

# Credit Mutuel Alliance Fédérale

## — Extra-financial investor presentation

Including financial results as at december 2022

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**Change in perimeter:** in 2022 Crédit Mutuel Alliance Fédérale accounts include the contribution of Crédit Mutuel Nord Europe, Crédit Mutuel Investment Managers and CIC Private Debt. On the contrary, Floa Bank data have been excluded from the perimeter since January 2022.

## — Agenda

- 1 State of the art of an ecological, economic and social emergency
- 2 Crédit Mutuel Alliance Fédérale key takeaways and results
- 3 Benefit corporation bank: “Entreprise à mission”
- 4 Social & Mutualist Responsibility: An ambitious approach
- 5 Green, Social & Sustainability Bond Framework
- 6 Extra financial & Financial Ratings
- 7 Appendices

# — State of the art of an ecological, economic and social emergency

1-State of the art

*Crédit Mutuel Alliance Fédérale as a committed bank*

## Ecological, economic and social emergency <sup>[1]</sup>

### *Ecological emergency*

- “Climate action failure” is perceived as the number 1 **long-term threat** to the world
- Climate change is already **manifesting rapidly** in the form of droughts, fires, floods, resource scarcity and species loss, among other impacts

### *Socio-economic emergency*

- “Social cohesion erosion” is a top short-term threat in **31** countries, including France & Germany
- Disparities are now expected to widen: **51 m** more people are projected to live in **extreme poverty** compared to the pre-pandemic trend

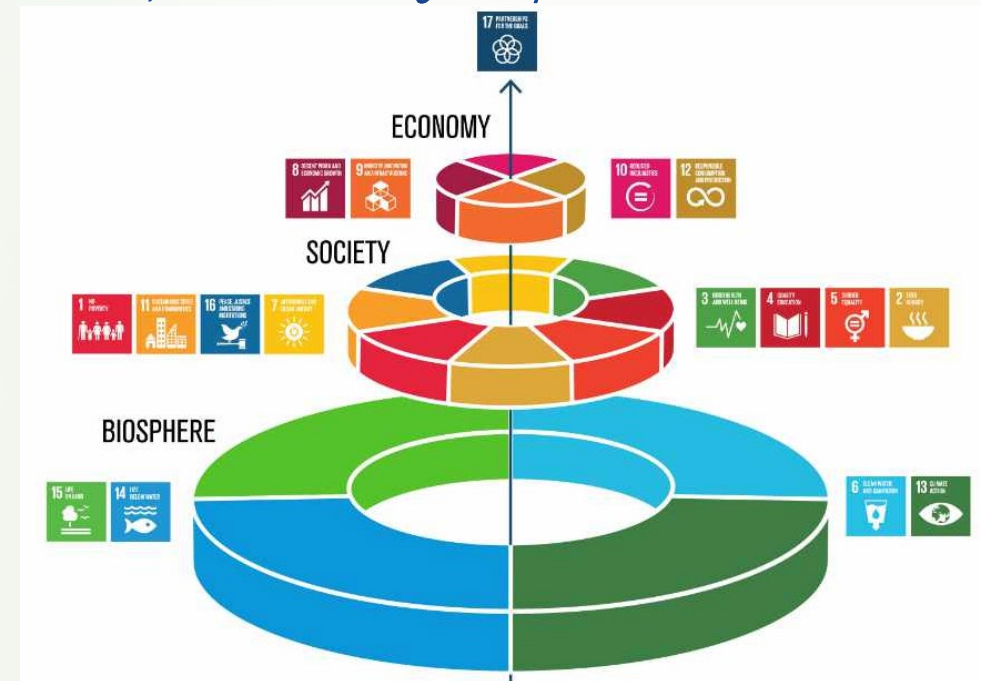
Banks are **at the heart of environmental & social issues** and are seen as **key players** in the sustainable transition because of their ability to direct financing flows

Crédit Mutuel Alliance Fédérale is committed to a **Social and Mutual Responsibility strategy** to serve the environment, the territories and social issues

## Sustainable and Development Goals <sup>[2]</sup>

- **17 SDGs** adopted by the United Nations in **2015** as a universal call to action to end poverty, protect the planet, and ensure that by **2030** all people enjoy peace and prosperity

### *Economic, social and ecological aspects of the SDGs:*



[1] World Economic Forum, The Global Risks Report 2022

[2] United Nations Development Programme, SUSTAINABLE DEVELOPMENT GOALS

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# — Crédit Mutuel Alliance Fédérale overview

*As at June 2022*

2-Overview



A real cooperative Group belonging to its members

A 'bancassuranceur' business model

A strong financial profile

Financing the real economy

A culture of innovation

1<sup>st</sup> "benefit corporation" bank

More than 60 m customers

More than 6m members

More than €56bn shareholders' equity

c.4,500 branches

5 main brands

Crédit  Mutuel



TARGO  BANK

beCobank



## Our senior preferred notes ratings

MOODY's Aa3 / P-1 / stable

S&P Global Ratings A+ / A-1 / stable

FitchRatings AA-/ F1+ / stable

## Our extra-financial ratings



65

MSCI  
ESG RATINGS

AA

ISS ESG  C



21.2

# — 2022 Full-Year Results - Key Takeaways<sup>(1)</sup>

## Net revenues

€17.3bn +€1 417m +8.9%<sup>(2)</sup>  
+ 3.2%

### Increase of net revenues despite a difficult geopolitical & economic environment

- Resilience of the networks' net revenues [+6.6%], of consumer finance [+4.2%], Corporate banking [+9.4%] and Private banking [16.9%]
- Insurance and Private equity activities were affected by the financial market environment : respectively -5.2% and -17.1%

## Operating expenses

€10.3bn +€1 192m +13%<sup>(2)</sup>  
+5.3%

### General expenses : rising but under control

- Supervision costs: +30.7% [Supervision cost equals 6 times the increase in operating costs]
- **Increasing employees benefit expenses** due to pay review measures and value sharing premium
- Cost-to-income ratio at 59.6% [vs. 57.4% in 2021]: improving in retail banking and deteriorating in other business lines (except private banking and private equity)

## Cost of risk

€768m +€69m +9.9%<sup>(2)</sup>  
+5.6%

### Increase in cost of risk

- Proven cost-of-risk up of €303 m [+51.6%]: mainly in networks, consumer finance and corporate banking
- Non-proven cost of risk of €123 m compared to a net reversal of €111 m in December 2021

## Other items

- Depreciation of Targobank Germany goodwill for €958 m
- Targobank Spain : €270 m provision, following the announcement of entering into exclusive negotiations with Abanca
- Effects of the sale of Floa Bank

## Net income

€3.5bn -€25m -0.7%<sup>(2)</sup>  
-3.6%

### Net income down 0,7%<sup>(2)</sup>

- Net income decreased by 3.6% at constant scope

## Financial strength

- **CET1 ratio<sup>(3)</sup>**: 18.2 % vs. 18.8% on Dec 2021 [-60bp]
- **LCR ratio** [average]: 153.3 % vs 181.3 % in 2021
- **Leverage ratio<sup>(3)</sup>** : 6.6% vs. 7.6% on Dec 2021
- **LDR ratio**: 109.9% vs. 104.6% on Dec 2021

## Strategic developments

- Successful **convergence with Crédit Mutuel Nord Europe** on 1 January 2022
- Closing of the **sale of Floa** on 31 January 2022
- Creation of the **societal dividend** that will be used to finance environmental transformation and solidarity projects on 05 January 2023
- Reinforcement of **social commitment** towards collective performance

(1) Change at constant scope except specified.

(2) At current scope

(3) Estimated



# — Strategic Developments in 2022-2023

2-Takeways





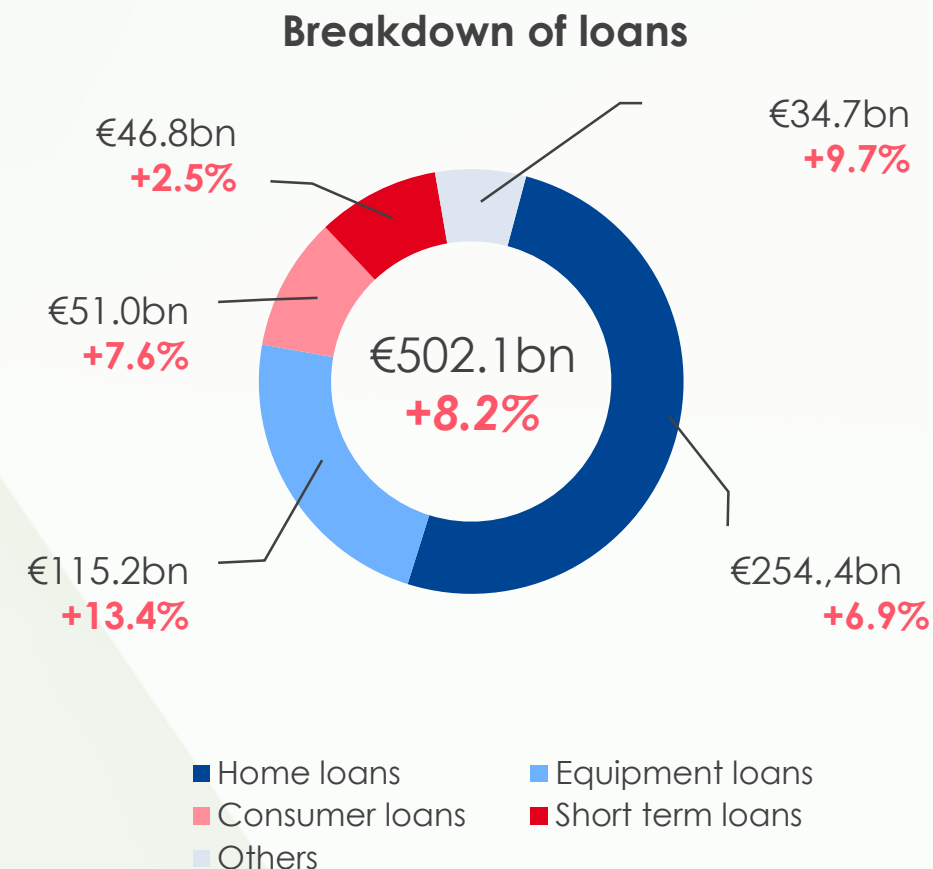
# — Customers Loans

*As at December 2022*

2-Takeways

- **12.9% increase** in outstanding loans y-o-y (+8.2% at constant scope)
- Composed of **51% Home loans**, 23% Equipment loans, 10% Consumer loans, 9% Short term loans and 7% others.
- Include €20.5bn of outstanding from **Crédit Mutuel Nord Europe** and **Beobank**

excluding Group holding companies In million €	2022	2021	Change in %	Change in % (cst perim)
Home loans	254,427	227,097	+12.0%	<b>+6.9%</b>
Equipment loans	115,202	99,282	+16.0%	<b>+13.4%</b>
Consumer loans	51,025	44,184	+15.5%	<b>+7.6%</b>
Short term loans	46,793	44,744	+4.6%	<b>+2.5%</b>
Others	34,650	29,517	+17.4%	<b>+9.7%</b>
<b>Total outstanding</b>	<b>502,097</b>	<b>444,824</b>	<b>+12.9%</b>	<b>+8.2%</b>



## — Customers Deposits breakdown

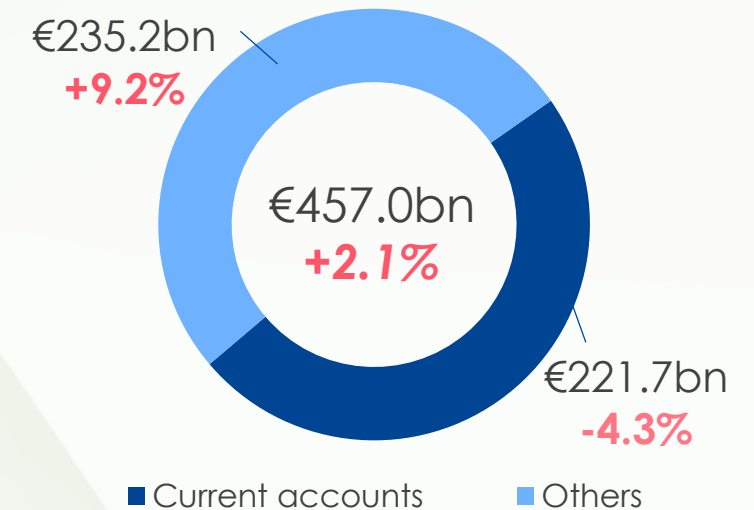
*As at December 2022*

2-Takeways

- **7.5% increase** in outstanding deposits y-o-y (2.1% at constant scope)
- Include €22.7bn of outstanding deposits from **Crédit Mutuel Nord Europe** and **Beobank**
- Significant inflow in **regulated saving products** (+ €48bn) while major outflows on **current accounts** (- €10bn)

excluding Group holding companies In million €	2022	2021	Change in %	Change in % (cst perim)
Current accounts	221,734	223,511	-0,8%	<b>-4.3%</b>
Others	235,249	201,686	+16.6%	<b>+9.2%</b>
<b>Total deposits</b>	<b>456,983</b>	<b>425,197</b>	<b>+7.5%</b>	<b>+2.1%</b>

### Breakdown of deposits



# Financial targets

Financial performance well above 2019-2023 Strategic Plan Targets

2-Takeways

2



	2021	2022	Target for 2023
NBI	€15.9 bn	€17.3 bn	€14,6bn
Cost/income ratio	57.4%	59.7%	< 61%
Net profit/(loss)	€3.5 bn	€3.5 bn	> €3bn
Return on regulatory assets	1.47%	1.33%	Between 1.2% and 1.4%
CET1	18.8%	18.2%	Between 17% and 18%



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---

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---

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---

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---

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---

7 Appendices

# — Crédit Mutuel Alliance Fédérale : the 1<sup>st</sup> benefit corporation bank

*“Listening and acting together”*

3-“Entreprise à mission”



Support our customers and members



Reject any discrimination



Technology and innovation to serve people



Contribute to regional development



Work for a fairer and more sustainable society

In 2020, Crédit Mutuel Alliance Fédérale adopted a “raison d’être” in line with its values:

- “Ensemble, écouter et agir” [Listening and acting together].

It became the 1<sup>st</sup> benefit corporation bank :

- With 5 long-term missions that aim to assert its identity and its values, and to mobilize expertise and energy around a shared momentum.
- These 5 missions, grouped around a societal and environmental project, based on 14 evidence-based, concrete commitments to be achieved by the end of 2022, aimed at improving the mutualist group’s impact on the environment around it.

# — First “benefit corporation” bank

5 missions declined through 14 evidence based concret committments

3-“Entreprise à mission”

## 1. Support to our customers and members

- 1. Bring **democracy** to life in the bank by doubling the number of members voting at Shareholders' Meetings
- 2. Guarantee to each customer a **dedicated, non-commissioned advisor**
- 3. Give more room to young people and **move closer to parity** on Boards of Directors from 2022

## 2. Reject any discrimination

- 4. Train all our employees and elected members in the **fight against discrimination**
- 5. Recruit 25% of work-study students from **priority neighborhoods and rural areas**
- 6. Defend **gender pay equality** at all levels of the bank

## 3. Technology and innovation to serve people

- 7. Guarantee the **privacy of our customers' data** by processing 99.9% of their information in our infrastructures and systems located in France
- 8. Invest productivity gains from **artificial intelligence** in employment and development

## 4. Regional development

- 9. Anchor **decision-making centers in the regions** with more than 90% of our lending decisions taken at banks and branches
- 10. Offer the **Pay Asso digital payment** solution to our associations and civil liability coverage to their managers
- 11. Invest 5% of our equity mainly in **innovative French companies**

## 5. Sustainable & fair society

- 12. Reduce the group's **carbon emissions** by 20% and the **carbon footprint** of our investment portfolios by 12% by the end of 2022\*
- 13. Immediately **stop funding** for new oil and gas projects
- 14. Insure the **real estate loans** of our loyal customers without any medical formalities

- **Monitoring of the execution of these commitments is entrusted to a Mission Committee :** *a tripartite composition representatives of members, employees & independent experts : Fleur Pellerin, former Minister, Chairman of the committee*
- **Annual reports to be presented by the Mission Committee to Shareholders' meeting**
- **Implementation of social and environmental objectives verified by an independent third party**

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---

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---

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# — Societal dividend: 15% of consolidated net income dedicated to environmental and solidarity projects

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

As part of our role as an “Entreprise à Mission”, we make a long-term commitment, proof of our ambition and our action in favor of the environment and solidarity.



- This is a **sustainable, and verifiable measure** by Crédit Mutuel Alliance Fédérale entailing an unprecedented commitment of **more than €2 billion between now and its 2027 strategic plan.**
- The monitoring of the execution of these commitments **is entrusted to a Mission Committee**

# — Social & Mutualist Responsibility

Targeted at 6 SDGs <sup>[1]</sup> where significant leverage is possible

4-SMR

5

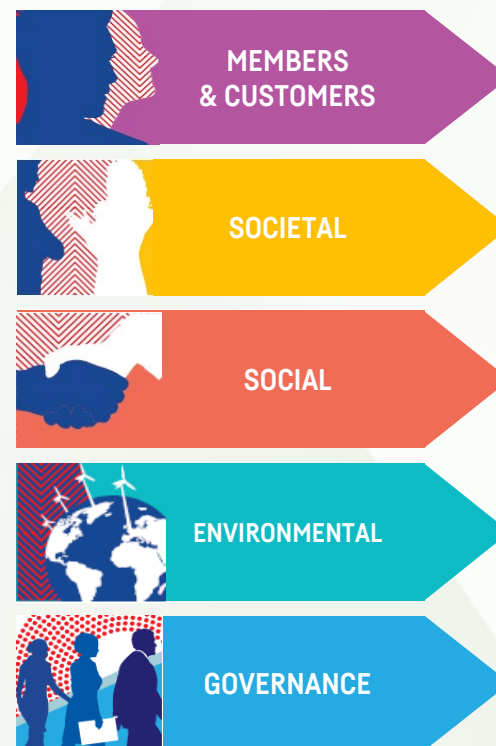
As a committed and socially responsible player, Crédit Mutuel Alliance Fédérale develops a **CSR policy** in line with its identity, which consists of **democracy, proximity, local economic and social development, mutual assistance and solidarity**.

The **Social Mutualist Responsibility** policy is focused on **5 goals** including **15 commitments**. This strategy supplements the group's development goals by incorporating social, societal and environmental issues into the activities of each of its entities.

In order to consolidate the group's SMR strategy, work was undertaken to draw a parallel between these **5 ambitions** and the **UN's Sustainable Development Goals** (SDGs) adopted in 2015.



Common decision amongst  
all Crédit Mutuel Alliance Fédérale entities



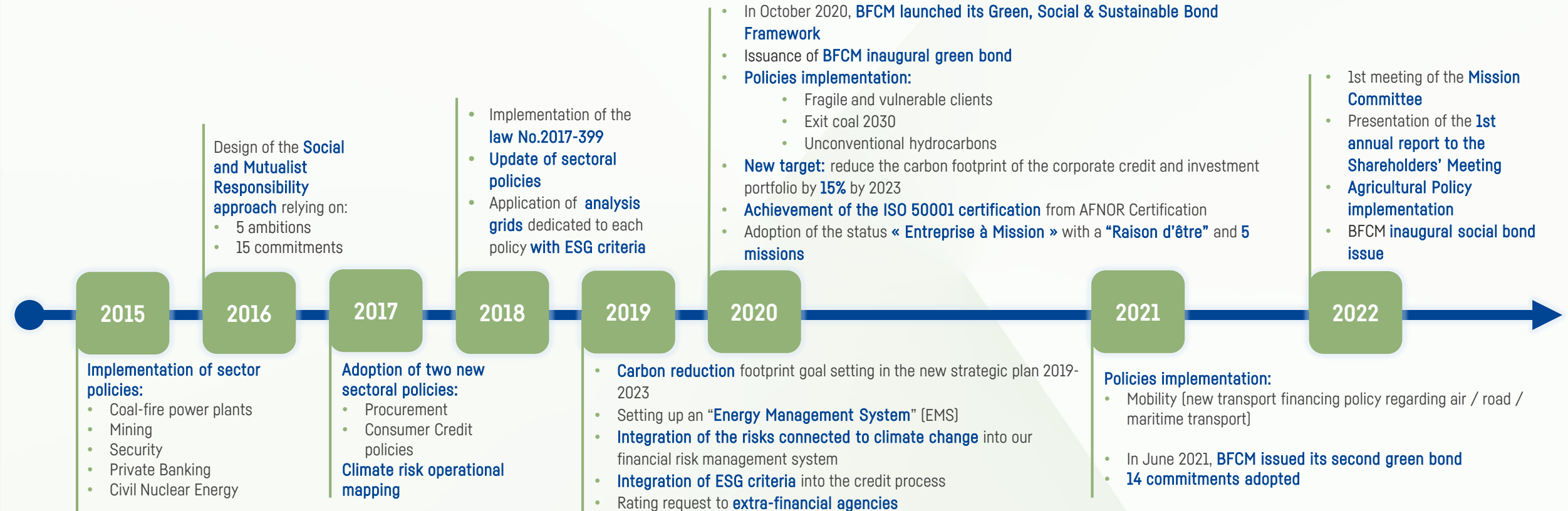
[1] United Nations Sustainable Development Goals adopted in 2015

# — Timeline of our SMR policy implementation

*Leading player in the shift towards a low-carbon economy*

4-SMR

5



## Evolution:

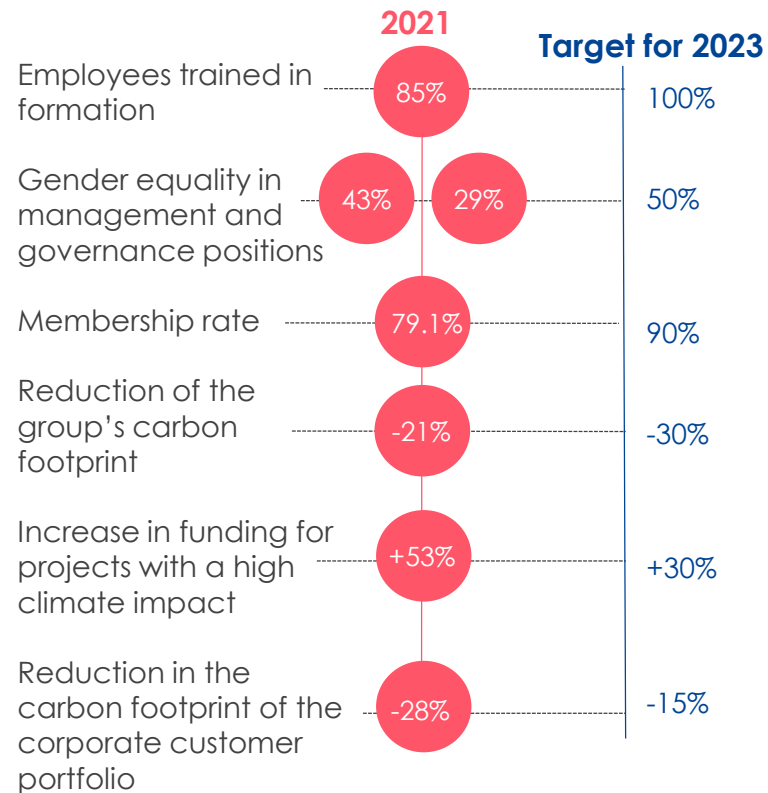
1. Sectoral policies
2. Specific application grids
3. Integration of ESG criteria for large, SMEs and corporates new business
4. Implementation of an external ESG database to enhance counterparty analysis
5. Integration of ESG criteria in the decision support tools

# — SMR Strategic Plan

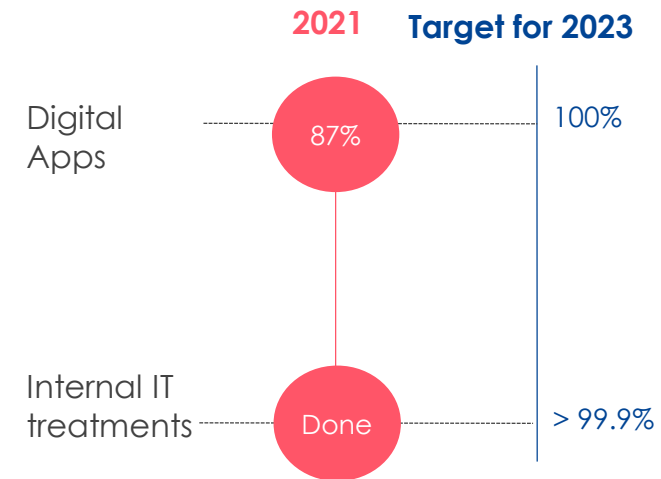
*Human and mutualist development ambitions on track*

*The 2019-2023 strategic plan, revised in 2020 in the context of the health crisis, is a major catalyst for development and transformation to achieve sustainable and responsible performance.*

## Human and mutualist development ambitions on track



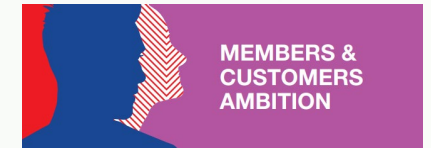
## Technological acceleration for the benefit of the relationship



# — Support for member-customers, employees and the economy

*Crédit Mutuel Alliance Fédérale reached 30 m customers as at June 2022*

4-SMR



## Customer proximity

1.919 Crédit Mutuel branches  
**1.781 CIC branches**

More than **30,000** account managers mobilized within the Crédit Mutuel and CIC networks

**€3.1 bn** invested in the real economy through private equity

## Support measures by GACM<sup>[2]</sup>

**€600 million** will be invested in the “Fonds de Prêts Participatifs Relance” <sup>[1]</sup> by GACM

No fee increase in 2021 for  
**1.6 million** health policyholders  
**3.0 million** automotive policyholders  
*GACM initiative-June 2021*

## Support to SMEs

**€50 million**  
“Jeunes Agriculteurs & Action Climatique”  
*[2<sup>nd</sup> drawn]*  
*EIB initiative - June 2021*

**€350 million**  
«COVID19 CRISIS RESPONSE FOR SME & MIDCAP”  
*EIB initiative - June 2021*

## Support to employees

Renewal of the profit-sharing agreement for **3** more years

Significant training budget for employees (>**6%** of payroll)

Crédit Mutuel and CIC named Best employers in France Bank and Financial Services category - Statista ranking, February 2021

[1] Recovery Participating Loan Fund

[2] GACM :Groupe des Assurances du Crédit Mutuel

## — Focus on Banking inclusion

*A bank for all and attentive to supporting all those going through difficult life situations*

4-SMR



Promote banking inclusion for customers in a situation of fragility and supplements protection measures in the interests of customers and good business practices

### Specific actions

- New mechanism to **cap incident fees**,
- Continuation of the “pilot” system following the signature of a **partnership agreement with CRESUS** (aimed at promoting support for customers in a financially vulnerable situation),
- Implementation of a mechanism for the **statistical detection of predictive fragility**,
- **Elimination of medical formalities** for its loyal customers.
- **Since July 2022**: account at **1 €** net per month without any incident fees for customers in financial difficulty

### Key figures on actions in favor of fragile and vulnerable customers

- **142,524** : Targeted customers
- **50,000** : Target for equipped customers at end of 2022
- **44,927** : Number of fragile customer offers as of 31/12/2021
- **21,956** : Meetings held during the marketing operations

## — Focus on societal ambitions

*ESG purchasing policy, development of the territory and local initiatives*

4-SMR



The purchasing policy integrates economic, quality and technical criteria as well as ESG factors

Commitment to long-term investment to develop the economic and social ecosystem of each region

Patronage and sponsorship operations in favor of projects promoting education, sports, music, culture, and professional reintegration

### Actions taken in favor of the ESG purchasing policy

- Each of the entities favors relations with suppliers and/or service providers that include specific clauses in their contracts relating to compliance with reference texts on human and labor rights, as well as strict compliance with the principles relating to corruption
- Proposition of a sustainable and responsible purchasing charter to all suppliers for signature

#### Key figures

- In 2021, **3,882** charters were signed by CCS providers

### Actions taken for the development of the territory

- Distribution of personal and professional microcredit offers to encourage the development of activities in regions
- Creation in 2019 of a specific channel dedicated to startups and innovative companies within the Crédit Mutuel and CIC banking networks
- Creation of the "Créavenir" foundation to support member-clients in difficulty

#### Key figures

- More than **200** regional agreements have been signed with associative networks for social integration assistance.

### Actions taken in favor of local initiatives

- Supporting client-member associations by developing partnerships involving elected members and employees
- Partnership between the Sud-Est Federation and the Association FORSE to promote CSR throughout the Auvergne-Rhône-Alpes region
- Partnership between the CMA Federation and the Athletics Committee allowing young athletes to benefit from a school and solidarity support

#### Key figures

- In 2021, the overall budget dedicated to patronage and sponsorship was **€42.3 m**



# — Focus on social ambitions

*Diversity and equal opportunities, supporting careers and mobility, quality of life at work*

4-SMR



The desire to remain the bank for all talents and to assume the objectives of equal opportunities and diversity

Investments in training for employees in order to develop their skills and enable them to move on to other professions

Commitments to a quality of life approach in the workplace, encouraged by mutualist values

## Actions taken in favor of diversity and equal opportunity

- Ambition to recruit up to **1300 work-study students** per year, including **25%** from working-class neighborhoods and rural communities, and to offer **80%** of them a permanent contract
- Ambition to increase the number of trainees to **2000 per year**

### Key figures

- Ambition to achieve gender equality by **2023** in management and governance positions
- Implementation of a **charter on disability** since 2016 and appointment of a national disability referent
- Appointment of a **diversity and inclusion** manager in each HR team

## Actions taken to support careers and mobility

- Adoption of a charter on the fight against discrimination, the promotion of diversity, and the integration and retention of disabled workers
- Goal of the 2019-2023 strategic plan to train 100% of employees in transformation
- Creation of an internal apprentice training center (CFA) Crédit Mutuel Alliance Fédérale.

### Key figures

- **5.60%** of the payroll is devoted to training, i.e. **253,000** training days, corresponding to **3.6** training days per employee

## Actions taken in favor of local initiatives

- Optimize the organization of daily work
- Promote health at work
- Improve employee mobility between home and work
- Encourage the development of a "responsible" management model and encourage employees to be participative
- Implement regular and voluntary teleworking

### Key figures

- A framework agreement on Quality of Life in the Workplace and on remote work was signed in **2020**

# — Focus on governance ambitions

*A dynamic, efficient and transparent governance*

4-SMR



## The governance of Crédit Mutuel Alliance Fédérale must be dynamic, efficient and transparent: this is the very essence of the mutualist model

- The mutualist model requires **transparency** in the procedures relating to the election and appointment of members of boards of directors, supervisory boards and institutional life
- The animation of the cooperative life aims to ensure a balanced representation **without discrimination** of the elected members and to **guarantee the exercise of their rights**

### Actions taken to promote the effectiveness of governance bodies

- Development of a personalized training program taking into account the skills and professional experience of each member

#### Key figures

- The proportion of member-clients is on the rise and represents **79,13%** of eligible clients

### Actions taken in favor of cooperative governance

- Creation of the Members' Agora, an exchange platform to revitalize mutualist life and facilitate interaction between members

#### Key figures

- In 2021, the rate of local elected members trained is **70.84%** [+176% vs 2020]
- Creation of a university degree in partnership with the University of Strasbourg

# — Focus on the reduction of the Group environment impact

*Committed to conducting all of its activities in a responsible manner*

4-SMR



## Office life scope carbon footprint

Commitment to reduce its carbon footprint by **30%** by the time of the revised 2019-2023 strategic plan.

- Covers all emissions items where levers are possible (Scope 1, 2 and 3)
- Development of an internal tool for reporting the carbon footprint

Results : **21%** decrease in carbon footprint at the end of 2021

## Credit portfolios' carbon footprint

Commitment to reduce the carbon footprint of its corporate and investment credit portfolio by **15%** by 2023.

- Scope : Nearly **1.500** counterparties for which data are available

Results : Reduction in the carbon footprint of the customer portfolio by **28%** at the end of 2021

Crédit Mutuel signed the NZBA commitment, a key initiative for the sector

# — Focus on our sectoral policies

## Overview

4-SMR



### Ambition:

- 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.**
- The sectoral policies enhance Crédit Mutuel Alliance Fédérale's commitments to meet the guidelines of **the Paris Agreements** on climate change as quickly as possible, which aim to limit the increase in temperatures by **1.5 to 2°C by 2100.**

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



## — Sectoral policies

4-SMR



### COAL



#### Companies included in the Global Coal Exit List (417 companies)

- Immediate freeze on banking operations, projects and investment financing.
- Immediate closure from insurance, asset management and trading activities.

#### Other companies in the sector

- Definition of "carbon activity thresholds" (absolute and relative)
- Closure of outstanding corporate and financing projects up to 2030.
- No new credit lines or renewal of existing lines for entities that are not publicly engaged with decarbonisation.

#### Relevant action

*Crédit Mutuel Asset Management* and the insurance entities sold **all their market position** (worth more than **€400m**) in companies that had high and direct carbon footprint.

*February 2020*

### Proactive role in energy transition



#### Agreements at global level

- First French mutualist bank signing the **Net-Zero Banking Alliance** hosted by the United Nations Environment Program Finance Initiative
- **Paris Agreements on climate change**, which aim to limit the increase in temperatures of **1.5** and **2 °C** by 2100

#### Ambitious goals

- **15% reduction in carbon footprint** of the corporate credit, asset management and insurance portfolio set in the strategic plan
- **Zero coal exposure in financing and investment portfolios by 2030** for all countries in the world



### NON-CONVENTIONAL HYDROCARBONS



In October 2021, Crédit Mutuel Alliance Fédérale stopped all financing of new exploration, production, infrastructure projects or processing in oil and gas.

#### Scope of unconventional hydrocarbons:

- Shale oil or shale gas,
- Oil from bituminous sands,
- Heavy and extra-heavy oil,
- Deep water oil,
- Oil extracted in the Arctic,
- Coal bed methane.

Ongoing analysis of the criteria to be implemented to support companies in the progressive phase-out of non-conventional hydrocarbons.

Crédit Mutuel Alliance Fédérale will refrain from providing banking and financial services to companies listed in the NGO Urgewald's Global Oil & Gas Exit List (GOGEL) whose:

- share of production of non-conventional hydrocarbons is higher than 25% from 1st January, 2023;
- share of production of non-conventional hydrocarbons is higher than 20% from 1st January, 2024.

### MINING



Covers the entire sector from ore exploration to shipping.

Commitment to no longer intervene in the financing or in investments that are directly assigned or related to the development, construction or extension of mining or metallurgical facilities if one of the following characteristics is present:

- Project for asbestos mines,
- Small-scale mines,
- Critical impact on a protected zone or a wet zone that is on the Ramsar list,
- Unesco World Heritage sites.
- Shale oil or shale gas,

# — Sectoral policies

4-SMR



## MOBILITY



Strictly limit the financing granted to the most high-carbon assets

### Air transport

- Until 2025 : Aircraft whose age exceeds **8 years**
- Beyond 2025 : Aircraft whose age exceeds **5 years**
- Companies with average fleet superior to **15 years**

### Maritime transport

- Signatory of the **Poseidon Principles** since 2009
- Objective of dipping below the International Maritime Organization (**IMO**) **curve** by 2025
- Exclusion of all vessels transporting oil and dedicated to the transport of unconventional gas

### Land transport

- Focus on the corporate market in leasing and credit
- Financing of rail freight and passenger assets with the lowest carbon emissions

## AGRICULTURAL



New policy implemented in 2022

Support efficient, sustainable and low-carbon agriculture through the implementation of a comprehensive system :

- Subsidies to support the completion of a carbon assessment
- Support to certification procedures: Payment of **500€** to accompany farmers towards certified High Environmental Value (HVE) or certified organic agriculture (AB)
- Range of subsidized dedicated loans “ **Prêt Transition Agricole**”

Integration of an objective analysis of the action plans carried out by farmers in environmental, social and governance matters

- based on the condition-based principles of the Common Agricultural Policy [CAP]
- strengthens the lending decision-making system of banking transactions for the agricultural market



## — Crédit Mutuel Alliance Fédérale Foundation

4-SMR

*A virtuous circle financed by a contribution based on the Group's carbon footprint*

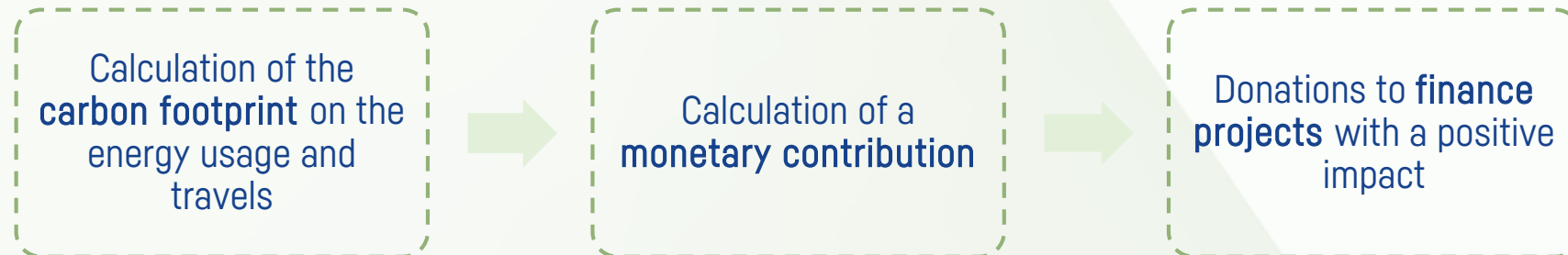
### March 2021: Establishment of “Fondation Crédit Mutuel Alliance Fédérale”

Two areas of action : the environment and the regions.

Priorities during first year of operation :

- Help to promote equal opportunity among young people affected by the health crisis
- Encourage action by all in favor of the environment.

Financing : original system of donations based on the carbon footprint of the **1,512** member entities of Crédit Mutuel Alliance Fédérale.



Outcome of its 1st year : Total of **€6,500,000** collected for around 50 projects throughout France, helping **25,000** beneficiaries, of which **10,000** young people.

# — Main international initiatives and standards we support

*In favor of sustainable development\**



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**.



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



PRINCIPLES FOR RESPONSIBLE BANKING



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

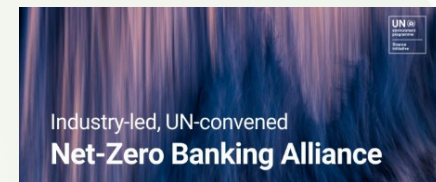


CIC signed the **Poseidon Principles**, that provide a framework for integrating climate considerations into lending decisions to promote international shipping's decarbonization



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



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**

## — Agenda

- 1 State of the art of an ecological, economic and social emergency
- 2 Crédit Mutuel Alliance Fédérale key takeaways and results
- 3 Benefit corporation bank: “Entreprise à mission”
- 4 Social & Mutualist Responsibility: An ambitious approach
- 5 Green, Social & Sustainability Bond Framework
- 6 Extra financial & Financial Ratings
- 7 Appendices

# — Our commitments to the Green, Social and Sustainability Bond market

5-Framework

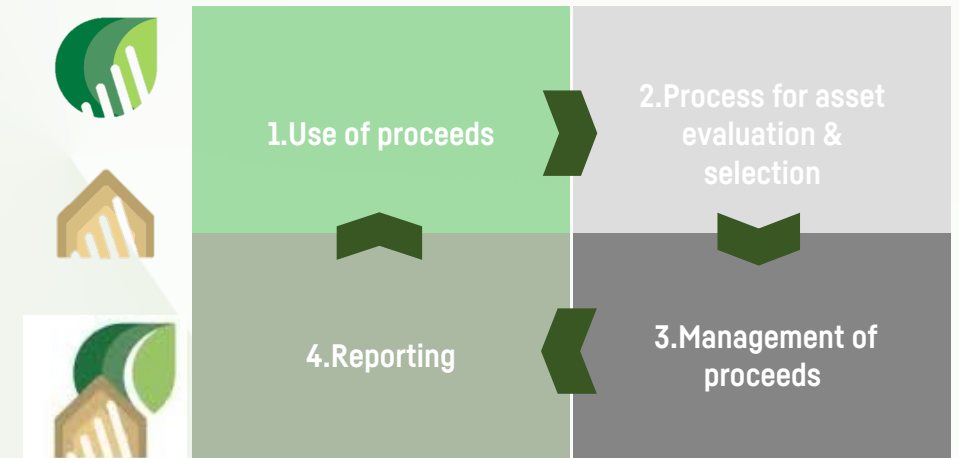
Crédit Mutuel Alliance Fédérale is positioning itself as a player determined to lead and support the urgent transformation of our economic system. After issuing green bonds in 2020 and 2021 through the BFCM, Crédit Mutuel Alliance Fédérale is strengthening its ESG positioning on the markets by issuing its first social bond in 2022.

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

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

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

- the ICMA Green Bond Principles 2021, Social Bond Principles 2021 and Sustainability Bond Guidelines 2021
- the EU Green Bond Standard
- 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](#)

# — Our Green, Social and Sustainability Bond Framework

## 1. Use of proceeds

- Green Buildings
- Renewable Energy
- Low Carbon Transport
- Local development through SMEs financing
- Affordable Housing
- Access to Essential Services – Healthcare
- Access to education and professional training [new category added in 2022]



## 2. Process for asset evaluation & selection

- A **dedicated committee** to coordinate **green, social and sustainability** bond issuances, evaluate and monitor the selection of Eligible Loans.
- The mitigation of environmental and social risks through comprehensive **sector policies** reinforced by counterparts' non-financial ratings and an ESG policy analysis.

## 3. Management of proceeds

- **Crédit Mutuel Alliance Fédérale** intends to designate sufficient Eligible Loans to **ensure the outstanding balance** related to the portfolio of Eligible Loans **always equals or exceeds the total balance** of the **Green, Social or Sustainability Bond** proceeds.







## 4. Reporting

- **Report of the relevant impact metrics in each eligible category,**
- Amount outstanding of the Green, Social or Sustainability Bond proceeds,
- The balance of unallocated proceeds at the reporting end-period [if any],
- Breakdown of the total amount of the portfolio of Eligible Loans per **category**,
- Breakdown by **country**.

# — Green Social and Sustainability Bonds use of proceeds






5-Framework

*The Framework supports the Group's effort in financing green and social activities in line with its DNA <sup>[1]</sup>*

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

## Exclusion criteria

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

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'accèsion 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](https://www.bfcm.com)

# — Green Social and Sustainability Bonds use of proceeds

5-Framework

*Social bonds: overview and portfolio mix*

## Local development SME financing

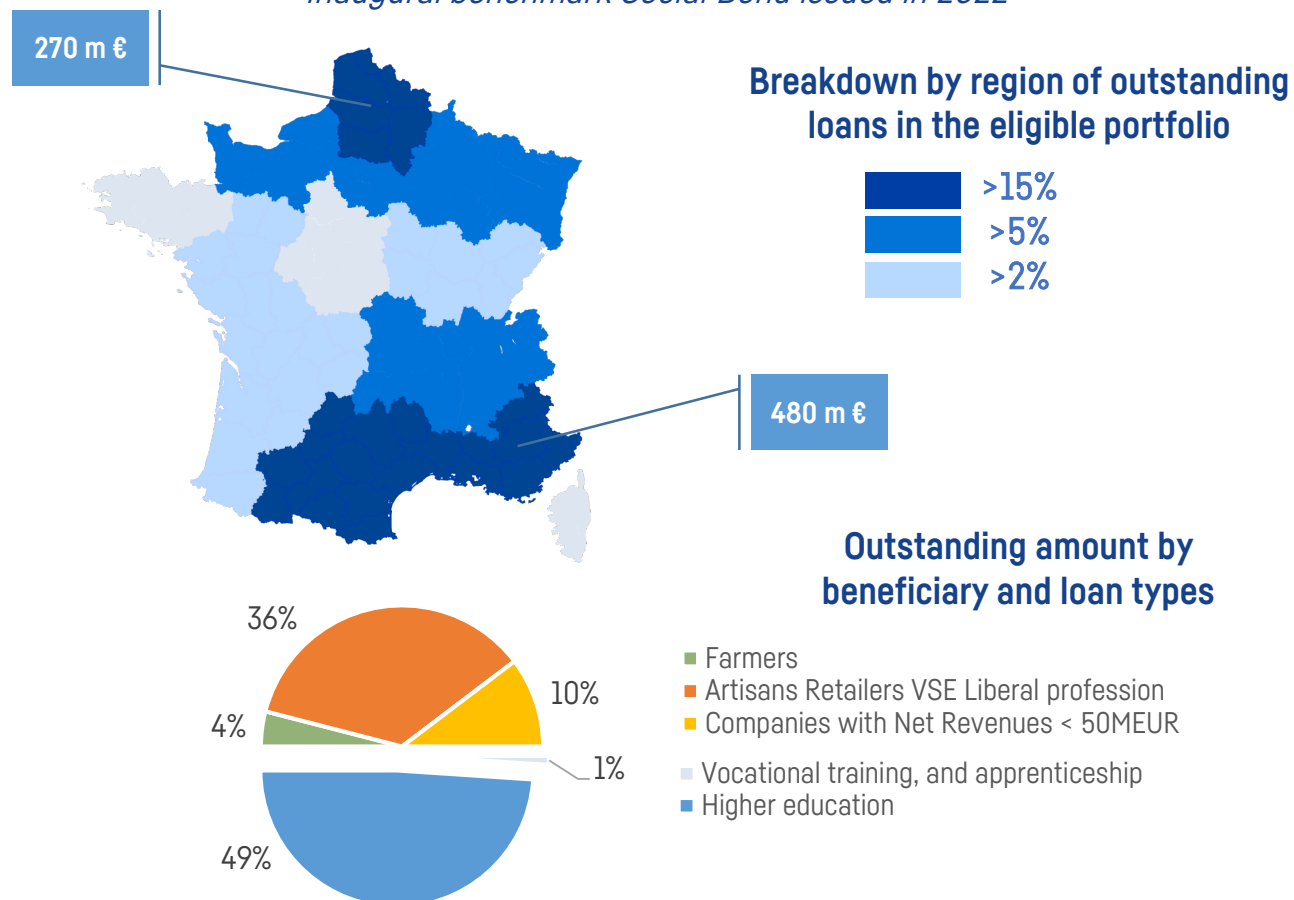
- Loans granted to small, medium, and micro-sized enterprises which:
  - support positively the economic activities of the **underperforming areas** of France
  - support positively the resilience of the economic activities in the event of extreme events

## Access to education and professional training

- Beneficiaries may be **students from 18 to 28 years old, apprentices or employees** in training or professional reconversion without age limit
- Financed studies include :
  - higher education:** competitive examination / grandes écoles and university studies
  - vocational training:** non academic and preparing people for trade, craft or a specific job as a technician

Total amount outstanding : c. €1.5 bn at March 2022

Inaugural benchmark Social Bond issued in 2022





# — Green Social and Sustainability Bonds use of proceeds

*Green bonds: overview and portfolio mix <sup>[1]</sup>*

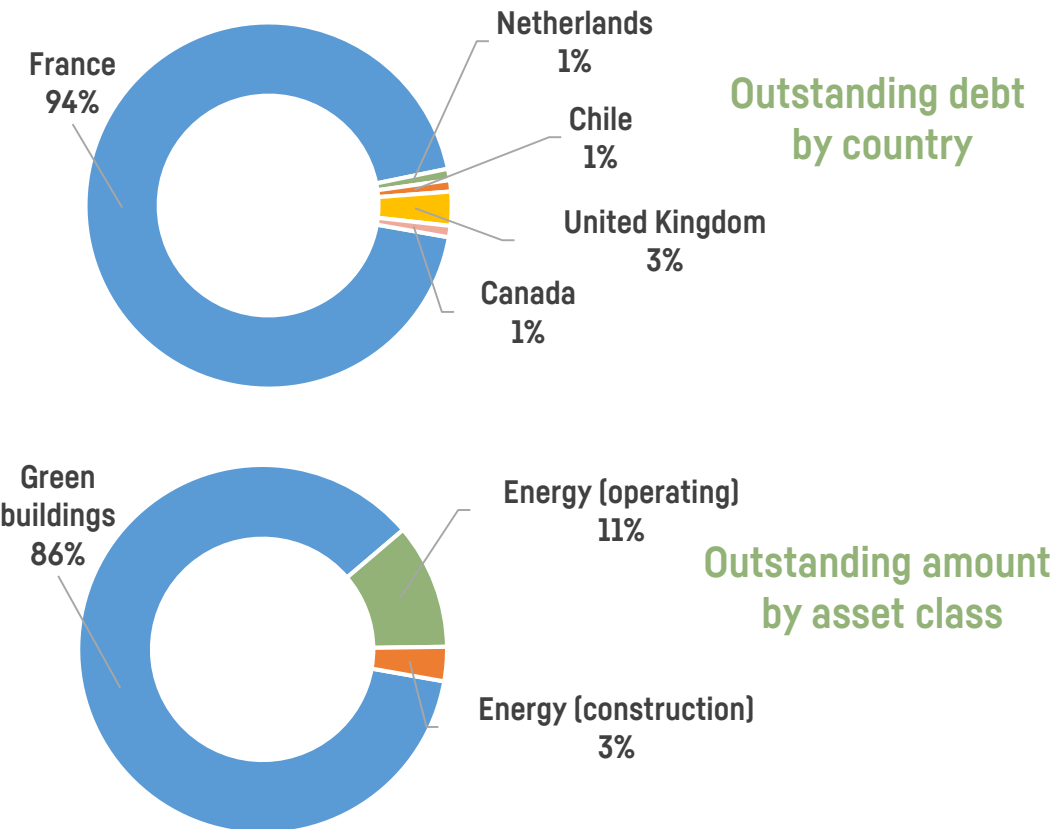
## Renewable energy

- **On- and offshore wind energy:** facilities operating at life cycle emissions lower than 100gCO<sub>2</sub>e/kWh, declining to 0gCO<sub>2</sub>e/kWh by **2050**
- **Solar Energy:** facilities operating at life cycle emissions lower than 100gCO<sub>2</sub>e/kWh, declining to 0gCO<sub>2</sub>e/kWh by **2050**

## Green buildings

- **Buildings built before 31 December 2020:** within the top **15%** of the local existing stock in terms of operational Primary Energy Demand, expressed as kWh/m<sup>2</sup> per year
- **Buildings built between 1 January 2021 and 31 December 2021:** must be at least **10%** lower than the one resulting from the relevant Nearly Zero Energy Building or RT2012 requirements
- **Buildings built after 31 December 2021:** must be at least **10%** lower than the one resulting from the relevant Nearly Zero Energy Building or must comply with the RE2020 requirements

*Total amount outstanding : c. €4.0 bn at December 2021  
vs €1.5bn of Green Bonds outstanding*



[1] A separate reporting will be published on BFCM website as soon as audited

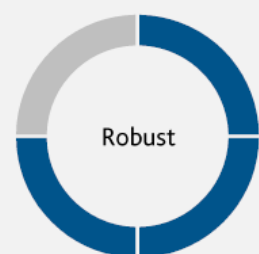
# — Second Party Opinion (Moody's ESG Solutions) on the sustainability of the Green Social and Sustainability bond framework [1]

5-Framework

Moody's ESG Solutions considers 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

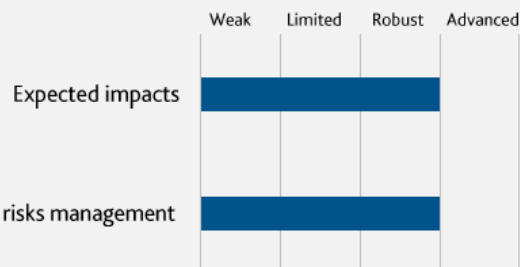
## Framework

### Contribution to Sustainability:



Advanced Limited  
Robust Weak

### SDG Mapping

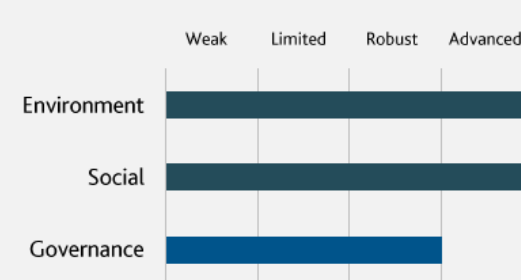


## Issuer

### ESG Performance as of April 2022



Advanced Limited  
Robust Weak



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

## Coherence

Coherent
Partially coherent
Not coherent

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.

Extracts from Moody's ESG Solutions Second Party Opinion dated 13 June 2022





[1] The Second Party Opinion as at June 2022 is available on [BFCM website](https://www.bfcm.com)

## — Agenda

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## — Extra-Financial Ratings

Enhancement of our extra-financial ratings <sup>[1]</sup>

	VIGEO-EIRIS	SUSTAINALYTICS (2)	MSCI	ISS ESG
Scale				
2018	56	NC	BBB	C-
2019	63	30.6	AA	C-
2020	65	21.8	AA	C
2021	65	21.2	AA	C



- Rating upgrade in 2021 by Sustainalytics, from **21.8** to **21.2**
- In 2021, Crédit Mutuel Alliance Fédérale obtained a **C** rating from ISS Oekom and was awarded the “**prime**” status reserved for the best-rated companies in their industry <sup>[3]</sup>.
- With a score of 65/100, Vigéo’s assessment confirms Crédit Mutuel Alliance Fédérale’s ranking as the **fifth best-rated European bank**.
- Sustainalytics consolidated the Group’s position with a **moderate ESG risk**.

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

[2] 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].

[3] 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.

# — Financial Ratings

6-Ratings

*Positive rating actions from S&P, Moody's & Fitch Ratings in 2021 and 2022*

FINANCIAL RATINGS			
	MOODY'S	S&P	FITCH RATINGS
Senior-Preferred-Unsecured	Aa3	A+	AA-
Outlook <sup>[1]</sup>	stable	stable	stable
Senior-Non-Preferred	A3	A-	A+
Tier 2	Baa1	BBB+	A-
Senior-Preferred-Short-Term Debt	P-1	A-1	F1+
Intrinsic Rating	Adjusted Baseline Credit Assessment [Adj BCA] a3	Stand Alone Credit Profile [SACP]  a	Viability Rating [VR]  a+

**Moody's:** rating for Crédit Mutuel Alliance Fédérale/BFCM and CIC

**S&P:** rating for the Group Crédit Mutuel

**Fitch Ratings:** rating for Crédit Mutuel Alliance Fédérale

## — Appendices

1	Funding 2023	p. 43
2	Overview of the portfolio of Eligible Loans	p. 44 - 47
3	Financing of renewable energies	p. 48
4	Crédit Mutuel Alliance Fédérale organization	p. 49 - 51



# — 2023 Funding Program

## Target of raising c.€20 bn MLT

- NPS/T2 : €4 bn
- Green / Social / Sustainability bonds : a euro benchmark
- Senior and SFH public & private issues (EMTN, US 144A, Samurai)

*As at end of February 2023: €9.6 bn has been raised with an average maturity of 5.9 years*

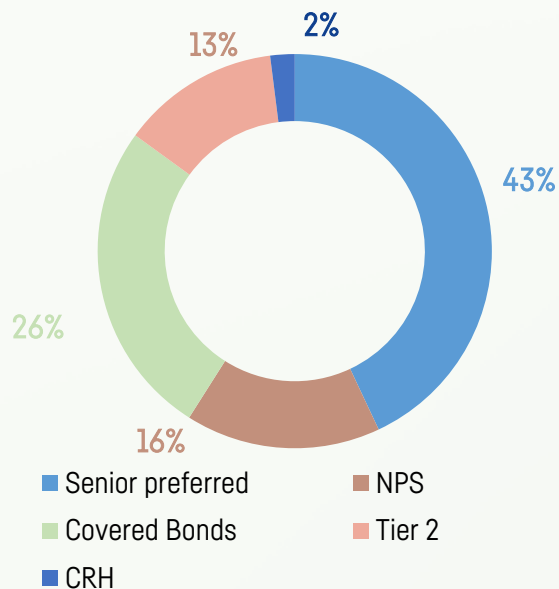
## Green Social & Sustainable bond program

2020 1<sup>st</sup> BFCM Green bond

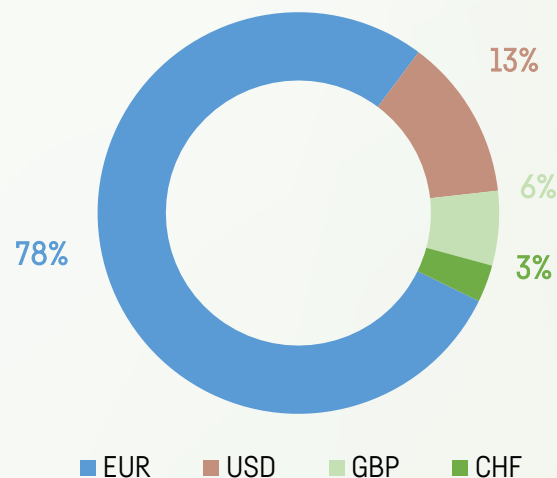
2021 2<sup>nd</sup> BFCM Green bond

2022 1<sup>st</sup> BFCM Social bond

Funding 2023  
Format Breakdown – MLT raised



Funding 2023  
Currency Breakdown – MLT raised



## 2023 public issuances

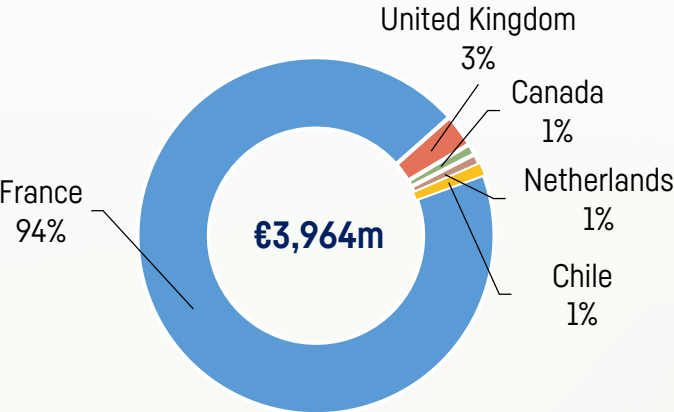
- T2 - €1.25bn - 5.125% - 01/2033 - MS+220
- Senior preferred - CHF 235m - 2.3% - 01/2027 - SARON+75
- Senior preferred - £ 500m - 5.0% - 01/2026 - UKT+170
- Senior Non Preferred - €1.00bn - 3.875% - 01/2028 - MS+130
- Senior Non Preferred - €500m - 4.0% - 01/2033 - MS+150
- Senior preferred USMTN - \$1.250bn - 4.935% - 01/2026 - T+118
- Covered Bonds - €1,750bn - 3.125% - 06/2027 [ext. 2028] - MS+15
- Covered Bonds - €750m - 3.125% - 02/2033 [ext. 2034] - MS+32
- Senior preferred - €1.5bn - 4.241% - 03/2029 - MS+88

# Climate benefits of the bond's eligible loan portfolio

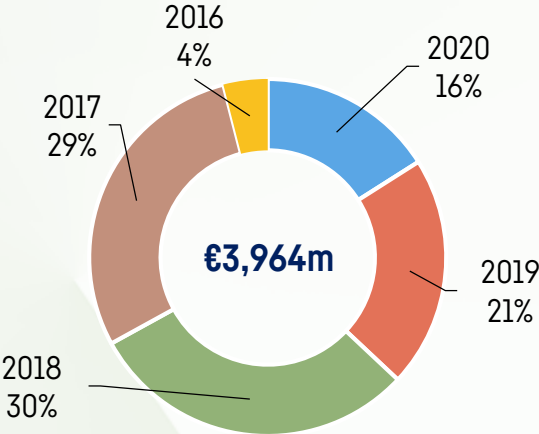
Overview of the portfolio as at December 2021 <sup>[1]</sup>

Overall, BFCM Green Bond portfolio had a **total outstanding amount of €3,964 million** at December 31st 2021, financing assets mainly located in France (94% of total value). Most of the portfolio loans (80% of outstanding debt) were distributed between 2017 and 2019.

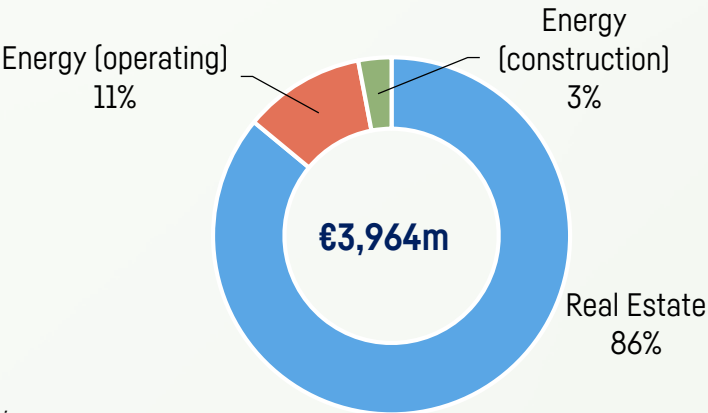
Outstanding debt by country



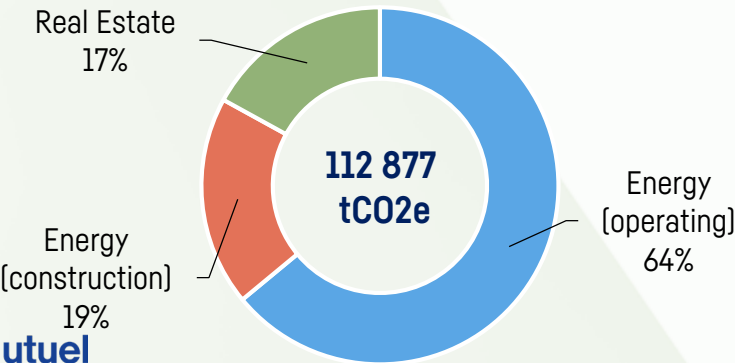
Outstanding debt by contract opening year



Green portfolio mix - Outstanding debt



Avoided emissions of portfolio assets [tCO2e/year]



[1] Estimated figures. Audit report in progress.



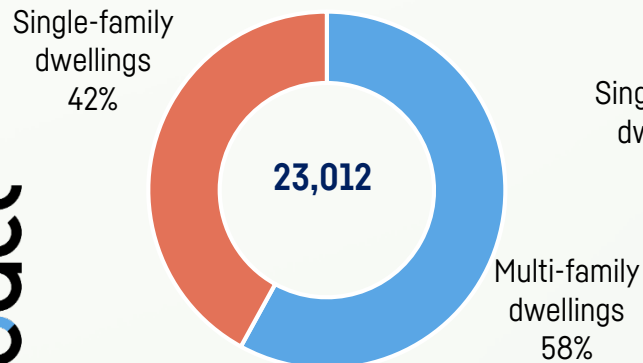
## — Climate benefits of the bond's eligible loan portfolio

*Impact of residential green buildings eligible loans as at December 2021 <sup>[1]</sup>*

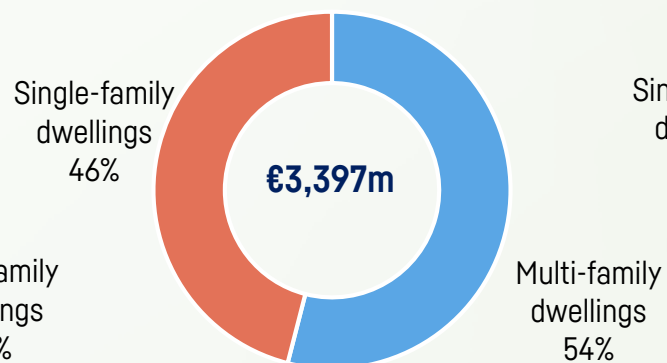
At the end of 2021, the portfolio comprised **23,012\*** green buildings, for a total outstanding debt of **€3,397 million** and a surface area close to **1,89m m2**. It contributed to avoid **19,475 tCO2e** during the reporting period, resulting in an average intensity of **5,7 tCO2e** of emissions avoided per million euros of outstanding.

Portfolio's single-family dwellings are, on average, more spacious than multi-family dwellings (102 m2 vs 53 m2), which explains why avoided emissions associated to single-family dwellings are slightly larger in absolute value (54%).

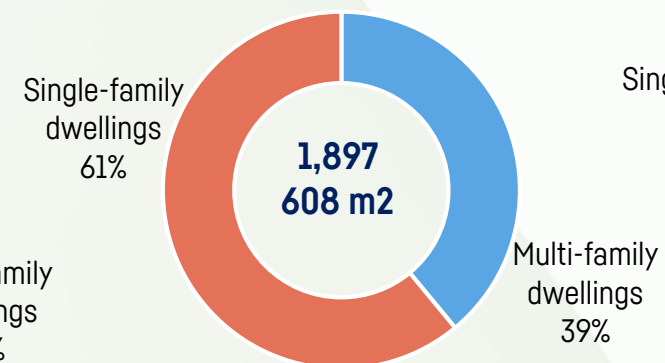
Number of assets  
by asset type



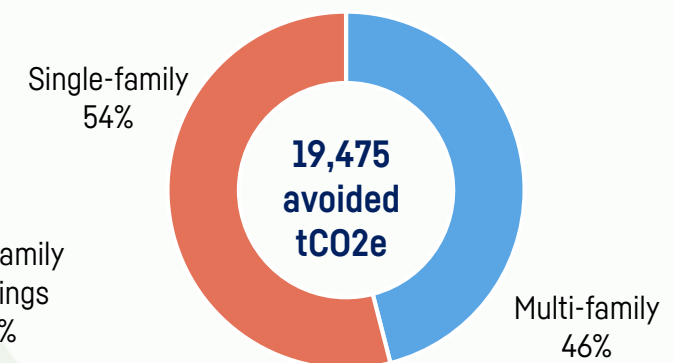
Outstanding debt breakdown  
by asset type



Surface breakdown  
by asset type



Avoided emissions in 2021 (tCO2e)  
by asset type



[1] Estimated figures. Audit report in progress.

[2] 2021 residential loans which are the subject of a building permit application, or a prior declaration filed on or after January 1, 2022, are not in the portfolio to ensure compliance with the Taxonomy.

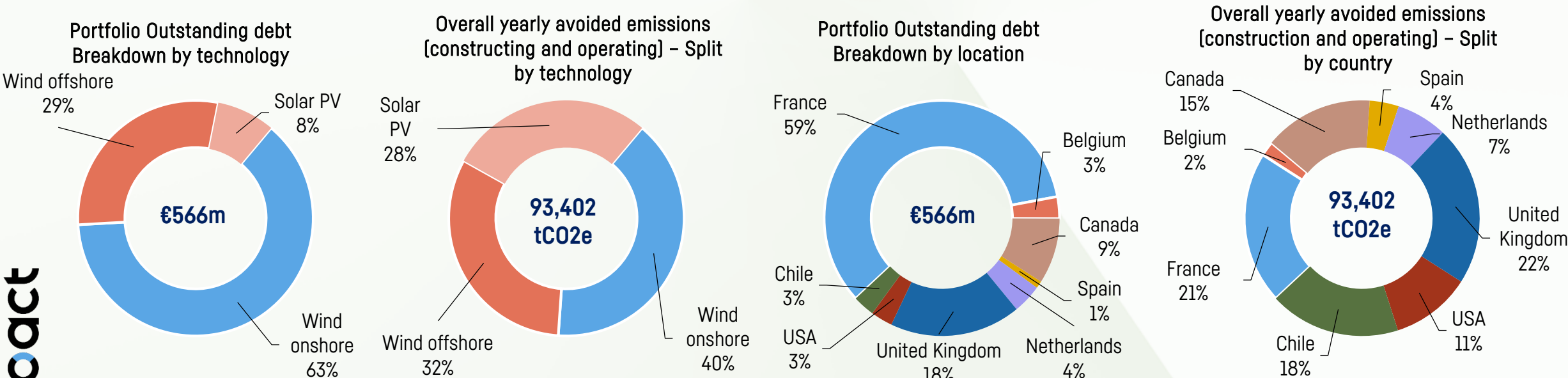
# — Climate benefits of the bond's eligible loan portfolio

*Impact of renewable energy eligible loans as at December 2021 <sup>[1]</sup>*

The portfolio of renewable energy comprises **169 projects** (operating and under construction), with a total outstanding debt of **€566 million**.

Overall, total financing contributes to avoid **93,402 tCO2e** of potential GHG emissions annually.

Portfolio average intensity is **165 tCO2e** of emissions avoided per €m of financing (outstanding).



ecoact

[1] Estimated figures. Audit report in progress.

# — Climate benefits of the bond's eligible loan portfolio

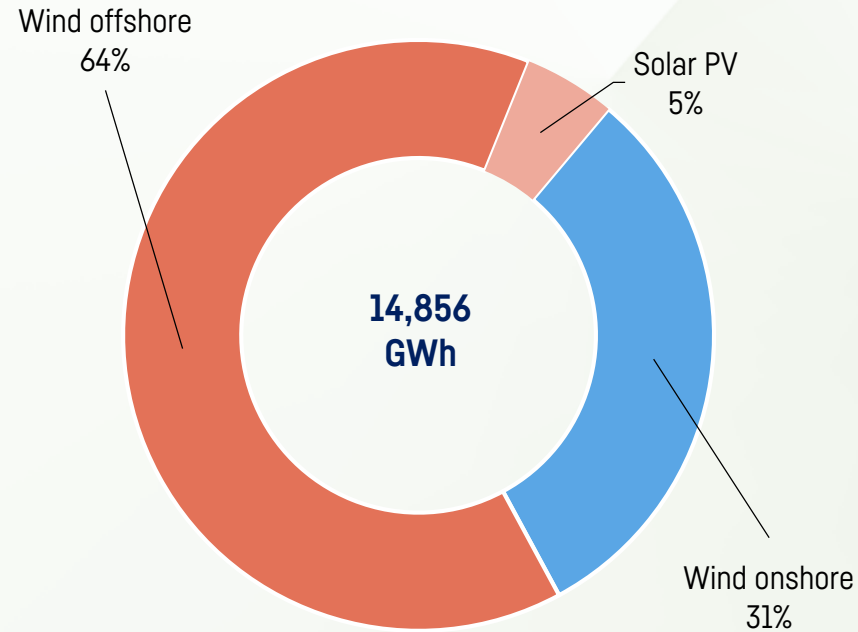
*Impact of renewable energy eligible loans as at December 2021 <sup>[1]</sup>*

7-Appendices

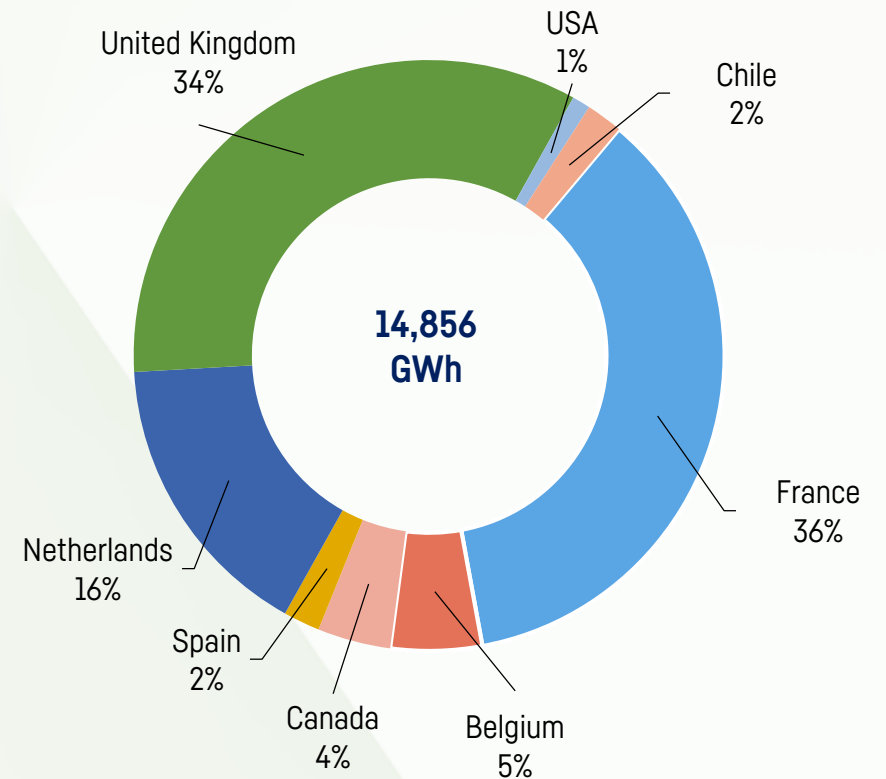
Yearly renewable energy  
generation –  
Project level

Energy expected to be  
generated annually by all  
the projects in portfolio

Portfolio expected energy generation  
[P90] at project level, split by  
technology



Portfolio expected energy  
generation allocated to issuer [P90], split by  
country



ecoact

[1] Estimated figures. Audit report in progress.

## — Financing of renewable energies

### *In 2021*

#### **18 renewable energy projects financed in 2021 by the CIC's project financing department**

- **6 onshore wind farm** projects, totaling nearly **1,097 MW**: 5 in France, 1 in the US
- **2 offshore wind farm** projects in Europe representing nearly **1,650 MW**: Courseulles-sur-Mer wind farm in France and Dogger Bank C wind farm in the UK
- **1 biomass project** representing nearly **100 MW** located in France
- **1 geothermal project** representing nearly **135 MW** located in the US
- **8 solar projects** totaling nearly **495 MW** according to available data: 7 projects in France, 1 in the US

Cumulative approvals for renewable energy projects reached **€2.1 bn** at the end of 2021, an increase of **15%** compared to 2020

## DOGGER BANK WIND FARM

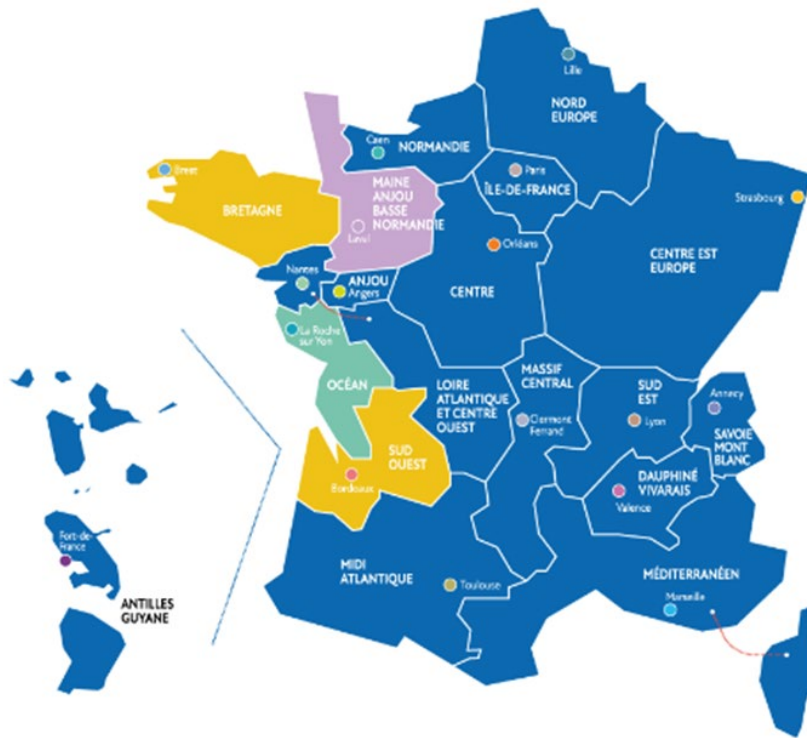
- Dogger Bank Wind Farm is an **offshore wind farm** being developed in three phases – **Dogger Bank A, B and C** – located between 130km and 190km from the North **East coast of England** at their nearest points
- Collectively they will become the **world's largest offshore wind farm**
- Each phase will have an installed generation capacity of **1.2 GW**
- Combined, they will have an installed capacity of **3.6 GW** and will be capable of powering up to **6 m homes**

# — Crédit Mutuel Group Organization

## Structure & Governance

*As at December 2021:*

- c.8.3 m members
- c.22,000 voluntary local board members
- c.36.1 m clients
- c.83,000 employees



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

2,016 Crédit Mutuel  
Local Banks

18 Regional Federations

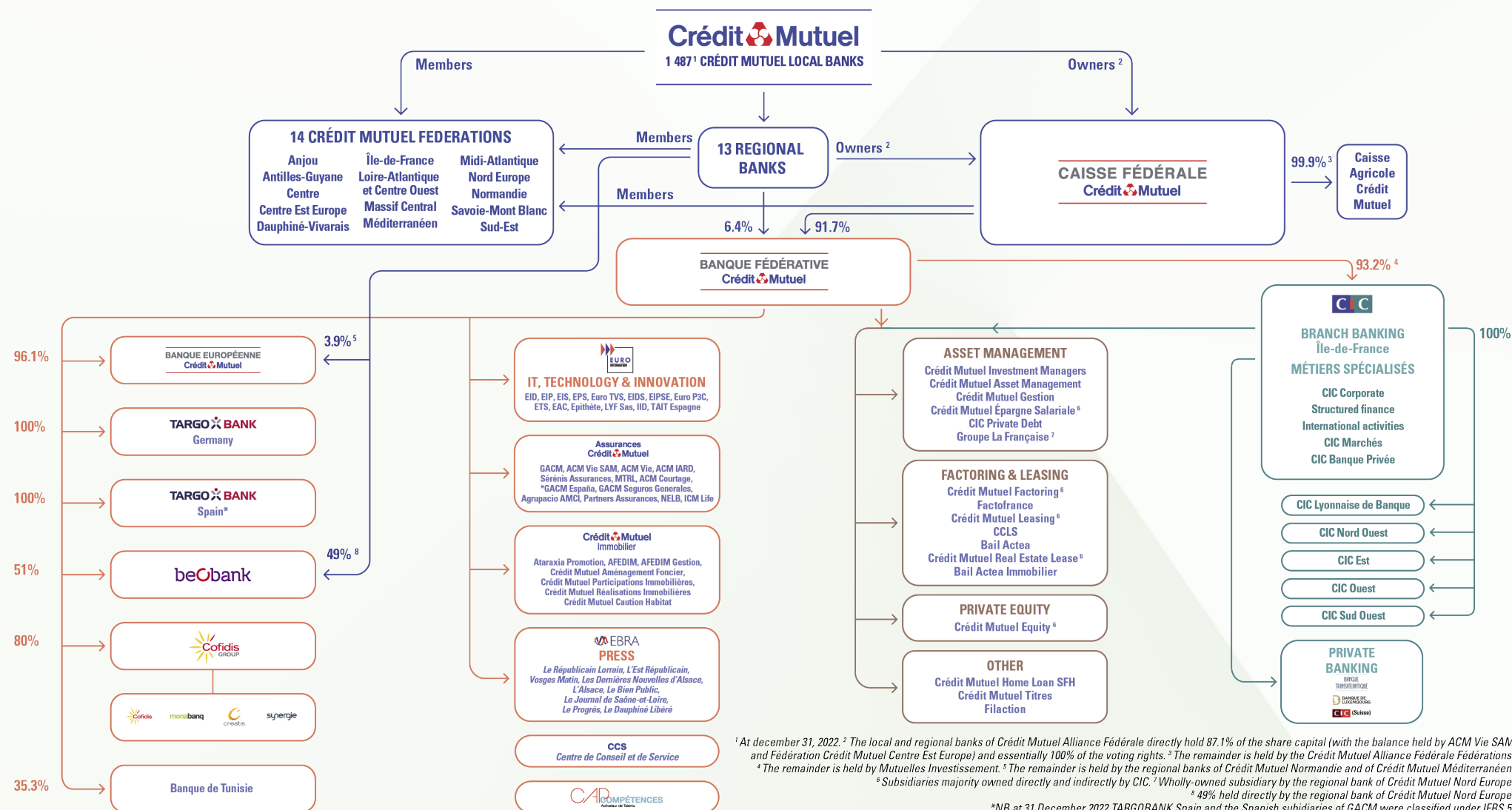
4 « Caisses Fédérales »\*

Confédération Nationale du  
Crédit Mutuel

National Body

# — Crédit Mutuel Alliance Fédérale Organization

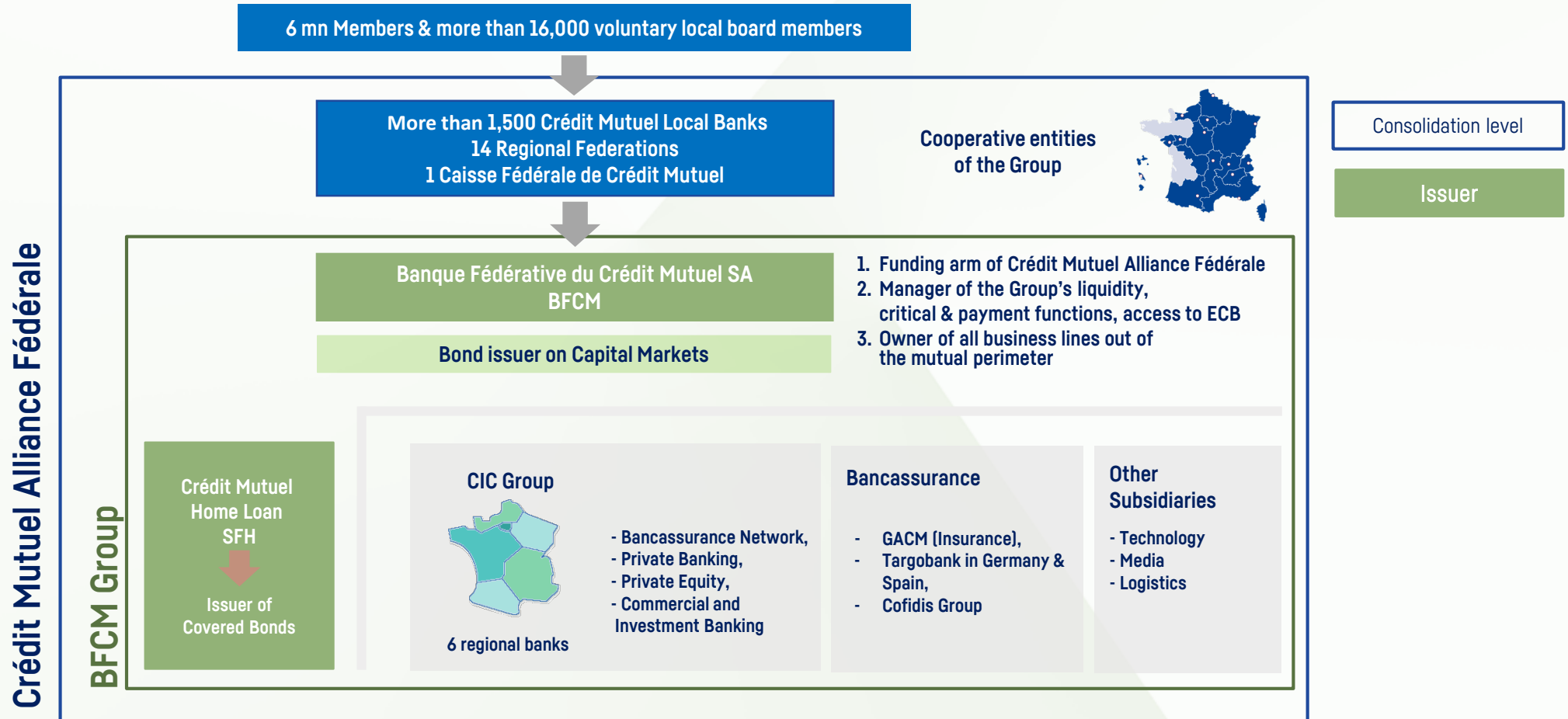
Organization chart of the group as at December 2022



<sup>1</sup> At december 31, 2022. <sup>2</sup> The local and regional banks of Crédit Mutuel Alliance Fédérale directly hold 87.1% of the share capital (with the balance held by ACM Vie SAM and Fédération Crédit Mutuel Centre Est Europe) and essentially 100% of the voting rights. <sup>3</sup> The remainder is held by the Crédit Mutuel Alliance Fédérale Fédérations. <sup>4</sup> The remainder is held by Mutuelles Investissement. <sup>5</sup> The remainder is held by the regional banks of Crédit Mutuel Normandie and of Crédit Mutuel Méditerranéen. <sup>6</sup> Subsidiaries majority owned directly and indirectly by CIC. <sup>7</sup> Wholly-owned subsidiary by the regional bank of Crédit Mutuel Nord Europe. <sup>8</sup> 49% held directly by the regional bank of Crédit Mutuel Nord Europe. \*NB at 31 December 2022 TARGOBANK Spain and the Spanish subsidiaries of GACM were classified under IFRS 5.

# — Crédit Mutuel Alliance Fédérale organization

*A cooperative bank group with one issuer on the capital markets<sup>[\*]</sup>*



*[\*] including Crédit Mutuel Home Loan SFH*

## — Contacts

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**BANQUE FÉDÉRATIVE**  
**Crédit  Mutuel**

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



[bfcm-web@creditmutuel.fr](mailto:bfcm-web@creditmutuel.fr)

**Green, Social and Sustainability Bonds** on BFCM website

<https://www.bfcm.creditmutuel.fr/en/programs/green-social-and-sustainability-bonds.html>

### **Investor Relations**

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