

# Crédit Mutuel Alliance Fédérale

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*2024 Half-Year Results*

*November 2024*

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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, Cofidis, BECM, EI and others.

Main change in scope:

Acquisition of the remaining 20% of Cofidis Group to become a 99.99% shareholder

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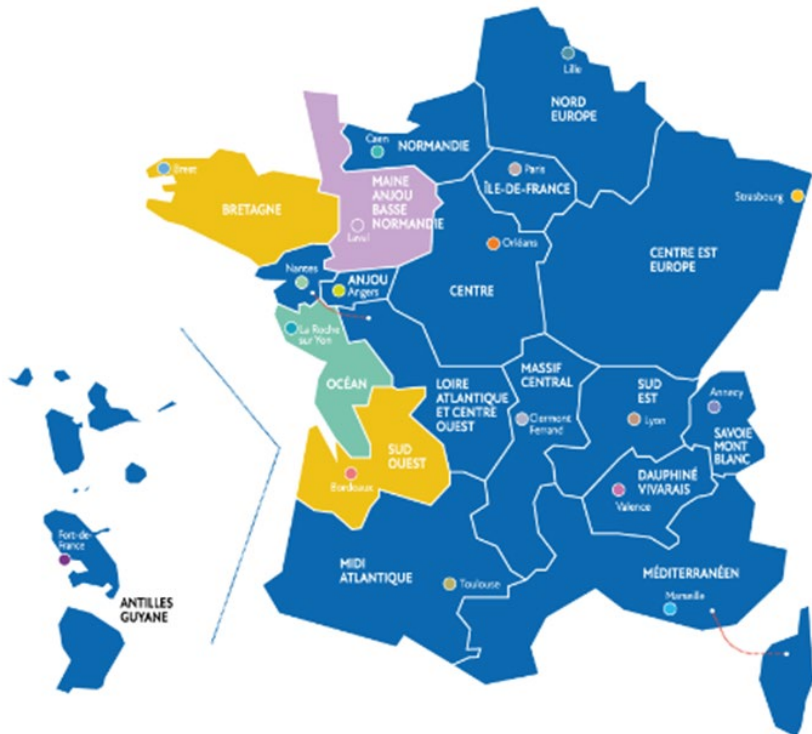
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# Crédit Mutuel Alliance Fédérale Presentation

# — Crédit Mutuel Group

## Structure & Governance



- **Crédit Mutuel Alliance Fédérale**
- Crédit Mutuel Arkéa
- Crédit Mutuel **Maine-Anjou, Basse-Normandie**
- Crédit Mutuel Océan

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

**18**  
Regional Federations

**4**  
« Caisse Fédérales »<sup>(1)</sup>

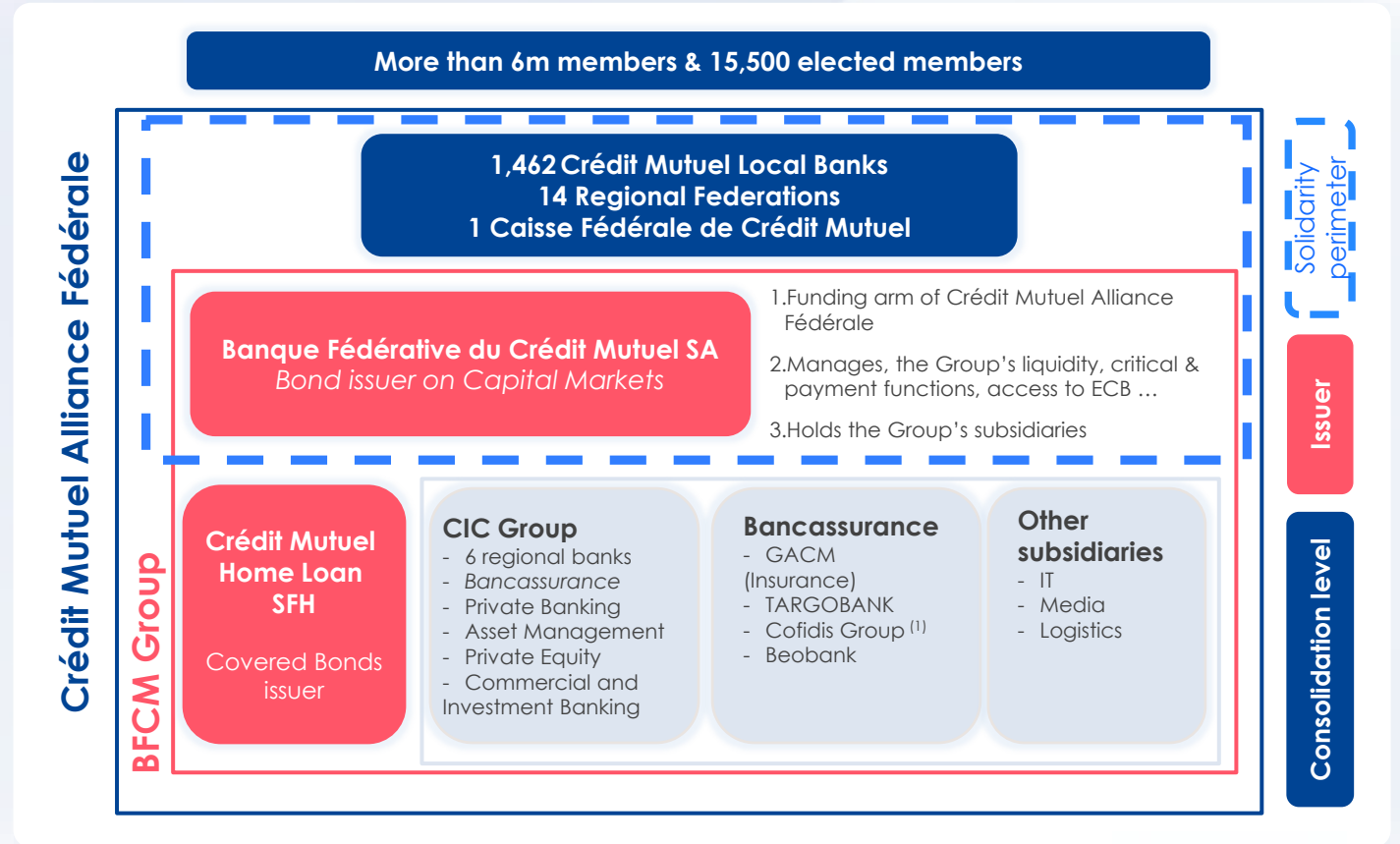
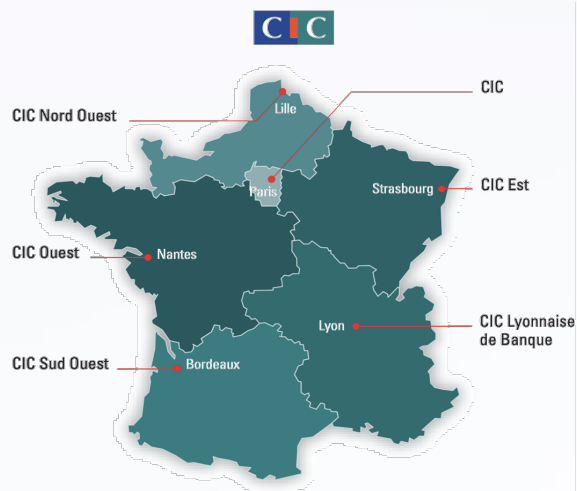
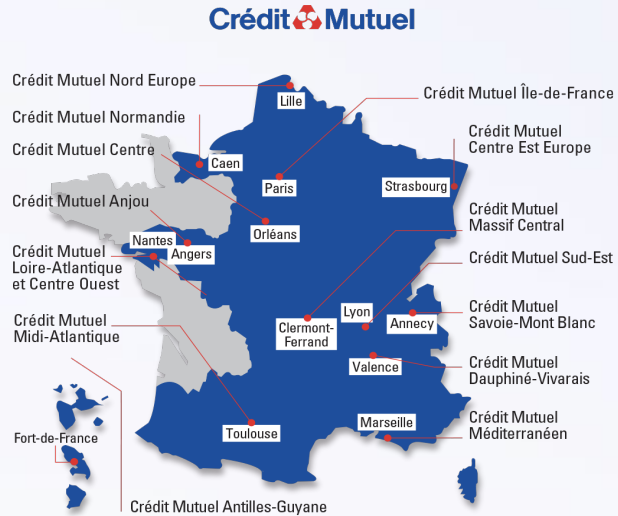
NATIONAL BODY

**Confédération Nationale du Crédit Mutuel**

(1) Of which « Caisse Fédérale de Crédit Mutuel »

# Crédit Mutuel Alliance Fédérale

## 2 main issuers on the Capital Markets



<sup>(1)</sup> April 2024: BFCM 99.99% shareholder

# Executive summary

Solid results demonstrating the performance of the diversified bancassurance model

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

Data as of 30/06/2024

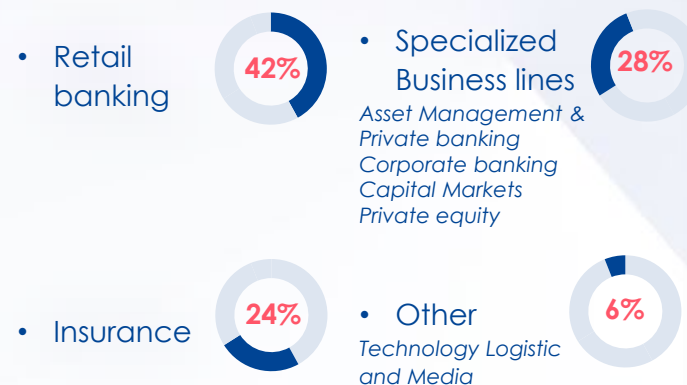
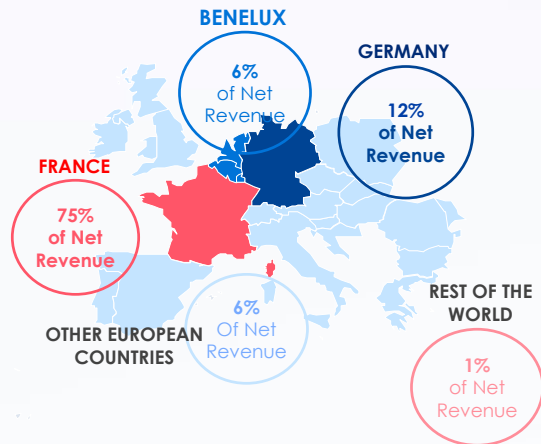
**77,127** employees  
**4,308** branches  
**31.8 million** customers  
**6.4 million** members



Total loans: c. **€523 bn**  
 Total savings: c. **€948 bn**  
 - o/w customer deposits c. €477 bn  
 - o/w insurance savings c. €109 bn  
 - o/w financial savings (under management & in custody) €362 bn  
 Balance sheet total: c. **€922 bn**

Net Revenue: **€8.3 bn** with **87%** generated in France and Germany <sup>(1)</sup>

Net Income: **€2.0bn** o/w **66%** generated by Retail banking & Insurance



### Best rating among French & European Banks

Pertinence of the business model and low risk profile

Financial ratings reaffirmed	Extra-financial ratings:
<b>Moody's</b> Aa3 / P-1 / negative	<b>ISS ESG:</b> C
<b>Standard &amp; Poor's</b> A+ / A-1 / stable	<b>MSCI:</b> AA
<b>Fitch Ratings</b> AA- / F1+ / stable	<b>Moody's ESG:</b> 64
	<b>Sustainalytics:</b> 19.7

### Strong capitalization and among the top solvency ratio in Europe

- Shareholders' equity: **€64.1 bn**
- CET1: **18.5%**
- Overall solvency ratio: **20.9%**
- LCR (average during the 1st semester 2024): **178 %**
- Best ranking among universal banks in **2023 EU wide stress tests**

### 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, conventional and unconventional oil and gas sectors

(1) As of 31/12/2023

# — 2023-2024 Strategic developments



Memorandum of understanding to preserve an **united and plural Crédit Mutuel**

- Signatories: Confédération Nationale du Crédit Mutuel, Crédit Mutuel Arkéa and the 19 regional federations
- Objective to preserve the unity of Crédit Mutuel and guarantee the autonomy of its members



Agreement for the acquisition of **Magyar Cetelem Bank**

- Projet to acquire BNP Paribas Personal Finance subsidiary in Hungary by Cofidis SA



Effective sale of **GACM España** on 12 July 2023

- Acquisition by AXA España of 100% of the capital of GACM España



Effective sale of **Targobank Spain** on 06 October 2023

- Acquisition by ABANCA of 100% of the capital of TARGOBANK Spain



Publication of the new 2024-2027 strategic plan, **Together, Performance, Solidarity**

- “Capture new business on all markets and in all regions to bolster its development in order to achieve collective benefits”
- Massive investments in technology to improve employee efficiency and identify customer needs



**Cash Service** implementation

- Complete offer of local banking services for ATMs shared by the four banking brands
- BNP Paribas, Société Générale, CIC and Crédit Mutuel Alliance Fédérale



Additional stake

- Crédit Mutuel Alliance Fédérale becomes **the sole shareholder** of Cofidis Group



# Focus on the Societal Dividend

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



15% of net income allocated every year (€439 mn for 2023)

Allocation target: more than **€2.5bn by 2027**

€415 mn<sup>(1)</sup>

## Impact investments

through the Environmental and Solidarity Revolution Fund



### 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 (forest fires, proliferation of parasites, etc)

€8 mn<sup>(2)</sup>

## Services that benefit the community

- Renovation Advance Loan (0%, no fee)
- 0% bicycle loan and 0% student loan
- 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
- Press offer for under 26 years old

€68 mn in 2023  
€56 mn in HY 2024

## Sponsorship



- To preserve nature and the living world
- To fight against precariousness
  - €137k and €300k to CRESUS Fondation and FNSF<sup>(3)</sup>
- To fight against inequalities
  - €4 mn to 66 associations for disability projects



(1) As of 30/06/2024, €363 mn were allocated as of 31/12/2023

(2) As of 31/12/2023

(3) FNSF - Fédération Nationale Solidarité Femmes

# — Technology at the heart of the mutualist group's strategic plan

*Maintaining the technological lead with the adoption of generative AI*

as of 31/12/2023

## Technology & AI: a massive acceleration in efficiency gains

**22m**

Number of documents processed using electronic signature (x4 since 2018)

**2.57m**

Number of hours saved using technology in the Crédit Mutuel and CIC networks, of which 35% using artificial intelligence

**30%**

Rate of sales generated from the use of artificial intelligence

**39.7m**

Number of customer emails pre-analyzed using AI to reduce response times

**19.5m**

Number of personalized customer recommendations made by advisors with the support of virtual assistants

**75m**

Number of documents analyzed, secured and integrated using AI

- **Long term strategic partnership with IBM**
- 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

# 2024 Half-Year Results – Key Takeaways

## Net revenue

€8.3bn +€272mn +3.4%

### Net revenue up despite strong pressure on net interest margin (in line with 2023)

- Stable retail banking: decline in the banking networks (-2.3%) offset by consumer credit (+6.6% or +€102m) and business line subsidiaries (factoring and leasing)
- Strong performance from insurance (+9.3%)
- Overall growth recorded for specialized business lines (+2.4%)

## Operating expenses

€4.7bn +€62mn +1.3%  
w/o SRF<sup>(1)</sup> +€276mn +6.2%

### Controlled rise in expenses, enabling us to maintain the best operating efficiency in the sector

- Increase in operating expenses, in particular as part of the implementation of 2024-27 strategic plan, involving high level of investment in IT
- Increase in employee benefit expenses (voluntary payroll increase) and Societal Dividend contributions (sponsorship expenses €56 mn)
- Reduction in supervision/resolution contributions: contributions to the SRF<sup>(1)</sup> reduced to €3m from €217m for H1-2023
- Cost-to-income ratio improved by 1.2pp to 57.1%; excluding the SRF, the scissors effect was negative by 1.5 pp

## Cost of risk

€957 mn +€279mn +41.1%

### Increase in the cost of risk with the end of public support measures

- Increase in proven cost of risk, up 39.5% (€258m) vs H1-2023, mainly due to a catch-up effect following the discontinuation of government measures to support economic activity
- Unproven cost of risk amounts to -€47m (vs -€26m in H1-2023) partly due to downgrades of ratings and the increase in stage 2 loans
- Cost of customer risk (annualised) is 35 bp, compared with 24 bp in June 2023, above pre-Covid levels

## Other items

€54 mn in H1-2024 consisted of the share of net income of equity consolidated companies and an earn-out related to the performance of Euro-Information Telecom (sold in 2021)

## Net income

€2.0bn +€70mn +3.5%

### Net income up 3.5% to €2bn

## Financial strength

- **CET1 ratio: 18.5%** (same as Dec. 2023)
- **LCR ratio** (average in H1-2024): **178%** (162.8 % average 2023)
- **LDR ratio: 109.4%** vs. 108.5% in Dec. 2023

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

(1) SRF: Single Resolution Fund

# – 2024 Half-Year Results – Contribution by Business Units to Net Income

Net profit up 3.5% year-on-year to €2bn

Retail banking and Insurance represent **66%** 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

Capital Markets

Private equity



## Others

Technology Logistic and Media



in €mn

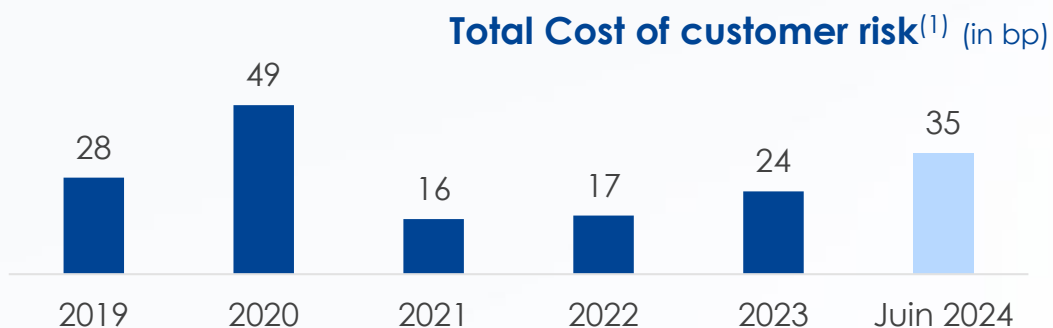
	June 2024	June 2023	change
<b>Retail Banking</b>	<b>857</b>	<b>1,032</b>	<b>-17.0%</b>
Banking network	545	766	-28.8%
Consumer credit	224	203	+10.3%
Factoring and finance leasing solutions	87	62	+39.8%
<b>Insurance</b>	<b>483</b>	<b>443</b>	<b>+9.0%</b>
<b>Specialized business lines</b>	<b>563</b>	<b>558</b>	<b>+0.9%</b>
Asset Management & Private banking	112	161	-29.9%
Corporate banking	156	105	+47.7%
Capital markets	120	112	+7.4%
Private equity	175	181	-3.1%
<b>Others (IT, Logistic, Media &amp; others)</b>	<b>129</b>	<b>-70</b>	<b>n.s</b>
<b>Net Income</b>	<b>2,032</b>	<b>1,962</b>	<b>+3.5%</b>

<sup>(1)</sup> Operational activities, excluding Holding company services

# — 2024 Half-Year Results – Cost of risk

Cost of risk continues to rise on both the proven and unproven components

- **Overall cost of risk up 41.1%** to €957m
- Proven cost of risk measured at **€911m (+39.5%)**
  - down for the **corporate banking business**
  - up sharply for the **networks** including an increase in **business failures** and the **transfer to non-performing** of several market arrangements in France
  - moderate increase for the consumer finance subsidiaries (+22.6%)
- **Unproven cost of risk: x2 in the first half of 2024** (€47m vs. €26m in June 2023) due to rating downgrades and the increase in outstandings in Status 2
- Deterioration of indicators since 2022 to catch up with pre-Covid19 levels



in €mn	June 2024	June 2023	2019
Cost of customer risk	-929	-632	-1,071
Average gross customer loans	526,542	515,812	392,979
<b>Cost of customer risk related to outstanding loans (in bp) - annualized</b>	<b>35</b>	<b>24</b>	<b>28</b>

in €mn	June 2024	June 2023	2019
Gross receivables subject to individual impairment (S3)	16,307	13,938	12,079
Gross customer loans	533,128	519,956	392,979
<b>Non-performing loan ratio</b>	<b>3.1%</b>	<b>2.7%</b>	<b>3.10%</b>

in €mn	June 2024	June 2023	2019
Provisions for loan losses	-10,614	-9,866	-8,444
provisions for losses on non-performing loans (Stage 3)	-7,478	-6,546	-6,471
provisions for losses on performing loans (Stages 1 & 2)	-3,136	-3,320	-1,973
Gross receivables subject to individual impairment (S3)	16,307	13,938	12,079
<b>Coverage ratio of non-performing loans</b>	<b>45.9%</b>	<b>47.0%</b>	<b>53.6%</b>
<b>Total coverage ratio</b>	<b>65.1%</b>	<b>70.8%</b>	<b>69.9%</b>

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

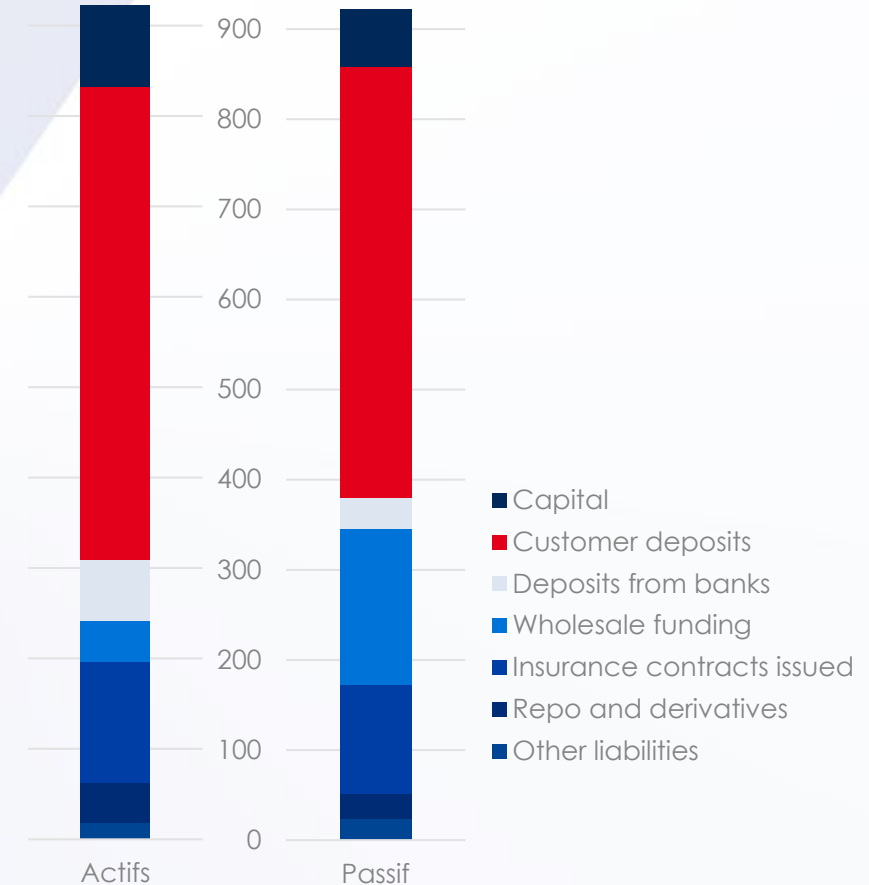
# – Simplified balance sheet

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

- Total balance sheet of €922bn (€914bn in 31/12/2023)
  - of which **52%** of **customer deposits**
  - of which **57%** of **customer loans**
- Loan to deposit ratio : **109.4%**
- **Resources raised on the market:** €161.7 bn (+4.2% vs December 2023)
  - €57.7 bn of short-term money market funding (<1 year)
  - €104 bn of medium and long-term (MLT) funding
- **Total shareholders' equity:** €64.1 bn (vs €62.4bn in December 2023)
  - €2.1bn in non controlling interests
- €62.0 bn of **shareholders' equity - attributable to the group**
  - 13% in capital and related reserves i.e. €8bn
  - 84% in **consolidated reserves** i.e. €52 bn
  - 3% in profit for the period i.e. €2.0 bn

- Cash and/at central banks
- Customer Loans
- Loans to credit institutions
- Liquidity portfolio
- Insurance activities
- Securities & derivative
- Other assets

€922 bn



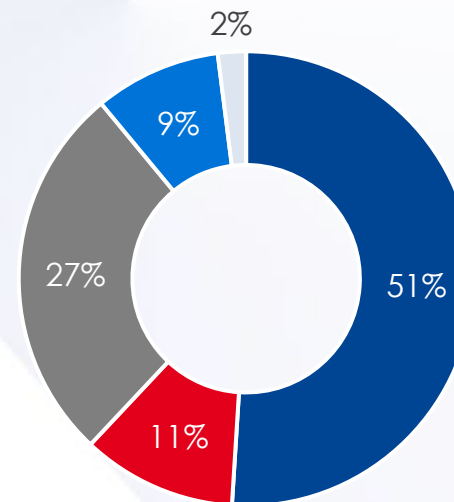
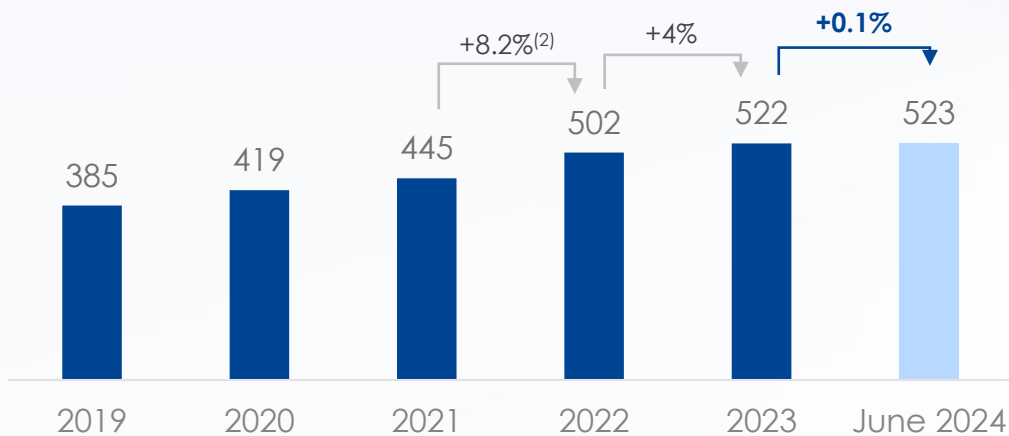
# Customers loans

Stable outstandings in the first half of the year despite a sharp fall in new loans

- **Outstanding loans up 2.4%** y-o-y and +0.1% since end-2023
- **Growth in outstanding loans remains positive** for the main loan categories despite the **net slowdown in new lending** in H2-2023
  - **Loan production** fall in H1-2024, particularly for **home loans** (-29.3%) and **investment loans** (-11.1%)
- **Loan structure stable** compared with previous semester

outstanding end of year, in €bn	June 2024	June 2023	change
Home loans	264.1	258.1	+2.3%
Consumer loans	55.0	53.5	+2.8%
Equipment and leasing	142.7	138.0	+3.4%
Operating loans <sup>(1)</sup>	49.5	52.1	-5.1%
Others	11.2	8.3	+34.6%
<b>Customer deposits loans</b>	<b>522.5</b>	<b>510.1</b>	<b>+2.4%</b>

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



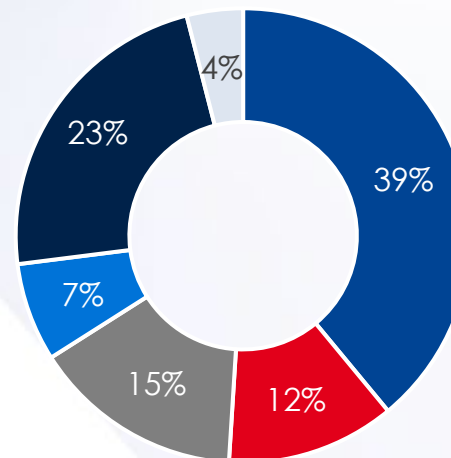
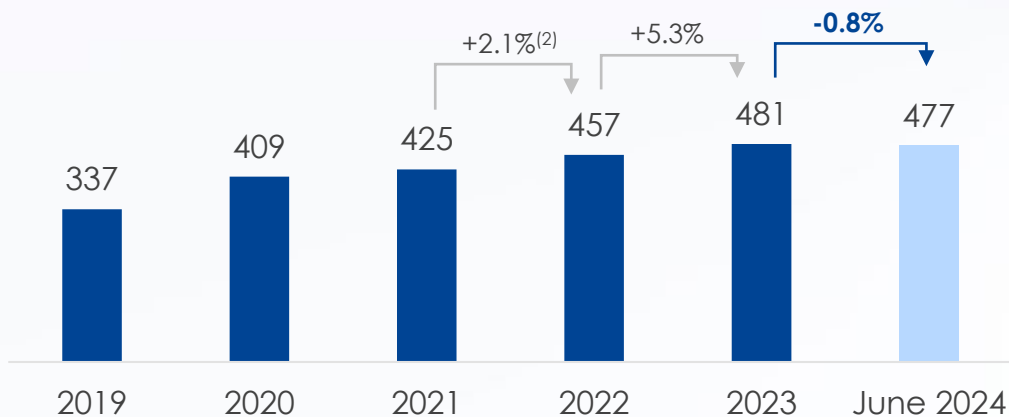
# Customer deposits

Outstanding deposits +3.7% yoy

- **Outstanding deposits up 3.7%** y-o-y and down slightly on December 2023 (-0.8%)
- **Significant inflows into Livret Bleu and Livret A** passbooks due to
  - continuation of favourable measures for regulated savings (higher remuneration for passbook vs savings accounts)
  - Preference for liquid and secure products due to financial environment
- **Negotiated deposits up 44%** y-o-y
- Continued **outflows from current accounts**, with a relative weighting of 39% (vs. 49% in 2022)

outstanding end of year, in €bn	June 2024	June 2023	change
Current accounts	188.3	197.2	-4.5%
Livrets Bleu & A	55.9	51.4	+8.8%
Other passbook accounts	69.7	75.2	-7.3%
Mortgage savings agreements	34.7	39.9	-13.0%
Term deposits <sup>(1)</sup>	112.1	77.6	44.4%
Others	16.8	19.2	-12.7%
<b>Customer deposits</b>	<b>477.4</b>	<b>460.5</b>	<b>+3.7%</b>

Evolution (in €bn)



Breakdown by products

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

(1) Term deposits and PEPs  
 (2) 2022 change at constant perimeter

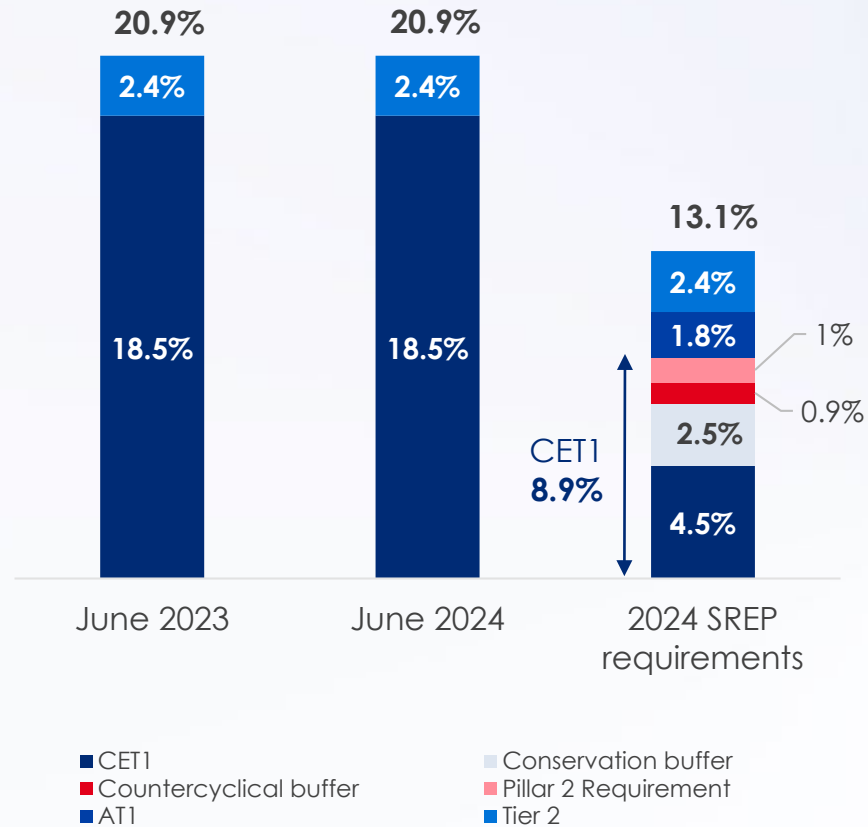
03

# Capital and liquidity

# Capital and solvency

Among the highest solvency ratios in Europe driven by recurring results

## Total capital position vs capital requirements



- Total shareholders' equity : €64.1 bn (€60.5 bn as at June 2023)
- CET1 ratio : 18.5%
- ROA<sup>(1)</sup> : 0.45% (0.5% target by 2027)
- 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)

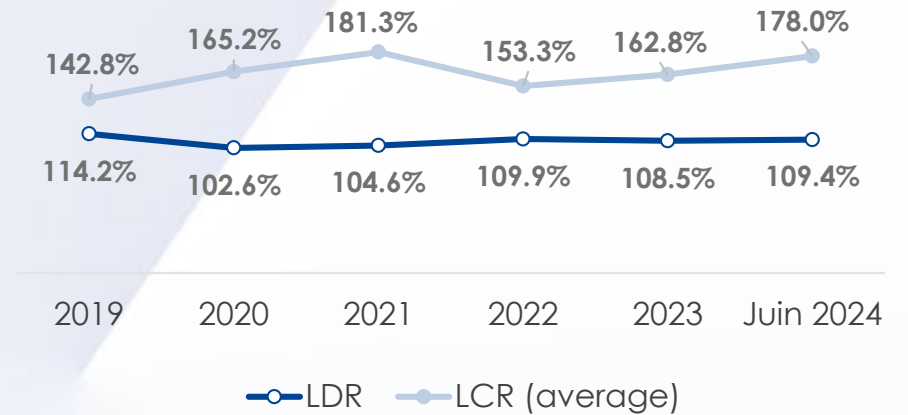
(1) Return on Assets

(2) CET1 ratio at Credit Mutuel Group level

# Liquidity

Strong liquidity reserve that covers market funding due over 12 months

## Total liquidity reserves



- **Average LCR liquidity buffer** of €123.7bn, 77% of which in central bank deposits (mainly ECB)
- **Total liquidity reserve** of €166bn amply covers the market funding due over 12 months

- LDR: **109.4%** (vs 108.5% December 2023)
- Average LCR H1-2024: **178%** (162.8% in 2023)

(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>

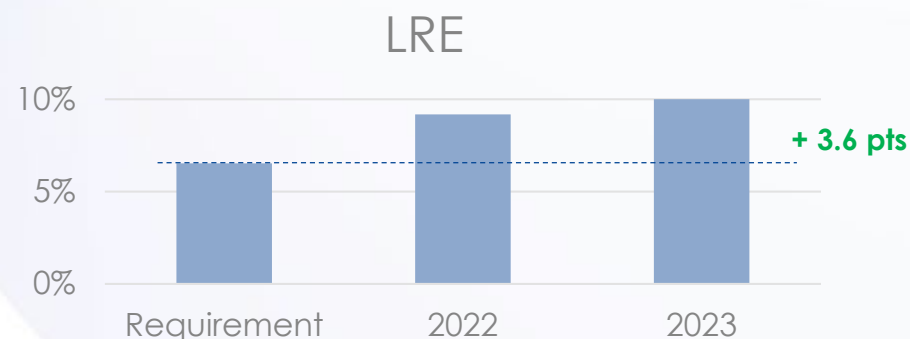
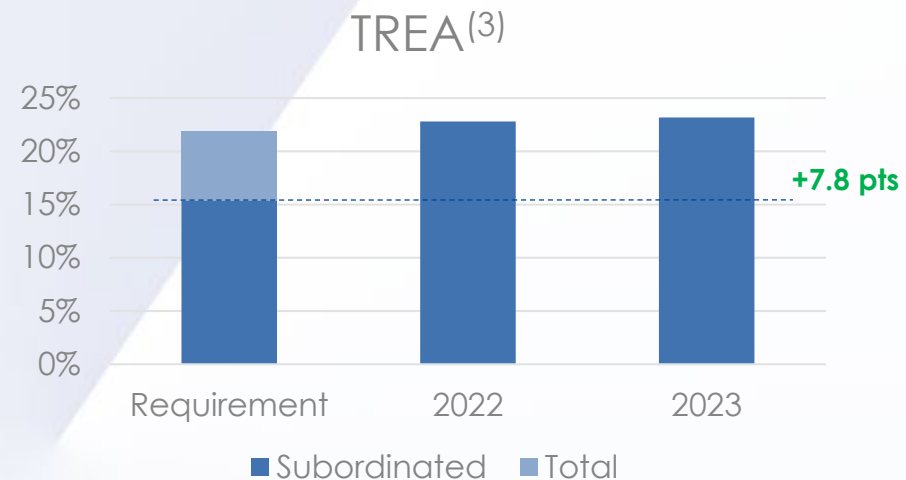
The Group received its MREL notification applicable on a **consolidated basis** at the level of the **resolution group**.

Crédit Mutuel's external MREL requirement is set at **21.92%** of the Group's risk-weighted assets (the "RWA") and at **6.53%** of the leverage ratio exposure.

The subordinated MREL requirement is set at **15.36%** of RWA and at **6.54%** of the leverage ratio exposure.

Crédit Mutuel is **well above** the requirements as of December 2023:

- Subordinated MREL ratio **23.18%** of the Group's RWA
- MREL ratio **10.08%** of the leverage ratio exposure



(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.

(3) Total risk exposure amount

# 04 FUNDING

# Funding program 2023

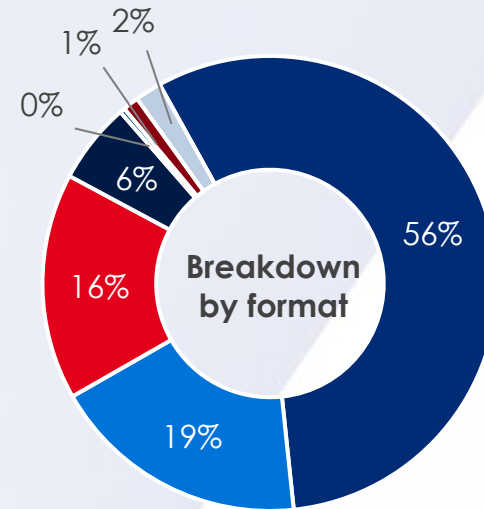
## Review of MLT resources raised in 2023

- €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

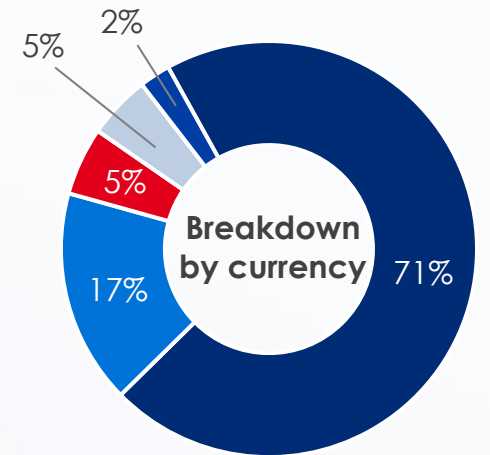
### Format of 2023 public issues:

- €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

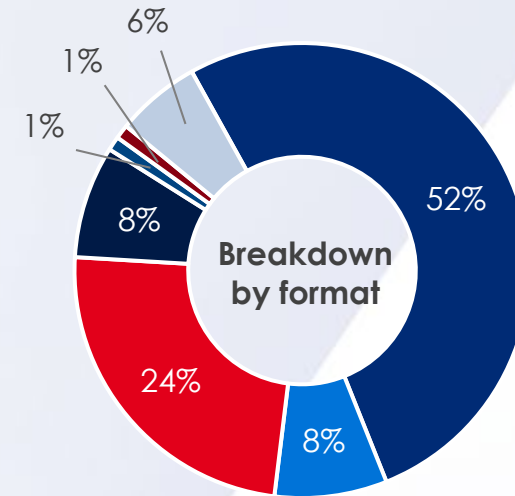
# Funding program 2024

## Objective of €16bn in MLT funding

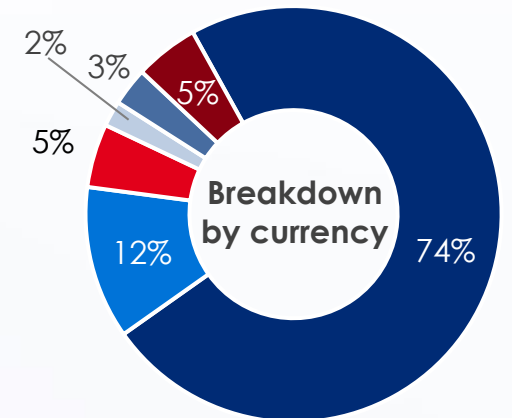
- SNP/Tier 2 : objective of c. €4bn<sup>(1)</sup>
- Annual issue of GSS bond<sup>(2)</sup>
- Public and private issues in various format under BFCM (EMTN, US 144A, Samurai) and SFH (covered bonds) names
- Diversification of the investor base through currencies (USD, GBP, CHF, YEN...)

As of 30 September 2024, **€17.6bn** has been raised in MLT issues  
i.e. **c.110%** of 2024 target  
With an average maturity of **6.12 years**

- 15 public issues for €14.4 bn
- Private placements: 19%



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



- EUR
- USD
- GBP
- CHF
- AUD
- JPY

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

(2) Green Social and Sustainable bond



## — Medium to long-term funding: Public issues 2024

ISINEUR	Serie	Currency	Global amount (€)	Support	Issuer	Issue Date	Maturity Date	Reoffer	Coupon
FR001400LWN3	565	EUR	1 250	SNP	BFCM	01/01/2024	10/11/2031	MS+155	0.048
FR001400N3I5	567	EUR	1 500	Tier 2	BFCM	11/01/2024	11/01/2034	MS+195	0.044
FR001400N6I8	570	EUR	1 000	SP	BFCM	17/01/2024	03/02/2034	MS+125	3.75%
CH1321113453	571	CHF	333	SP	BFCM	30/01/2024	30/01/2032	SARON+96	2.223%
US06675FBC05	29	USD	644	SP	BFCM	23/01/2024	23/01/2027	T+97	5.088%
US06675DCH35	30	USD	276	SP	BFCM	23/01/2024	23/01/2027	SOFR+113	SOFR+113
FR001400NIS7	58	EUR	1 500	Covered	CM SFH	30/01/2024	03/02/2031	MS+40	3.000%
FR001400OF12	574	GBP	701	SP	BFCM	06/03/2024	22/10/2029	UKT+105	5.000%
FR001400OZH2	59	EUR	1 250	Covered	CM SFH	28/03/2024	28/11/2030	MS+31	3.000%
FR001400Q0T5	575	EUR	750	SP-Green Bond	BFCM	15/05/2024	15/05/2031	MS+75	3.50%
AU3CB0309847	577	AUD	184	SP	BFCM	24/05/2024	24/05/2027	BBSW+107	5.126%
AU3FN0088043	576	AUD	276	SP	BFCM	24/05/2024	24/05/2027	BBSW+107	
US06675DCM20	31	USD	693	SP	BFCM	16/07/2024	16/02/2028	T+80	5.194%
US06675DCL47	32	USD	462	SP	BFCM	16/07/2024	16/02/2028	SOFR+107	SOFR+107
FR001400RNW0	67	EUR	1 500	Covered	CM SFH	23/07/2024	23/07/2029	MS+34	3.000%
JP525020AQA4	44	JPY	515	SP	BFCM	15/10/2024	15/10/2029	0,933	0,933%
JP525020BQA2	45	JPY	264	SP	BFCM	15/10/2024	15/10/2027	1,119	1,119%
JP525020CQA0	46	JPY	84	SP	BFCM	15/10/2024	15/10/2034	1,563	1,563%
FR001400T9Q9		EUR	1 250	SP	BFCM	17/10/2024	17/10/2031	MS+85	3.272%

PRE-FUNDING

# 05 Strategic Plan

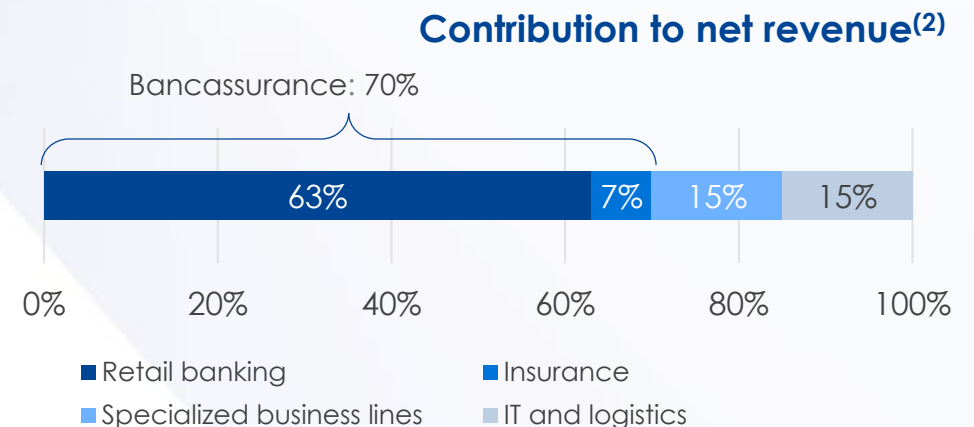
# 2024 Half-Year Results – Net revenue by business lines

Growth in net net revenue driven by resilience in the business lines

- Stabilisation of **retail banking** revenue (€6bn)
  - Performance of consumer credit subsidiaries
  - Networks still penalised by lower margins
- Net **insurance** income up by 9.3%, driven by growth in personal insurance and life insurance results
- Contrasting contributions from **asset management** and **private banking**
  - +6.2% in asset management, driven by growth in assets under management
  - 7.5% in private banking due to lower interest margins
- Sharp rise in revenue from **corporate banking** (+13.1%) driven mainly by higher interest margins and continued strong business volumes
  - Reflecting strong sales momentum to large corporates and structured finance.
- Resilience and growth in **capital markets** (+1.9%) and **private equity activities** (+1.3%) despite an uncertain environment

in €mn

	June 2024	June 2023	change
<b>Retail Banking</b>	<b>6,094</b>	<b>6,062</b>	<b>+0.5%</b>
banking network	4,096	4,194	-2.3%
consumer credit	1,633	1,532	+6.6%
<b>Insurance<sup>(1)</sup></b>	<b>701</b>	<b>641</b>	<b>+9.3%</b>
<b>Specialized business lines</b>	<b>1,491</b>	<b>1,455</b>	<b>+2.4%</b>
Asset Management & Private banking	635	646	-1.8%
Corporate banking	335	296	+13.1%
Capital markets	299	293	+1.9%
Private equity	223	220	+1.3%
<b>Others (IT, Logistic, Media &amp; others)</b>	<b>-29</b>	<b>-174</b>	<b>-83.4%</b>
<b>Net Revenues</b>	<b>8, 257</b>	<b>7,984</b>	<b>+3.4%</b>



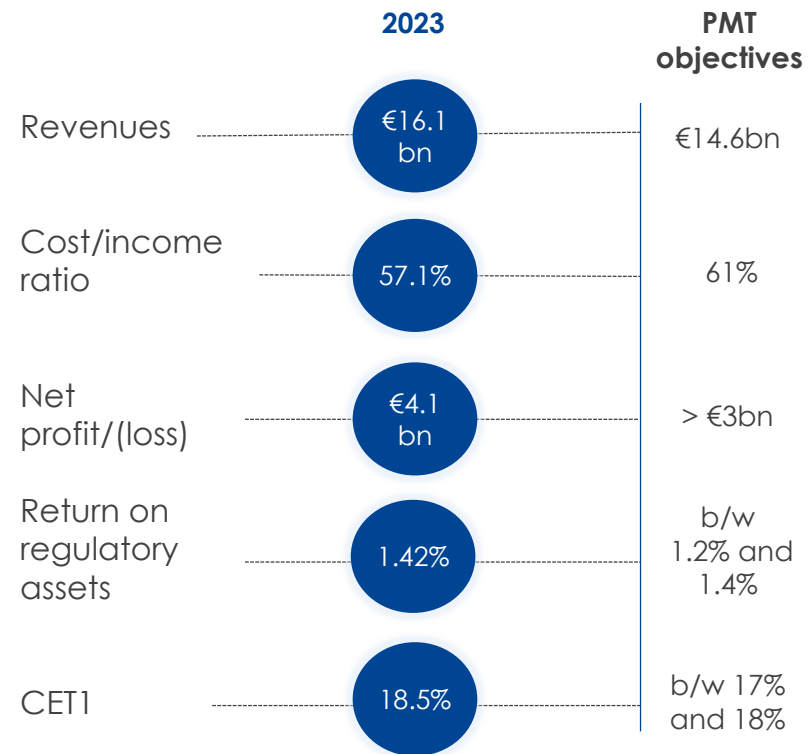
(1) Of which reclassification of operating expenses related to insurance contracts as expenses related to insurance contracts classified under net revenue  
 (2) Operational activities, excluding Holding company services

# 2019-2023 Strategic plan

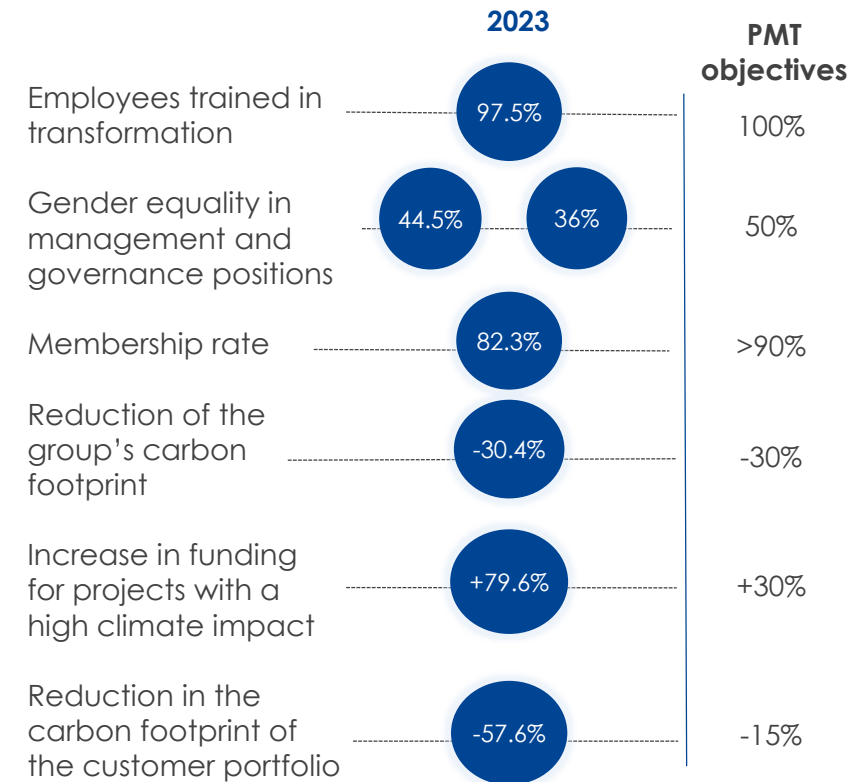
Major catalyst for development and transformation to achieve sustainable and responsible performance



## Financial targets



## Social and mutualist ambitions



# — 2024-2027 strategic plan

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

ENSEMBLE

**> 75%**

employees and elected members who are proud of their company

**50%**

women managers in the Group

**50%**

women in Group governance bodies<sup>(1)</sup>

**> 30%**

work-study trainees recruited from priority neighborhoods or rural areas

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>

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

<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

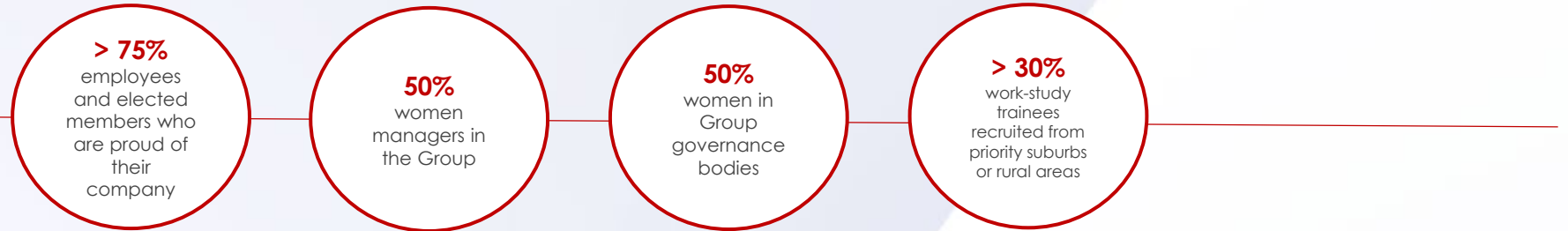
<sup>(3)</sup> Customers with a major product

<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  
and 8 million in  
Insurance

- **Surpass 15 million customers** in its Crédit Mutuel and CIC networks in France representing nearly one million new members and customers
- **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 Institutional Banking (CIB) activity in France and abroad)
- 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

**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

# – ‘Entreprise à mission’: 5 missions and 15 commitments

Crédit Mutuel Alliance Fédérale stands out as a benefit corporation



**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**

**Entreprise à mission** : quality awarded to companies that include social and/or environmental objectives in their articles of association and adjust their operating methods to ensure they achieve them (PACTE Act 2019)

Elements to be included in the articles of association:

- Inclusion of a '**raison d'être**'
- Adoption of **social and environmental objectives**
- Establishment of a **mission committee** and publication of a report on the implementation of commitments
  - Report audited by an independent third party

In 2020, Crédit Mutuel Alliance Fédérale became the 1st bank to adopt the status of mission-driven company with : **Ensemble, écouter et agir** comme *raison d'être*

- *Together, listening and acting* as our *raison d'être* **5 permanent missions** broken down into **15 concrete and convincing commitments**
- **Mission committee** reports published annually in the DEU (3rd edition published in April 2024)

# — Ambition to be a major player in the ecological transition

*Focus on our sector policies*

**Strict sectoral policies that are regularly reviewed to be increasingly restrictive with a view to:**

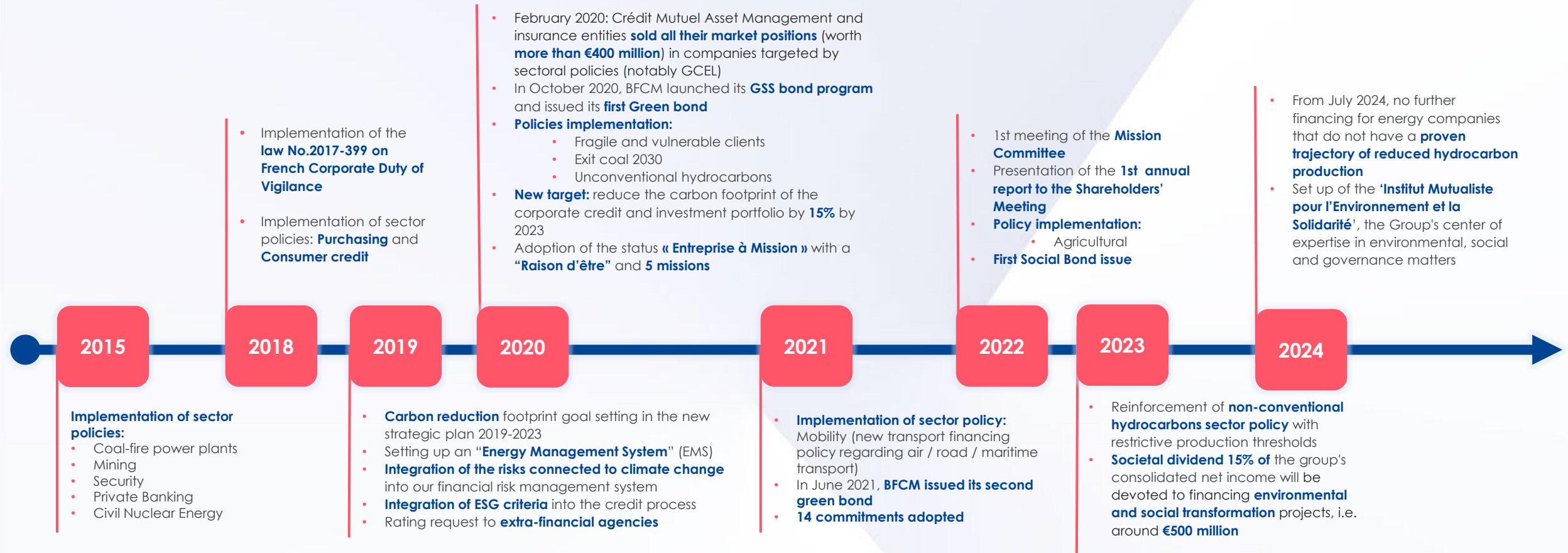
- To support customers in the transformation of their business model and thus contribute to the **fight against global warming, the reduction of biodiversity and the deterioration of the environment**
- Contribute to commitments made at the global level: **Paris Agreement** and **Net-Zero Banking Alliance** (of which Crédit Mutuel is the first French mutual bank to have been a signatory)
- Achieve **ambitious internal portfolio decarbonization targets**:
  - 20% reduction in the carbon footprint of the balance sheet targeted by the 2024-2027 strategic plan
  - Coal exit by 2030 from financing and investment portfolios regardless of the country

Sectoral policies and their developments are systematically submitted for **approval to the Boards of Directors** of Caisse Fédérale de Crédit Mutuel, BFCM and CIC.



# Timeline of our SMR Policy Implementation

Leading player in the shift towards a low-carbon economy



(1) IPCC: Intergovernmental panel on climate change, GIEC in French

## — Appendices

<b>1. Ratings</b>	p.37
<b>2. Organization of Crédit Mutuel Alliance Fédérale</b>	p. 38-39
<b>3. Business line results</b>	p. 40-48
<b>4. Medium to long-term funding</b>	p.49
<b>5. Social &amp; Mutualist Responsibility (SMR)</b>	p. 50-53
<b>6. Green, social, and sustainability bonds framework</b>	p. 54-56
<b>7. Awards and recognitions</b>	p. 57
<b>8. Macroeconomic environment and real-estate market</b>	p. 58-61

# Ratings

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

FINANCIAL RATINGS			
	MOODY'S <sup>(1)</sup>	S&P <sup>(2)</sup>	FITCH RATINGS <sup>(3)</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	Negative	Stable	Stable
Intrinsic Rating	Adjusted Baseline Credit Assessment (Adj BCA) a3	Stand Alone Credit Profile (SACP) a	Viability Rating (VR) a+
Last update	11/14/2024	11/07/2024	08/14/2024

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>

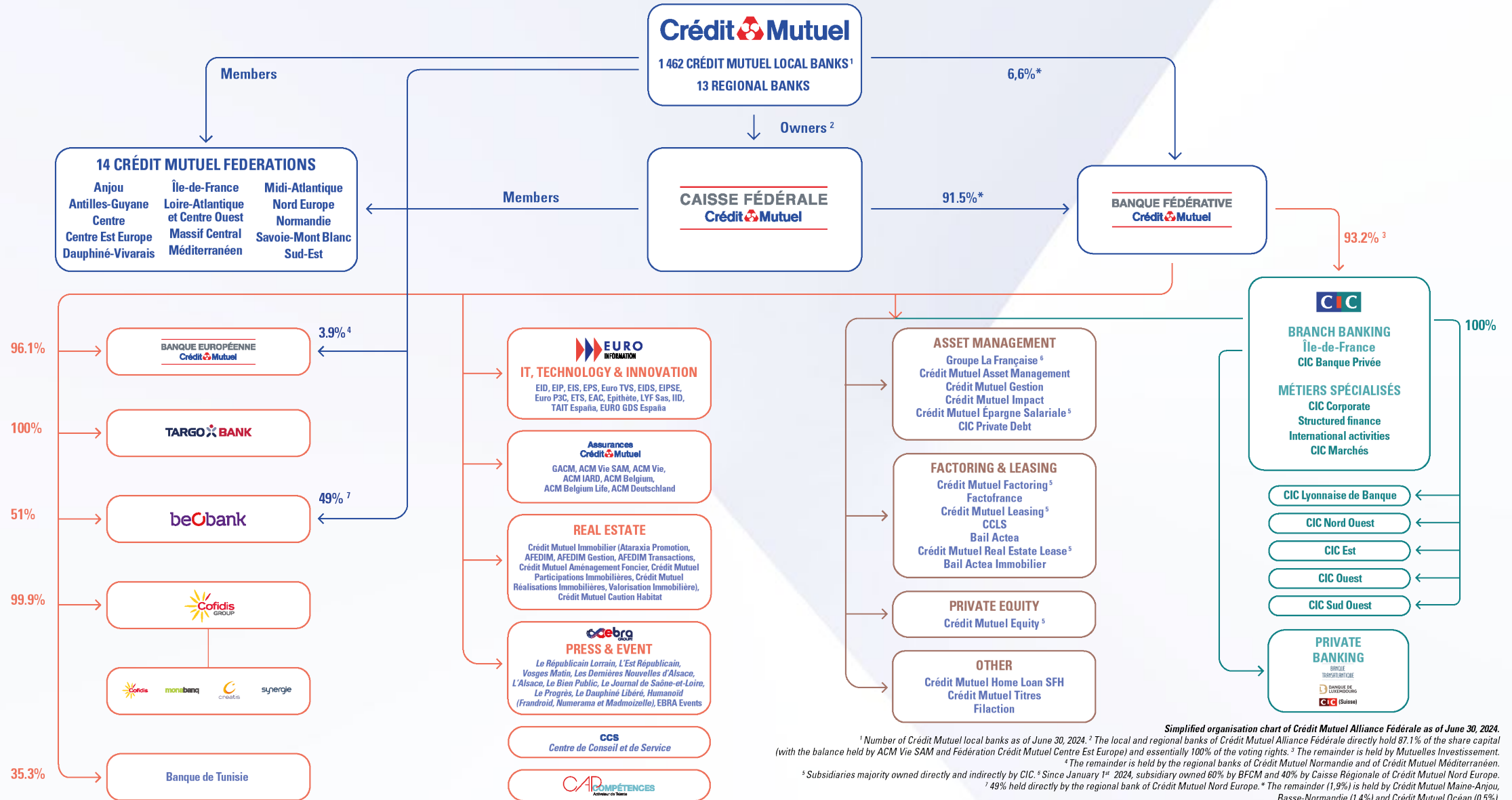
**Non-financial rating agencies rate the BFCM and CIC entities taking into account the full scope of Crédit Mutuel Alliance Fédérale.**

\* 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, Negative outlook on LT deposit&Senior Unsecured debt  
 (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

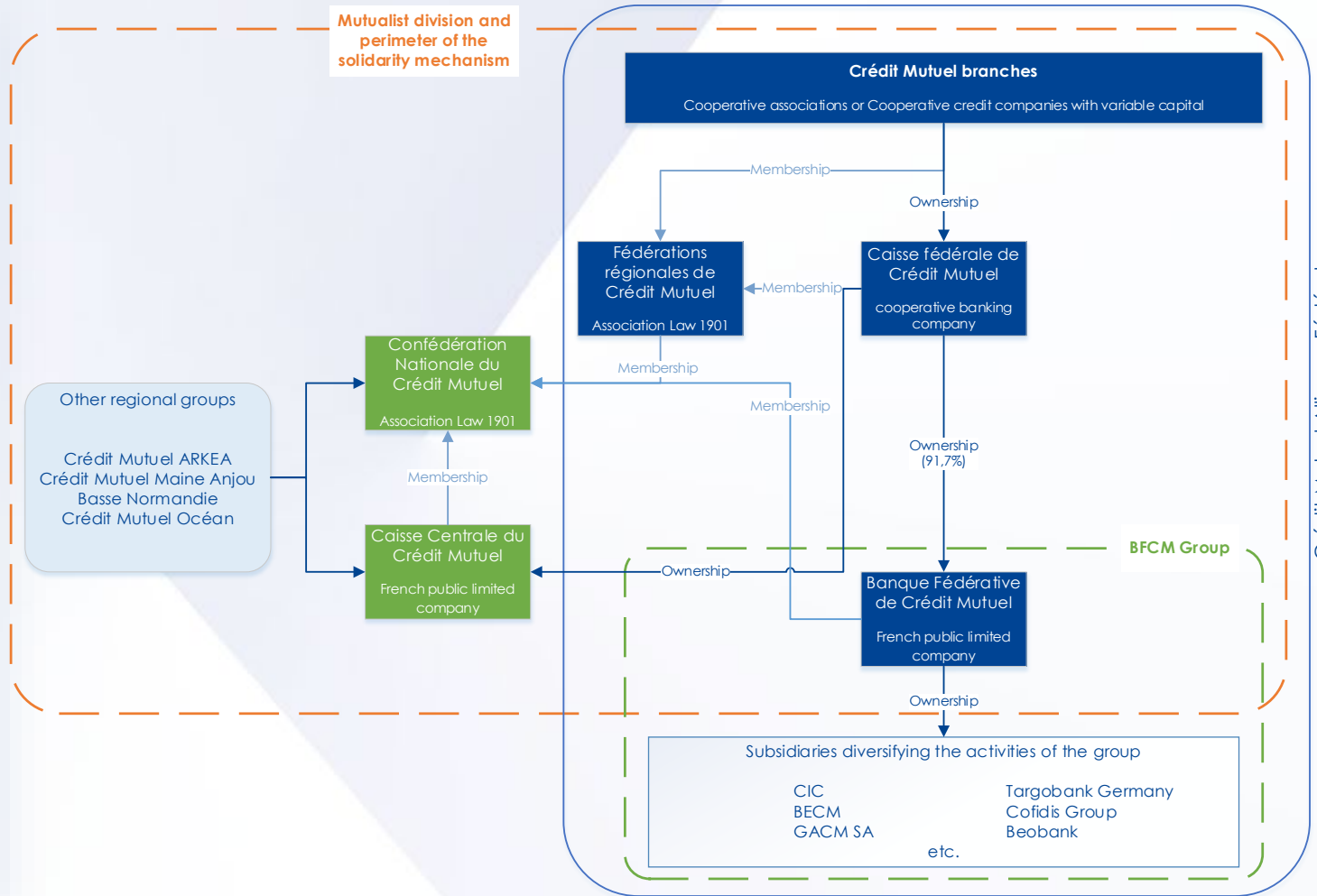


**Simplified organisation chart of Crédit Mutuel Alliance Fédérale as of June 30, 2024.**  
<sup>1</sup> Number of Crédit Mutuel local banks as of June 30, 2024. <sup>2</sup> The local and regional banks of Crédit Mutuel Alliance Fédérale directly hold 87.1% of the share capital (with the balance held 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 Mutuelles Investissement. <sup>4</sup> The remainder is held by the regional banks of Crédit Mutuel Normandie and of Crédit Mutuel Méditerranéen. <sup>5</sup> Subsidiaries majority owned directly and indirectly by CIC. <sup>6</sup> Since January 1<sup>st</sup> 2024, subsidiary owned 60% by BFCM and 40% by Caisse Régionale de Crédit Mutuel Nord Europe. <sup>7</sup> 49% held directly by the regional bank of Crédit Mutuel Nord Europe. <sup>8</sup> The remainder (1,9%) is held by Crédit Mutuel Maine-Anjou, Basse-Normandie (1,4%) and Crédit Mutuel Océan (0,5%).

# — 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





# — 2024 Half-Year Results of Crédit Mutuel Alliance Fédérale

## Income Statement

in €mn	June 2024	June 2023
Interest and similar income	18,679	14,693
Interest and similar expense	(14,279)	(10,564)
Fee and commission income	3,157	3,053
Fee and commission expense	(827)	(777)
Net gains on financial instruments at fair value through profit or loss	284	483
Net gains/(losses) on financial assets at fair value through OCI	(13)	(90)
Net gains/(losses) resulting from derecognition of financial assets at amortized cost	0	0
Income from insurance contracts issued	3,658	3,580
Expenses relating to insurance policies issued	(2,892)	(2,873)
Income and expenses relating to reinsurance contracts held	(51)	(42)
Financial income or expenses from insurance policies issued	(3,073)	(4,329)
Financial income or expenses relating to reinsurance contracts held	4	2
Net income from financial investments related to insurance activities	3,178	4,405
Income from other activities	783	765
Expenses on other activities	(351)	(322)
<b>Net revenue</b>	<b>8,257</b>	<b>7,984</b>
General operating expenses	(4,346)	(4,286)
Movements in depreciation, amortization and impairments for property, plant and equipment and intangible assets	(366)	(364)
<b>Gross operating income</b>	<b>3,545</b>	<b>3,335</b>
Cost of counterparty risk	(957)	(679)
<b>Operating income</b>	<b>2,587</b>	<b>2,656</b>
Share in net income of equity consolidated companies	13	14
Gains/(losses) on other assets	41	4
Changes in goodwill	0	0
<b>Income before tax</b>	<b>2,641</b>	<b>2,674</b>
Income tax	(609)	(711)
<b>Net income</b>	<b>2,032</b>	<b>1,962</b>
Income - Non-controlling interests	93	87
<b>Group net income</b>	<b>1,939</b>	<b>1,875</b>

# – 2024 Half-Year Results – Retail Banking<sup>(1)</sup>

Lower net income against a backdrop of rising cost of risk



## Key figures for the Crédit Mutuel and CIC networks

- Crédit Mutuel: **8.8 mn customers** (+109k net / +1.2%)
- CIC: **5.7 mn customers** (+85k new customers / +1.5%)
- Strong momentum to win over professional and business customers
- **Contrasted variations in net revenues** among networks (commissions up but different trends in interest margin – see slide 13)
- Overall **cost of risk multiplied by 2**
- **Net income down** by 11.7% and 30.7% for Crédit Mutuel and CIC networks

### Diversified distribution strategy

**20.1 mn**  
risk insurance  
Contracts<sup>(3)</sup>

**1.4 mn**  
subscriptions in  
mobile telephony

**358,000**  
remote surveillance  
subscriptions

## Beobank

- **Net revenue stable:** interest margin down, impacted by higher cost of customer deposits; commissions up (in particular on financial savings and sight accounts)
- **Overall cost of risk maintained** at a very low level and **earnings of €19.3bn** above the strategic plan

in €mn	June 2024	June 2023	change
<b>Net revenue</b>	<b>6,094</b>	<b>6,062</b>	<b>+0.5%</b>
General operating expenses	(3,993)	(3,962)	+0.8%
<b>Gross operating income</b>	<b>2,101</b>	<b>2,100</b>	<b>+0.0%</b>
Cost of risk	(900)	(614)	+46.5%
<i>proven cost of risk</i>	(858)	(548)	+56.4%
<i>unproven cost of risk</i>	(42)	(66)	-36.2%
<b>Operating profit/(loss)</b>	<b>1,201</b>	<b>1,486</b>	<b>-19.2%</b>
Net gains/(losses) on other assets and ECC <sup>(2)</sup>	5	2	x2,6
<b>Income before tax</b>	<b>1,206</b>	<b>1,488</b>	<b>-19.0%</b>
Income tax	(349)	(456)	-23.4%
<b>Net income</b>	<b>857</b>	<b>1,032</b>	<b>-17.0%</b>

### BECM

- **Deposits** up 5.8% and outstanding **loans** down 1.6% compared with end-2023
- Decline in **net revenues** (-24.7%) and **net income** (-64%) compared with June 2023

### Business subsidiaries (Leasing, factoring, real-estate) <sup>(4)</sup>

- **Net income of €365.2m (up 8.7%)** and **net profit of €87.2m** at end-June 2024 (compared with €62.4m at end-June 2023)

### Beobank

- **Gross loans** €9.0bn up +3.5% driven by mortgage loans activity (+4.6%)
- **Deposits** amounted to €8.0bn (+6.8%)
- **Net revenue** remained stable y-o-y with a net interest margin down
- Increase in fees and commission driven by financial savings and demand account
- **Net income** down to -30% to €19.3mn

(1) Banking network (CM local banks, CIC network, BECM, Beobank), Consumer Finance (Cofidis Group & TARGOBANK Germany), specialized business lines (leasing, factoring etc.)

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

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

(4) Includes TARGOBANK's factoring and leasing businesses

# – 2024 Half-Year Results – Retail Banking

Focus on consumer finance



monabanq

## Cofidis Group

Earnings up sharply thanks to growth in net banking income and control of total cost of risk

- Products distributed in 9 European countries
- Credit portfolio: strong production of €5.1 bn (+6%) in financing and a 7% increase in outstandings to €20.2 bn
- Savings and deposits: sustained growth in Monabanq's banking business, with outstandings up 27% to €1.2 bn
- Net revenues up €25 mn
  - Increase in outstandings and pricing, enabling interest margin to rise by more than €6m compared with June 2023
  - Growth in commissions (up €15 mn)
- Increase in operating expenses (impact of acquisitions, higher marketing investments and business development)
- Cost of risk kept under control at 2.2% of outstandings (equivalent to 2022)
- Net income up 54% to €35.5 mn



TARGO BANK

## TARGOBANK Germany

Growth in net banking income driven by higher interest margins, despite increases in general expenses and cost of risk

- Since 2022, offer extended to corporate finance, special finance, commercial property finance and payment services
- Net revenues up by 9.0%
- Cost of risk of €247 mn, up €72.2 mn, due to growth in the retail banking portfolio and the deterioration in the macroeconomic environment
- Retail segment
  - Outstanding loans up by 8% to €22.5 bn, while customer deposits rose by 22% to €31.1 bn
  - Net profit of €183 mn, +0.2% compared with June 2023
  - Increase mainly due to growth in interest margin
- Corporate banking
  - Investment loans and leases up 29.2% on June 2023, while factoring production down 8.1%<sup>(1)</sup>

(1) Figures included in leasing and factoring consolidated reporting

# – 2024 Half-Year Results – Insurance

GACM's performance driven by savings & retirement and health, protection & creditor insurance and a higher financial result

Gross written premiums of €7.6bn (+4.0%)(1)

**Highest level of gross savings & retirement insurance premiums with €4.3 bn**

- +3.6% compared with H1 2023, already exceptional half year
- Net inflows of €1.2bn (€1bn on euro funds and €0.2bn on unit-linked funds)

**Growth in P&C and protection premiums by 4.6%**

- Of which, increase of **5.8%** in Property & Casualty and **+4.0%** in health, protection & creditor insurance
- Performance driven by portfolio growth and price increases (meant to offset rise in repair and healthcare costs)
- **P&C insurance combined ratio under IFRS17: 101.2%**
  - Natural events claims expenses of €129m before reinsurance in the first half of 2024 (€91m in June 2023)

**Net revenue contribution** of €701 mn, up 9.3%

- Increase in net **financial result** mainly linked to growth in capital gains
- Major contribution by GACM to the **societal dividend** (FRES(3), elimination of medical formalities, sponsorship initiatives)
- GACM's **net income contribution up by 9.0%**

in €mn	June 2024	June 2023	change
<b>Net revenue</b>	<b>701</b>	<b>641</b>	<b>+9.3%</b>
General operating expenses	(87)	(58)	+49.0%
<b>Gross operating income</b>	<b>614</b>	<b>583</b>	<b>+5.3%</b>
Net gains/(losses) on other assets and ECC (2)	(1)	(5)	-77.8%
<b>Income before tax</b>	<b>613</b>	<b>578</b>	<b>+6.1%</b>
Income tax	(130)	(135)	-3.6%
<b>Net income</b>	<b>483</b>	<b>443</b>	<b>+9.0%</b>

Policies portfolio

**37,6 mn contracts**

+1.6% vs Dec 23(1)

Commissions paid

**€0.8 bn**

for Crédit Mutuel  
Alliance Fédérale  
networks

(1) Increase at constant scope, excluding GACM España. As a reminder, GACM España was sold to Axa on July 12, 2023. The increase relative to written premiums reported at the end of June 2023 was 1.4%.

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

(3) Environmental and Solidarity Revolution Fund (Fonds Révolution Environnementale et Solidaire)

# – 2024 Half-Year Results – Asset Management & Private Banking

Lower performance due to sharp fall in interest margin

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

- **Major player in asset management in France (6<sup>th</sup>)**, with 11 asset management companies and a single distribution platform
- **Net revenues** of €301.5 mn and stable recurring income of €94 mn
- **Assets under management** of €183.7 bn
- Crédit Mutuel Impact: 27% increase in AuM following the roll-out of the Environmental and Solidarity Revolution fund, part of the Societal dividend initiative

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

- Private banking interest margin down -15.2%, while commissions up by +9.4%
- Cost of risk at €21mn (vs 2mn in June 2023), mainly concentrated on CIC Bank (Switzerland)
- Net profit down 44.2%
- **Banque Transatlantique**: resilient results in a sluggish economic environment
- **Banque de Luxembourg**: decline in net revenues (-5%) due to lower net interest margin
- **Banque CIC (Suisse)** : implementation of the first set of measures from its strategic plan; net income down significantly by 81.0% due to increases in operating expenses and the cost of risk

in €mn	June 2024	June 2023	change
<b>Net revenue</b>	<b>635</b>	<b>646</b>	<b>-1.8%</b>
General operating expenses	(457)	(430)	+6.3%
<b>Gross operating income</b>	<b>178</b>	<b>216</b>	<b>-17.8%</b>
Cost of risk	(21)	(2)	X 13,3
<b>Operating profit/(loss)</b>	<b>157</b>	<b>215</b>	<b>-27.1%</b>
Net gains/(losses) on other assets and ECC <sup>(1)</sup>	0	2	-97.9%
<b>Income before tax</b>	<b>157</b>	<b>217</b>	<b>-27.7%</b>
Income tax	(44)	(56)	-21.4%
<b>Net income</b>	<b>112</b>	<b>161</b>	<b>-29.9%</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.

# – 2024 Half-Year Results – Corporate banking

Strong business and controlled cost of risk despite the uncertain environment



- Stable commitments €65.7bn, of which €24.5bn were drawn
- Net revenues up 13.1%, mainly due to **higher interest margins** and **strong sales momentum**
- **Lower cost of risk** (€40m provision compared with €64m at June 2023)
- **Growth in net income** by 47.7%

## Structured finance

- Loan production of €2bn, higher than in H1 2023
- Higher net revenue with a very low cost of risk, generating a 7% increase in pretax net profit

## CIC Corporate

- Despite the geopolitical context, business volumes remained strong in the first half of 2024 (with an increase in NIM and commissions)

## International business department

- Support clients for their international development projects
- In H1 2024, **131 companies assisted** by CIC Aidexport and **documentary credit operations up 12%** vs H12023

in €mn	June 2024	June 2023	change
<b>Net revenue</b>	<b>335</b>	<b>296</b>	<b>+13.1%</b>
General operating expenses	(83)	(87)	-4.7%
<b>Gross operating income</b>	<b>252</b>	<b>209</b>	<b>+20.5%</b>
Cost of risk	(40)	(64)	-36.6%
<i>proven cost of risk</i>	(44)	(97)	-54.3%
<i>unproven cost of risk</i>	4	34	-87.9%
<b>Income before tax</b>	<b>212</b>	<b>145</b>	<b>+45.5%</b>
Income tax	(56)	(40)	+39.8%
<b>Net income</b>	<b>156</b>	<b>105</b>	<b>+47.7%</b>



# – 2024 Half-Year Results – Capital markets

Strong commercial momentum in a context of high volatility



**CIC** Market Solutions

- **Continued growth in the business lines**, with a rise in net revenue (+1.9%) and net income (+7.4%)
- **CIC Market Solutions**
  - Strong sales momentum over the half-year
  - IFRS net revenue up 5% to €118.9 mn, despite a high basis of comparison
- The **Investment business line**<sup>(2)</sup>
  - Net Revenue of €169.1 mn (vs. €156.6m in June 2023)
  - Significantly positive contribution from the various divisions in France and abroad
  - Abundant primary market across all issuers, despite periods of volatility linked to the global geopolitical or French political environment

in €mn	June 2024	June 2023	change
<b>Net revenue</b>	<b>299</b>	<b>293</b>	<b>1.9%</b>
General operating expenses	(142)	(139)	2.0%
<b>Gross operating income</b>	<b>157</b>	<b>154</b>	<b>1.8%</b>
Cost of risk	3	(1)	n.s
<b>Operating profit/(loss)</b>	<b>159</b>	<b>153</b>	<b>+4.2%</b>
Net gains/(losses) on other assets and ECC <sup>(1)</sup>	(1)	0	n.s
<b>Income before tax</b>	<b>159</b>	<b>153</b>	<b>3.7%</b>
Income tax	(39)	(41)	-6.4%
<b>Net income</b>	<b>120</b>	<b>112</b>	<b>7.4%</b>

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

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

# – 2024 Half-Year Results – *Private equity*

## *Stabilisation after 2 exceptional post-covid years*

- Net income of €175 mn, close to that of the first half of 2023

### Crédit Mutuel Equity

- Long-term commitment alongside company managers
  - 1/3 of the 328 investments held for more than 10 years
  - Dynamic turnover over the last 3 years, with almost €2.3 bn sold and a comparable volume invested in new transactions or reinvested in portfolio companies
- Portfolio of investment assets of **€3.8 bn**
  - Over €194 mn invested in the first half of the year
- Solid income of €223 mn, more than 3/4 of which came from capital gains generated by the portfolio
  - Proof of the quality of investment management in an uncertain economic environment

### CIC Conseil

- Finalized 6 transactions in 2024 representing gross fee and commission income of €2.3m in the first half of the year

in €mn	June 2024	June 2023	change
<b>Net revenue</b>	<b>223</b>	<b>220</b>	<b>+1.3%</b>
General operating expenses	(45)	(40)	+13.4%
<b>Gross operating income</b>	<b>177</b>	<b>180</b>	<b>-1.4%</b>
<b>Income before tax</b>	<b>177</b>	<b>180</b>	<b>-1.3%</b>
Income tax	(2)	1	n.s
<b>Net income</b>	<b>175</b>	<b>181</b>	<b>-3.1%</b>



## – 2024 Half-Year Results – *Others (IT, Logistic, Media and others)*

*Positive operating profit thanks to strong IT activity and the transformation of the Press division's business model*

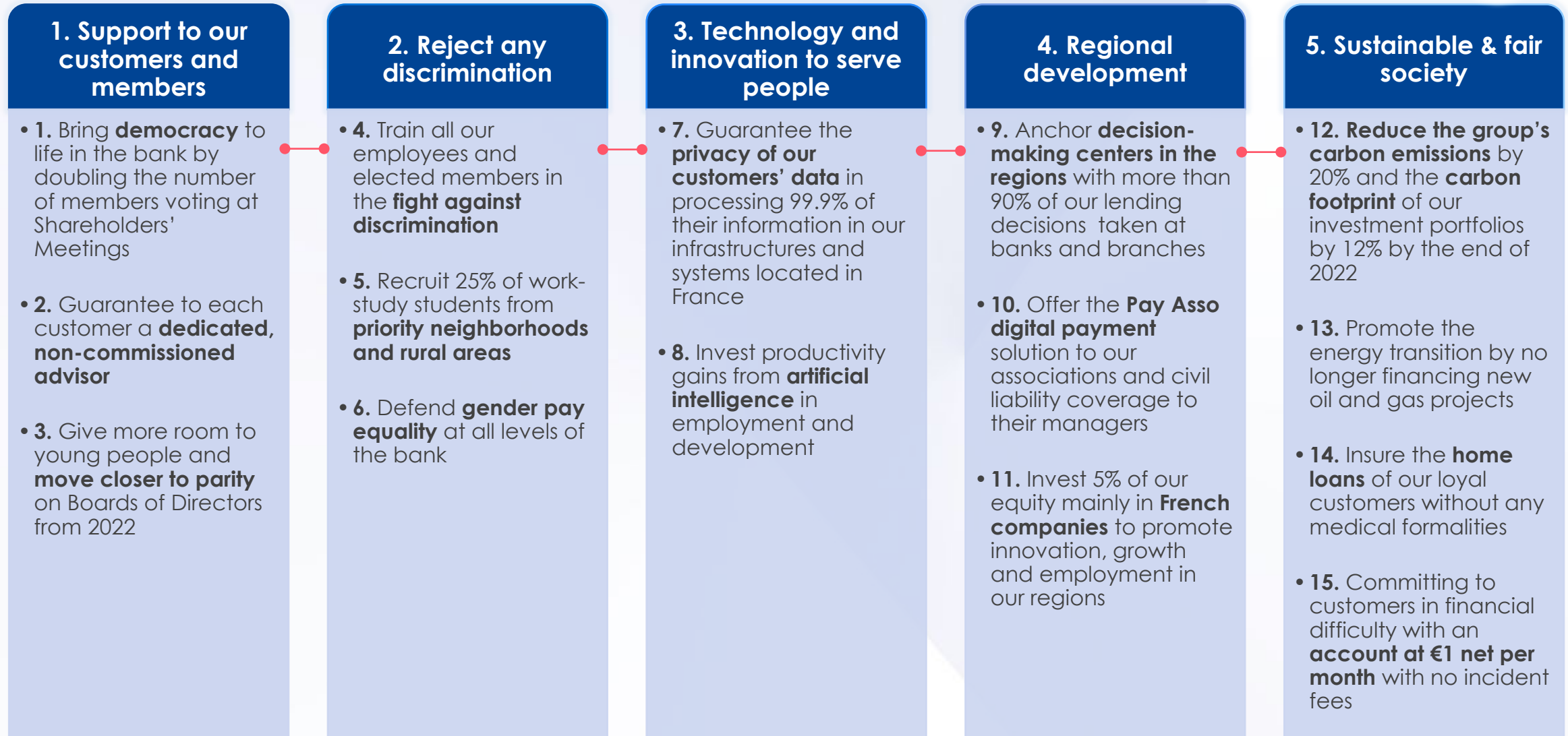
- Gross operating profit was positive (+€66 million), up compared with end-June 2023, marked by :
  - a reduction in the net expenses of holding company services
  - an improvement in the “media” business
  - increase in income for technology related to higher prices and volumes as well as the deferral of certain expenses

### **Focus on the media business**

- Ongoing digital transformation, with digital subscriptions up 21%
  - Already 10,000 new subscribers between the ages of 18 and 25 as part of the Societal Dividend offers toward young people
- Revenues impacted by the structural decline in newspaper copy sales and the difficult advertising market
- Positive impact of business diversification: new advertising offers, roll-out of several channels and formats on social networks, acquisition of events agencies
- Efforts to control operating expenses to lessen the impact of the decline in sales on the Group's net profit, which has improved significantly compared with June 2023.

# – ‘Entreprise à Mission’: 5 missions and 15 commitments

Overview of the 15 long term commitments stated in the articles of association



# – Main international initiatives and standards we support

## In favor of sustainable development



PRINCIPLES FOR RESPONSIBLE BANKING



Crédit Mutuel signed **the PRB**, a unique framework for ensuring that signatory banks' strategy and practice align with the **SDGs** and the **Paris Climate Agreement**. The Group also signed **the PRB Commitment to Financial Health and Inclusion**.



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Group La Française is a supporter of the **TCFD Framework**, that help companies to assess climate-related risks and opportunities



POSEIDON PRINCIPLES

CIC signed the **Poseidon Principles**, that provide a framework for integrating climate considerations into lending decisions to promote international shipping's decarbonization



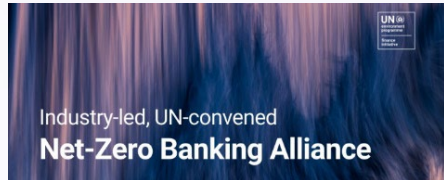
PEGASUS GUIDELINES

CIC has become a founding user of the Pegasus Guidelines, the first voluntary climate-aligned finance framework towards the decarbonization of the aviation industry



Principles for Responsible Investment

Group La Française, Dubly Transatlantique Gestion, Crédit Mutuel Asset Management and CIC Private Debt signed **the PRI**, that offer a menu of possible actions for incorporating ESG issues into investment practice



Industry-led, UN-convened  
**Net-Zero Banking Alliance**

Crédit Mutuel signed **the NZBA** and thus commits to align lending and investment portfolios with net-zero emissions by 2050. Group La Française also signed the **Net Zero Asset Managers initiative**



**United Nations Global Compact**

Crédit Mutuel signed the **UN Global Compact**, that is the world's largest corporate sustainability initiative and that produces guidance on Just Transition

# – Commitments by asset management entities (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	

# – Commitments by asset management entities (2/2)

Active responsible investment strategy through our asset management entities

 <p>SCIENCE BASED TARGETS <small>DRIVING A BETTER WORLD THROUGH 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>	<p>2019</p>	 <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>	<p>2020</p>	
<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>	<p>2021</p>	 <p>LA FRANÇAISE <small>INVESTING TOGETHER</small></p>
	<p><b>Finance for Biodiversity Pledge</b> Commitment to integrate biodiversity into asset management</p>	<p>2021</p>	
	<p><b>Business for Nature's call to Action</b> Calling on governments to adopt policies that protect nature</p>	<p>2021</p>	
	<p><b>Global Impact Investing Network</b> Developing impact investment</p>	<p>2022</p>	

# – 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, 2021 and 2024**, and **social bond in 2022 and 2023**.

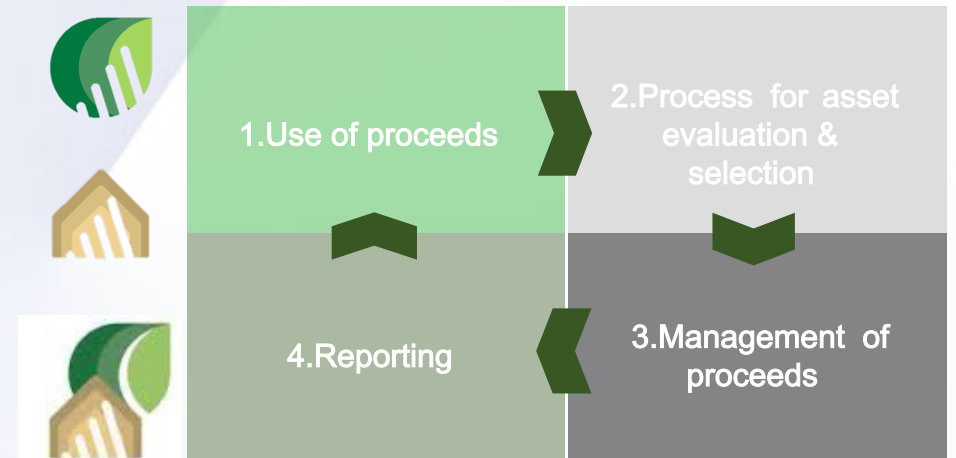
## Crédit Mutuel Alliance Fédérale issuers are committed to develop the Green, Social and Sustainability Bond market:

- 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 and the Paris Climate Agreement

## 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<sup>(1)</sup>

Financing green and social activities in line with its DNA

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.

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 ✓

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

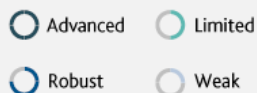
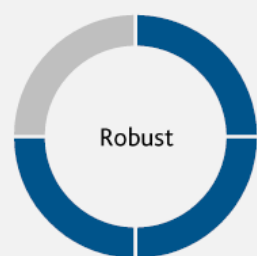
# – Second Party Opinion (Moody's ESG Solutions)

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

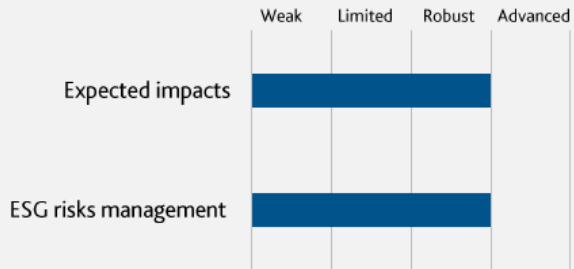
Moody's ESG Solutions consider that Crédit Mutuel Alliance Fédérale's Green, Social and Sustainability Bond Framework is aligned with the four core main components of the ICMA's Green Bond Principles ("GBP") and Social Bond Principles ("SBP") 2021

## Framework

Contribution to Sustainability:

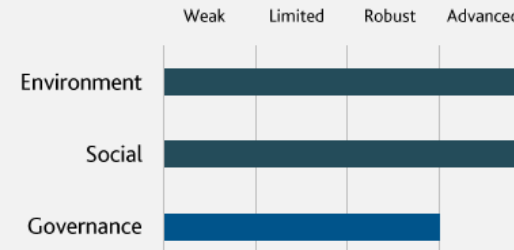
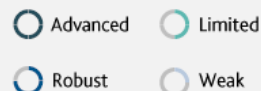


SDG Mapping



## Issuer

ESG Performance as of April 2022



ESG Controversies

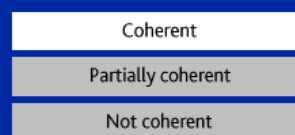
Number of Controversies	4
Frequency	Occasional
Severity	High
Responsiveness	Reactive

Controversial Activities

The Issuer appears to be involved in one of the 17 controversial activities screened under our methodology:

- Alcohol
- Fossil fuels industry
- High interest rate lending
- Pornography
- Animal welfare
- Coal
- Human embryonic stem cells
- Reproductive medicine
- Cannabis
- Gambling
- Military
- Tobacco
- Chemicals of concern
- Genetic engineering
- Nuclear power
- Unconventional oil and gas
- Civilian firearms

## Coherence



Moody's ESG Solutions considers that the contemplated Framework is coherent with Crédit Mutuel Alliance Fédérale's strategic sustainability priorities and sector issues and that it contributes to achieving the Issuer's sustainability commitments.

(1) Full report available on BFCM website



# Awards and Recognitions

A DEDICATED  
HR policy  
RECOGNISED



**“Meilleurs employeurs” 2024**  
Category Network banks  
For Crédit Mutuel and CIC



**Top employer 2024**  
for Targobank



**Great Place to Work 2024**  
Among french companies  
for Cofidis



**Grand Prix 2024**  
and **Prix d'Or 2023**  
Good Économie 2024,  
June 2024



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



**Palmarès Image des banques**  
1st rank among banks  
Baromètre Posternak-Ifop 2024



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

OPERATIONAL  
EXCELLENCE  
AT THE  
SERVICE OF  
OUR CLIENTS

**“Trophées Qualité de la Banque 2024”**  
For Crédit mutuel  
MoneyVox 2023



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



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



# — Macroeconomic environment

## Projections as of September 2024

### ECB macroeconomic projections

	2023	2024	2025	2026
<b>HICP</b>	5.4	2.5	2.2	1.9
<b>Real GDP</b>	0.5	0.8	1.3	1.5
<b>Unemployment rate</b> (% of labour force)	6.5	6.5	6.5	6.5

Source ECB, Sept 2024

### Banque de France macroeconomic projections

	2023	2024	2025	2026
<b>HICP</b>	5.7	2.5	1.5	1.7
<b>Real GDP</b>	1.1	1.1	1.2	1.5
<b>Unemployment rate</b> (% of labour force)	7.5	7.5	7.6	7.3

Source BDF, Sept 2024

In the euro area :

- The euro area economy **recovered** at the start of 2024 **by more than expected**, with a boost from net trade and rising household spending
- Headline inflation is projected to **move broadly sideways** in the near term. This reflects an **easing of cost pressures**, including from the labour side, and the **lagged impact of past monetary policy** tightening gradually feeding through to consumer prices
- The latest indicators suggest growth will continue in the short run but at rates lower than expected in June 2024. Real disposable income should continue to increase, supported by robust wage growth. This, together with gradually increasing confidence, would underpin a consumption-driven recovery.

In France :

- **Slow growth in 2024**, with a more pronounced rebound in 2025 and 2026, due to more favorable 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 1.5% in 2025, mainly due to the announced fall in electricity prices, and would remain moderate in 2026 (+1.7%). Deceleration in services prices would continue and allow core inflation to decline to +1.9% in 2026
- **The unemployment rate**, is projected to recover slightly in 2025, before its downturn on the back of the recovery to 7.3% at the end of 2026.

# — Characteristics of the French real estate market

## 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.

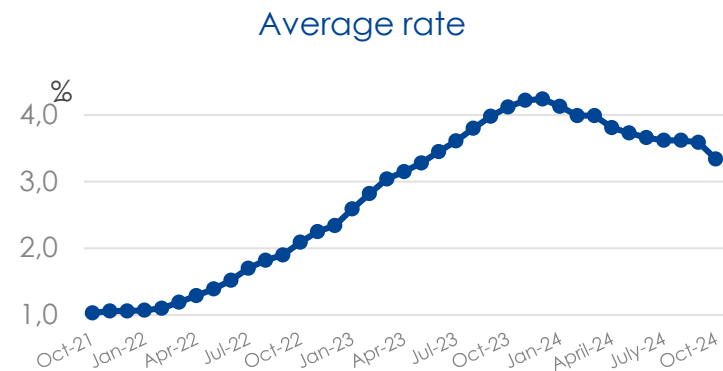
## In France, all home loans are guaranteed by:

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, October 2024



- Average fixed interest: **3.46%** (vs 4.11% Oct 23) i.e. **3.34% for 15 yrs to 3.45% for 25 yrs**
- Average maturity: **247 months** (vs 252 oct 23)
- The **Livret A/Bleu rate set at 3%** since Feb-2023 until Jan-2025

(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 by Crédit Logement
- **Monthly annuity max. 33%** of disposable income for guaranteed loans
- Outstanding <€1mn (only €)

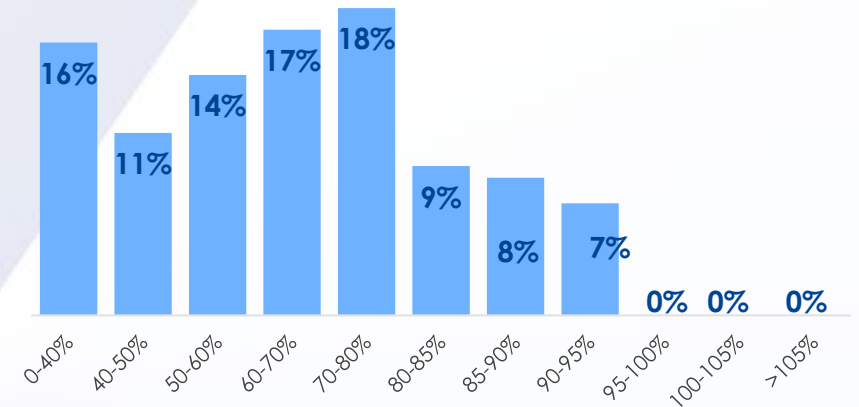
### Main characteristics of the program

- **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**

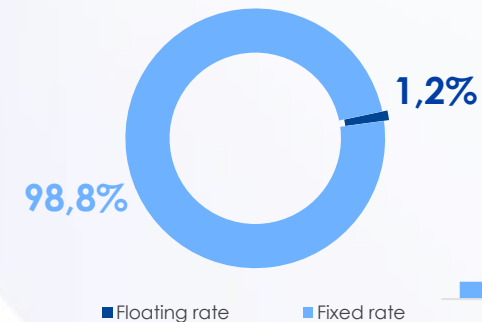
### Cover pool as at October 2024

- Total Loan Balance: **€65 bn**
- Number of loans: **609 k**
- Unindexed LTV: **66%**
- Indexed LTV (current value): **62%**
- Duration: **66 months**
- Collateralisation: **70%** mortgages and **30%** guarantors

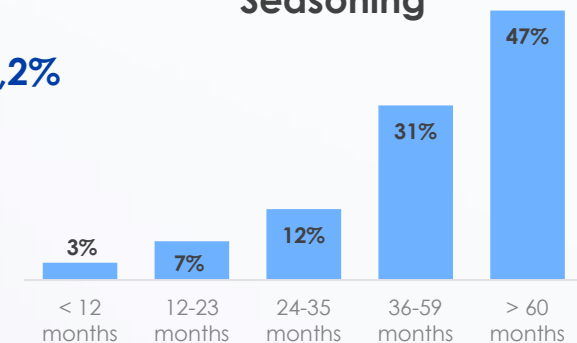
### Indexed LTV\*



### Rate Type



### Seasoning



\* Source Investor report, October 2024

# Commercial Real Estate<sup>(1)</sup>

Commitments concentrated on the French residential market

- €85bn loans and advances to **entities active in real estate (NACE)**
  - **Diversified and low risk** profile portfolio (1.9% NPL ratio) due to recourse to creditworthy entities
  - 57% of which considered as CRE following ESRB/2019/3 definition<sup>(2)</sup> made of 2 main types of owner in last recourse : **SCIs** and **real estate professionals**

**Focus on Real estate professionals<sup>(3)</sup>, c.€30bn of exposure** (on and off balance sheet)

- 89% concentrated in the French market; **No exposure in the US**
- **Limited portfolio** of full bullet loans dependent on refinancing and limited repayment based on cash flows generated by the rents and **conservative average LTV** (48%)
- Asset under construction :
  - Almost exclusively in **France** and on residential which benefit from **VEFA Law<sup>(4)</sup>** (risk transferred to householders)
  - Sub-sector on **watch list** (tightened granting criteria, scrutiny of operations, etc.)
- **Prudent** lending practices
- **Stress tests** on biggest exposure of listed REITs and non recourse loans

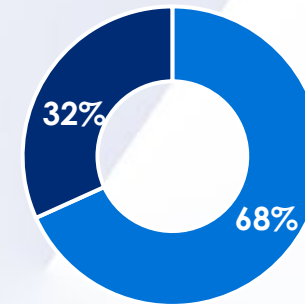
(1) Data as of 31/12/2023

(2) Commercial real estate (CRE) means any income-producing real estate, either existing or under development, including rental housing; or real estate used by the owners of the property for conducting their business, purpose or activity, either existing or under construction; that is not classified as Residential Real Estate; and includes social housing

(3) Property developers, listed and unlisted real estate investment trusts (REITs), specialized investment funds, real estate investors

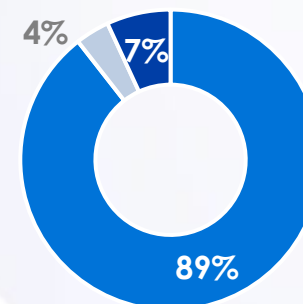
(4) VEFA (Vente en l'Etat Futur d'Achèvement) : off-plan sale

## Real estate professionals On and off balance sheet exposure breakdown



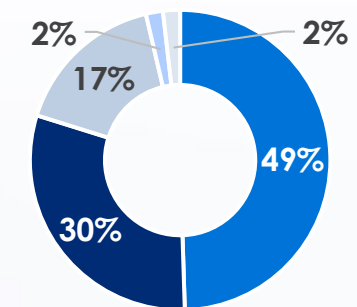
Status of the asset

- Income producing real estate
- Property under development



Geography

- France
- EU
- Rest of the world



Type of assets

- Residential
- Office
- Retail
- Industrial and logistic
- Other

## — Contacts



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



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