particularly in relation to the corporate market (mainly via the Corporate and Investment Banking (CIB) activity in France and abroad and the CIC networks)
  - Ongoing project to streamline the structures, with a draft proposal for consultation by the employee representatives expected by summer 2024
- Quality **insurance** solutions remains the Group's **priority** and long-standing **expertise**
  - Surpass 8% market share in PC insurance on the individual market and to have more than 8M insurance customers
  - Develop its "bancassurance" activities in Europe: in Germany (Targobank and ACM Deutschland), in Belgium (Beobank, ACM Insurance)
- Launch its **new asset management business line** organized around "Groupe La Française"



# — 2024-2027 strategic plan

*Be at the forefront of ecological & societal transformation*

# SOLIDAIRE

**15%**  
of Group net  
income  
invested each  
year in the  
societal  
dividend

**20%**  
reduction in  
the carbon  
footprint of  
the balance  
sheet<sup>(4)</sup>

**100%**  
of employees  
and elected  
members  
committed to  
ecological  
transformation

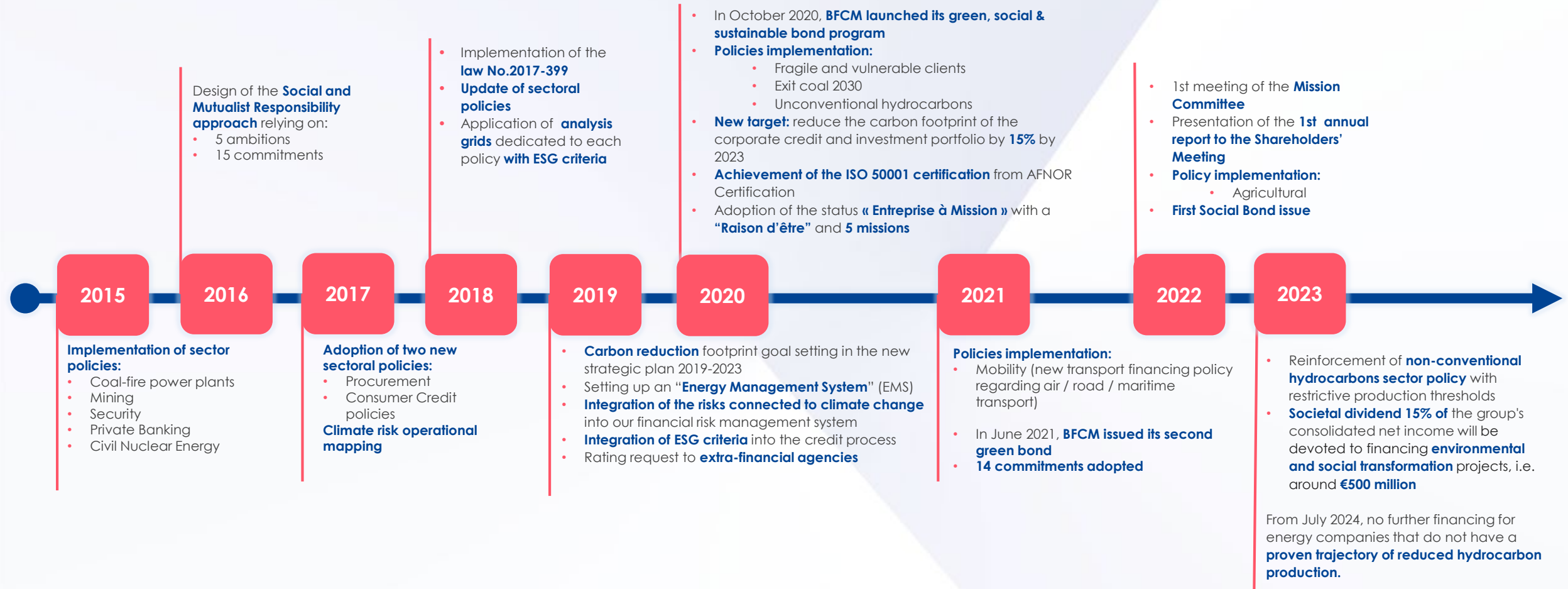
- « **Institut Mutualiste pour l'Environnement et la Solidarité** » will be the Group's center of expertise in environmental, social and governance matters
- Support the **ecological transformation** of all our customers and businesses
  - Eco-renovation: 100,000 customers to be supported by 2027
- **Strengthen its commitments to a low-carbon economy** and set stricter requirements for companies' carbon emissions)
- Create and share value through the **societal dividend**: 15% of net income, channeled into **ecological transformation** and social and regional **solidarity** projects
  - **€2.5 bn target by 2027**
  - Mainly allocated through **impact investments** with the aim to support changes in production models, improve infrastructures and help preserve nature, biodiversity, the water cycle and forests

06

## Our RSM ambitions

# — Timeline of our SMR Policy Implementation

Leading player in the shift towards a low-carbon economy



# – Crédit Mutuel Alliance Fédérale : the 1<sup>st</sup> “Entreprise à Mission” (benefit corporation bank) “Listening and acting together”



**Support our customers and members**



**Reject any discrimination**



**Technology and innovation to serve people**



**Contribute to regional development**



**Work for a fairer and more sustainable society**

In 2020, Crédit Mutuel Alliance Fédérale adopted a “**raison d’être**” in line with its values and became the **1<sup>st</sup> Entreprise à Mission** (mission-oriented corporation bank) with:

- **5 long-term missions**, aimed to assert its identity and its values
- **14 evidence-based, concrete commitments** to be achieved in the short term, aimed at improving the mutualist group’s impact on the environment around it

The monitoring of the execution of these commitments is entrusted to a **Mission Committee**

## — Appendices

<b>1. Ratings</b>	p.38
<b>2. Organization of Crédit Mutuel Alliance Fédérale</b>	p. 39-40
<b>3. Business line results</b>	p. 41-50
<b>4. Social &amp; Mutualist Responsibility (SMR)</b>	p. 51-53
<b>5. Green, social, and sustainability bonds framework</b>	p. 54-56
<b>6. Awards and recognitions</b>	p. 57
<b>7. Macroeconomic environment and real-estate market</b>	p. 58-60

# Ratings

Among the best ratings compared with French and European peers confirmed in 2024 & 2023

FINANCIAL RATINGS			
	MOODY'S	S&P <sup>(3)</sup>	FITCH RATINGS <sup>(2)</sup>
Senior-Preferred	Aa3	A+	AA-
Senior-Non-Preferred	A3	A-	A+
Tier 2	Baa1	BBB+	A-
Senior-Preferred-Short-Term Debt	P-1	A-1	F1+
Outlook <sup>(1)</sup>	Stable	Stable	Stable
Intrinsic Rating	Adjusted Baseline Credit Assessment (Adj BCA) a3	Stand Alone Credit Profile (SACP) a	Viability Rating (VR) a+
Last update	08/03/2024	22/11/2023	19/01/2024

EXTRA-FINANCIAL RATINGS				
	MOODY'S ESG	SUSTAINALYTICS <sup>(*)</sup>	MSCI	ISS ESG
2023	64	19.7	AA	C
2022	65	21.2	AA	C
2021	65	21.8	AA	C
2020	63	28.2	AA	C-
Remarks	Low ESG risk			Prime <sup>(**)</sup>

Non-financial rating agencies rate the BFCM and CIC entities taking into account the full scope of Crédit Mutuel Alliance Fédérale.

\* The rating scale of Sustainalytics has been modified with a view to favoring a risk analysis methodology (0 to 10: negligible; 10 to 20: low; 20 to 30: medium; 30 to 40: high; >40: severe).

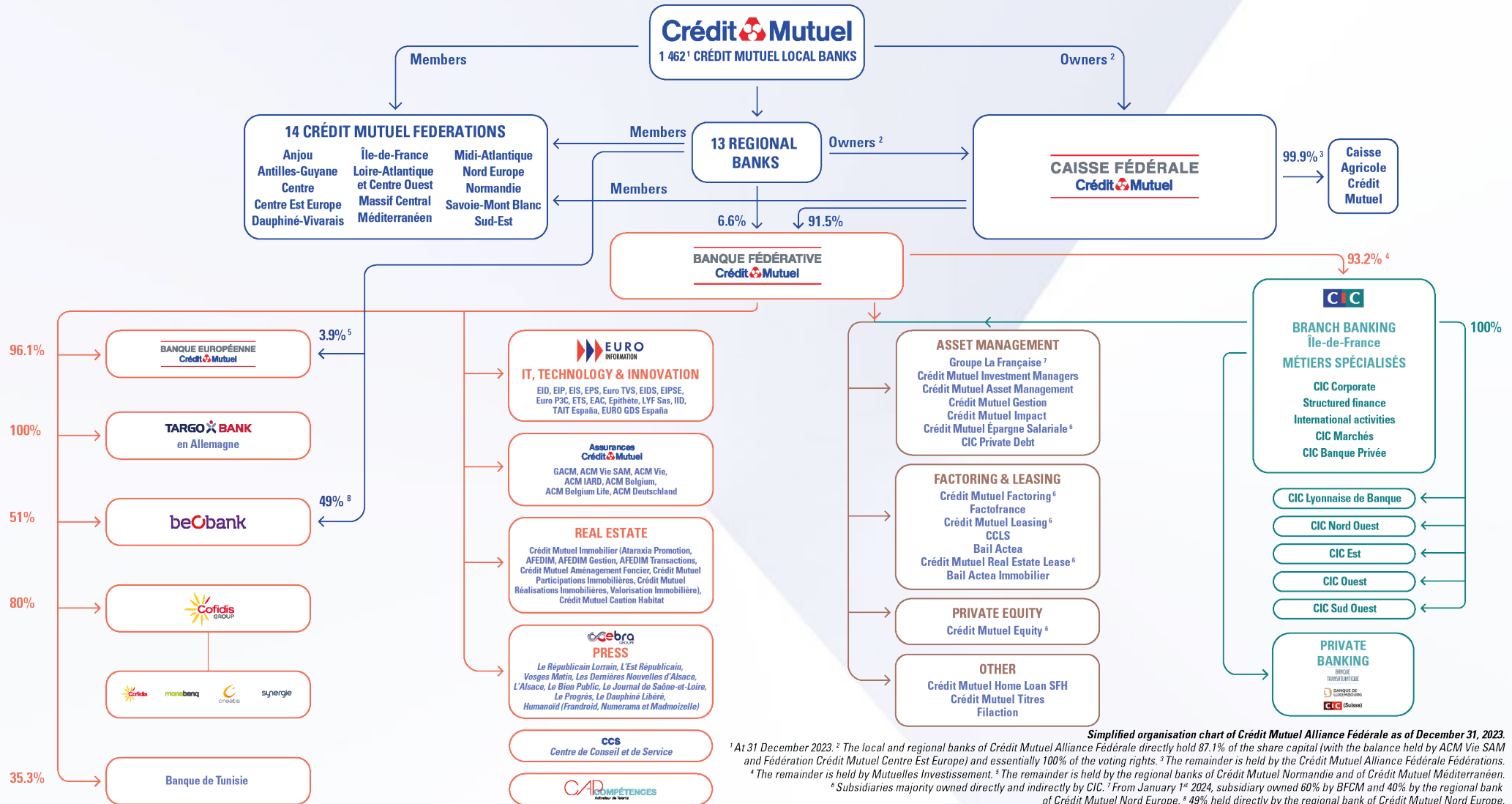
\*\*Companies are categorized as Prime if they achieve/exceed the sustainability performance requirements (Prime threshold) defined by ISS ESG for a specific industry (absolute best-in-class approach) in the ESG Corporate Rating. Prime companies are sustainability leaders in their industry and are better positioned to cope with material ESG challenges and risks, as well as to seize opportunities, than their Not Prime peers.

(1) Moody's: rating for Crédit Mutuel Alliance Fédérale/BFCM and CIC

(2) Standard & Poor's: rating for Group Crédit Mutuel

(3) Fitch Ratings rates Crédit Mutuel Alliance Fédérale (as a core part of the wider Crédit Mutuel Group)

# Crédit Mutuel Alliance Fédérale Organization



Simplified organisation chart of Crédit Mutuel Alliance Fédérale as of December 31, 2023.

<sup>1</sup> At 31 December 2023. <sup>2</sup> The local and regional banks of Crédit Mutuel Alliance Fédérale directly hold 87.1% of the share capital (with the balance held by ACM Vie SAM and Fédération Crédit Mutuel Centre Est Europe) and essentially 100% of the voting rights. <sup>3</sup> The remainder is held by the Crédit Mutuel Alliance Fédérale Fédérations.

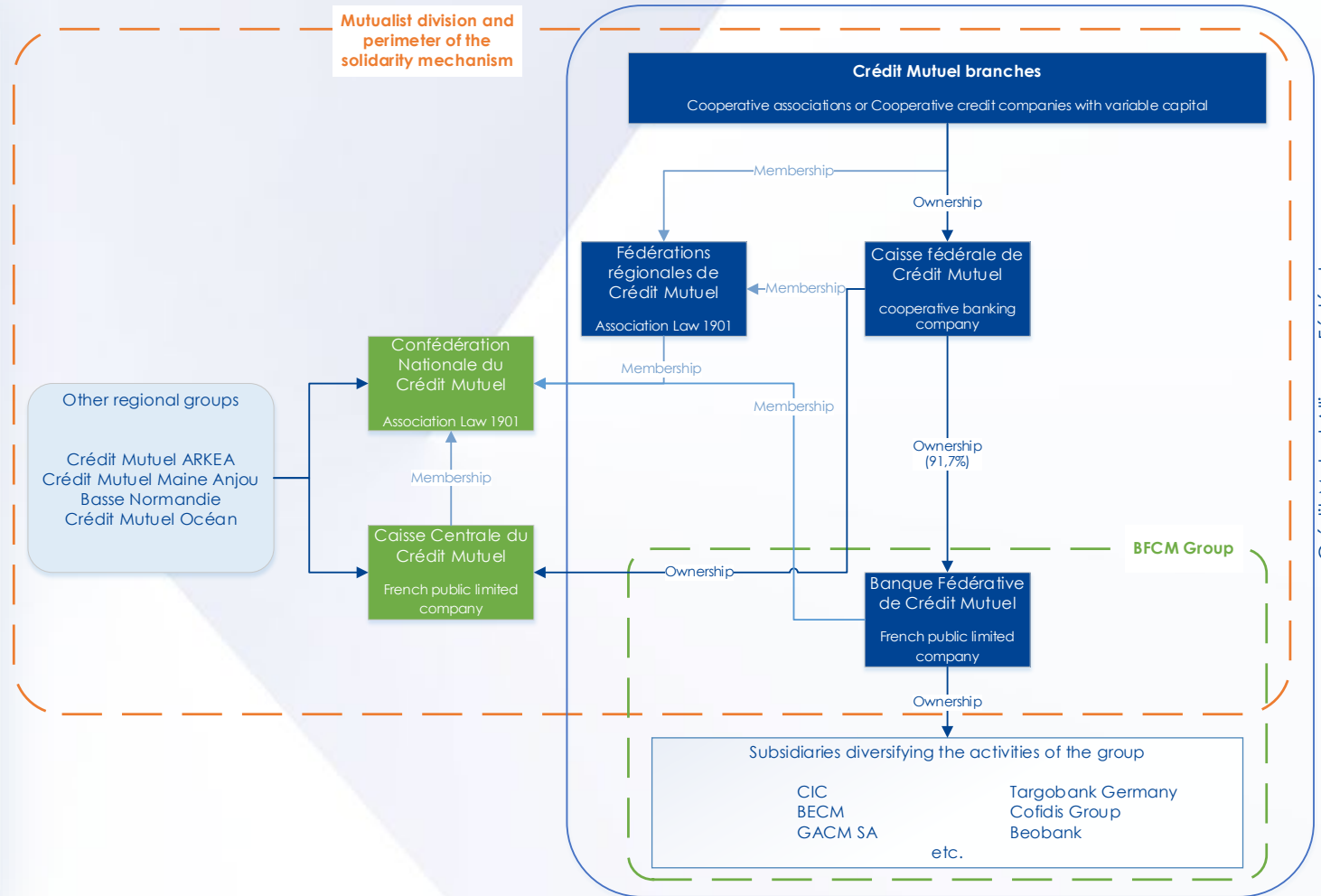
<sup>4</sup> The remainder is held by Mutuelles Investissement. <sup>5</sup> The remainder is held by the regional banks of Crédit Mutuel Normandie and of Crédit Mutuel Méditerranéen.

<sup>6</sup> Subsidiaries majority owned directly and indirectly by CIC. <sup>7</sup> From January 1<sup>st</sup> 2024, subsidiary owned 60% by BFCM and 40% by the regional bank of Crédit Mutuel Nord Europe. <sup>8</sup> 49% held directly by the regional bank of Crédit Mutuel Nord Europe.

# Crédit Mutuel Alliance Fédérale

## Details on the mutualist organization

- **Local banks**, perform the functions of a retail bank
  - Status : credit institutions
  - Capital held by the members
- **The federations**, the “Political bodies”
  - Status : Associations
  - Determine the strategic and commercial orientations and organize the solidarity between the local banks
- **Caisse Fédérale de Crédit Mutuel (CFCM)**
  - Status : Cooperative banking company
  - Centralizes all services common to the network and ensures its coordination
  - Holds the collective banking license that benefits all local banks
- **Banque Fédérative du Crédit Mutuel (BFCM)**
  - Carries the group's subsidiaries and coordinates their activities
  - Refinancing facility and issuer
  - Since 2020, affiliated to the Confederation Nationale du Crédit Mutuel





# — Implementation of IFRS 17 and IFRS 9

## *Note on methodology*

### Restated results for the 1<sup>st</sup> semester of 2022:

As of January 1, 2023, Crédit Mutuel Alliance Fédérale applies IFRS 17 “Insurance Contracts” at the Group level as well as IFRS 9 “Financial Instruments” for its insurance entities.

To have a consistent reference, the data as of 31/12/2022 has been restated on a proforma basis.

### Two business lines affected:

- **Insurance**, with two main effects:
  - Amortization over the contract life of the **expected future profits** (CSM - Contractual Service Margin) from multi-year contracts (life, creditor, long-term care and burial and funeral insurance)
  - Reclassification of **expenses related to insurance contracts** from general operating expenses to net revenue
- “**Other business lines**”, with expenses incurred by the network for the distribution of insurance contracts reclassified as net revenue
  - To avoid skewing the analysis of the businesses’ performance, these expenses were reclassified under “other business lines”

In addition, the restated 2022 financial statements were impacted by two factors:

- The **deconsolidation**, effective January 1, 2022, of several subsidiaries of Groupe des Assurances du Crédit Mutuel (GACM), including MTRL, Sérénis Assurance, ACM Belgium (formerly Partners Assurances), ICM Life and ACM Courtage
- The recognition of banking network net revenue as “**development plans**” expenses, previously being classified under “other business lines”

# 2023 Full-Year Results of Crédit Mutuel Alliance Fédérale

## Comprehensive Income Statement as of December 2023

in €mn	2023	2022 proforma	change
Net interest margin	8,497	8,003	+6.2%
Fees and commissions	4,585	4,547	+0.8%
Net gains or losses from derecognition of financial assets	650	563	+15.5%
Net profit/(loss) of the insurance activities	1,358	1,371	-0.9%
Net income and expenses of other activities	970	1,142	-15.1%
<b>Net revenue</b>	<b>16,060</b>	<b>15,625</b>	<b>+2.8%</b>
General operating expenses	(9,173)	(8,610)	+6.5%
<i>of which contribution to the Single Resolution Fund, supervision costs and contributions to the DGF<sup>(1)</sup></i>	(292)	(409)	-28.6%
<b>Gross operating income</b>	<b>6,887</b>	<b>7,015</b>	<b>-1.8%</b>
Cost of risk	(1,296)	(768)	+68.7%
<i>proven cost of risk</i>	(1,477)	(891)	+65.8%
<i>unproven cost of risk</i>	181	123	+47.4%
<b>Operating profit/(loss)</b>	<b>5,591</b>	<b>6,247</b>	<b>-10.5%</b>
Net gains/(losses) on other assets and ECC <sup>(2)</sup>	71	(1,193)	-105.9%
<b>Income before tax</b>	<b>5,661</b>	<b>5,054</b>	<b>+12.0%</b>
Income tax	(1,546)	(1,569)	-1.4%
<b>Net income</b>	<b>4,115</b>	<b>3,485</b>	<b>+18.1%</b>
Minority interests	174	170	+2.3%
<b>Net income attributable to the group</b>	<b>3,942</b>	<b>3,315</b>	<b>+18.9%</b>

(1) Deposit Guarantee Fund

(2) ECC = equity consolidated companies = share of net profit/(loss) of equity consolidated companies.

# – 2023 Full-Year Results – Retail Banking

Global stability in revenues in a context of higher cost of risk



## Crédit Mutuel & CIC networks

- Crédit Mutuel: **9.2 mn customers** (450,000 new customers / +1.5%)
- CIC: **5.6 mn customers** (+138,000 new customers / +1.5%)
- Stronger growth in business customer and corporate market (between +3 and +7%) than for retail (c. +1%)
- **Rising cost of resources and cost of risk** weight on the net income of the networks

## Beobank

- **60% increase** in income before tax
- **Combined effect** of volume growth (+9.3% in credit outstanding), better returns on loan, favourable evolution on hedging swaps and delayed impact of the rate hikes on cost of deposits

## BECM

- Subsidiary that serves regional economies, large corporates and real estate companies
- Growth in customer loans by 3.5% and in deposits by 25.8%

## Business subsidiaries (Leasing, factoring, real-estate) <sup>(3)</sup>

- **Net income of €167mn, up significantly by 30%**, after payment of commissions to the networks
- Record level of volume of receivables purchase of 103.4mn, +5%
- Major player in lease financing and real estate leasing market in France

(1) ECC = equity consolidated companies = share of net profit/(loss) of equity consolidated companies.

(2) Property and health, protection contracts (excluding life insurance and creditor insurance contracts )

(3) Includes Targobank's factoring and leasing businesses

in €mn	2023	2022 proforma	change
<b>Net revenue</b>	<b>12,273</b>	<b>12,074</b>	<b>+1.7%</b>
General operating expenses	(7,836)	(7,490)	+4.6%
<b>Gross operating income</b>	<b>4,437</b>	<b>4,584</b>	<b>-3.2%</b>
Cost of risk	(1,049)	(752)	+39.5%
<i>proven cost of risk</i>	(1,200)	(837)	+43.4%
<i>unproven cost of risk</i>	151	85	+77.8%
<b>Operating profit/(loss)</b>	<b>3,388</b>	<b>3,831</b>	<b>-11.6%</b>
Net gains/(losses) on other assets and ECC <sup>(1)</sup>	5	12	-55.9%
<b>Income before tax</b>	<b>3,393</b>	<b>3,843</b>	<b>-11.7%</b>
Income tax	(965)	(1,093)	-11.7%
<b>Net income</b>	<b>2,428</b>	<b>2,750</b>	<b>-11.7%</b>

(1) ECC = equity consolidated companies = share of net profit/(loss) of equity consolidated companies.

## Diversified distribution strategy

**19.8mn**  
risk insurance  
Contracts<sup>(2)</sup>

**1.4mn**  
subscriptions in  
mobile telephony

**350,000**  
remote surveillance  
subscriptions

# — 2023 Full-Year Results – Retail Banking

Focus on consumer finance subsidiaries

## Cofidis Group



Strong performance given the very steep decline in the net interest margin

- Expert on consumer credit offering products in 9 countries
- Loan portfolio : Strong production with c. €10bn in new loans and financing and increased in outstanding loans by 8% to €19.7bn
- Savings and deposits : Steady growth in Monabanq's "remote banking" activity with 80k accounts opened (i.e. +16%) leading to an increase in deposits by 19% to €1.1bn
- Refinancing rates continues to severely impact net revenues
- Sharp growth in interest incomes by €212mn (rate effect : 40%)
- Commission income also rose significantly (+€38mn) thanks to strong commercial activity through the partnerships
- Cost of risk under control at 2.2% of outstanding loans, the same level as in 2022
- Net income amounts €103mn, down 20% from last year

## TARGOBANK Germany



Solid performance illustrated by a 28.9% increase in contribution to consolidated net income

- Operates in over 250 German cities
- Since 2022, offers also includes corporate finance, special financing, commercial real estate financing and payment services
- Retail segment
  - Outstanding loans grew by 9.7% to €21.6 billion, while customer deposit volumes reached €29.2bn
  - Contribution of €379mn to net income, +28.9% compared to 2022
  - Increase due to growth in the loan portfolio as well as the increase in interest rates
- Business activities
  - Increase in investment loans and leasing, while factoring production decreased relative to 2022<sup>(1)</sup>
- Overall, income before tax reaches €671mn, up 26% from the previous year

(1) Figures included in leasing and factoring consolidated reporting



# – 2023 Full-Year Results – Insurance

Solid performance thanks to strong commercial activity and a more favorable financial than in 2022

## Premium income of €13.9bn (+5.2%), driven by strong life insurance inflows in France

- Gross inflows of €7.4bn (+6.2%, of which +20.4% into euro funds) and net inflows of €1.6bn
- Increase in the average rate paid on euro funds to 2.8%<sup>(2)</sup>

## And by growth in risk insurance premium income

- Premium income from P&C and protection of €6.4bn including **+5.6%** in P&C insurance and **+5.1%** personal insurance<sup>(3)</sup> in France

## International activities

- On July 12, 2023, **sale of the capital of GACM España** to Axa<sup>(4)</sup>
- Premium income from Belgian subsidiaries of €201mn (+4.6%)

## Contribution to net banking income of €1,188mn, down 1.5%:

- P&C insurance combined ratio: 102.1% (vs 95.2% in 2022)
  - High sector inflation in property insurance, driving up repair and reconstruction costs
  - 2nd most important year in terms of natural events for GACM (€338mn) after 2022
- Increased income in a generally more favorable financial environment
- GACM's net profit contribution in 2023 slightly up by 0.9% compared to proforma 2022 net income under IFRS 17/IFRS 9

in €mn	2023	2022 proforma	change
<b>Net revenue</b>	<b>1,188</b>	<b>1,206</b>	<b>-1.5%</b>
General operating expenses	(129)	(113)	+14.5%
<b>Gross operating income</b>	<b>1,059</b>	<b>1,093</b>	<b>-3.1%</b>
Net gains/(losses) on other assets and ECC <sup>(1)</sup>	(5)	(13)	x 0,3
<b>Income before tax</b>	<b>1,054</b>	<b>1,080</b>	<b>-2.4%</b>
Income tax	(232)	(266)	-12.7%
<b>Net income</b>	<b>822</b>	<b>814</b>	<b>+0.9%</b>

## Policies portfolio

**37mn contracts**  
+3.2% excl. GACM España

## Commissions paid

**€2 bn**  
Of which €1.7 bn for  
Crédit Mutuel  
Alliance Fédérale

(1) ECC = equity consolidated companies = share of net profit/(loss) of equity consolidated companies.

(2) On the euro-denominated funds, including compensation bonuses.

(3) Health, protection & creditor insurance.

(4) Premiums written by GACM España in the first half of the year (€193mn) remained with GACM.

# – 2023 Full-Year Results – Asset Management & Private Banking

Increase in net revenues of 15% driven by private banking subsidiaries

## Asset Management<sup>(2)</sup>

- Revenues amount to €601mn with recurring income of €195mn
- **€173 bn in AUM**
- Ambition to become a **major player in asset management** relying on the 12 asset management companies within the group and a single distribution platform
- Well **recognized expertise** and **sustainable approach**



## Private Banking<sup>(2)</sup>

- Growth driven by higher interest margins, dynamic commercial activity and higher commissions
- Improvement in **Banque Transatlantique group** sales performance : Net revenues up 2%
  - Record savings outstandings of €62.5 billion (+19%)
  - French leader in administering manager shareholding plans
- **Banque de Luxembourg** : Net revenues +23% ; net profit +17%
  - B Corp™ certification received in 2023
- **CIC Suisse** : best result in the bank's history with €47.7mn (+43%) which contribute to strengthen its market positioning

in €mn	2023	2022 proforma	change
<b>Net revenue</b>	<b>1,285</b>	<b>1,119</b>	<b>+14.8%</b>
General operating expenses	(862)	(794)	+8.6%
<b>Gross operating income</b>	<b>423</b>	<b>326</b>	<b>+30.0%</b>
Cost of risk	(75)	(33)	x 2,2
<b>Operating profit/(loss)</b>	<b>348</b>	<b>293</b>	<b>+18.9%</b>
Net gains/(losses) on other assets and ECC <sup>(1)</sup>	2	15	-86.5%
<b>Income before tax</b>	<b>350</b>	<b>307</b>	<b>+13.9%</b>
Income tax	(88)	(67)	+32.2%
<b>Net income</b>	<b>262</b>	<b>241</b>	<b>+8.8%</b>

(1) ECC = equity consolidated companies = share of net profit/(loss) of equity consolidated companies.

(2) The profit and loss figures quoted in this section correspond to the parent company results of the entities and not to their results contributing to consolidation.

# – 2023 Full-Year Results – Corporate banking

Strong growth in commitments, net revenues and in cost of risk



## Structured finance

- Loan production higher than in 2022 (€4.9bn, +13%)
- All-time high reached in net revenue while very low cost of proven risk

## CIC Corporate

- Slower activity in the context of ongoing inflation and changing monetary policies that impacted investment operations
- Revenues up sharply, driven by the rise in lending rates, which had a very positive impact on net interest income, as well as by good commercial momentum

## International Activities Department (DAI)

- **Support to exporting French SMEs and large corporates** in a uncertain environment
- In 2023, nearly 250 companies were supported by CIC Aidexport

in €mn	2023	2022 proforma	change
<b>Net revenue</b>	<b>629</b>	<b>471</b>	<b>+33.7%</b>
General operating expenses	(155)	(146)	+5.8%
<b>Gross operating income</b>	<b>474</b>	<b>324</b>	<b>+46.3%</b>
Cost of risk	(168)	7	n.s.
<i>proven cost of risk</i>	(202)	(51)	x 3,9
<i>unproven cost of risk</i>	35	58	-40.8%
<b>Operating profit/(loss)</b>	<b>307</b>	<b>332</b>	<b>-7.5%</b>
Net gains/(losses) on other assets and ECC <sup>(1)</sup>	8	0	n.s.
<b>Income before tax</b>	<b>315</b>	<b>332</b>	<b>-5.1%</b>
Income tax	(120)	(72)	+66.7%
<b>Net income</b>	<b>195</b>	<b>260</b>	<b>-25.0%</b>

(1) ECC = equity consolidated companies = share of net profit/(loss) of equity consolidated companies.

# – 2023 Full-Year Results – Capital markets

Strong commercial momentum in a context of high volatility



CIC Market Solutions

- **Very good performance by the business line**, with overall net profit up 90.1% to €147mn
- **CIC Market Solutions :**
  - Solid momentum over the year
  - Net revenues up 43% to €241mn driven by all business lines
- The **Investment activity**<sup>(1)</sup>: Net Revenue of €224mn (vs. €173mn in 2022) beating its five-year average
  - Opportunities taken from continued exit by central banks from unconventional policies, anti-inflationary measures, multiple geopolitical tensions and banking events
  - Earnings volatility was low in light of the context

in €mn	2023	2022 proforma	change
<b>Net revenue</b>	<b>465</b>	<b>342</b>	<b>36.0%</b>
General operating expenses	(257)	(236)	8.6%
<b>Gross operating income</b>	<b>208</b>	<b>106</b>	<b>97.3%</b>
Cost of risk	(5)	(1)	n.s.
<b>Income before tax</b>	<b>204</b>	<b>105</b>	<b>93.9%</b>
Income tax	(57)	(28)	x 2
<b>Net income</b>	<b>147</b>	<b>77</b>	<b>90.1%</b>

(1) Fixed income-equity-credit-proprietary trading



# — 2023 Full-Year Results – Private equity

Strong dynamic to the service of regional economic development

## Crédit Mutuel Equity

- Long-term commitment alongside company managers
  - a quarter of its investments held for more than 10 years
  - over the last 3 years, more than €1.5bn sold and more than €1.7bn invested
- Portfolio of investment assets of **€3.8bn**
  - Record level of investment in 2023, nearly €700mn deployed, of which more than €430mn invested in new companies in France
- Strong revenues at €345mn, two-thirds of which came from capital gains
  - Effectiveness of the model deployed, which has given rise to more than €1 billion in cumulative net income being generated over the last three fiscal years

## CIC Conseil

- For the second consecutive year, record fees on mergers and acquisitions, despite a difficult market environment
- 28 deals were finalized in 2023 and nearly €15mn in fees

in €mn	2023	2022 proforma	change
<b>Net revenue</b>	<b>345</b>	<b>430</b>	<b>-19.8%</b>
General operating expenses	(86)	(75)	+14.8%
<b>Gross operating income</b>	<b>259</b>	<b>355</b>	<b>-27.1%</b>
Cost of risk	(0)	2	n.s.
<b>Income before tax</b>	<b>259</b>	<b>357</b>	<b>-27.5%</b>
Income tax	(2)	(17)	n.s.
<b>Net income</b>	<b>256</b>	<b>340</b>	<b>-24.6%</b>

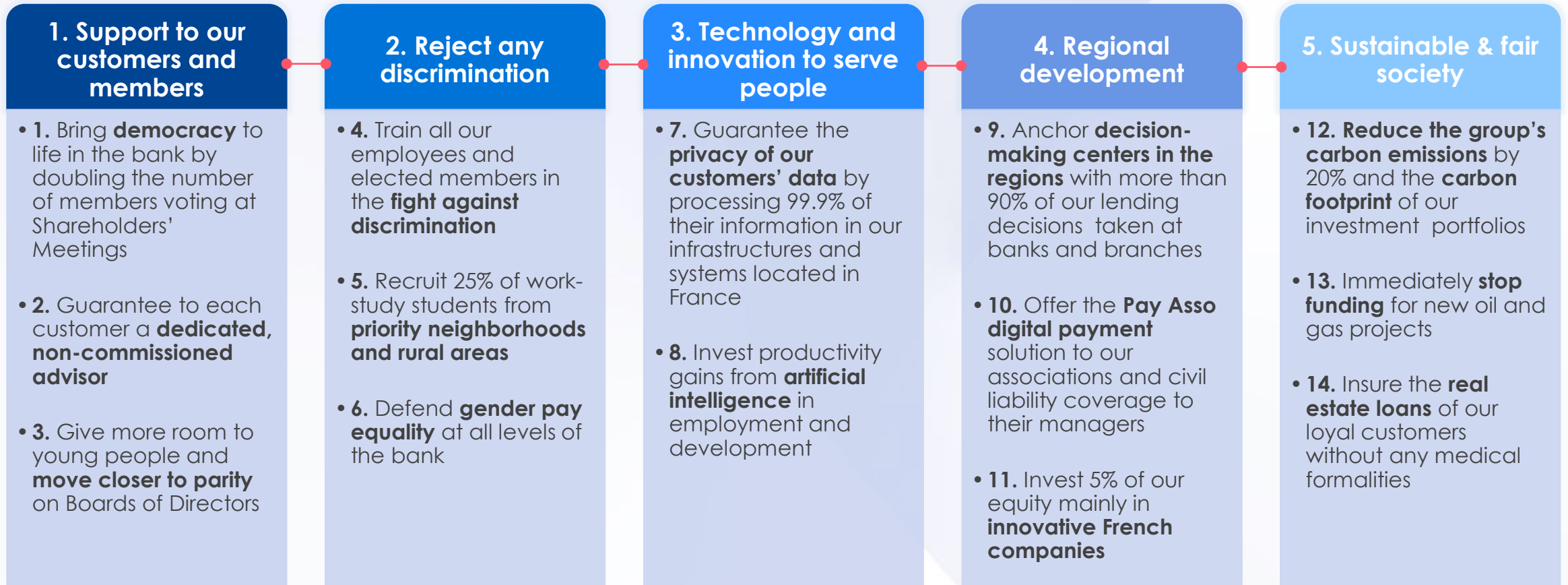
## – 2023 Full-Year Results – *Others (IT, Logistic, Media and others)*

*Positive operating income stemming from strong IT and press activity*

- Positive operating income at €6mn (vs €997mn in 2022)
- IT and logistics business
  - Income growth of 8.1%, mainly consisting of Euro-Information revenues and increase in expenses of 10.6% reflects ongoing investments in technology
  - Increase in income of €140 million (+15.2%)
- Deterioration in the press activity, with a loss of €22mn
  - EBRA group's operations severely penalized by current inflationary environment
  - Digital transformation continues, with digital subscriptions up by 20%
  - Diversification business is profitable
- Net income of €112 million for holding company services
  - 2022 fiscal year included, for a total of €1.2bn, goodwill impairment on TARGOBANK Germany and an additional provision relating to the disposal of TARGOBANK Spain

# — Crédit Mutuel Alliance Fédérale, the first bank « Entreprise à Mission »

A mutualist, ethical, supportive and responsible bank with **5** missions and **14** concrete commitments



# – Sustainable finance (1/2)

Active responsible investment strategy through our asset management entities

	<b>Forum pour l'investissement responsable (FIR)</b> Promote and develop responsible investment and its best practices in France	2004	
		2007	
	<b>Principles for Responsible Investment</b> Encourage the implementation of "Responsible Investment Practices" by the asset management industry, under the auspices of the United Nations	2010	
		2012	
		2017	
	<b>CDP- Carbon Disclosure Project</b> Encourage companies to be transparent in environmental matters in order to create a common database	2010	
		2013	
	<b>Observatoire de l'Immobilier Durable (OID)</b> Independent exchange platform for actors in the real estate sector on sustainable development	2012	
	<b>Climate action 100+</b> Ensure that the world's largest emitters of greenhouse gases implement the actions necessary to combat climate change	2017	
	<b>Institut de la finance durable</b> Federate and accelerate the actions undertaken by the financial institutions of the market and French companies to achieve the energy and environmental transition	2019	
		2022	

## — Sustainable finance (2/2)

Active responsible investment strategy through our asset management entities

 <p>SCIENCE BASED TARGETS <small>DRIVING AMBITION TO CLIMATE ACTION</small></p>	<p><b>Science Based Target initiative (SBTi)</b> Support companies in reducing greenhouse gas (GHG) emissions by setting a "science-based" GHG reduction target and providing technical support</p>	2019	 <p>LA FRANÇAISE <small>INVESTING TOGETHER</small></p>
 <p>30% Club <small>GROWTH THROUGH DIVERSITY</small></p>	<p><b>30% Club France Investor Group</b> Promote parity in the management bodies of the SBF 120 (at least 30% of women on executive committees by 2025)</p>	2020	
<p>NET ZERO ASSET MANAGERS INITIATIVE</p>	<p><b>Net Zero Asset Manager Alliance</b> Support the goal of zero net CO2 emissions by 2050 (or earlier) and support investments aligned with this goal</p>	2021	 <p>LA FRANÇAISE <small>INVESTING TOGETHER</small></p>
	<p><b>Finance for Biodiversity Pledge</b> Commitment to integrate biodiversity into asset management</p>	2021	
	<p><b>Business for Nature's call to Action</b> Calling on governments to adopt policies that protect nature</p>	2021	
	<p><b>Global Impact Investing Network</b> Developing impact investment</p>	2022	

# – Green Social and Sustainability Bonds Framework

Crédit Mutuel Alliance Fédérale is regularly present on the Green Social and Sustainability bond market with **green bonds issued in 2020 and 2021** and **social bond in 2022 and 2023**.

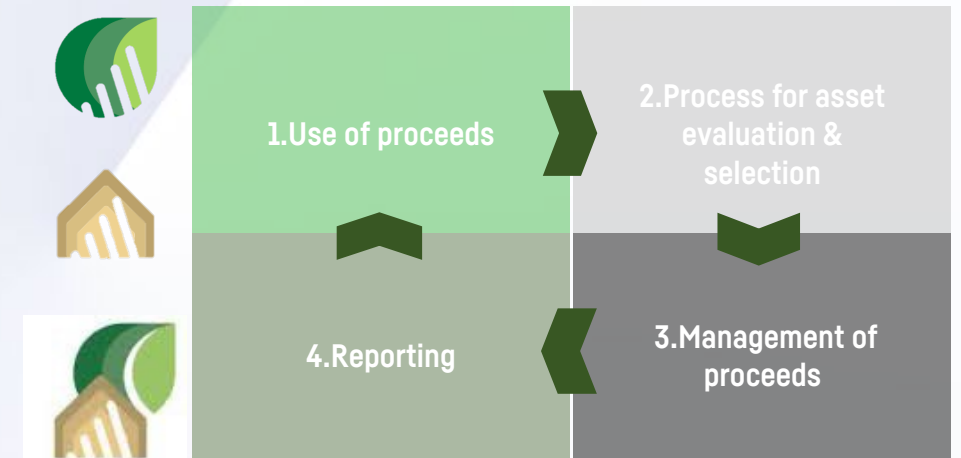
## Crédit Mutuel Alliance Fédérale issuers are committed to develop the Green, Social and Sustainability Bond market:

- Integrating green debt financing instruments to support the just transition to a low carbon and sustainable economy
- Building a more sustainable portfolio
- Contributing to the achievement of the United Nations Sustainable Development Goals

## Crédit Mutuel Alliance Fédérale's Framework is established in accordance with:<sup>(1)</sup>

- the ICMA Green Bond Principles 2021, Social Bond Principles 2021 and Sustainability Bond Guidelines 2021
- the recommendation of the Technical Expert Group final report on the EU Taxonomy

**Moody's ESG Solutions** (ex Vigeo Eiris) was commissioned to provide a Second Party Opinion to confirm the alignment with the ICMA principles <sup>(2)</sup>









MOODY'S | ESG

(1) The Green, Social and Sustainability Bond Framework as at March 2022 is available on [BFCM website](#)

(2) The Second Party Opinion as at June 2022 is available on [BFCM website](#)

# Green Social and Sustainability Bonds Framework






Financing green and social activities in line with its DNA<sup>(1)</sup>

Category	Description
<b>Green Buildings</b>  	<ul style="list-style-type: none"> <li>Green prime residential buildings ✓</li> <li>Green commercial buildings</li> <li>Building renovation</li> </ul>
<b>Renewable Energy</b>  	<ul style="list-style-type: none"> <li>On- and offshore wind energy ✓</li> <li>Solar Energy</li> </ul>
<b>Low Carbon Transport</b>  	<ul style="list-style-type: none"> <li>Infrastructure for low carbon land transport</li> <li>Infrastructure for low carbon water transport</li> <li>Low-carbon vehicles and rolling stock</li> </ul>

## Exclusion criteria

- Loans to Enterprises operating in the business sectors listed in the Exclusion list hereto, such as, but not limited to, tobacco, gambling, weapons and munitions, alcohol (excluding beer and wine),
- Loans related to projects located in non-designated countries,
- Loans financed by any other type of funding,
- Loans originated more than 3 calendar years prior to the year of identification of a portfolio of Eligible Loans in a given category,
- Non-performing loans.

(1) The Green, Social and Sustainability Bond Framework as at March 2022 is available on [BFCM website](#)

Category	Description
<b>Local Development SME financing</b> 	<ul style="list-style-type: none"> <li>SMEs located in regions of France where the unemployment rate per inhabitant is higher than the national average ✓</li> <li>SMEs impacted by the consequences of extreme events</li> </ul>
<b>Affordable Housing</b>  	<ul style="list-style-type: none"> <li>Prêt d'accès sociale - PAS (Social ownership loan)</li> </ul>
<b>Access to Essential Services Healthcare</b> 	<ul style="list-style-type: none"> <li>Purchase of heavy medical equipment (e.g. X-ray machines, MRI scanner, CT scanner) by health professionals in France</li> </ul>
<b>Access to education and professional training</b> 	<ul style="list-style-type: none"> <li>Finance higher education, vocational training, and apprenticeship to all, including individuals, farmers or professionals ✓</li> </ul>

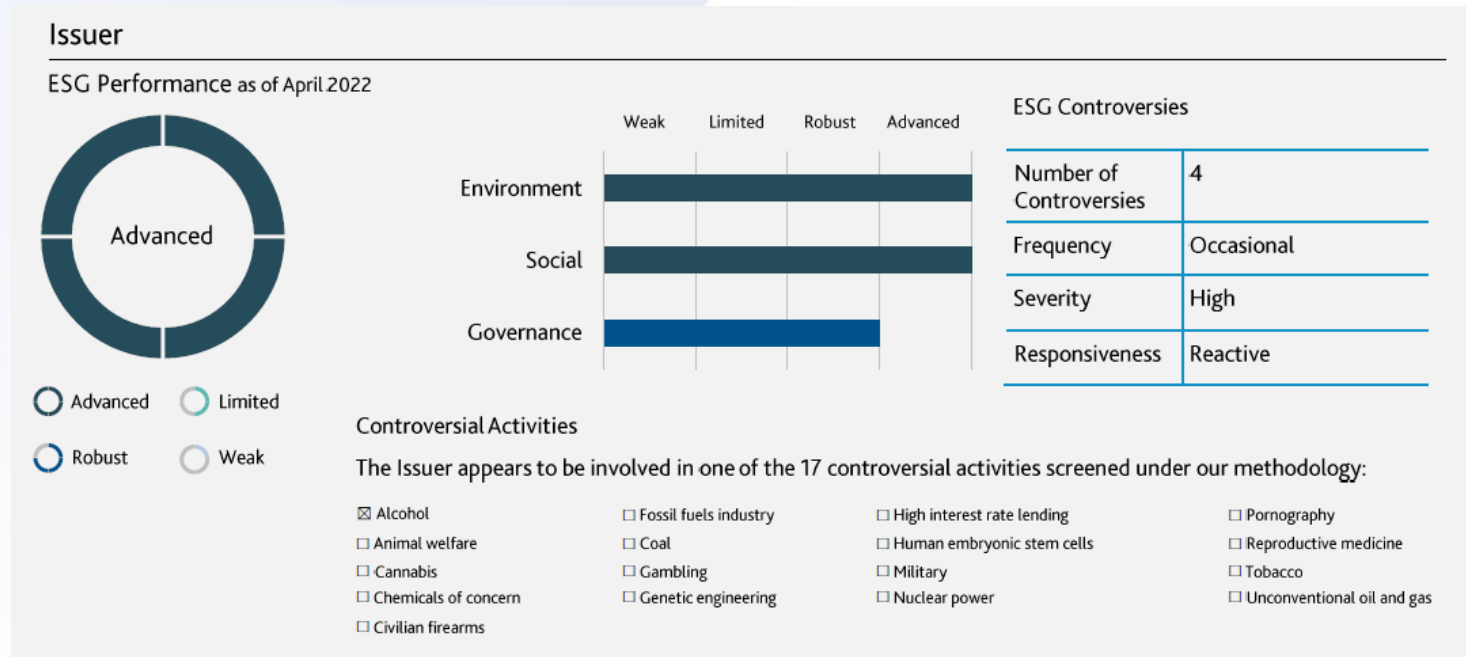
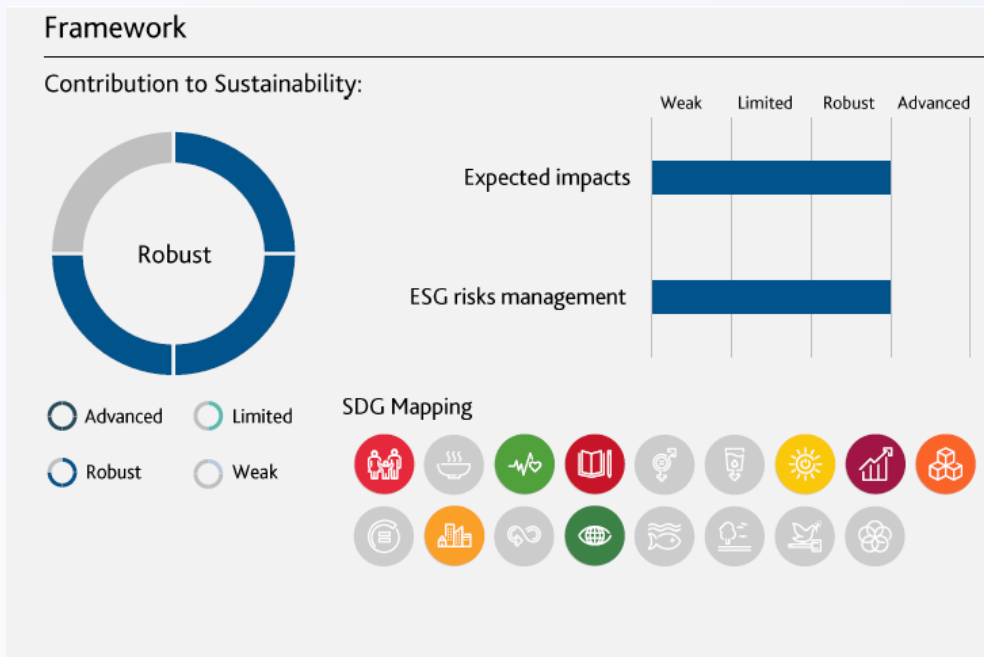
Social Bond ✓

Green Bonds ✓

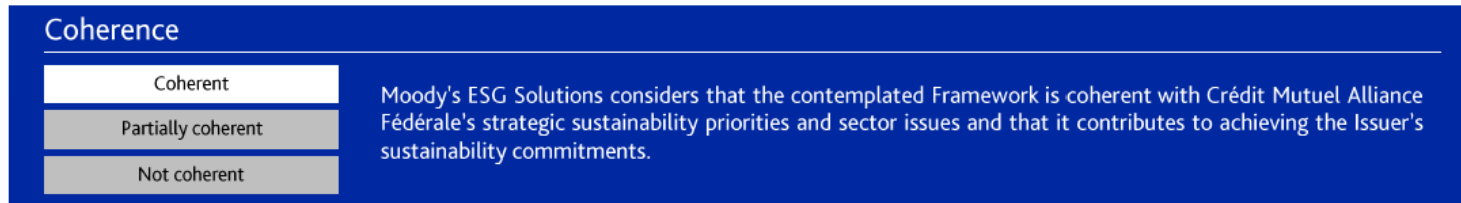
# – Second Party Opinion (Moody's ESG Solutions)

Extracts from Moody's ESG Solutions Second Party Opinion dated 13 June 2022<sup>(1)</sup>

Moody's ESG Solutions consider that Crédit Mutuel Alliance Fédérale's Green, Social and Sustainability Bond Framework is aligned with the four core main components of the ICMA's Green Bond Principles ("GBP") and Social Bond Principles ("SBP") 2021



(1) Full report available on BFCM website





# Awards and Recognitions

**A DEDICATED  
HR policy  
RECOGNISED  
IN 2021, 2022  
AND 2023**



**“ Meilleurs employeurs “  
2023, 2022 and 2021  
Category Network banks  
For Crédit Mutuel and CIC**



**Top employer 2023, 2022,  
and 2021  
for Targobank**



**Great Place to Work 2022  
Among french companies  
for Cofidis and Monabanq**



**Grand Prix 2023 & 2022 and  
Prix d'Or 2023  
Good Économie 2023,  
June 2023**



**“ Meilleur groupe bancaire  
français ”  
For Crédit Mutuel  
By the magazine Word Finance**



**Palmarès Image  
des banques  
1st rank among banks  
Baromètre Posternak-Ifop 2023  
&2022**



**Label d'excellence  
Category House Insurance  
Dossiers de l'épargne, 2022**

**OPERATIONAL  
EXCELLENCE  
AT THE  
SERVICE OF  
OUR CLIENTS**



**“ Trophées Qualité de la  
Banque 2022 “  
For Crédit mutuel and CIC  
MoneyVox 2022**



**“Podium de la relation client”  
Best Bank for Crédit Mutuel  
Bearing Point – Kantar,  
March 2024**



**“Podium de la relation client”  
Best digital experience for CIC  
Bearing Point – Kantar,  
March 2022**

# – Macroeconomic environment

## Projections as of March 2024

### ECB macroeconomic projections

	2023	2024	2025	2026
HICP	5.4	2.3	2.0	1.9
Real GDP	0.5	0.8	1.5	1.6
Unemployment rate (% of labour force)	6.5	6.7	6.6	6.6

### Banque de France macroeconomic projections

	2023	2024	2025	2026
HICP	5.7	2.5	1.7	1.7
Real GDP	0.9	0.8	1.5	1.7
Unemployment rate (% of labour force)	7.5	7.8	7.8	7.5

In the euro area :

- **Economic growth should gradually pick up during 2024** as real disposable income rises, amid declining inflation and robust wage growth, and as the terms of trade improve
- **Inflation is to moderate further** owing to the ongoing easing of pipeline pressures and the impact of monetary policy tightening, albeit at a more modest pace than seen in 2023
- As energy prices decline, strong labour cost developments should be the dominant driver of inflation. Nominal wage growth is set to remain elevated, driven by **persistent tightness in the labour market**

In France :

- **Slow growth in 2024**, with a more pronounced rebound in 2025 and 2026, due to more favourable assumptions on energy prices and financial conditions (interest rates in particular)
- After 5.7% in 2023, **sharp fall in HICP inflation** to an average of 2.5% in 2024, then 1.7% in 2025, where it is expected to remain in 2026
- **Slight rise in the unemployment rate** to around 7.8% by the end of 2024 to the end of 2025, before resuming its decline in 2026

# — Real estate credit environment in France

## Characteristics of the French real estate market: highly regulated and low risk

- Obligation for the borrower to:
  - take out **creditor insurance**
  - obtain a **guarantee** for the financed property (see opposite)
- Granting process that requires a **significant personal contribution** (which depends on the borrowing capacity)
- Compliance with **HCSF recommendations** <sup>(1)</sup>:
  - **Monthly annuity: max. 35%** of disposable income
  - **Maximum maturity: 25 years**
- Loans granted mainly at **fixed rates**
- **Social welfare** that mitigate the risk of income loss

A very low loss ratio also demonstrated during European stress tests.

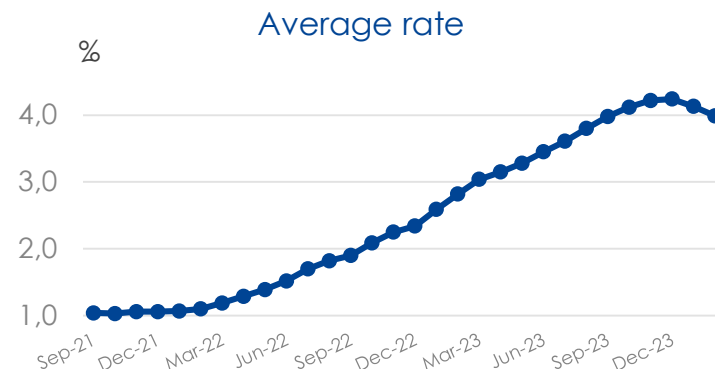
## In France, all home loans are guaranteed by:

1/ **Mortgages:** which are registered by notaries in the Land Registry

### 2/ **Cautions:**

- **Crédit Logement:** the market leader for residential home loan guarantees
  - **Owned by the major French banks: Crédit Mutuel** as **5th** major shareholder (10%, as at December 2021)
  - **Ratings: Aa3 stable** (Moody's), **AA low stable** (DBRS)
- **Internal caution:** owned by a banking group or an insurance company
  - **Cautionnement Mutuel de l'Habitat « CMH »** for Crédit Mutuel Alliance Fédérale

## Market indicators in France, Observatoire Crédit Logement, February 2024



- Average fixed interest: **3.99%** i.e. **3.79% for 15 yrs to 3.99% for 25 yrs**
- **Monthly update of the interest rate cap** (taux d'usure)
- The **Livret A/Bleu rate increase to 3%** since Feb 2023

(1) Haut Conseil de Stabilité Financière

# – Snapshot of Crédit Mutuel Home Loan SFH

“High-quality European Covered Bond Label” obtained in July 2022

## « Société Financement à l’habitat »

### Restrictive eligibility criteria

- **French Covered Bond Structure**
- No area, no securitization, or asset substitution
- Only loans originated by the group’s networks are eligible with an **origination in every region of France**
- Prime residential mortgages and guaranteed home loans only
- **Monthly annuity max. 33%** of disposable income for guaranteed loans

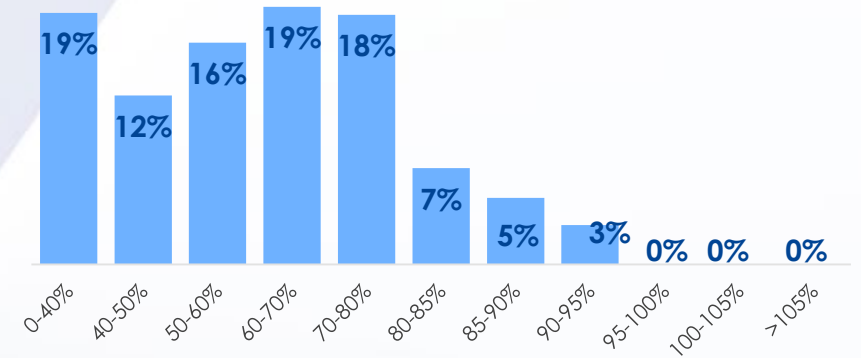
## Main characteristics of the program

- **Program size: €70 bn**
- **Ratings: Aaa** (Moody’s), **AAA** (S&P), **AAA** (Fitch)
- Max. 100% LTV
- **Risk weighting:** ECBC + CRR / CRD4 compliant
- **Maturity type:** hard or soft bullet
- **French law**

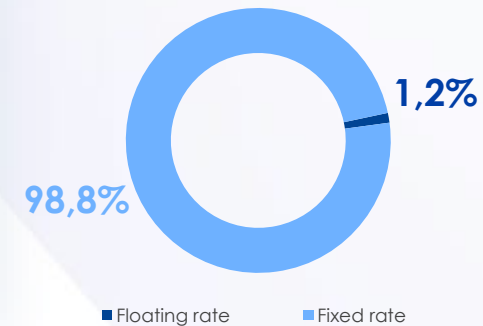
### Cover pool as at February 2024

- Total Loan Balance: **€43 bn**
- Number of loans: **417 k**
- Unindexed LTV: **67%**
- Indexed LTV (current value): **59%**
- Duration: **68 months**
- Collateralisation: **70%** mortgages and **30%** guarantors

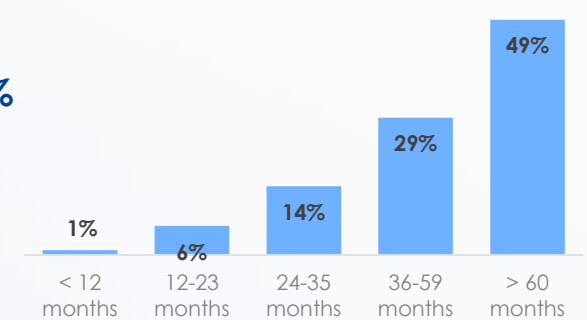
## Indexed LTV\*



## Rate Type



## Seasoning



\* Source Investor report, February 2024

## — Contacts



<https://www.bfcm.creditmutuel.fr>



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