

RESULTS FOR THE YEAR ENDED DECEMBER 31, 2021¹

Operational efficiency and social dividends: Crédit Mutuel Alliance Fédérale completes an exceptional year serving its customers and society as a whole

In 2021, Crédit Mutuel Alliance Fédérale once again demonstrated its usefulness to its customers and to society.

This mutualism in evidence resulted in a sharp increase in net banking income to €15.9 billion (**up 12.8% from 2020**), remarkable operational efficiency (**cost/income ratio of 57.4%**, down 510bp from 2020) and a net profit of **€3.5 billion, up 39%** - a level never reached by the mutual bank.

As the leading bank and benefit corporation, these results are the result of the exceptional commitment of its 72,500 employees and 15,000 elected representatives in all regions. They allow us to increase the social dividend to build a fairer and more sustainable society.

	2021	Change ² 2021/2020	Change ² 2021/2019
NET BANKING INCOME UP IN ALL BUSINESS LINES	€15.923bn	+12.8%	+8.7%
WELL-MANAGED GENERAL OPERATING EXPENSES	€9.136bn	+3.6%	+1.7%
Cost/income ratio	57.4%	-510bp	-400bp
SHARP FALL IN COST OF RISK	€699m	-70.5%	-34.3%
STRONG GROWTH IN NET PROFIT	€3.527bn	+39%	+11.2%

GROWTH IN LENDING TO SUPPORT THE RECOVERY

Home loans €227bn +9.0%	Equipment loans €99.3bn +3.1%	Consumer loans €44.2bn +6.4%
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ACCELERATING TRANSFORMATION

11,953,000 +73% Electronic signatures	1,200,000 Contracts generated by the use of AI & au big data	219,000 x 6 Appointments in visio ³
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INCREASED FINANCIAL STRENGTH³

CET1 ratio ⁴ 18.8% +100bp	Leverage ratio ⁴ 7.6% +70bp	Shareholder's equity €53.2bn +€3.6bn
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¹ The annual audit procedures for the accounts as of December 31, 2021 are in progress. ² At constant scope. ³ Service launched at the end of H1 2020.

⁴ Without transitional measures.

Operating efficiency and social dividend: Crédit Mutuel Alliance Fédérale completes an exceptional year serving its customers and society as a whole

“The Covid crisis and its digital, environmental and social impacts have transformed us. We have mobilized our forces around the principle of mutualism in evidence. The 2021 results reflect these changes. On this basis, we have to accelerate our transformation and increase our market share.”

Nicolas Théry, Chairman

“2021 marks the exceptional commitment of all the Crédit Mutuel and CIC networks, as well as Euro-Information, CCS, ACM, Cofidis, TARGOBANK and all the subsidiaries and specialized business lines of Crédit Mutuel Alliance Fédérale, serving our development strategy. This remarkable year demonstrates the strength of our fundamentals and our ability to manage uncertainty, while remaining close to our customers and members.”

Daniel Baal, Chief Executive Officer

I. Exceptional momentum serving the regions

Commercial performance driven by all business lines

In 2021, Crédit Mutuel Alliance Fédérale achieved a remarkable commercial performance with net banking income of €15,923 million. Net banking income was up sharply from 2020 (+12.8%) and also from 2019, the pre-pandemic period (+8.7%).

Change at constant scope	NBI	Change 2021/2020	Change 2021/2019
Banking networks	€8.965bn	+4.4%	+2.5%
o/w Crédit Mutuel	€3.666bn	+5.0%	+4.2%
o/w CIC	€3.655bn	+6.9%	+4.4%
Insurance	€1.915bn	+31.4%	+7.7%
Specialized business lines	€2.004bn	+32.1%	+26.2%

It was driven by the efforts made by all Crédit Mutuel Alliance Fédérale's 72,500 employees in all the group's business lines and entities

This sustained momentum is reflected in retail banking income, which reached €11,014 million (+4.5%). Growth was also driven by the significant increase in income from insurance activities to €1,915 million (+31.4%) and by the strong rise in income from the specialized business lines (+32.1%), due to the vigor of the business and the good performance of the financial markets. Private equity NBI was up by €328 million (x2.7), while capital markets activities grew by €60 million (+19%), the Private Banking subsidiaries increased by €51 million (+8%) and Corporate Banking by €49 million (+13%).

¹ At constant scope.

In detail, outstanding home loans reached €227.1 billion (+9%) while consumer credit grew by 6.4% to €44.2 billion. In terms of investment by microenterprises, SMEs and corporations, equipment loans totaled €99.3 billion (+3.1%). In total, outstanding loans amount to €444.8 billion (+6.1%). Deposits increased by 4.0% to €425.2 billion.

Development momentum at the heart of the regions

As a local, customer-focused bank, nearly nine out of ten credit decisions are made in a short circuit by the 28,000 individual and professional advisors in the Crédit Mutuel and CIC networks. This regional proximity allows quick decisions to be made based on local realities, for the benefit of all the group's customers.

Crédit Mutuel Alliance Fédérale is also a major investor in regional entrepreneurship with €3 billion of equity invested in the share capital of 335 innovative and fast-growing companies. This support for regional economic development has a particular impact on small and medium-sized enterprises and intermediate-sized enterprises, which represent 75% of the equity investments. This investment policy was stepped up in 2021, with 78 transactions completed for an invested amount of €613 million.

Crédit Mutuel Alliance Fédérale has the third largest banking network in France, with 1,919 Crédit Mutuel branches and 1,781 CIC branches, and is committed to maintaining this geographical link with its customers.

THE EXCELLENT PERFORMANCE OF THE MULTISERVICE STRATEGY

Insurance	35.6m contracts	+2.8%
Telephone services	1.38m subscribers	+31,000
Remote surveillance	609,000 subscribers	+99,000
New homes	7,800 sales	+29%

27.9m customers +4.6%

Fully committed to fighting the depopulation of rural areas, Crédit Mutuel Alliance Fédérale launched a joint study with BNP Paribas and Société Générale in the second half of 2021 to improve access to ATMs. If confirmed, this project could help preserve the number of cash access point in the long term, particularly in rural areas.

2021 also marked the successful turnaround of the EBRA press group, which brings together nine emblematic titles of the regional daily press: *Le Républicain Lorrain*, *L'Est Républicain*, *Vosges Matin*, *Les Dernières Nouvelles d'Alsace*, *L'Alsace*, *Le Bien Public*, *Le Journal de Saône-et-Loire*, *Le Progrès*, *Le Dauphiné Libéré*. At December 31, 2021, EBRA had an operating income of €8 million. This is a sign of Crédit Mutuel Alliance Fédérale's commitment to the regions and to democracy.

Intensifying the local multiservice strategy

In 2021, Crédit Mutuel Alliance Fédérale significantly strengthened its multiservice strategy, driven by its 2019-2023 strategic plan *ensemble#nouveau monde, plus vite, plus loin!* (together#today's world, faster, further!). It enables the group to meet the needs of its customers and members through its "housing" and "transportation" needs, "protect yourself", "entrepreneurship", etc. areas

The insurance business lines, which are at the heart of the diversification strategy, returned to their pre-crisis sales momentum in 2021. The group's insurance expertise is reflected in the commercial activity of Assurances du Crédit Mutuel, which reached 35.6 million policies (up 2.8%). Gross life insurance premium income grew by 34.1% to €6.2 billion. Its quality is among the highest in the market, with 42.9% of premium income in unit-linked products. Insurance remains the group's primary diversification business line.

The multiservice strategy has also been strengthened in the area of telephone services under the long-term partnership signed with Bouygues Telecom in late 2020. Since November 2021, the Crédit Mutuel local banks and CIC branches have been marketing Bouygues Telecom's fixed-line and mobile services. The subscriber base reached 1,380,000 customers at December 31, 2021 (+2.3%).

As France's leading¹ provider of remote home surveillance services, Homiris (Euro Protection Surveillance), continues to expand through the acquisition of Protection 24, the remote surveillance subsidiary of BNP Paribas, in the second half of 2021. The new entity protects 609,000 households and businesses (+19.4%) and its development will be accentuated when it starts to be marketed by BNP Paribas' French and Belgian banking networks in the first half of 2022'.

The multiservice momentum is also evident in new real estate. AFEDIM, the group's real estate agency, booked more than 7,800 residences in 2021, up 29.4%.

This multiservice strategy continues with the launch in February 2022 of the Kiosque à services, a digital services platform that connects its customers with the best professionals.

I. Results ahead of the 2019-2023 strategic plan

Against a backdrop of crisis and uncertainty, the 2021 results confirm the relevance of the revised strategic plan, *ensemble#nouveau monde, plus vite, plus loin!* (together#today's world, faster, further!), a real accelerator of development and transformation for sustainable and responsible performance.

Financial performance well above target

The NBI indicator is exceeded: €15.9 billion achieved in 2021 vs. a target of €14.6 billion in 2023. General operating expenses remained in check at €9.1 billion, up only 1.7% compared with the pre-pandemic period (2019).

FINANCIAL INDICATORS OF THE REVISED 2019-2023 STRATEGIC PLAN

	Actual Dec 2021	Revised 2019-2023 plan
NBI	€15.9bn	€14.6bn
Cost/income ratio	57.40%	61 %
Net profit/(loss)	€3.5bn	> €3bn
Return on regulatory assets	1.47%	Between 1.2 and 1.4%
CET1	18.8%	Between 17 and 18%

¹ Source: Atlas 2021 En Toute Sécurité. By adding the 2020 connection volumes of EPS to its absorbed subsidiary Protection 24, EPS is the leader in remote surveillance in France.

2021 was a year of exceptional operational efficiency with a cost/income ratio of 57.4%, well above the expectations set by the strategic plan (61%). This is despite the impact of the continued increase in contributions to the Single Resolution Fund (+16.9% to €231 million), to the Deposit Guarantee Fund (+48.9% to €48 million) and the increase in supervision costs since 2017 (+75%). These had a negative impact on the cost/income ratio of 200 basis points.

Crédit Mutuel Alliance Fédérale is thus the French banking group with the best operational efficiency.

The return on regulatory assets of 1.47% is in line with the end-2023 target (between 1.2% and 1.4%).

The results are supported by a well-managed risk policy thanks to excellent customer knowledge and the pronounced economic recovery. The cost of risk fell to €699 million (-70.5%), including €585 million in respect of proven risk (-42.5%). In 2021, the assumptions of the IFRS9 scenarios were unchanged in relation to 2020 and sector provisions, which had been set in 2020, remained at a high level. This allows us to face the coming months with confidence.

At December 31, 2021, net profit totaled €3,527 million, up sharply from 2020² (+39%) and 2019 (+11.2%). It exceeds the plan's target, i.e. more than €3 billion by the end of 2023.

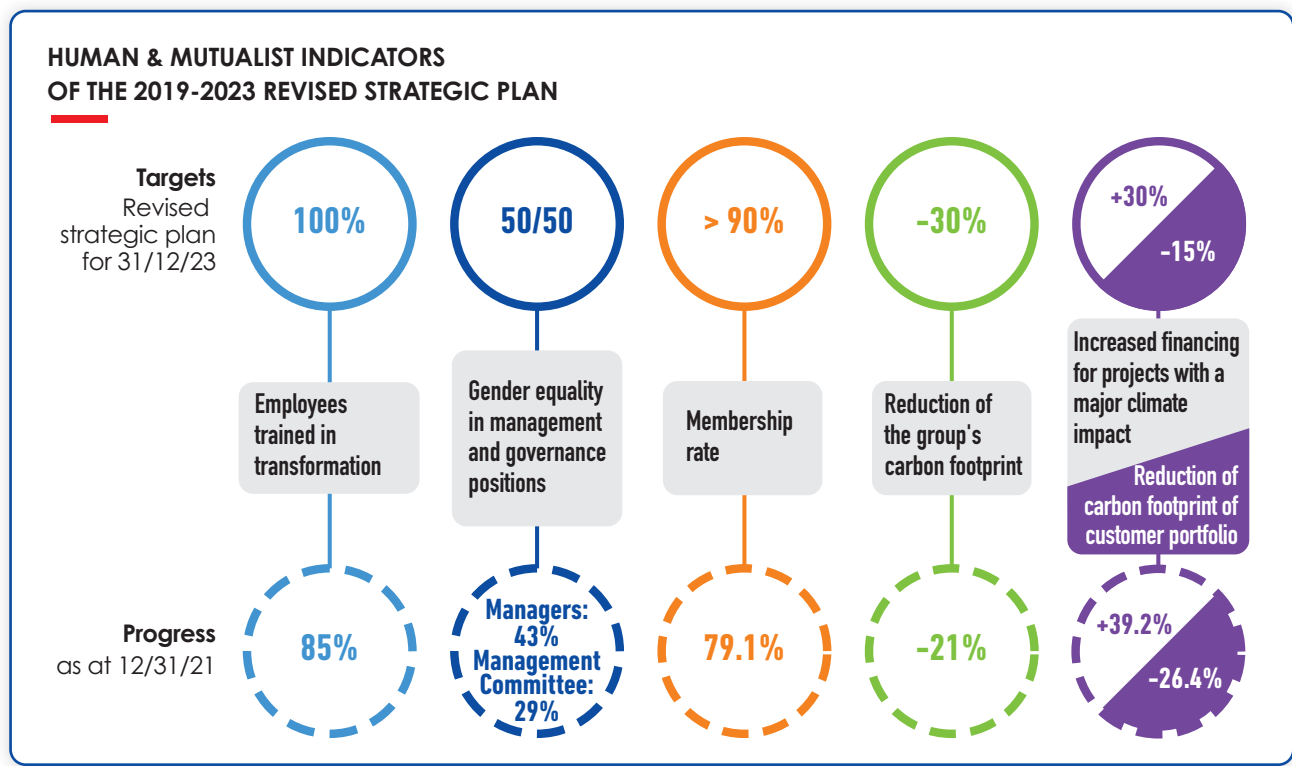
With 98% of its profit taken to reserves, Crédit Mutuel Alliance Fédérale's financial solidity is clearly confirmed

with a CET1 of 18.8% (+100bp), the best of all the French banks. This ratio is well above the SREP requirements for 2022 and allows Crédit Mutuel Alliance Fédérale to face with confidence the Basel 4 rules currently under discussion in the European Parliament and Council of Ministers.

As a reminder, the financial strength of the entire Crédit Mutuel Group was also confirmed by the results of the ECB stress test in July 2021. In the worst-case scenario, the Crédit Mutuel Group ranked highest among French banks in the *Common Equity Tier One* capital ratio up to 2023, above the minimum regulatory requirements.

In 2021, Crédit Mutuel's very good external ratings were confirmed by Moody's (Aa3) and Fitch Ratings (Senior Preferred: AA-), with a stable outlook, and upgraded one notch by Standard & Poor's (from A to A+), with an outlook raised to stable. The three agencies highlight the solidity of the bankinsurance model and Crédit Mutuel's good profitability, asset quality, capitalization and liquidity indicators in a context of health crisis.

In 2021, an impairment loss on the goodwill of TARGOBANK (Germany) was recognized in light of the revised outlook for its profitability, due to a change in German legislation on loan insurance. The net impact on the 2021 financial statements is €775 million. However, in accordance with its strategic plan, Crédit Mutuel Alliance Fédérale will step up its expansion in Germany, particularly in corporate banking and insurance activities. Today, the German market accounts for 11% of Crédit Mutuel Alliance Fédérale's business.



¹ At constant scope

Human and mutualist development ambitions on track

In 2021, Crédit Mutuel Alliance Fédérale continued to implement the strategic plan with regard to its human and mutual development indicators. The target of 100% of employees trained in transformation is on track to be achieved with a rate of 85% by December 31, 2021.

Female representation in management and governance positions is still too low (43% of managers and 29% of Management Committee members). In 2022 and 2023, Crédit Mutuel Alliance Fédérale will step up its gender and diversity policy with a view to achieving its targets.

Crédit Mutuel Alliance Fédérale is strongly committed to respecting the carbon trajectory of the Paris Agreements by limiting global warming to 1.5°C. It has set itself three ambitious objectives in terms of environmental and climate transition. The internal carbon footprint reduction target (without offsetting) of -30% has not yet been achieved but reached -21% already in 2018. The objective of reducing the carbon footprint of our customer portfolio by 15% has been achieved with a 26.4% reduction in the carbon footprint. Lastly, the group increased its financing for projects with a major climate impact by 39.2%, exceeding its target of 30%.

The membership rate stands at 79.1%, below the 90% target. It has been particularly affected by the health crisis, which has an impact on the organization of mutualist life.

Accelerating technology to serve customer relations

With the support of its technology subsidiary, Euro-Information (4,000 employees), remote banking accounted for more than 2.3 billion connections in 2021 (+13.8%), particularly for Crédit Mutuel and CIC's mobile apps, which reached 1.8 billion connections (+19.3%). In total, nearly 4.7 million of our customers are using remote tools (+8.1%, +19.6% over two years) that remain among the highest rated in the Android and Apple app stores. With a strong presence, we continue to fight against digital illiteracy.

Rolled out in the first half of 2020, video appointments are taking off, with more than 219,000 customer-advisor appointments made in 2021 (x6). As for electronic signature, it is widespread with more than 11.9 million acts of subscription or management of contracts signed digitally in 2021 (x2.2 since 2019).

At December 31, 2021, nearly 87% of current transactions were available entirely at the customer's fingertips via their smartphone or remote banking. By the end of 2023, 100% of these transactions will be available on the group's apps and website, in line with the strategic plan's target.

The strengthening of the strategic partnership between Crédit Mutuel Alliance Fédérale and IBM signed on October 21, 2021 will speed up these developments.

The group will be supported in particular by AmbitionS, a new IBM center of technological excellence in Strasbourg, dedicated to Euro-Information, and specialized in artificial intelligence, optical and voice recognition, mainframe and dedicated cloud technologies. The new data centers in Verlinghem (2022) and Dijon (2024) will provide the group with a high-performance unified private cloud platform, 100% internally controlled, based on a mainframe core, and in a short circuit, its objective will be to carry out 99.9% of IT processing on our own systems by the end of 2023. These new data centers will have lower carbon emissions than those existing today.

III. A strong increase in the social dividend to build a fairer and more sustainable society

As a bank without shareholders but owned by its members, Crédit Mutuel Alliance Fédérale has made the sharing of value and performance the very foundation of its strategy. As the first bank to have adopted the benefit corporation status, its results commit it to its customers and members, but also to the rest of society. **They make it possible to sustain mutualist principles and to increase its social dividend, which is based on strong, supportive, responsible and free choices.**

Investing in the social contract¹

Crédit Mutuel Alliance Fédérale believes that collective performance is worth more than the sum of individual performances. This is why the group applies fixed salaries, with no variables, for employees of the Crédit Mutuel and CIC networks as well as for its directors. An ambitious and rewarding salary policy for each employee has been implemented.

In 2021, as in the past five years, this has resulted in significant measures to maintain purchasing power and to recognize the work accomplished by each employee. The 2022 plan combines an individual and collective increase representing 3% of the payroll expense, including a 0.5% budget for gender equality. In addition, there is an exceptional purchasing power bonus of €2,000 and a €900 contribution to the employee savings plan. Employees have a collective interest in the company's performance through the profit-sharing bonus. In addition, the group encourages alternative modes of travel to private car by offering a sustainable mobility bonus of €400 per year. The training policy for elected representatives and employees is also a priority. In 2021, 5.62% of the payroll expense was devoted to professional training (4.45% in 2020).

¹ Scope of the single Crédit Mutuel and CIC status.

Voluntary solidarity actions for its customers and members

In addition to government-backed loans and deferral of instalments, since the start of the pandemic crisis in March 2020, three major decisions have been taken: the Mutual Recovery Bonus, the contribution to the Solidarity Fund and the Assistance to Students and Apprentices for a total of €201 million.

In November 2021, Crédit Mutuel Alliance Fédérale abolished health questionnaires and medical formalities for borrower insurance for loyal customers (as of December 1, 2021, 91,000 beneficiaries had already benefited from an increase in their coverage and/or the elimination of additional premiums). The mutual bank has paved the way for greater access to loans for people facing health problems. This scheme, reserved for the acquisition of the main residence, is a real revolution in access to property for all. Crédit Mutuel Alliance Fédérale is pleased to have contributed to a change in the legislation for more inclusive and supportive insurance, notably the Grémillet law, which introduced a comparable scheme for loans under €200,000.

Crédit Mutuel Alliance Fédérale was also one of the few market players to freeze its individual health insurance tariffs in 2021. This scheme has benefited more than 1.1 million policyholders.

Committed to supporting all its customers and members in the climate transition, Crédit Mutuel will distribute the Renovation loan. This unprecedented scheme will allow 800,000 owners of poorly insulated homes to have access to energy renovation work.

Strengthening support for the non-profit and regional fabric

The Crédit Mutuel Alliance Fédérale Foundation, created in March 2021, has supported more than 50 initiatives and assisted more than 25,000 beneficiaries.

As the leading bank for associations, Crédit Mutuel Alliance Fédérale acts as a driving force by supporting numerous sports, cultural and non-profit projects. In 2021, these partnerships were renewed, despite the cancellation of events. A specific plan to support a large number of local sports clubs has been put in place.

Since January 2022, the managers of associations that are customers of the group benefit from free civil liability cover. This action comes in addition to the free provision of the PayAsso payment solution for our customer associations since the beginning of the health crisis. It is a useful tool to continue the commitment to local associations despite social distancing.

Commitments to support the environmental, social and digital transition

With the acceleration of climate change calling for the involvement of all, Crédit Mutuel Alliance Fédérale has chosen to be a pioneer in this field by voluntarily renouncing revenues from the most polluting sectors. Hailed in February 2020 by non-governmental organizations for its decision to fully exit financing and investments in coal and unconventional hydrocarbons (shale gas and oil, Arctic) Crédit Mutuel Alliance Fédérale continued its climate transition policy in 2021.

MUTUALISM IN EVIDENCE

ENGAGEMENT #1

LE CLIMAT EST L'AFFAIRE DE TOUS.
NOUS ARRÊTONS DÈS MAINTENANT LE FINANCEMENT DES NOUVEAUX PROJETS DANS LE PÉTROLE ET LE GAZ.

Crédit Mutuel
Alliance Fédérale

1

ENGAGEMENT #2

LA SANTÉ NE DOIT PAS ÊTRE UN FREIN À L'ACCÈS À LA PROPRIÉTÉ.
NOUS ASSURONS LE CRÉDIT IMMOBILIER DE NOS CLIENTS FIDÈLES SANS AUCUNE FORMALITÉ MÉDICALE.*

Crédit Mutuel
Alliance Fédérale

2

ENGAGEMENT #3

CEUX QUI S'ENGAGENT DOIVENT ÊTRE PROTÉGÉS.
NOUS OFFRONS LA GARANTIE RESPONSABILITÉ CIVILE AUX DIRIGEANTS D'ASSOCIATION.*

Crédit Mutuel
Alliance Fédérale

3

ÊTRE ENTREPRISE À MISSION, C'EST AGIR CONCRÈTEMENT POUR VOUS.

Crédit Mutuel
Alliance Fédérale

4

¹ Commitment # 1: The climate is everyone's business. We are ceasing the financing of new oil and gas projects now. See terms and conditions in French.

² Commitment # 2: Health should not be a barrier to home ownership. We provide our loyal customers with home loan insurance without any medical formalities.* See terms and conditions in French.

³ Commitment # 3: Those who commit themselves must be protected. We offer civil liability cover to association managers.* See terms and conditions in French.

⁴ Being a benefit corporation, means taking concrete action for you. See terms and conditions in French.

In October 2021, it made the unprecedented choice to stop financing any new oil and gas projects that could lead to increased carbon emissions.

As a bank without shareholders, Crédit Mutuel is pursuing its policy of appropriating profits to equity capital in order to increase financing for the economy and support for customers. In respect of 2021, as in previous years, 98% of the profit will go to strengthening our capacity for investment and long-term financing of the economy, our members and society.

As a socially responsible bank, Crédit Mutuel Alliance Fédérale contributes to the democratic debate through a partnership with the Economic Analysis Council (CAE), which has helped to inform public opinion about the impoverishment of part of the population as a result of the 2020 economic recession. Crédit Mutuel Alliance Fédérale is also a partner of the University of Strasbourg's chairs.

In addition, Crédit Mutuel Alliance Fédérale makes a significant contribution to the public purse. In 2021, it will contribute €1.7 billion in corporate income tax, one of the largest contributions to this tax among French companies. According to the latest data from Moody's Credit View, its tax rate has been 10 percentage points above the average for French banks over the past five years (2015-2019). In 2019, Crédit Mutuel Alliance Fédérale's tax expense represented 32%, compared with an average of 21% for the four major French banks.

Lastly, these results give Crédit Mutuel Alliance Fédérale the means to continue its technological development: today, the heavy investments made in artificial intelligence, visual and voice recognition, secure data processing, dedicated cloud, new mainframe computers and data centers enable the group to accelerate its sales and development, and improve working conditions and customer relations. In 2021, the mutual bank will be closer to its customers than ever before, even remotely. By the end of 2022, it is also committed to investing its productivity gains from artificial intelligence in employment and development.

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1. Consolidated results

1.1. Financial results

(in € millions)	2021	2020	Change at constant scope ⁽³⁾	2019	Change 2021/2019 at constant scope
Net banking income	15,923	14,238	+12.8%	14,569	+8.7%
General operating expenses including contributions to the Single Resolution Fund (SRF), supervisory costs and the FGD ⁽¹⁾	(9,136)	(8,867)	+3.6%	(8,942)	+1.7%
	(314)	(270)	+16.3%	(212)	+47.2%
Gross operating income	6,787	5,371	+28.1%	5,627	+20.0%
Cost of risk	(699)	(2,377)	-70.5%	(1,061)	-34.3%
cost of proven risk	(585)	(1,023)	-42.5%	(945)	-38.2%
cost of non-proven risk	(114)	(1,354)	-91.6%	(116)	-2.7%
Operating profit	6,088	2,994	x 2	4,566	+32.6%
Net gains/(losses) on other assets and ECC ⁽²⁾	(866)	570	n.s.	86	n.s.
Profit before tax	5,222	3,563	+49.4%	4,652	+11.5%
Income tax	(1,703)	(968)	+78.1%	(1,507)	+12.5%
Net gains/losses on discontinued operations	9	-	n.s.	-	n.s.
Net profit	3,527	2,595	+39.0%	3,145	+11.2%
Non-controlling interests	284	306	-7.1%	313	-9.3%
Net profit attributable to the group	3,243	2,289	+45.3%	2,832	+13.5%

⁽¹⁾ French Deposit Guarantee Fund.

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

⁽³⁾ Neutralization of the inclusion in the scope of Protection 24 in 2021 and the removal of Euro-Information Telecom at end-2020.

Net banking income

In 2021, Crédit Mutuel Alliance Fédérale's net banking income (NBI) came out at €15.9 billion, representing a sharp increase of 12.8% on 2020, driven just as much by strong activity in the banking networks (+4.4%) and insurance business (+31.4%) as by strong growth in the specialized business lines (+32.1%).

Net banking income was approximately 9% higher than its pre-crisis level (€14.6 billion in 2019).

Net banking income of the operating activities (excluding holding companies)

(in € millions)	2021	2020	Change at constant scope *	2019	Change 2021/2019 at constant scope
Retail banking	11,014	10,543	+4.5%	10,537	+3.4%
<i>of which banking networks</i>	8,965	8,585	+4.4%	8,631	+2.5%
Insurance	1,915	1,457	+31.4%	1,778	+7.7%
Specialized business lines	2,004	1,517	+32.1%	1,557	+26.2%
Private banking	677	626	+8.2%	572	+18.5%
Corporate banking	430	381	+12.8%	383	+12.3%
Capital markets	379	319	+18.8%	337	+12.3%
Private equity	518	190	x 2.7	265	+80.8%
Media	265	246	+7.6%	274	-3.1%
IT & logistics	1,584	1,565	+9.7%	1,533	+8.3%

* Neutralization of the inclusion in the scope of Protection 24 in 2021 and the removal of Euro-Information Telecom at end-2020.

Net banking income from **retail banking** activity came to €11 billion, representing 66% of the group's income from operating activities. It rose by 4.5% in 2021 due to strong activity in the banking networks, with an increase of nearly 6% in fee income and a stable interest margin.

After the introduction of substantial measures in 2020 such as the mutualist support payment (*prime de relance mutualiste*), the **insurance** business registered a strong 31.4% increase in net income, driven by dynamic activity and strong financial markets.

Total income from the **retail banking and insurance business** came to €12.9 billion (77% of income from operating activities), up 7.7% year-on-year.

Driven by strong inflows in a context of high valuations, net banking income from the **private banking** activity grew by 8.2% to €677 million.

Net banking income from the **corporate banking** activity rose by a sharp 12.8% to €430 million, thanks to a recovery in the structured financing activity and in support services for large corporates.

Both segments of the **capital markets** activity (investment and commercial) performed well in a strong market environment, particularly in the first half of the year, with net banking income for the full year up by nearly 19% to €379 million.

The **private equity** business benefited from a high-quality portfolio, an effective investment policy and the sharp rebound in economic activity, with net banking income of €518 million versus €190 million in 2020.

General operating expenses and gross operating income

General operating expenses rose by 3.6%, in line with the pay review measures (exceptional purchasing power bonus) and support growth, the ongoing investment in the group's digital transformation and the rise in advertising investment in relation to 2020.

They were impacted by the steady rise in contributions to the Single Resolution Fund (+16.9% to €231 million) and to the French Deposit Guarantee Fund (+48.9% to €48 million). Excluding the contributions to the Single Resolution Fund, supervisory expenses and the French Deposit Guarantee Fund, general operating expenses rose by just 3.2%.

The cost/income ratio came to 57.4%, ahead of the group's target of 61% under the strategic plan.

Gross operating income rose by 28.1% year-on-year to €6,787 million.

Cost of risk and operating income

Cost of risk fell substantially to €699 million versus €2.4 billion in 2020:

- The cost of proven risk was €585 million, a decrease of €438 million; the provision allocations for the year partly reflect the effects of the measures to help economic agents deal with the health crisis (sharp fall in bankruptcies recorded in France in relation to 2019);
- The cost of non-proven risk was €114 million versus €1.4 billion in 2020, which had seen an increase in provisions to take account of a future deterioration in risk due to the health crisis. In 2021, the scenario assumptions under IFRS9 were unchanged in relation to 2020 and sector provisions, which were set out in 2020, remained at a high level.

The ratio of non-performing loans decreased year-on-year to 2.6% at the end of 2021 versus 2.9% at the end of 2020, while the coverage ratio stood at 50.8%, partly linked to the impact of government-backed loans.

Expressed as a percentage of total loans outstanding, the cost of risk on customer loans was 15 basis points at the end of 2021, compared with 47 at the end of 2020 and 27 at the end of 2019.

Outstandings in € millions	12/31/2021	12/31/2020	12/31/2019
Customer loans (net balance sheet outstandings)	444,825	419,413	384,535
Gross loans	454,020	429,024	392,979
Gross non-performing loans	11,723	12,497	12,079
Provisions for loan losses	9,195	9,611	8,444
<i>including provisions for losses on non-performing loans (Stage 3)</i>	5,949	6,509	6,471
<i>including provisions for losses on performing loans (Stages 1 & 2)</i>	3,246	3,102	1,973
Non-performing loans as a % of gross loans	2.6%	2.9%	3.1%

Operating income doubled to €6.1 billion.

Other items

The item "Net gains/(losses) on other assets and ECC" showed a net expense of €866 million in 2021 compared with a net gain of €570 million in 2020.

In 2021, impairment was recorded on goodwill relating to TARGOBANK Deutschland in view of the downward revision to its earnings outlook. The net impact on the 2021 financial statements is €775 million.

In 2020, this item recorded the capital gain on the sale of the mobile telephony subsidiary Euro-Information Telecom.

Profit before tax

Profit before tax amounted to €5.2 billion, an increase of 49.4% in relation to 2020.

Net profit

Net profit reached a strong €3.5 billion, a sharp increase of 39% on 2020.

After the deduction of non-controlling interests (€284 million, mainly relating to Groupe des Assurances du Crédit Mutuel), net profit attributable to the group came to €3.2 billion (+45.3%).

This good performance is in line with the objectives of the 2019-2023 strategic plan.

1.2. Financial structure

Liquidity and refinancing¹

Crédit Mutuel Alliance Fédérale's central treasury management is based on prudent rules and an effective system for accessing market funding.

Crédit Mutuel Alliance Fédérale has a variety of issuance programs that allow it to access investors in the main international markets via public and private issues. In addition to these arrangements, the group holds a comfortable cash reserve designed both to comply with regulatory ratios and to enable it to withstand severe stresses.

In 2021, the bond markets proved resilient despite some interest rate volatility and offered issuers good refinancing terms.

Aside from a short period of contraction in mid-March, before large-scale support measures were brought in by governments and central banks, the market was largely favorable to issuers with access to liquidity available on very attractive terms.

BFCM was able to profit from this positive environment via all of its issue programs. In total, external funding obtained in the markets came to €144.7 billion at end-December 2021, a decrease of 1.5% compared with 2020.

The average LCR in 2021 was 181.3% (vs. 165.2% in 2020).

The liquidity reserve (€190.6 billion) covers the vast majority of market funding due over 12 months.

Solvency and capital management

At December 31, 2021, Crédit Mutuel Alliance Fédérale's shareholders' equity stood at €53.2 billion compared with €49.6 billion at the end of 2020, an increase of €3.6 billion thanks to retained earnings.

At the end of December 2021, Crédit Mutuel Alliance Fédérale had a very robust level of solvency with a Common Equity Tier 1 (CET1) ratio of 18.8%,² a year-on-year increase of 100 basis points. The Tier 1 ratio at the end of December 2020 was 18.8%² and the overall solvency ratio was 21.7%.²

CET1 capital was €46 billion, having risen by 10.4% due to the retention of earnings and issues of new shares.

Groupe des Assurances du Crédit Mutuel (GACM) launched its first issue of subordinated redeemable (Tier 2) bonds for a total of €750 million, placed among European, Asian and US institutional investors.

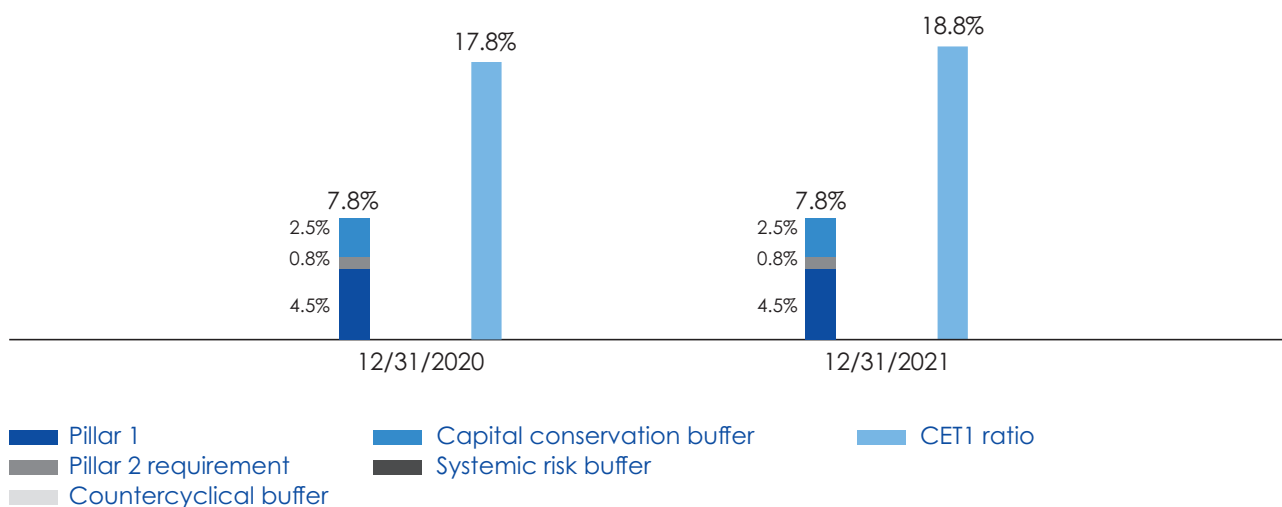
The group's risk-weighted assets (RWA) stood at €245.1 billion at December 31, 2021 (compared with €233.8 billion at end-December 2020, up +4.8%). At €220.7 billion, credit risk-weighted assets represented 90% of the total.

The fact that almost all of its earnings are taken to reserves further strengthens the CET1 ratio in terms of meeting the regulatory requirements set by the European banking supervisory authorities.

¹ For more details, see the additional information in point 8.1 of this press release.

² Excluding transitional measures.

Regulatory requirements* and CET1



* Excluding Pillar 2 guidance (P2G).

The leverage ratio without transitional measures was 7.6% at December 31, 2021 (6.9% at end-December 2020) after the exclusion of central bank exposures as permitted by the ECB at the end of 2020.

The return on risk-weighted assets (RoRWA) stood at 1.47% at the end of December 2021 compared with a pre-crisis level of 1.43% at December 31, 2019.

1.3. Ratings

The three rating agencies that issue ratings for Crédit Mutuel Alliance Fédérale and the Crédit Mutuel group all recognize their financial stability and the validity of their business model:

	LT/ST counterparty**	ISSUER/LT preferred senior debt	Outlook	ST preferred senior debt	Stand-alone rating***	Date of last publication
Standard & Poor's¹	AA-/A-1+	A+	Stable	A-1	a	12/16/2021
Moody's²	Aa2/P-1	Aa3	Stable	P-1	a3	10/12/2021
Fitch Ratings^{3*}	AA-	AA-	Stable	F1+	a+	11/17/2021

* The Issuer Default Rating remains at A+.

** The counterparty ratings correspond to the following agency ratings: Resolution Counterparty Rating for Standard & Poor's, Counterparty Risk Rating for Moody's and Derivative Counterparty Rating for Fitch Ratings.

*** The stand-alone rating is the Stand-Alone Credit Profile (SACP) for Standard & Poor's, the Adjusted Baseline Credit Assessment (Adj. BCA) for Moody's and the Viability Rating for Fitch Ratings.

¹ Standard & Poor's: Crédit Mutuel Group rating.

² Moody's: Crédit Mutuel Alliance Fédérale/BFCM and CIC ratings.

³ Fitch Ratings: Crédit Mutuel Alliance Fédérale rating.

On June 24, 2021, Standard & Poor's (S&P) raised the ratings outlook for the Crédit Mutuel group and several other French and European banks from negative to stable, on the basis that the improvement in the economic environment had reduced the risk of a material deterioration in asset and capital quality.

On December 16, 2021, S&P raised its long-term issuer credit rating for Crédit Mutuel group from A to A+, with a stable outlook, to reflect the fact that it has a loss adjustment buffer that surpasses the level recommended by the agency under its new rating methodology. S&P also confirmed its SACP rating of "a", highlighting the recurrent nature of Crédit Mutuel group's results and the solidity of its balance sheet.

On October 28, 2021, Fitch Ratings revised up its rating outlook for Crédit Mutuel Alliance Fédérale from negative to stable given the resilience of its profitability indicators and the quality of its assets and capital structure against the backdrop of a more favorable economic environment.

As a reminder, the negative outlooks issued by Fitch and S&P in March and April 2020 were assigned following the start of the pandemic and were part of the general ratings revisions applied to European banks.

On October 12, 2021, Moody's confirmed its rating and stable outlook for Crédit Mutuel Alliance Fédérale given its resilient financial fundamentals in the context of the health crisis.

The audit of the financial statements for the year ended 12/31/2021 is being conducted by the statutory auditors.

The Board of Directors met on February 9, 2022 to approve the financial statements.

All financial communications are available at: www.bfcm.creditmutuel.fr and are published by Crédit Mutuel Alliance Fédérale in accordance with the provisions of Article L. 451-1-2 of the French Monetary and Financial Code and Articles 222-1 et seq. of the General Regulation of the French Financial Markets Authority (Autorité des marchés financiers - AMF).

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1.4. Key figures

Crédit Mutuel Alliance Fédérale

Key figures¹

(in € millions)	12/31/2021	12/31/2020	12/31/2019
Financial structure and business activity			
Balance sheet total	843,906	795,978	718,519
Shareholders' equity (including net profit for the period before dividend pay-outs)	53,211	49,576	47,146
Customer loans	444,825	419,413	384,535
Total savings	877,570	730,472	637,969
- of which customer deposits	425,197	408,901	336,806
- of which insurance savings	102,381	98,988	99,237
- of which financial savings (managed and held in custody)	349,992	222,582	201,926
Key figures			
Employees, year-end (group-controlled entities)	72,480	71,994	71,825
Number of branches	4,205	4,313	4,332
Number of customers ² (in millions)	27.9	26.7	26.3
Key ratios			
Cost/income ratio	57.4%	62.3%	61.4%
Net provisioning on customers as a percentage of gross outstanding loans	+15bp	+47bp	+27bp
Net profit / regulatory assets	1.47%	1.13%	1.39%
Loan-to-deposit ratio	104.6%	102.6%	114.2%
Leverage ratio (Delegated Regulation - excluding transitional arrangements)	7.6%	6.9%	6.4%
CET1 ratio (excluding transitional arrangements)	18.8%	17.8%	17.3%

(in € millions)	2021	2020	2019
Results			
Net banking income	15,923	14,238	14,569
General operating expenses	(9,136)	(8,867)	(8,942)
Gross operating income	6,787	5,371	5,627
Net additions to/reversals from provisions for loan losses	(699)	(2,377)	(1,061)
Operating profit	6,088	2,994	4,566
Net gains/(losses) on other assets and ECC	(866)	570	86
Profit before tax	5,222	3,563	4,652
Corporate income tax	(1,703)	(968)	(1,507)
Net gains/losses on discontinued operations	9	0	0
Net profit	3,527	2,595	3,145
Non-controlling interests	284	306	313
Net profit attributable to the group	3,243	2,289	2,832

¹ Consolidated data of the local banks of: Crédit Mutuel Centre Est Europe, Sud-Est, Ile-de-France, Savoie-Mont Blanc, Midi-Atlantique, Loire-Atlantique et Centre-Ouest, Centre, Normandie, Dauphiné-Vivarais, Méditerranéen, Anjou, Antilles-Guyane, Massif Central; of their joint federal caisse, Banque Fédérative du Crédit Mutuel (BFCM), and all its subsidiaries, including CIC, Euro-Information, Assurances du Crédit Mutuel (ACM), TARGOBANK, Cofidis Group and Banque Européenne du Crédit Mutuel.

² Including Cofidis customers.

1.5. Structure of the business lines



¹ Excluding Group holding companies.

2. Retail banking and consumer credit in France and Europe

(in € millions)	2021	2020	Change
Net banking income	11,014	10,543	+4.5%
General operating expenses	(6,806)	(6,487)	+4.9%
Gross operating income	4,208	4 056	+3.7%
Cost of risk	(705)	(2,070)	-66.0%
<i>cost of proven risk</i>	(565)	(907)	-37.7%
<i>cost of non-proven risk</i>	(140)	(1,163)	-88.0%
Operating profit	3,503	1,986	+76.4%
Net gains/(losses) on other assets and ECC ¹	(5)	(2)	x 2.7
Profit before tax	3,498	1,984	+76.3%
Income tax	(1,089)	(718)	+51.6%
Net gains/losses on discontinued operations	9		n.s.
Net profit	2,418	1,266	+91.1%

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

This business line encompasses the 13 Crédit Mutuel federations of local cooperative banks, the CIC network, Banque Européenne du Crédit Mutuel (BECM), TARGOBANK in Germany and Spain, Cofidis Group and all the specialized businesses whose products are marketed by the branch networks: equipment leasing and leasing with purchase option, real estate leasing, factoring, asset management, employee savings and real estate sales and management.

2.1 Banking networks

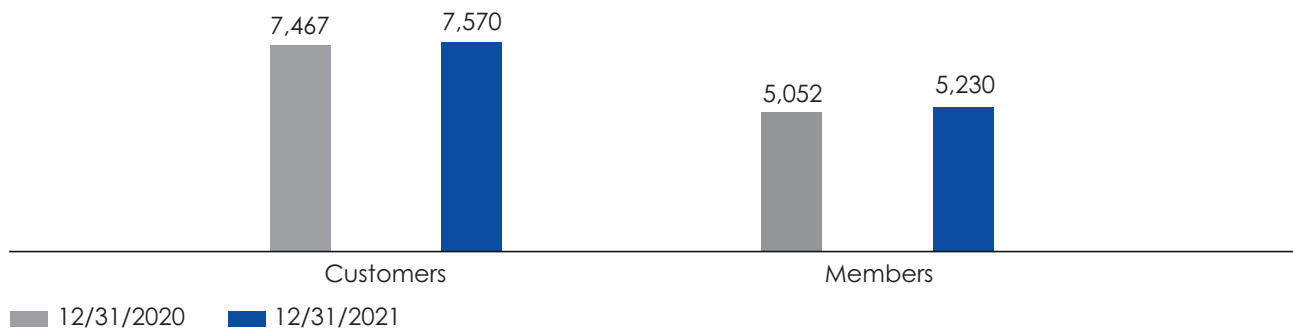
2.1.1 Crédit Mutuel banking and insurance network and BECM

2.1.1.1 Crédit Mutuel banking and insurance network

At the end of December 2021, the Crédit Mutuel banking and insurance network had 7.6 million customers. This represents an increase of 1.4% or 103,000 more customers in relation to 2020. The share of retail customers (86% of the total) grew by 0.9% while that of professional and business customers grew more strongly, by respectively 6.4% (+35,000) and 6.2%.

Number of customers and members (in thousands)

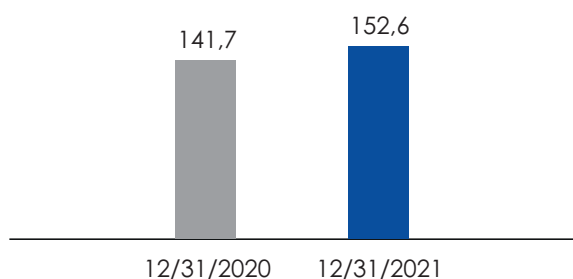
Crédit Mutuel banking and insurance network



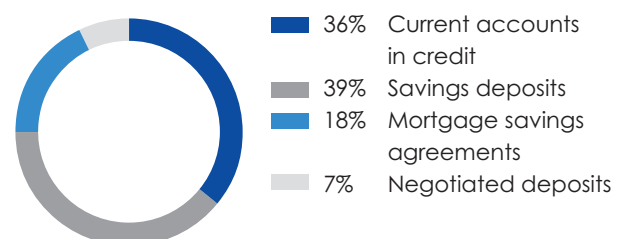
Customer deposits continued to rise significantly, up by 7.7% to €152.6 billion, after a high level of precautionary savings in 2020 linked to the start of the pandemic (+17.4%).

As in 2020, current account credit balances rose by 12.1% in a context of negative interest rates. Passbook deposits also increased sharply by 10.4% to €59.3 billion. Term deposit accounts showed an outflow of -10.9%.

Crédit Mutuel network customer deposit outstandings (in € billions)



Structure of customer deposits at Dec. 31, 2021



In the wake of the growth in available deposits, investment savings also grew significantly, by 9.0% to €9.1 billion; life insurance savings rose more rapidly than in 2020 at +4.8%, thanks in particular to special management offers (unit-linked policies involving a "responsible" fund offer, guided management) that create value for customers.

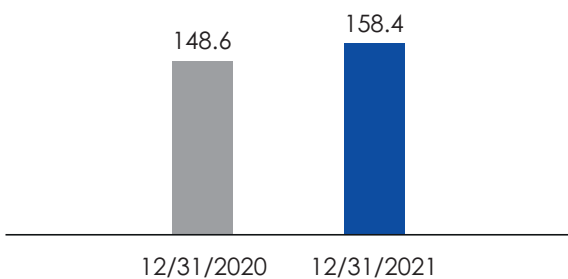
Overall, savings deposited by customers of the Crédit Mutuel branch network rose by 7.1% to almost €205 billion.

At the end of 2021, outstanding loans stood at €158.4 billion, an increase of 6.6% year-on-year. In 2020, the sharp increase in outstandings of 10.5% had been driven by short-term credit facilities as part of the unblocking of guaranteed loans to businesses and by the inclusion in the scope of two new federations.

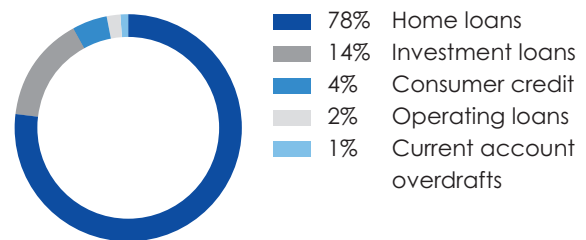
In 2021, lending was underpinned by home loans, with growth in outstandings of 8.3%.

Investment loan outstandings increased by 2.0% to €22.2 billion while consumer credit outstandings stayed at €7 billion.

Crédit Mutuel network
outstanding customer loans
(in € billions)



Structure of customer loans
at Dec. 31, 2021



The multiservice strategy is reflected in the rising levels of products sold to customers:

- property and health & provident insurance policies (excluding life assurance) reached €11 million, a year-on-year increase of 2.7%;
- the number of mobile phone subscriptions rose by 1.0% to 855,000;
- the number of remote home surveillance contracts grew by 3.0% to pass the 178,000 mark.

The Crédit Mutuel banking and insurance network generated net banking income of €3.3 billion in 2021, an increase of 4.2%. Fee income rose by a total of 7.0% (+10.9% for loans and +4.1% for insurance), in line with the increase in activity, particularly in loans and insurance. Thanks to growth in loan volumes, the interest margin stayed at the same level.

General operating expenses rose by 4.6% to €2.3 billion. Employee benefit expenses rose in line with the wage measures introduced to help stabilize the workforce. The work carried out on upgrading IT equipment and making it available as well as on communications also impacted general operating expenses.

The sharp fall in the cost of risk (€52 million in 2021 versus €279 million in 2020) was a key factor in the improvement in profit:

- the cost of proven risk decreased by €24 million to -€28 million and provision allowances for the year fell sharply, reflecting a high-quality portfolio and the support measures introduced to help economic agents deal with the health crisis;
- the cost of non-proven risk decreased by €202 million to -€24 million, versus -€227 million in 2020, which saw an exceptional level of provisions due to the prospect of a deterioration in risks as a result of the health crisis.

Net profit came to €664 million in 2021, up 35.0% on 2020 (€492 million) and up 30.5% versus the pre-crisis level (€509 million in 2019).

2.1.1.2 Banque Européenne du Crédit Mutuel (BECM)

BECM is the Crédit Mutuel Alliance Fédérale subsidiary that serves regional economies and the market for business and real estate companies. BECM meets the needs of more than 20,000 customers by offering the services of its employees and of the Crédit Mutuel Alliance Fédérale business line centers. The commercial network is made up of 55 branches, 45 of which in France and 10 in Germany. It is organized by market, with 38 branches dedicated to businesses, 15 branches dedicated to real estate professionals and two branches focused on retail customers and managed on a run-off basis.

The BECM network underwent the following developments in 2021:

- drawing on the successful cooperation with Crédit Mutuel Antilles-Guyane, two branches, one in Martinique and one in Guadeloupe, were opened in January,
- in Germany, two new branches were created, one in Essen in June 2021 and one in Berlin in September 2021,
- BECM Monaco was integrated into CIC Lyonnaise de Banque in October 2021 to consolidate coverage of retail customers in the Principality.

In 2021, new investment loans to businesses amounted to €2 billion and loans to real estate companies and real estate investors came to €1.6 billion. Short-term loan agreements with real estate professionals reached €1.5 billion.

Measured in monthly average capital, customer loans remained stable (+0.4%) at €18 billion in 2021. As a result of the implementation of a rebalancing plan, funding fell by 9.8% to €17.8 billion.

Net banking income¹ rose by 14.0% to €342.9 million and, after the sharp fall in the cost of risk, net profit¹ reached €167.4 million, 33% higher than its pre-crisis level (€112.5 million in 2019).

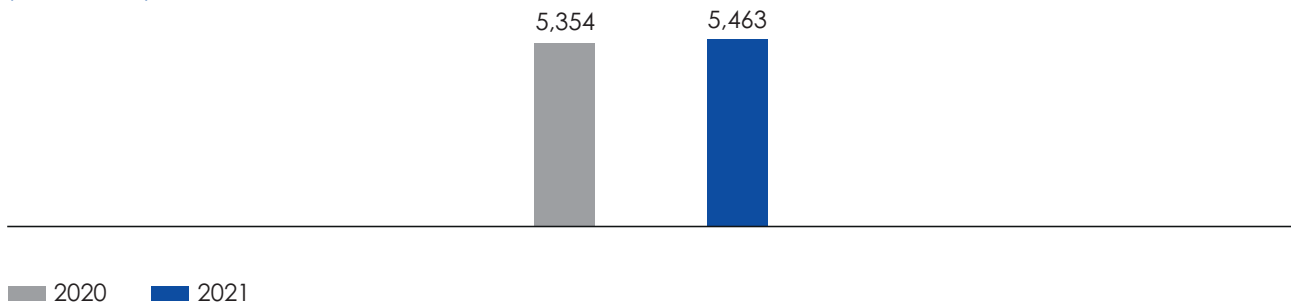
2.1.2. CIC banking and insurance network

The branch network had 5.5 million customers at end-December 2021, up by 2.1% year-on-year, corresponding to nearly 110,000 additional customers. In the business and professional market (nearly one million customers), the number of customers rose by 4.2%, while the number of retail customers (79% of the total) rose by 1.5%.

¹ Excluding BECM Monaco.

Number of customers
(in thousands)

CIC banking network

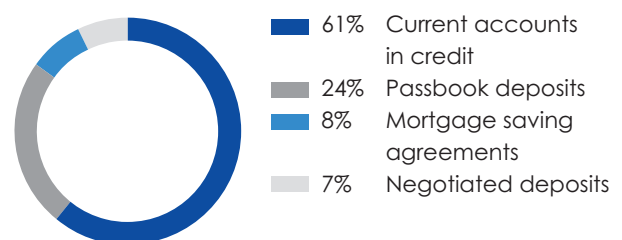
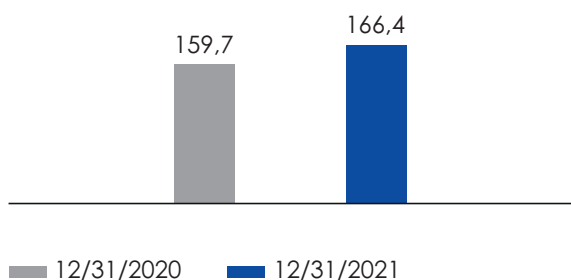


Customer deposits came to €166.4 billion at the end of 2021, a rise of 4.2%. This increase should be seen in light of an exceptional year for deposit inflows in 2020, which rose by €31.4 billion due to a higher level of disposable income among households as a result of state aid and the fact that spending was limited by the lockdowns.

2021 saw further strong growth in deposits in current accounts (+10.9%) and savings or passbook accounts (+10.5%), while there was a net outflow of term deposits (-37.5%).

CIC network
customer deposits
(in € billions)

Structure of customer deposits
at Dec. 31, 2021

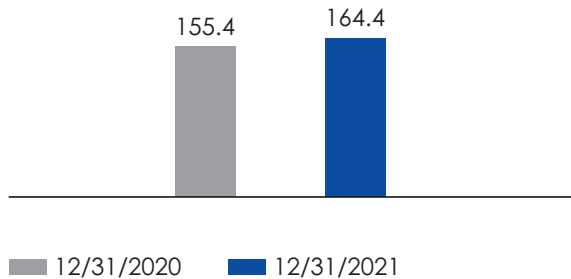


At the end of 2021, outstanding loans stood at €164.4 billion, an increase of 5.8% year-on-year. In 2020, the strong 14.6% increase in outstanding loans was driven by short-term credit facilities, which tripled following the release of government-backed loans to businesses.

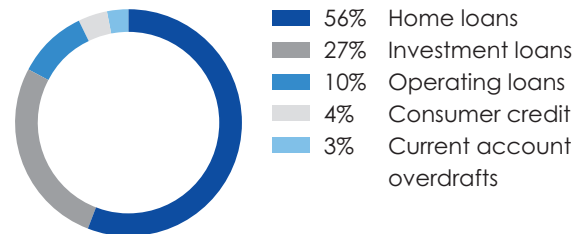
In 2021, activity was strong in all of the main loan categories:

- home loans rose by +9.4% to €91.4 billion;
- investment loan outstandings were up +5.3% to €45.1 billion, reflecting the recovery in activity and the higher level of customer support. The amount of loans released was also high at €12.7 billion (+22.8%);
- consumer credit outstandings rose by +2.2% to €6 billion (versus +0.6% in 2020).

CIC network
outstanding customer loans
(in € billions)



Structure of customer loans
at Dec. 31, 2021



The multi-service strategy led to an increase in products sold to our customers:

- property and health & provident insurance policies (excluding life assurance) reached €6.1 million, a year-on-year increase of 4.5%;
- the number of mobile phone subscriptions rose by 2.6% to 572,900;
- the number of remote home surveillance subscriptions was up by 4.1 % to 114,500.

The CIC banking network made net banking income of €3.7 billion in 2021, an increase of 7.2%. This was driven as much by fee income as by interest margin in a context of growth in lending volumes.

General operating expenses rose by 4.1% to €2.2 billion. Employee benefit expenses rose in line with the wage measures introduced in a context of a fall in employee numbers. The work carried out on upgrading IT equipment and making it available as well as on communications also impacted general operating expenses.

The cost/income ratio improved by 1.8 percentage points to 61.0% and gross operating income rose by 12.4% to €1.4 billion.

The sharp fall in the cost of risk (€65 million in 2021 versus €758 million in 2020) was a key factor in the improvement in profit:

- the cost of proven risk decreased by €110 million and provision allowances for the year fell sharply, reflecting a high-quality portfolio and the support measures introduced to help economic agents deal with the health crisis;
- the cost of non-proven risk decreased sharply by €3 million versus -€580 million in 2020, a year that saw an exceptional level of provisions for non-proven risk due to the prospect of a deterioration in risks as a result of the health crisis.

Net profit came to €956 million in 2021, up by a factor of 3.3 on 2020 (€286 million) and up 25% versus the pre-crisis level (€766 million in 2019).

2.1.3. European banking network

2.1.3.1 TARGOBANK Germany

With branches in more than 250 cities in Germany, TARGOBANK meets the needs of 3.6 million retail customers and businesses by offering banking, consumer credit, insurance, factoring and leasing solutions.

The share of direct repayment loans reached €5 billion in 2021, down slightly on 2020. The business banking activity showed a clear recovery, with growth in factoring and leasing. Outstanding loans grew by 7% to €22.2 billion. Customer deposits totaled €23.7 billion, up by 11% on 2020.

TARGOBANK launched a vehicle leasing offer as part of a pilot project. It plans to roll this offer out nationwide in 2022.

As part of its CSR approach, during the credit approval process of the factoring and leasing activities, TARGOBANK applied Crédit Mutuel Alliance Fédérale's sector-based carbon reduction policies by excluding certain assets and business sectors from its financing activity.

The contribution to profit before tax from the banking network was €480 million, up 11.9% after a slight fall in net banking income and a substantial fall in cost of risk linked to the improvement in the quality of the portfolio.

2.1.3.2 TARGOBANK Spain

In 2021, TARGOBANK Spain gained 37,000 new customers and registered an increase of more than 40% in new home loans and investment loans (€412 million and €365 million granted respectively). Gross outstanding customer loans grew by 15% to €2.9 billion. Deposits grew by more than 10% to €2.2 billion.

The commercial results achieved in 2021 can be attributed to the rollout of an omnichannel banking and insurance model offering an enhanced customer experience. The physical sales network was also reconfigured with 23 branches reorganized into multiservice banking and insurance branches as part of a new corporate image.

These transformations produced results, with net banking income increasing by 13.1% compared with 2020. Cost of risk improved sharply (divided by three) thanks to a pruning of the bank portfolio which led to a significant improvement in profit.

2.2. Consumer credit: Cofidis Group

Cofidis Group operates via three commercial brands, Cofidis, Créatis and Monabanq, and is active in nine European countries: France, Belgium, Spain, Italy, Portugal, Czech Republic, Hungary, Slovakia and Poland. Cofidis Group employs nearly 5,500 people.

Despite the health crisis, Cofidis Group saw continued growth in 2020 and 2021, with a 13% increase in financing (including payment facilities) in 2021 compared with 2019. This growth can be attributed to the diversification of its products and acquisition channels in recent years, in particular the development of personal loan and debt repurchase products, and the growth in retail, e-commerce and auto partner activities. Growth continued to accelerate in Italy and the four Central European countries.

Profit before tax increased by €23 million (+11.3%) compared with 2020. These good results can be attributed to business growth, cost control and very cost of risk, with new unpaid balances showing a decrease and good performances in the collection of unpaid and non-performing loans. Net profit reached €152 million (+12.2%).

2021 confirmed the success of Cofidis Group's strategy as set out in the objectives of the Experience First project.

The various awards received by the subsidiaries reflect ongoing investment in the quality of the customer relationship, which is a major area of differentiation for Cofidis Group.

Cofidis Group continued to invest in its different channels to simplify and speed up the customer and partner experience and make them more fluid, in particular by overhauling its mobile applications, dematerializing document exchanges with customers, introducing electronic signature and optimizing acceptance procedures.

It also continued its work in favor of diversity, inclusion and sustainable development. Some 300 young people obtained a permanent, fixed-term or work-study position at the Villeneuve d'Ascq campus as part of the "1 jeune = 1 solution" initiative. It also decided as part of its cycling sponsorship activities to create a women's team in 2011 alongside its men's and parasport's teams. In the context of the #LikeMyPlanet program launched in September 2020, it engaged in various sustainable development initiatives, such as Cofidis Portugal's new environmentally-friendly premises, the green offer by Monabanq, clean-up week, and support for the Good Planet association.

2.3. Business line subsidiaries

These comprise the specialized subsidiaries that market their products through their own channels and/or through Crédit Mutuel Alliance Fédérale's local mutual banks and branches: factoring and receivables management, leasing, fund management and employee savings and real estate.

2.3.1. Factoring and receivables management in France

Crédit Mutuel Alliance Fédérale's factoring division comprises Crédit Mutuel Factoring, the core business that markets solutions through the Crédit Mutuel and CIC networks (under CIC Factoring Solutions), and Factofrance. It takes both a direct sales approach to businesses and uses a network of providers such as credit insurance brokers, financial advisers and chartered accountants. Thanks to the complementary nature of its distribution channels and its diverse range of financing offers for the operating cycle, such as traditional factoring or reverse factoring and receivables management (Daily transactions), the subsidiary covers the entire receivables financing market and has obtained a market share of 23%.

After a decline in its activity in 2020 due to the health crisis, it reached a record volume of purchased receivables in 2021 of €84.1 billion (+11.6%) for more than 11,000 customers. International business represents around 30% of its total revenue. The factoring subsidiary continued to assert its commitment to microenterprises and SMEs through its partnerships with Banque de France and chartered accountants, and to simplify its offers and services.

Its net banking income grew by 10.3% year-on-year to €222 million while general operating expenses rose by 6.5%, impacted in particular by investments in IT and the weight of regulatory taxes. Cost of risk was well managed and its overall contribution to net profit came to €45 million, representing a sharp increase of +79.1%.

2.3.2. Equipment and real estate leasing

Crédit Mutuel Leasing and CCLS (Leasing Solutions)

Crédit Mutuel Leasing and CCLS form Crédit Mutuel Alliance Fédérale's leasing arm. With market share in France of nearly 13%, the Group is a major player in equipment financing.

In 2021, the leasing activity saw overall growth of 16%, with revenue of €5.4 billion.

Crédit Mutuel Leasing's growth was driven by the leasing of vehicles to retail and business customers. Marketed by the CIC and Crédit Mutuel networks, these offers constitute one of the main levers of the company's development. Several initiatives were launched in 2021 as part of the "Eco-mobility" solution to highlight the advantages of hybrid and electric vehicles and increase customer awareness of changes in mobility policies. The financing of agricultural equipment also recovered strongly, the offer having been fully dematerialized in 2021.

CCLS registered production of nearly €1.1 billion, surpassing its pre-crisis level. While it enjoyed strong business activity, the company also succeeded in finalizing a major project to overhaul its organization and bring the decision-making process as close as possible to the customer, thus improving service quality and proximity. It now allocates dedicated staff to the management of strong customer relations in order to speed up the capture of new business.

The business line saw a strong recovery, with outstandings increasing by 3% to €12.3 billion.

Its contribution to net banking income (after payment of commissions to the group networks) rose by more than 8% to €178 million. Net profit reached €44 million.

Crédit Mutuel Real Estate Lease

Crédit Mutuel Real Estate Lease is a major player in the French real estate leasing market. It meets the real estate investment needs of businesses, professionals, social economy players and institutions, and customers of Crédit Mutuel Alliance Fédérale. It offers tailored financing for the acquisition or construction of business premises: commercial, logistics and industrial premises, health care institutions, offices and hotels. Its products are distributed by the Crédit Mutuel banks under the Crédit Mutuel Real Estate Lease brand and by the CIC branches under the CIC Real Estate Lease brand.

In 2021, Crédit Mutuel Real Estate Lease was again one of the leading players in France's real estate leasing market, with financing of more than one billion euros, its highest level ever.

Its outstandings have risen to almost €6 billion.

2.3.3. Asset management

Crédit Mutuel Investment Managers

Established in early 2020, Crédit Mutuel Investment Managers is Crédit Mutuel Alliance Fédérale's asset management business center. It brings together the sales teams of all of Crédit Mutuel Alliance Fédérale's asset management entities and markets all of the investment solutions offered by these entities. These entities preserve their management autonomy and independence.

Crédit Mutuel Investment Managers aims to promote the investment solutions of seven Crédit Mutuel Alliance Fédérale management structures as part of a "multi-entity" model. The partner entities of this skill center are: Crédit Mutuel Asset Management, Banque de Luxembourg Investments (BLI), CIC for issues of structured products by CIC Market Solutions, Cigogne Management, Crédit Mutuel Capital Privé, CIC Private Debt and Dubly Transatlantique Gestion. These entities had managed assets of €124 billion at December 31, 2021.

2021 featured a net inflow of €3.2 billion into funds other than European money market funds, and a net outflow from money market funds of €1.1 billion, placing Crédit Mutuel Investment Managers as one of the leaders on the French market.

Crédit Mutuel Asset Management

At the end of 2021, Crédit Mutuel Asset Management had assets under management of more than €74 billion, up 6% from December 31, 2020. During 2021, it registered net inflows, excluding money market funds, of €1,481 million, of which €765 million relating to equity funds, €674 million relating to diversified funds and €597 relating to bond funds.

Net banking income rose significantly to €134 million after €71 million in 2020. During 2021, it recorded €45.6 million in exceptional performance fees on money market funds in the context of the incorporation by the AMF of the ESMA guidelines in position DOC-2021-21.

General operating expenses rose by 14.4% versus 2020, due mainly to employee benefit expenses and IT expenses (costs relating to financial and extra-financial data in particular).

Net profit therefore rose sharply to €44.2 million at the end of 2021.

Crédit Mutuel Épargne Salariale

Crédit Mutuel Épargne Salariale is Crédit Mutuel Alliance Fédérale and CIC's specialized business center for the management and custody account keeping of employee savings accounts. Service-oriented and innovative, it offers tailored solutions to professionals and companies.

It manages 1.38 million employee savings accounts (+1.1%) for nearly 65,000 companies, representing total assets under management of €11.1 billion (+8.9%).

Crédit Mutuel Épargne Salariale recorded an excellent business performance in 2021. Payments by new customers and inflows from existing customers increased significantly, reaching new record highs. After an excellent year in 2020, the growth trend continued in 2021 with inflows increasing by 5.6% to a record €1.5 billion.

2.3.4. Real estate

Crédit Mutuel Immobilier and its eight subsidiaries form Crédit Mutuel Alliance Fédérale's specialized real estate division. Together they manage all of the French-based real estate activities and had 359 employees at December 31, 2021.

Despite the lockdowns and curfews, in 2021, Afedim recorded production levels close to its pre-crisis level, with an increase in reservations of 29%, an increase in invoiced sales of 3% and further growth in its portfolio of ZENINVEST mandates to more than 26,000 dwellings under management, representing growth of 8%.

3. Insurance

(in € millions)	2021	2020	Change
Net insurance income	1,915	1,457	+31.4%
General operating expenses	(670)	(629)	+6.5%
Gross operating income	1,245	829	+50.2%
Net gains/(losses) on other assets and ECC ¹	(2)	1	n.s.
Profit before tax	1,243	829	+49.9%
Income tax	(358)	(286)	+25.3%
Net profit	884	543	+62.8%

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

Groupe des Assurances du Crédit Mutuel (GACM) celebrated its 50th anniversary in 2021, which was also the anniversary of the invention of the bankinsurance model. Indeed, since its inception, the insurance business line has been fully integrated into Crédit Mutuel Alliance Fédérale in terms of both sales and technology.

After a year marked by the Covid-19 pandemic and lockdown measures in 2020, business at the distribution networks revived in 2021 with sales momentum returning to pre-crisis levels. Sales of insurance policies rose by 9.3% versus 2020 and the GACM portfolio grew by 2.8% to 35.6 million policies at the end of 2021. At €12.1 billion, insurance revenue returned to its 2019 level, representing an increase of 17.9% on 2020.

This increase was mainly driven by growth of 34.1% in gross premium income from life insurance policies to €6.2 billion. In 2020, the lockdowns and the volatility of the equity markets had led to a sharp fall in gross premium income (-30.0%). Premium income from unit-linked policies has grown by nearly 80% in two years, and the latter's share in total premium income almost doubled in 2021, to 42.9% compared with 22.5% in 2019. GACM also increased the return on Euro funds by 0.10% in 2021, having been one of very few players to maintain the returns to policyholders in 2020.

Premium income from non-life insurance amounted to €5.9 billion in 2021, up 4.5% on 2020. Property insurance saw further strong growth of 4.9%. In France, the auto and home insurance divisions continued to outperform the market with growth of 5.0% and 6.3% respectively. Premium income from business multi-risk insurance was up by 21.2%, thanks to the success of the new Multi Pro offering introduced in September 2020. Premium income from personal insurance (provident, borrower and health) rose by 4.4%, driven by growth across all divisions.

Premium income at the international subsidiaries reached €536 million, representing 4.4% of the total. The largest market was Spain with €395 million, followed by Belgium at €137 million.

Insurance commissions paid to the networks rose by 4.3%, underpinned by the growth in premium income. They came to €1.7 billion, of which €1.4 billion was paid to Crédit Mutuel Alliance Fédérale.

Concerning the claims ratio, generally speaking all of the portfolios saw a return to their pre-crisis levels. In health insurance, there was nevertheless a noticeable rise in the cost of care, due to the postponement of procedures in 2020 and full implementation of the "100% Santé" reform as from January 1, 2021. By contrast, the claims expense in multi-risk professional insurance fell sharply, after rising to €179 million in 2020 on foot of payment of the extra-contractual exceptional solidarity bonus (*prime de relance mutualiste*) which was introduced to help professional and business policy holders.

At €884 million, GACM's contribution to net profit/(loss) was comparable to that of 2019 (€873 million), up sharply on 2020 (€543 million). It was also bolstered by the economic recovery, the financial market rally and the rise in interest rates.

To optimize its equity, on October 21, 2020, GACM launched its first issue of subordinated (Tier 2) bonds for a total of €750 million on the unregulated Euronext Growth market. The bonds have a maturity of 20.5 years, with the option of early redemption between 10 and 10.5 years. They were given a Baa1 rating by Moody's. At December 31, 2021, GACM had a solid balance sheet, with equity under IFRS of €11.1 billion.

In 2021, GACM continued to implement Crédit Mutuel Alliance Fédérale's strategic plan. New offers were rolled out in provident plans for groups and associations to speed up development on the market for professionals and businesses. GACM also streamlined its distribution by making a new pre-sale system available to the networks and providing specialized teams to help sales staff market these products.

Finally, in accordance with Crédit Mutuel Alliance Fédérale's commitments as a benefit corporation, in November 2021, GACM removed the need for customers to complete a medical questionnaire when borrowing to purchase their main residence¹, applicable to loyal customers of the Crédit Mutuel and CIC networks. This measure also applies to loyal customers who already have loan insurance for their main residence, removing the additional premiums and exclusions linked to their health situation are discontinued. This new initiative, unprecedented in the market, is a further expression of our mutualist values and promotes the widest possible access to home ownership.

¹ OFFER SUBJECT TO CUMULATIVE CONDITIONS, reserved for the purchase of a main residence, for customers who have banked their main income with Crédit Mutuel for at least 7 years and are under 62 years of age, within the limit of an insured capital of €500,000 per borrower, for any first subscription to a borrower's insurance policy with ACM, or for any customer who already holds an ACM borrower's insurance policy in respect of their main residence. The conditions are set out in detail at the Crédit Mutuel local banks and CIC branches that offer these services.

4. Specialized business lines

Private banking, corporate banking, the capital markets activities and private equity round out the banking and insurance offering of Crédit Mutuel Alliance Fédérale. These four business lines account for 12% of net banking income¹ and 22% of net profit from operating activities.²

4.1. Private banking

(in € millions)	2021	2020	Change
Net banking income	677	626	+8.2%
General operating expenses	(434)	(413)	+5.1%
Gross operating income	244	213	+14.2%
Cost of risk	(8)	(32)	-73.8%
Profit before tax	236	181	+30.0%
Income tax	(46)	(39)	+16.3%
Net profit	190	142	+33.9%

The companies that make up this business line operate in France and internationally through Banque Transatlantique, Banque de Luxembourg and Banque CIC Suisse.

In 2021, the private banking business was marked by a high number of company sales, high valuations, excellent financial market gains and greater customer interest in new investment solutions.

In this context, inflows were strong, with an increase in savings of 13.5% to €154 billion at the end of 2021. Customer loans also increased by +10.3% (outstandings of €17 billion at the end of 2021).

Net banking income rose by 8.2% to €677 million. General operating expenses rose by 5.1% while cost of risk fell to -€8 million in 2021 versus -€32 million in 2020. Net profit increased by 33.8% to €190 million, surpassing its pre-crisis level of €57 million.

These figures do not include the private banking activity operated within the CIC network and the five regional banks, i.e. net banking income of €224.1 million (+20.8%) and net profit of €104.5 million (+48.0%).

¹ Excluding intra-group activities.

² Excluding holding company services.

4.2. Corporate banking

(in € millions)	2021	2020	Change
Net banking income	430	381	+12.8%
General operating expenses	(128)	(123)	+4.0%
Gross operating income	303	259	+16.9%
Cost of risk	39	(271)	n.s.
cost of proven risk	6	(93)	n.s.
cost of non-proven risk	32	(178)	n.s.
Operating profit	341	(12)	n.s.
Net gains/(losses) on other assets and ECC ¹	-	4	n.s.
Profit before tax	341	(8)	n.s.
Income tax	(77)	14	n.s.
Net profit	264	6	n.s.

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

The corporate banking business line provides services to large corporate and institutional customers, based on a comprehensive approach to their requirements, both in France and at CIC's foreign subsidiaries (London, Brussels, New York, Singapore and Hong Kong). It also supports the work of the "corporate" networks with their major customers and contributes to the development of international business and specialized financing arrangements (acquisition, asset and project financing).

Corporate banking outstandings as a whole grew by nearly 1% to €55 billion. Corporate banking loan outstandings were stable at €20.6 billion.

Net banking income increased by nearly 13% to €430 million.

General operating expenses remained under control (+4.0%), with a cost/income ratio of 30%.

Cost of risk fell sharply in relation to 2020: the cost of proven risk was a net reversal (versus a provision of €93 million in 2020) and the cost of non-proven risk was also a net reversal of €32 million after the high level of provisions booked for performing loans in 2020.

Net profit reached €264 million, double its pre-crisis level of €133 million in 2019.

The structured financing activity (acquisition, project and asset financing, and securitization) remained strong, with overall new loans of €2.9 billion and an increase in outstandings of nearly 3% to €12 billion. Net banking income continued to grow while general operating expenses remained stable and the cost of risk fell sharply, with reversals during the year.

CIC Corporate works with large listed and unlisted industrial companies, located in France and outside France, that generate revenue in excess of €500 million, supporting their development as part of a long-term relationship. 2021 saw a recovery in investment transactions and medium-term projects by clients, with a good level of new loans (excluding government-backed loans and Covid facilities) of €4.5 billion versus €2.8 billion in 2020. The cost of proven risk was closely managed and overall cost of risk fell sharply versus 2020, during which provisions were prudently made for performing loans.

The international business division helps business customers to realize their international projects. In 2021, outstandings fell slightly to €3.5 billion. In the branches, net banking income increased, particularly in New York as a result of acquisition financing and in London as a result of acquisition and corporate financing.

4.3. Capital markets

(in € millions)	2021	2020	Change
Net banking income	379	319	+18.8%
General operating expenses	(239)	(225)	+6.4%
Gross operating income	139	94	+48.3%
Cost of risk	(3)	(1)	x 2.6
Profit before tax	136	93	+46.7%
Income tax	(33)	(25)	+34.2%
Net profit	103	68	+51.3%

CIC Capital Markets encompasses the commercial capital market businesses that operate under the CIC Market Solutions brand and serve corporate customers and financial institutions, as well as the investment activities and post-market services for these businesses.

Although the health situation remained difficult, CIC Capital Markets turned in a very good performance, with net banking income of €379 million (+18.8%). It had not seen this level of activity since 2016.

CIC Market Solutions enjoyed good overall business momentum in 2021. Net banking income reached €127 million versus €95 million at the end of 2020 (+34%), after the payment of €64 million in fees to the network. This growth was mainly driven by EMTN issuance (€2.5 billion) and the Equity Capital Market and Debt Capital Market activities (more than 70 financial deals in 2021).

Investment banking (including France, the New York and Singapore branches and Cigogne Management SA) generated net banking income of €252 million in 2021, versus €223 million in 2020. Most of this performance was achieved during the first half of the year, linked to the highly accommodative policies of the various central banks.

Total net profit from the capital market activities was €103 million, an increase of 51.3%.

4.4. Private equity

(in € millions)	2021	2020	Change
Net banking income	518	190	x 2.7
General operating expenses	(77)	(65)	+18.2%
Gross operating income	442	126	x 3.5
Cost of risk	(21)	(1)	n.s.
Profit before tax	420	125	x 3.3
Income tax	(4)	3	n.s.
Net profit	416	128	x 3.2

Crédit Mutuel Alliance Fédérale provides equity finance to start-ups, SMEs and midcaps via its Crédit Mutuel Equity entity, which encompasses all of the group's equity financing businesses: innovation capital, development capital, capital transmission, as well as investment in infrastructure projects and M&A advisory services. Crédit Mutuel Equity funds development projects mainly in France through its eight offices located in the regions - Paris, Lyon, Nantes, Bordeaux, Lille, Strasbourg, Marseille and Toulouse - but also internationally through its subsidiaries in Germany Switzerland and Canada.

Crédit Mutuel Equity invests the capital of Crédit Mutuel Alliance Fédérale, working over the long term alongside management teams to help companies to grow and transform, gain experience, and hone their skills and practices.

This commitment is borne out by the fact that it has held more than one quarter of its 335 investments for more than ten years. Portfolio turnover nonetheless remains very dynamic, reflecting Crédit Mutuel Equity's strength in the market, with an average of more than one billion euros invested and divested every two years.

2021 was a good year for the private equity business given the sharp rebound in economic activity.

Investment rose to €613 million, two thirds of which in new deals.

The portfolio of investment assets surpassed €3 billion, demonstrating the strong momentum of these businesses across all segments.

Revenues, at €518 million against €190 million a year earlier, include a very high level of €408 million euros in capital gains generated. Net profit reached a record €416 million thanks to strong activity in growth and merger opportunities within the prudently valued portfolio lines, particularly in the sectors affected by the crisis. 2021 was also a record year for invoiced M&A fees.

Thanks to a comprehensive and flexible offering to support companies' development and transformation, Crédit Mutuel Equity is an atypical shareholder committed to working closely and purposefully over the long term, prioritizing societal issues and future challenges.

5. Other activities: IT, logistics and media

(in € millions)	2021	2020	Change at constant scope ²
Net banking income	1,849	1,812	+9.4%
General operating expenses	(1,672)	(1,636)	+5.3%
Gross operating income	177	176	+74.6%
Cost of risk	(0)	(4)	n.s.
Operating profit	177	172	+73.2%
Net gains/(losses) on other assets and ECC ¹	1	570	n.s.
Profit before tax	178	742	-73.9%
Income tax	(53)	(69)	-8.5%
Net profit	125	673	-80.0%

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

² Neutralization of the inclusion in the scope of Protection 24 in 2021 and the removal of Euro-Information Telecom at end-2020.

This division encompasses:

- the group's IT companies and logistics structures;
- the regional newspaper business, which comprises nine publications: *Vosges Matin*, *Le Dauphiné Libéré*, *Le Bien Public*, *L'Est Républicain*, *Les Dernières Nouvelles d'Alsace*, *L'Alsace*, *Le Progrès de Lyon*, *Le Républicain Lorrain* and *Le Journal de Saône et Loire*. These regional newspapers are distributed in 23 departments in eastern France.

Net banking income rose by 9.4%, with the largest contribution coming from Euro-Information, whose revenue increased by €165 million to €1.3 billion; the revenue of the newspaper business also rose (+€19 million) thanks to an upturn in advertising revenue.

The net profit in 2021 (€125 million) cannot be compared with that of 2020, as the latter included the capital gain on the sale of Euro-Information Telecom for €577 million after tax.

The media activity generated a small operating profit excluding additional restructuring measures. There was a slight net profit in 2021 before non-recurring items, an improvement of €25 million versus the end of December 2020. Nevertheless, given the record increase in the cost of paper and energy, the group plans to streamline its industrial facilities to preserve the business's financial balance.

6. Additional information

6.1. Liquidity and refinancing

Crédit Mutuel Alliance Fédérale's central treasury management is based on prudent rules and an effective system for accessing market funding.

Funding requirements in commercial banking are covered by medium- and long-term funding, while the liquidity buffer is refinanced on the money markets. Crédit Mutuel Alliance Fédérale has a variety of appropriate issue programs that allow it to access investors in the main international markets via public and private issues. In addition to these arrangements, the group holds a comfortable cash reserve designed both to comply with regulatory ratios and to enable it to withstand severe stresses.

2021 was marked by the continuing pandemic and the return of inflation to levels not seen for a long time. This resurgence of inflation can be attributed to the resumption of the economy, the rise in raw material prices, ongoing supply bottlenecks and the continuation of budgetary stimulus measures.

These factors are likely to prompt the central banks to speed up the normalization of their accommodative monetary policies in 2022, and in particular to announce a reduction, if not an end, to their asset purchasing programs and possible interest rate increases in 2022 and the years that follow.

That said, the bond markets proved resilient in 2021, despite some interest rate volatility, and offered issuers good refinancing terms.

BFCM was able to profit from this positive environment via all of its issue programs.

In total, external funding obtained in the markets stood at €144.7 billion at the end of December 2021, a decrease of 1.5% compared with the end of 2020.

Short-term money-market funding (less than 1 year) totaled €43.1 billion at the end of 2021, down by 11.3% compared with the previous year. It accounted for 30% of all market funding raised, three percentage points less than in 2020. The significant improvement in the group's loan-to-deposit ratio enabled the central treasury department to continue to reduce its use of short-term funding.

Medium and long-term (MLT) funding stood at €101.6 billion at the end of 2021, an increase of 3.2% compared with 2020. In 2021, Crédit Mutuel Alliance Fédérale raised €13.9 billion in MLT funding, primarily under the BFCM name as well as that of Crédit Mutuel Home Loan SFH, its entity that issues covered bonds and has the highest rating assigned by rating agencies. 72.6% of this MLT funding was raised in euro and the balance in foreign currencies (US dollar, yen, pound sterling, Swiss franc and Australian dollar), demonstrating good diversification of the investor base. Public issues and private placements represented 92% and 8% of the total respectively.

The average length of medium and long-term funding raised in 2021 was 6.2 years, similar to that of 2020.

2021 refinancing program

In 2021, public issues had a total value of €12.8 billion and were made up as follows:

- BFCM - senior EMTNs:
 - €750 million in a 7-year green bond issued in June;
 - €3.0 billion in 3 and 5-year senior notes;
 - GBP900 million in a 5-year and longer note, issued in January and September;
 - CHF325 million in issues over 7 years in June and December;
 - USD2 billion in 3 and 5-year US144A notes, issued in October;
 - JPY55.0 billion in 5, 7 and 10-year Samurai bonds, issued in October.
- BFCM - NPS EMTNs: €2.5 billion in 7-year issues, in January and May, in the context of MREL management;
- Crédit Mutuel Home Loan SFH: €2.25 billion in 7 and 10-year issues in May and July.

LCR and liquidity buffer

For the consolidated group, Crédit Mutuel Alliance Fédérale's liquidity position is as follows:

- an average LCR over 2021 of 181.3% (vs. 165.2% in 2020);
- average HQLA (high quality liquid assets) of €138.7 billion, 85% of which is deposited at central banks (mainly the ECB).

The total liquidity reserves for the consolidated group break down as follows:

Crédit Mutuel Alliance Fédérale (in € billions)	12/31/2021
Cash deposited at central banks	122.2
LCR securities (after LCR haircut)	25.5
Level 1 HQLA included in the above	21.1
Other eligible central bank assets (after ECB haircut)	42.9
TOTAL LIQUIDITY RESERVES	190.6

The liquidity reserve very amply covers the market funding due over 12 months.

Planned refinancing operations

In June 2021, BFCM completed the second drawdown of €50 million under the "Young Farmers & Climate Action" package allocated by the EIB in March 2020, which targets SMEs and midcaps in the farming and organic business sectors. This sum bears interest at a fixed rate and is repayable at the end of an eight-year period.

In addition, under the "EU PL response to Covid-19 crisis for SMEs & MIDCAPS" program, a single drawdown of €350 million was completed in June 2021 from the "COVID19 CRISIS RESPONSE FOR SME&MIDCAP" package allocated by the EIB in June 2020. This sum bears interest at a fixed rate and is repayable at the end of a five-year period. This unprecedented support measure for SMEs & midcaps weakened by the health crisis comes in addition to the French government's "PGE" government-backed loans scheme.

In December 2021, the EIB allocated BFCM a package of "loans for the medical profession" of €250 million drawable in two tranches (€150 million followed by €100 million). This package is intended for the long-term funding of the projects of professionals and/or SMEs active in the pharmaceutical and health care sectors, particularly in regions where access to medical experts is sub-optimal or poor.

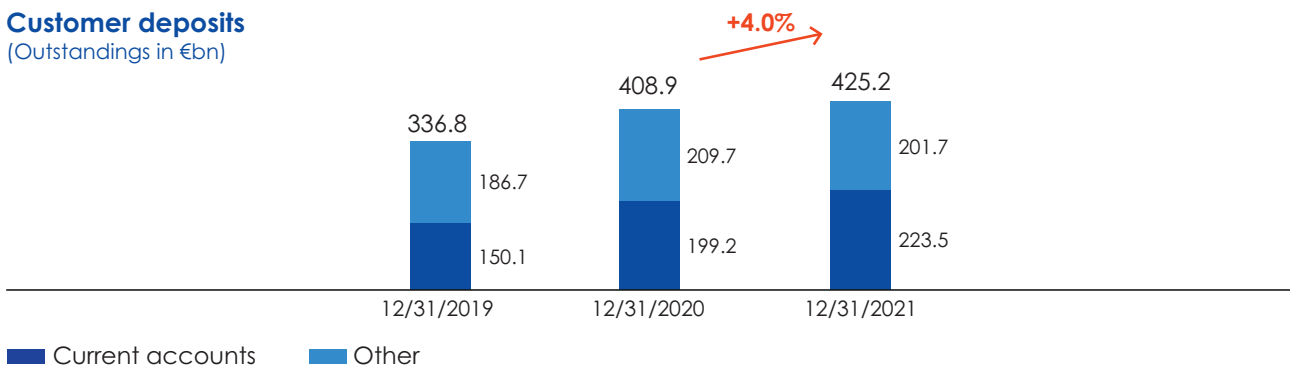
6.2. Outstanding deposits and loans

Customer deposits

Customer deposits came to €425.2 billion at the end of 2021, a rise of 4.0%. This increase should be seen in light of an exceptional year for deposits in 2020 due to a higher level of disposable income among households as a result of precautionary savings, state aid and the fact that spending was limited by the lockdowns.

2021 saw further strong growth in current account deposits (+12.2%), while there was a net outflow of term deposits

Customer deposits (Outstandings in €bn)



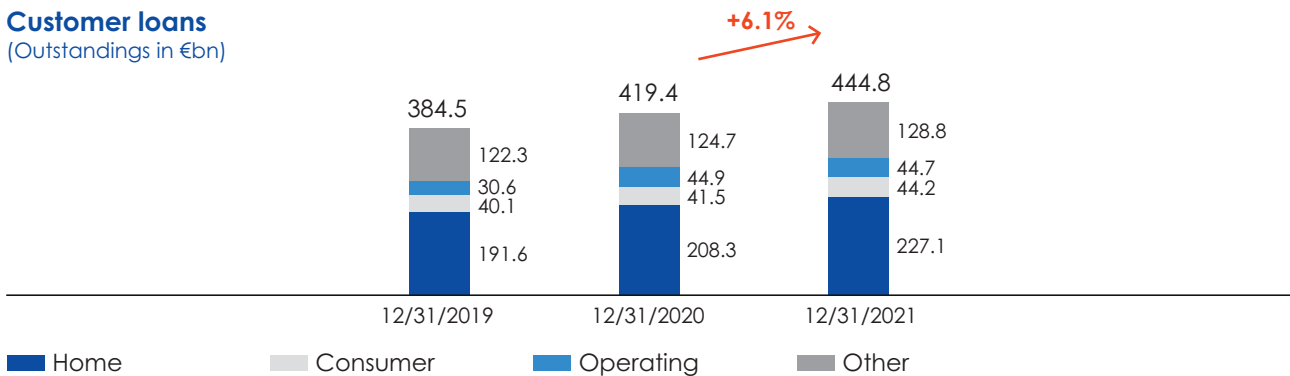
Customer loans

At the end of 2021, outstanding loans totaled €444.8 billion, an increase of 6.1% year-on-year. In 2020, the strong 9.1% increase in outstanding loans had been driven by cash loans, which tripled following the release of government-backed loans to businesses.

In 2021, activity was strong in all the main loan categories:

- home loans rose by +9.0% to €227.1 billion;
- consumer credit rose by +6.4% to €44.2 billion;
- equipment loans were up +3.1% to €99.3 billion and leasing was up by +7.1% to nearly €17 billion, reflecting the recovery in business activity and the high level of support provided to customers.

Customer loans (Outstandings in €bn)



6.3. Methodology notes

Changes at constant scope are calculated by neutralizing:

- in 2021, the first-time consolidation of Protection 24 (IT, logistics, media sector);
- in 2020, the data of Euro-Information Telecom (IT, logistics and media sector), which was sold at end-2020.

Crédit Mutuel Alliance Fédérale

(in € millions)	2021 excluding change in scope	2020 excluding change in scope	2021/2020 at constant scope
Net banking income	15,913	14,106	+12.8%
General operating expenses	(9,129)	(8,811)	+3.6%
<i>of which supervisory and resolution expenses</i>	(314)	(270)	+16.3%
Gross operating income	6,784	5,295	+28.1%
Cost of risk	(699)	(2,372)	-70.5%
<i>cost of proven risk</i>	(585)	(1,018)	-42.5%
<i>cost of non-proven risk</i>	(114)	(1,354)	-91.6%
Operating profit	6,085	2,923	x 2
Net gains/(losses) on other assets and ECC	(866)	570	n.s.
Profit before tax	5,219	3,493	+49.4%
Income tax	(1,703)	(956)	+78.1%
Net gains/losses on discontinued operations	9	-	n.s.
Net profit	3,525	2,536	+39.0%
Non-controlling interests	284	306	-7.1%
Net profit attributable to the group	3,241	2,230	+45.3%

IT and logistics

(in € millions)	2021 excluding change in scope	2020 excluding change in scope	2021/2020 at constant scope
Net banking income	1,573	1,434	+9.7%
General operating expenses	(1,386)	(1,297)	+6.9%
Gross operating income	187	137	+36.9%
Cost of risk	0	1	n.s.
Operating profit	187	137	+36.1%
Net gains on other assets and ECC	1	569	-99.8%
Profit before tax	188	707	-73.4%
Income tax	(50)	(53)	-4.4%
Net profit	138	654	-79.0%

6.4. Alternative performance measures

Name	Definition/calculation method	For the ratios, justification of use
cost/income ratio	ratio calculated from items in the consolidated income statement: ratio of general operating expenses (sum of items "employee benefit expenses", "other general operating expenses" and "allocations/reversals of depreciation, amortization and provisions for property, plant and equipment and intangible assets") to "net banking income"	measure of the bank's operational efficiency
overall net additions to/reversals from provisions for customer loan losses as a percentage of outstanding loans (expressed in % or basis points)	net additions to/reversals from provisions for customer loan losses as stated in the notes to the consolidated financial statements as a percentage of gross outstanding loans at the end of the period	enables assessment of the level of risk as a percentage of credit commitments on the balance sheet
cost of risk	"net additions to/reversals from provisions for loan losses" item in the publishable consolidated income statement	measures the level of risk
customer loans	item "loans and receivables due from customers at amortized cost" on the asset side of the consolidated balance sheet	measure of customer activity in terms of loans
cost of proven risk	impaired assets (S3), see note on "net additions to/reversals from provisions for loan losses"	measures the level of proven risk (non-performing loans)
cost of non-proven risk	expected losses at 12 months (S1) + expected losses at maturity (S2); see note on "net additions to/reversals from provisions for loan losses". Application of IFRS 9.	measures the level of non-proven risk (on performing loans)
customer deposits; bank deposits	"due to customers at amortized cost" item on the liabilities side of the consolidated balance sheet	measures customer activity in terms of balance sheet deposits
insurance-based savings	life insurance products held by our customers - management data (insurance company)	measure of customer activity in terms of life insurance
bank savings products, customer funds managed and held in custody	off-balance sheet savings products held by our customers or under custody (securities accounts, mutual funds, etc.) - management data (group entities)	representative measure of activity in terms of off-balance sheet funds (excluding life insurance)
total savings	sum of account deposits, insurance-based savings and bank savings products	measure of customer activity in terms of savings
operating expenses, general operating expenses, management fees	sum of items "employee benefit expenses", "other general operating expenses", "allocations/reversals of depreciation, amortization and provisions for property, plant and equipment and intangible assets" on the publishable consolidated income statement	measures the level of general operating expenses
interest margin, net interest revenue, net interest income	calculated from items in the consolidated income statement: difference between interest received and interest paid: - interest received = "interest and similar income" item in the publishable consolidated income statement - interest paid = "interest and similar expenses" item in the publishable consolidated income statement	representative measure of profitability
loan-to-deposit ratio	ratio calculated from items in the consolidated balance sheet: ratio, expressed as a percentage, of total customer loans to customer deposits	measure of dependency on external refinancing
coverage ratio	determined by calculating the ratio of credit risk provisions (S3 impairments) to the gross outstandings identified as in default in accordance with the regulations (gross receivables subject to an S3 individual impairment)	this coverage ratio measures the maximum residual risk associated with loans in default ("non-performing loans")
ratio of non-performing loans	individually impaired gross receivables (S3) as a ratio of gross customer loans (calculated from the "loans and receivables due from customers" note to the consolidated financial statements: gross receivables + finance leases)	indicator of asset quality

Alternative performance measures (APM): reconciliation to the financial statements

(in € millions)

Cost/income ratio	2021	2020	2019
General operating expenses	(9,136)	(8,867)	(8,942)
Net banking income	15,923	14,238	14,569
Cost/income ratio	57.4%	62.3 %	61.4%

Net profit / regulatory assets	2021	2020	2019
Total net profit/(loss) (including non-controlling interests)	3,527	2,595	3,145
Risk-weighted assets (RWA) at 12/31	239,460	229,769	219,881
Net profit / regulatory assets	1.47%	1.13%	1.43%

Loan-to-deposit ratio	12/31/2021	12/31/2020	12/31/2019
Net customer loans	444,825	419,413	384,535
Customer deposits	425,197	408,901	336,806
Loan-to-deposit ratio	104.6%	102.6%	114.2%

Coverage ratio	12/31/2021	12/31/2020	12/31/2019
Expected losses on impaired assets (S3)	(5,949)	(6,509)	(6,471)
Gross receivables subject to individual impairment (S3)	11,723	12,497	12,079
Total coverage ratio	50.8%	52.1%	53.6%

Non-performing loan ratio	12/31/2021	12/31/2020	12/31/2019
Gross receivables subject to individual impairment (S3)	11,723	12,497	12,079
Gross customer loans	454,020	429,024	392,979
Non-performing loan ratio	2.6%	2.9%	3.1%

Net provisions as a percentage of outstanding customer loans	2021	2020	2019
Cost of risk for customer loan losses	(701)	(2,008)	(1,071)
Gross customer loans	454,020	429,024	392,979
Total net provisions as a percentage of outstanding customer loans	0.15%	0.47%	0.27%