



**Crédit Mutuel Alliance Fédérale
launches ensemble#nouveaumonde
its strategic plan**

**2019
2023**



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Crédit Mutuel Alliance Fédérale steps up its transformation and launches **ensemble#nouveaumonde**, its strategic plan for 2019 - 2023



ensemble#nouveaumonde sets Crédit Mutuel Alliance Fédérale's direction and goals for 2019-2023, putting its members and customers at the heart of its strategy and placing technology at the center of its priorities.

A transformation plan designed to respond to the challenges of a new world

The end of transformation gains, a lasting fall in margins, heavier regulatory constraints, disappearance of banking borders in the face of the big digital multinationals (GAFA, etc.) and neo banks...the digital revolution and new consumer behaviors have created major challenges for the banking sector. The ensemble#nouveaumonde strategic plan is Crédit Mutuel Alliance Fédérale's response to these challenges.

An ambitious development project ...

The ensemble#nouveaumonde strategic plan leans on three pillars: customer relationship, staff commitment and technological innovation. To achieve these ambitions, the plan is built around financial goals, human and mutualist development goals and major investment in technology.

... built on solid foundations

A strong customer relationship, sound earnings, the group's solidity, steady growth in activity and earnings ...all these strengths give Crédit Mutuel Alliance Fédérale the means to meet the challenges of this new world with confidence. By capitalizing on its strengths and making the fundamental strategic choices needed to respond to the technological and human challenges, Crédit Mutuel Alliance Fédérale has set itself the goal of becoming the benchmark in relationship banking by constantly aiming for greater excellence in its customer relationships.

About Crédit Mutuel Alliance Fédérale

Crédit Mutuel Alliance Fédérale combines the following federations: Centre Est Europe (Strasbourg), Sud-Est (Lyon), Ile-de-France (Paris), Savoie-Mont Blanc (Annecy), Midi-Atlantique (Toulouse), Loire-Atlantique et Centre Ouest (Nantes), Centre (Orléans), Normandie (Caen), Dauphiné-Vivarais (Valence), Méditerranéen (Marseille) and Anjou (Angers). The federation of Massif Central (Clermont-Ferrand) has expressed its desire to join the group as from 1 January 2020.

Crédit Mutuel Alliance Fédérale also includes Caisse Fédérale de Crédit Mutuel, Banque Fédérative du Crédit Mutuel (BFCM) and all its subsidiaries, namely CIC, Euro-Information, Assurances du Crédit Mutuel (ACM), Targobank, Cofidis, Banque Européenne du Crédit Mutuel (BECM), Banque Transatlantique and CIC Iberbanco.

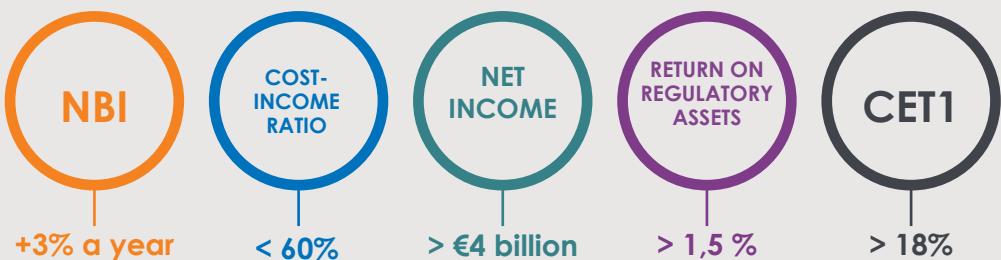
¹ First prize awarded by Kantar-TNS for the 11th time in 13 years testifying to the relationship of trust that reigns between Crédit Mutuel and its members and customers.
² Top French Bank in the 2014 and 2018 EBA stress tests.

The strategic plan's **three priorities**

				
		RELATIONSHIP	COMMITMENT	INNOVATION
THE PRIORITIES	Be the benchmark for relationship banking	Be a bank committed and adapted to the new world	Be an innovative multi-services bank	
WHY?	<p>Because consumers expect increasingly responsive service, and also more appropriate advice thanks to a more human relationship, strengthened by digital technology and big data</p> <ul style="list-style-type: none"> • 50% of the 18-35 age bracket want to receive an answer within the hour when they address a financial services provider <p><i>Report by Roland Berger "Services Financiers : adresser les Millenials avec les outils de demain" 2017</i></p> <ul style="list-style-type: none"> • 76% of French people consider that no digital tool can replace human contact in banking and insurance <p><i>Deloitte study "Relations banques et clients 2018"</i></p>	<p>Because consumers' demands and also those of the staff coincide in seeking a relationship of trust</p> <ul style="list-style-type: none"> • 32 % of French people think they know more than their advisor in the area of budget management, thanks to the Internet <p><i>Deloitte survey Relations banques et clients 2016</i></p> <ul style="list-style-type: none"> • 55 % of French people consider that their management takes an interest in their skills and training <p><i>Edenred-Ipsos survey 2016 – Bien-être au travail</i></p>	<p>Because customers expect services that live up to their best experiences and because they are not satisfied with the innovation policies currently implemented by brands in general, and by the banks and neo banks in particular</p> <ul style="list-style-type: none"> • 38% of French people consider that their bank failed to help them at the key moments in their lives <p><i>Deloitte survey Relations banques et clients 2018</i></p> <ul style="list-style-type: none"> • 50% of customers say that the innovations introduced by their bank are not adapted to the new consumer behavior <p><i>AMNIS CONSULTING REPORT 2017</i></p>	
HOW?	Transforming the customer relationship and experience	Simplifying our organization and supporting all our staff and directors	Diversifying and supporting all our customers' projects	

Quantified goals

Financial targets¹



¹ For the group as a whole in a stable economic and regulatory environment and at constant euro exchange rates.

Human and mutualist development goals



Investing in technology for transformation



TECHNOLOGY DEVELOPMENT



INVESTMENT IN OUR TECHNICAL INFRASTRUCTURE

For Crédit Mutuel Alliance Fédérale technology tools are a means of improving the efficiency of its customer advisors and not a means of reducing costs: technology is at the service of people, not the other way around

I.



Be the benchmark for **relationship** banking in a digital world By transforming the customer experience and relationship

1. An “augmented” customer relationship thanks to digital technology

“Augmenting” the relationship means improving the attention paid to customers' needs, the quality of the customer relationship and the advisor's proactivity thanks to digital technology (cognitive solutions, big data, dedicated and highly secure cloud, etc.).

Crédit Mutuel Alliance Fédérale is a pioneer in artificial intelligence. Every day, more than 20,000 of its employees use email analysis tools (recognition of customers' intentions, analysis and proposed response) and virtual assistants (in Non-life insurance, savings and health) to build an ever more effective relationship with their members and customers.

With ensemble#nouveaumonde, Crédit Mutuel Alliance Fédérale will step up the deployment of cognitive solutions in new fields (personal protection insurance, consumer credit, compliance, etc.) with the aim of generalizing these solutions across all its business lines. These new developments will be supported in particular by Crédit Mutuel/IBM's Cognitive factory where more than 100 employees are wholly dedicated to artificial intelligence.

Cognitive solutions in 100% of bankinsurance business lines where they are likely to generate growth.

A. Strengthening the omni-channel relationship

- ▶ Rethinking customer trajectories to enable them to use the channel they choose whenever they choose, always maintaining a dedicated advisor at the heart of the relationship
- ▶ Additional functions for mobile applications to enable them to carry out ordinary transactions autonomously but also avail of advice (quotes, simulation, subscription, etc.)

A target of 100% of customer functions accessible via the web and mobile telephone for all markets and 100% of remote assistance from the advisors.

B. A more attentive and proactive approach

- ▶ Relationship tools that enable the advisor to manage the customer relationship better, more independently and responsibly
- ▶ Support from business line experts for the advisors so they can help their customers with all their projects
- ▶ Greater availability of advisors (adapting working hours, developing remote meetings, etc.)

2. Strong brands and a strong identity

The ensemble#nouveaumonde strategic plan reaffirms the role of each of the brands that compose Crédit Mutuel Alliance Fédérale in each of their territories: Crédit Mutuel, CIC, Targobank, Cofidis, Banque Transatlantique, etc. Crédit Mutuel and CIC constitute the keystone of Crédit Mutuel Alliance Fédérale's development.

Crédit Mutuel

CIC

TARGOBANK

Cofidis

BANQUE TRANSATLANTIQUE

Crédit Mutuel and CIC, the favorite banks in France



1. Greater efficiency

For Crédit Mutuel Alliance Fédérale, efficiency means that of its employees and the strength of its network. Under ensemble#nouveaumonde, major commitments have been given in terms of territorial presence, support for employees and simplification of the organization and decision-making circuits.

A. Support for all (employees and elected members) in the transformation

- ▶ Crédit Mutuel Alliance Fédérale offers all its staff and elected members certification training, particularly through validating professional achievement and experience. A new generation training facility is available to prepare for business change
- ▶ So as to mobilize all skills and knowhow, a system for detecting high potential has been put in place and recourse to apprenticeship and sandwich courses is given the priority
- ▶ To move functions ever closer to the services provided to members and customers, the commitment of all the employees is reaffirmed

B. Our local network, a strength

- ▶ Improving the efficiency of the local network by pragmatically adapting it local conditions and demographic changes le réseau physique et le digital
- ▶ Increasing the complementarity between the physical and digital network
- ▶ Favoring short decision-making and supervision circuits
- ▶ Adapting all the support functions to gain in efficiency, always at the best possible cost

2. Aiming for cooperative excellence

For Crédit Mutuel Alliance Fédérale, contributing to the common good is the result of seamless commitment, upheld by the values of solidarity and enterprise that form part of its DNA.

A. Responsibility and local presence

Enterprise spirit has always lain at the heart of the commitment shown by Crédit Mutuel Alliance Fédérale's employees. It is by drawing on this collective mobilization, born in the field, that the ensemble#nouveaumonde strategic plan has set the clear target of supporting and helping to successfully achieve all the projects of the group's customers and members. A mobilization that is based on all the structures: each person's autonomy and responsibility contribute to the development of the whole group.

**You travel faster alone,
but farther together**

B. Social and mutualist responsibility (RSM), a vector of sustainable performance and solidity

As a committed and socially responsible player, Crédit Mutuel Alliance Fédérale develops its RSM policy with the aim of promoting innovation and creation of lasting wealth and growth. Based on a relationship of trust between all the parties involved (management, elected members and employees), this RSM policy pursues ambitious social, societal and environmental goals.

► Social and societal goals:

- Achieve gender equality in management positions and move closer to gender equality among board directors.
- Promote diversity and equal opportunity (in particular through youth integration)
- Stimulate member participation, in particular thanks to a dedicated social network: l'Agora des sociétaires.
- Pay special attention to "fragile and vulnerable" customer segments.

► Environmental goals:

- Cease financing coal-fired power stations and coal mining activities
- Increase the financing of projects with strong climate impact.
- Reduce the group's carbon footprint by 30% by introducing an internal system of carbon subscriptions to finance a special foundation and by putting in place subsidized loans for projects that reduce carbon emissions.
- Concrete internal measures: priority given to collective transport and the bicycle, reasonable use of cooling and heating systems, thermal renovation of buildings.



1. Technology to serve people

A. Innovation

Backed by its historical technological edge, Crédit Mutuel Alliance Fédérale continues to invest in innovation to respond to the challenges of diversification and changes in its customers' needs, particularly through improved data analysis (big data).

These technological innovations are at the service of its staff and thus enhance their efficiency to the benefit of the members and customers.

B. Protection of customer data

Crédit Mutuel Alliance Fédérale reaffirms its commitment to total data protection – for members and customers, but also for its employees. This protection is achieved in particular through investment in a highly secure private cloud.

**At Crédit Mutuel
Alliance Fédérale,
a customer will never be
treated as a product**

2. The choice of a multi-services strategy

To provide each of our customers with the best possible response at each of the key moments in their lives, the ensemble#nouveaumonde strategic plan accelerates a diversification that is already well under way.

A. An approach built around needs universes

To respond to the constantly changing needs of the group's customers and members, the plan defines a number of needs universe: Housing, Mobility, Protection, Enterprise... For example, for the Housing universe this means offering solutions for finding a property, financing it, guaranteeing the loan, insuring the property, and also offering additional services (such as house moving services, home protection, domotics, etc.).

ensemble#nouveaumonde responds to the changes in society that are leading customers to reason in terms of use and experience. The approach by needs universe enables the group to respond to all the needs of each of its customers and to attract new customers.

B. Expanding the offer with new services:

► **Insurance:** the only genuine French bankinsurer, Crédit Mutuel Alliance Fédérale will continue to develop its insurance activities by proposing innovative responses to new customs and needs (carsharing, use-based insurance, new loan insurance, etc.) and by drawing on comprehensive solutions for professional customers and companies.

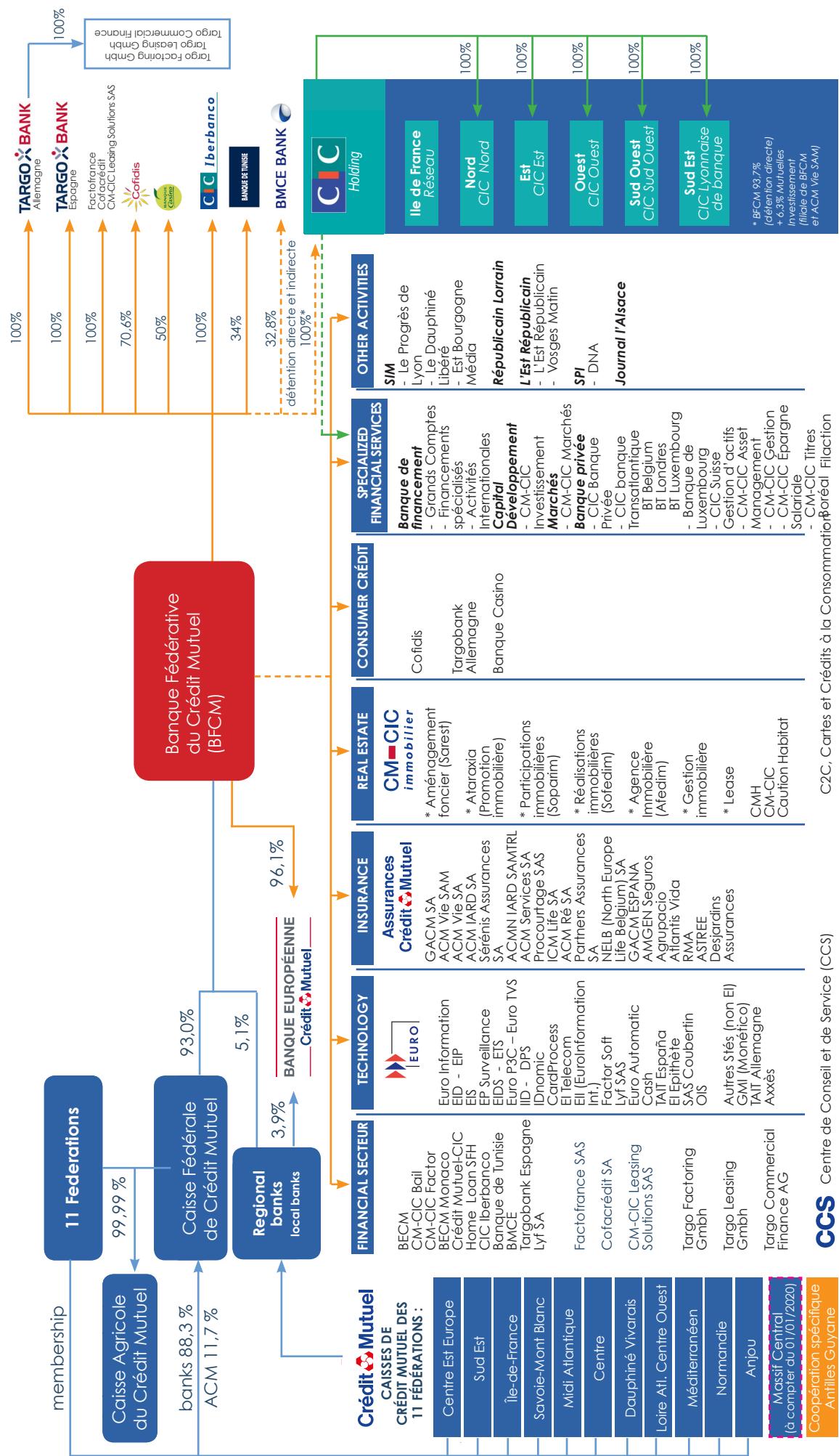
► **Real estate:** the leading real estate agent in sales of new housing, Crédit Mutuel Alliance Fédérale intends to roll out a real estate activity in existing properties.

► **Daily life:** Leading French provider of home protection services, Crédit Mutuel Alliance Fédérale intends to develop new services in the area of smart home facilities, a very high debt 4P box offer, ...

► **Agriculture:** new opportunities arising from new developments in the sector are being drawn upon, such as methanisation, farm takeovers, etc.

► **Social and solidarity economy:** extend Crédit Mutuel Alliance Fédérale's services offer to respond to new challenges in the sector and create a needs universe dedicated to Not-for-profit Organizations.

Organization of Crédit Mutuel Alliance Fédérale



About Nicolas Théry and Daniel Baal



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Nicolas Théry

Nicolas Théry has been Chairman of Crédit Mutuel Alliance Fédérale since 2016 and is also Chairman of Confédération Nationale du Crédit Mutuel. He joined the Crédit Mutuel group in 2009. After occupying various functions within the group, he was appointed Chairman and Chief Executive Officer of CIC Est in 2012 and went on to become Chairman of Caisse Fédérale, Banque Fédérative and CIC in 2014.

From 2002 to 2009, he worked at the European Commission as Cabinet Director before being appointed Chief Advisor to the Enterprise and Industry Department and Director of the environmental department

In 2000, he was Cabinet Director for the Secretary of State for the Budget. The same year he decided to join CFDT as Secretary for economic affairs.

A graduate of Science Po Paris and Ecole Nationale d'Administration (ENA), he started his professional career at the Ministry of the Economy, Finance and Industry. As Inspector of Finance he worked on monetary and financial matter and then on international and European affairs.

Daniel Baal

Daniel Baal has been Chief Executive Officer of Crédit Mutuel Alliance Fédérale since June 2017. As such he is Chief Executive Officer of Caisse Fédérale de Crédit Mutuel, Fédération du Crédit Mutuel Centre Est Europe, Banque Fédérative du Crédit Mutuel (BFCM) and CIC. He joined the Crédit Mutuel group at BFCM in 1979. He occupied various functions including that of Director of Caisse de Crédit Mutuel Mulhouse-Europe and Head of Commitments at the Sud-Alsace Franche-Comté regional head office.

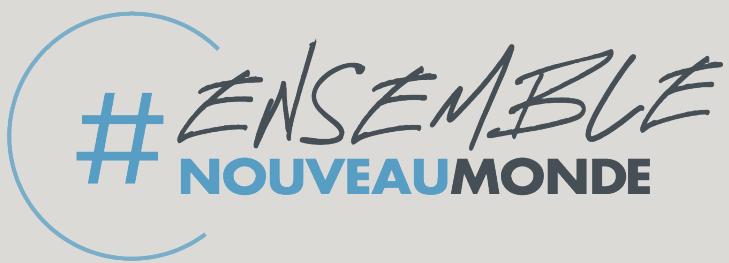
In 2004, he became Chief Executive Officer of Fédération d'Ile-de-France du Crédit Mutuel. In 2010, he was appointed Deputy Chief Executive Officer of Confédération Nationale du Crédit Mutuel, and in 2015 he became Chief Executive Officer of Caisse centrale du Crédit Mutuel, positions that he ceased to hold in 2016.

Daniel Baal is also deeply involved in cycling, particularly at the level of the French Cycling Federation, which he chaired from 1993 to 2001.

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13 november 2018