Crédit Mutuel Alliance Fédérale

**2023 RESULTS[1]**

# Crédit Mutuel Alliance Fédérale turned in record results in 2023, confirming the relevance of its strategic choices.

**Crédit Mutuel Alliance Fédérale completed its *ensemble#nouveaumonde (together#today's world)* strategic plan in 2023 with historic results. For the first time ever, its net income reached €4.1 billion (+18.1%). Its net revenue surpassed €16 billion (+2.8%). These results reflect winning strategic choices in relation to diversification, innovation and commitment to environmental transformation and solidarity.**

Crédit Mutuel Alliance Fédérale generated record results that confirm the relevance of its long-standing focus on a universal banking and insurance model. 2023 also marked the completion of the *ensemble#nouveaumonde* (together#today's world) strategic plan it launched in 2019, the revised financial targets of which were reached if not surpassed. These results serve as further motivation as the group implements its new 2024-2027 strategic plan *Ensemble Performant Solidaire* (Togetherness Performance Solidarity).

The net revenue generated by the mutualist group illustrates good resilience in the retail banking activity, which made €12 billion (+1.7%, +€200m), and excellent performances by the specialized businesses lines (+15.3%, +€362m), in particular private banking, corporate and investment banking and TARGOBANK Germany (+11.7%). The insurance activities stabilized at a very high level (€1.2 billion, -1.5%) and remain the group's main diversification business.

In addition to being the first year of implementation of the societal dividend and with €439 million raised under the Environmental and Solidarity Revolution Fund, 2023's exceptional results will enable the mutualist group to speed up its commitments in 2024 with a societal dividend of €617 million earmarked to finance new entrepreneurial projects that help to combat global warming and to stem the rise in social inequality. In the space of two years, more than €1 billion has been mobilized through the societal dividend.

| | 2023[1] | 2022 (pro forma) | Change 2023/2022 at constant scope |
|---|---|---|---|
| GROWTH IN NET REVENUE | €16.060bn | €15.625bn | +2.8% |
| GENERAL OPERATING EXPENSES IN LINE WITH THE INVESTMENT STRATEGY | €9.173bn | €8.610bn | +6.5% |
| COST OF RISK BACK AT THE LEVEL SEEN BEFORE THE MASSIVE AID DURING COVID | €1.296bn | €768m | +68.7% |
| RECORD NET INCOME | €4.115bn | €3.485bn | +18.1% |

## A GROUP SERVING ITS MEMBERS AND CUSTOMERS

| Home loans | Equipment loans | Consumer credit |
|---|---|---|
| €264.9bn | €141.4bn | €54.6bn |
| +4.1% | +4.9% | +6.9% |

## OPERATING PERFORMANCE AND FINANCIAL STRENGTH

| Cost/income ratio | CET1 ratio[2] | Shareholders' equity |
|---|---|---|
| 57.1% | 18.5% | €62.4bn |

## LEVERAGING OUR PERFORMANCE FOR THE BENEFIT OF THE COMMUNITY

| Employee dividend[3] | Societal dividend[4] | Social contract[5] |
|---|---|---|
| 15% | 12.5% | +8.6% |
| | i.e. €439m | collective increases over two years |

[1] The annual audit of the financial statements for the year ended 12/31/2023 is under way. [2] Estimated at December 31, 2023. [3] Amount of the incentive bonus, profit sharing, top-up contribution and value-sharing bonus awarded to employees of the common corporate platform in France in respect of 2022 net income. [4] Share of 2022 consolidated net income allocated to the societal dividend in 2023. [5] Collective increases since 01/01/2022 within the scope of the common corporate platform in France excluding individual increases and value-sharing bonus.

## Crédit Mutuel Alliance Fédérale turned in record results in 2023, surpassing the targets of its 2019-2023 strategic plan.

*« Crédit Mutuel Alliance Fédérale is fully embodying the mutualist approach. It serves its customers, members and prospective customers with the sole aim of meeting their needs and providing protection in all areas of banking, insurance and non-material services. It seeks to contribute to the community by remaining fully mobilized to implement solidarity measures and finance environmental transformation, particularly through the societal dividend which will provide more than €1 billion in two years. Crédit Mutuel Alliance Fédérale demonstrates that it is possible to combine exceptional operating performance (in eight years, revenue has grown by a quarter and earnings have grown by two thirds) with a tangible contribution to the improvement of society. »* **Nicolas Théry, Chairman**

*« Crédit Mutuel Alliance Fédérale, the biggest French banking group, with regional headquarters, once again turned in a first-rate financial performance, confirming the relevance of its mutualist banking and insurance business model and its strategic choices in relation to innovation, transformation and the diversification of activities and revenue sources. In a world facing multiple revolutions, it is speeding up its societal and environmental commitments, reflecting its aim to fully play its role as a benefit corporation. »* **Daniel Baal, Chief Executive Officer**

# I. 2023 results: proof of the relevance of the diversified universal banking and insurance model

**In a climate characterized by a sudden rise in interest rates, economic slowdown and an escalation of international conflict, Crédit Mutuel Alliance Fédérale confirmed the relevance of its diversified universal banking and insurance model. Drawing on its unique approach and mutualist values, the group supports all its customers and members, retail and corporate, on a daily basis through its 25,000 dedicated advisors, its subsidiaries in Germany, Belgium Luxembourg and Switzerland and its specialized businesses lines.**

Its local and relationship-focused model founded on responsibility and a personalized relationship between the advisor and their customer has enabled the mutualist group to register historic results. Net revenue of €16.1 billion (+2.8%) and net income of €4.1 billion (+18.1%) are record levels, higher than the financial targets in the revised 2019-2023 strategic plan, *ensemble#nouveaumonde* (together#today's world), (net revenue €14.6 billion and net income €3billion), which was completed at the end of December 2023.

All of the networks and specialized businesses lines continued to support customer projects throughout the year, including those of retail customers, farmers, professionals and corporates. Despite a slowdown in demand, outstandings in home loans (+4.1%), consumer loans (+6.9%) and equipment loans (+4.9%) all increased. Total outstanding loans came to €522.0 billion (+4.0%) while deposits came to €481.1 billion (+5.3%). Crédit Mutuel Alliance Fédérale therefore fully played its role in financing the economy, including the real estate market.

## Good resilience in retail banking

Revenue from retail banking remained stable at €8.4 billion (-0.4%). Net income came to €1.8 billion (-18.9%) amid a slowdown in new home loans, more limited debt capacity among households, a narrowing of interest margins (on the portfolio of existing loans) and an increase in the cost of risk.

The business subsidiaries serving the networks recorded net revenue of €703 million (+9.9%), driven in particular by the factoring activities (€436 million, +24.1%), the revenue of which came to €153 million (+56% year-on-year), illustrating the quality of the solutions offered by the group to help companies achieve a stable cash position.

The mutualist group confirmed the relevance of its diversification strategy, with a steady increase in motor, property, provident and health insurance policies and an increase in telephone contract subscriptions (in particular wifi boxes, which form part of the "housing" strategy) and remote surveillance contracts.

**PERFORMANCE OF THE MULTISERVICE STRATEGY**

| | | |
|---|---|---|
| **Insurance** | **37 million policies** | |
| of wich motor | 3.12m | +2.4% |
| of which property | 3.05m | +3.0% |
| of which provident | 2.40m | +1.5% |
| of which health | 925,000 | +1.0% |
| **Telephone/Box** | **1,401,999 subscribers** | **+16,642** |
| **Remote surveillance** | **660,883 subscribers** | **+27,765** |
| **New real estate** | **3,979 sales** | **-42.7%** |

**31.2M** customer +3.1%

The consumer credit activity showed continued growth in France and Europe with outstandings reaching €54.6 billion (+6.9%), driven in particular by Cofidis Group and TARGOBANK Germany (which turned in very good results and confirmed Germany's place as the group's second-largest domestic market), with revenue from the consumer credit activity surpassing €3.1 billion (+5.7%) for the first time while net income reached €481 million (+12.6%).

## Stronger customer protection thanks to the insurance pooling strategy

Amid an acceleration of claims related to climate change, an increase in vehicle repair costs and home reconstruction costs, the results of Groupe des Assurances du Crédit Mutuel (GACM) remained solid. Its net revenue reached a high of €1.2 billion (-1.5%) and its net income remained stable at €822 million (+0.9%).

The life insurance activity continued to stand out. In France, gross inflows came to €7.4 billion (+6.2%) with a high level of investment in unit-linked contracts (29%). Total net inflows were positive (€1.6 billion) in both euro-denominated funds and unit-linked contracts.

The average return on life insurance, endowment and pension euro-denominated funds was 2.8% (+0.5 pp). Income from P&C and protection insurance in France also increased, reaching €6.2 billion (+7.1% at constant scope). This strength stems from the conviction that as many interests as possible need to be pooled in order to best serve the interests of all insureds. In this regard, Groupe des Assurances du Crédit Mutuel confirmed its excellence.

In creditor insurance, to ensure that people with health problems do not suffer increased discrimination when seeking a creditor insurance and therefore when purchasing property, the group removed all medical questionnaire requirements for almost all loyal customers when purchasing their main residence. A move that goes far beyond its legal requirements. In health insurance, the *Avance Santé* card offers a comprehensive third-party payer solution enabling policyholders to avoid paying healthcare costs upfront. In property insurance, the group made special allowances in solidarity with those who suffered damage from the street violence that occurred in summer 2023, whether they were private individuals, traders or professionals.

## A very good performance by the specialized businesses

Crédit Mutuel Alliance Fédérale's specialized businesses lines (corporate banking, capital markets, private equity, asset management and private banking activities) demonstrated agility in supplying tailored services and supporting the projects of its corporate, business and professional customers that create value and jobs. In 2023, net revenue surpassed €2.7 billion while net income reached €860 million (21% of group net income).

Among these activities, asset management and private banking generated net income of €262 million (+8.8%). Private equity, the second largest contributor among the specialized businesses lines, also confirmed strong momentum (net income of €256 million) in serving regional economic development (€3.8 billion in assets under management *via* 333 regional companies).

# II. An industrial and relationship-focused bank with remarkable operational efficiency

**Crédit Mutuel Alliance Fédérale's 2023 results demonstrate the strength of its mutualist model. These results stem from a decentralized organization and technological investment that give it complete autonomy and remarkable solidity.**

## Freedom, technology, responsibility and solidarity: the keys to operational efficiency

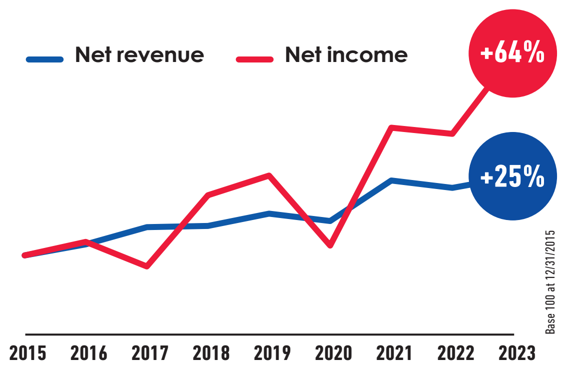
In an inflationary environment, operating expenses reached €9.2 billion (+6.5%), in line with the development targets set by the group. This level results from the efficiency of its decentralized business model, that upholds the fundamental mutualist principles of freedom, responsibility and solidarity.

Caisse Fédérale de Crédit Mutuel, the head company of the group, initially built to strengthen the resources of the 14 federations, helps to maximize the efficiency of the entire group and to control costs, as reflected by the cost/income ratio of Crédit Mutuel Alliance Fédérale. At 57.1%, this ratio means the group is one of the most profitable banks, and largely surpasses the target in the strategic plan that has just been completed.

Being in a position to make decisions locally means the group can act rapidly for its customers. 93%[1] of loan decisions are taken by the Crédit Mutuel local banks or CIC branches.

The group's 2023 results hinge on a strong social contract, guaranteeing individual and collective efficiency.

### Exceptional operating performance




### Social contract[2] : Collective increases of 8.6% to offset the effects of inflation

Over the last two years, the group has made total collective wage increases of 8.6%, in addition to individual increases.

For the third year in a row, a value-sharing bonus was paid to all employees[2], set in 2023 at €3,000.

## Technological investments that support development

In order to speed up its development, Crédit Mutuel Alliance Fédérale, as an industrial bank, invests massively *via* its technology subsidiary Euro-Information, combining the best in technology with the best in human resources.

In 2023, nearly one third of sales opportunities gave rise to a sale using the artificial intelligence tool. A technology that improves employee efficiency by automating repetitive tasks (input, searches, etc.) and making it easier to identify the needs of customers and members.

To meet customer needs in terms of autonomy, 95.5% of current processing can be carried out remotely. No less than 22 million documents were signed electronically in 2023 (x4 since 2018). A technological leap that helps to reduce costs and optimize processes while improving the customer experience.

All of the technological advances made have helped save significant administrative time. In 2023, more than 2.57 million hours were freed up in the Crédit Mutuel and CIC networks thanks to technology, of which 35% involving artificial intelligence. An undeniable advantage in helping to strengthen the quality of the relationship between the customer and their dedicated advisor. Even more time will be saved in the future with developments in quantum computing, through the quantum factory launched in 2023.

[1] More than 95% for retail customers. [2] Scope of the common platform in France.

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

**22m**
Number of documents processed using electronic signature (x4 since 2018)

**2.57m**
Number of hours saved using technology in the Crédit Mutuel and CIC networks, of which 35% using artificial intelligence

**30%**
Rate of sales generated from the use of artificial intelligence

**39.7m**
Number of customer emails pre-analyzed using AI to reduce response times

**19.5m**
Number of personalized customer recommendations made by advisors with the support of virtual assistants

**75m**
Number of documents analyzed, secured and integrated using AI

## A stronger financial position

The cost of risk was €1.3 billion (+68.7%). It reflects in particular the number of bankruptcies in 2023, close to the pre-health-crisis level (+9% versus 2019 according to the INSEE). This increase in the cost of risk is largely the result of the end of the massive aid measures deployed during the health crisis. The overall cost of customer risk related to the outstanding loans was only 0.24% (0.28% in 2019).

Crédit Mutuel Alliance Fédérale's financial solidity remains well above the prudential capital requirement and confirms the group's position as one of the most solid banks in Europe. In fact, its shareholders' equity totaled €62.4 billion at the end of 2023 (+€4.0 billion) and its CET1 ratio, estimated at 18.5% at December 31, 2023, is one of the highest in the sector.

## 2024-2027 strategic plan : performance indicators

### TOGETHERNESS

| | |
|---|---|
| >75% | employees and elected members who are proud of their company |
| 50% | women managers in the group |
| 50% | women in the group's governance bodies[1] |
| >30% | apprentices recruited from disadvantaged or rural areas |

### PERFORMANCE

| | |
|---|---|
| €19bn | Net revenue |
| 54% | Cost/income ratio |
| €5bn | Net income |
| €0.5 | Net income per €100 of assets |
| ≤110% | Loan/deposit ratio |
| >15m | Bancassurance customers[2]: and 8m in insurance[3] |

### SOLIDARITY

| | |
|---|---|
| 15% | of Group net income invested each year in the societal dividend |
| 20% | reduction in the carbon footprint of the balance sheet[4] |
| 100% | of employees and elected members committed to ecological transformation |

[1] Group management committees, boards of directors and supervisory boards of the holding structures of Crédit Mutuel Alliance Fédérale. Average target for the Group. The individual objectives of each entity take into account the reality of the labor market for that activity. [2] Scope of French network. [3] Customers with a major product. [4] Scope: all loan and investment portfolios.

# III. 2023 saw an acceleration of environmental and community commitments supported by the societal dividend

**In 2023, Crédit Mutuel Alliance Fédérale – the first bank to take the step of becoming a benefit corporation – accelerated measures to support the environmental and solidarity transformation by creating the societal dividend. In 2023, €439 million was allocated to projects with a strong social and environmental purpose, i.e. 12.5% of the group's 2022 net income. In 2024, more than €600 million will be allocated to such projects. This unprecedented measure should lead to nearly €3 billion being generated over the horizon of the 2024-2027 strategic plan, *Ensemble Performant Solidaire* (Togetherness Performance Solidarity).**

## The Environmental and Solidarity Revolution Fund creating ecological and social added value

In 2023, the Environmental and Solidarity Revolution Fund allocated €363 million to entrepreneurial projects with a high environmental and societal impact without any goal of financial return.

The resources deployed supported projects that aim to preserve ecosystems and biodiversity (acquisition of the Dambach forest), produce in a more sustainable manner using renewable energies (osmotic power with Sweetch Energy, fossilization of waste with Néolithe, liquefaction of biogas with Sublime Énergie, plasma catalysis to convert gas into green molecules with Energo, production of industrial refrigeration without the use of fluorinated gas with Alpinox X), improve food quality by focusing on health or organic foods (Agrilife Studio) and improve access to quality accommodation through shared housing (co-living with Colonies).

The fund's investment policy is to prioritize the environmental value added of industrial players by giving them the time they need to develop and establish a solid financial position. It makes indirect investments *via* partner funds, as part of which only performance fees based on the achievement of non-financial performance are recognized.

In 2023, Crédit Mutuel Alliance Fédérale joined Act4nature international and in particular made a commitment to measure the biodiversity footprint of its financing and investments.

Such initiatives make Crédit Mutuel Alliance Fédérale one of the most committed banks to environmental protection. It will strengthen its commitments during the first half of 2024 with the creation of the Institut Mutualiste pour l'Environnement et la Solidarité.

## Donations, a priority in order to increase solidarity in all regions

In terms of sponsorship, 2023 saw a change of scale with the volume of sponsorship increasing five-fold. In order to meet its solidarity commitments, several projects were financed in 2023 totaling €68 million (from local projects supported by a Crédit Mutuel local bank to transformative action supported by the Crédit Mutuel Alliance Fédérale Foundation). €17.5 million was mobilized to support associations that offer food aid which were heavily impacted by inflation. Additionally, a call for "Biodiversity" projects led to €2.5 million being earmarked for associations working to preserve ecosystems in France.

## Accelerating the transformation of banking and insurance practices

Crédit Mutuel Alliance Fédérale has been a pioneer on the creditor insurance market by going over and above its legal requirements in the terms it offers patients and former patients when purchasing a main residence.

In 2023, more than €6 million was allocated to encourage customers to switch to green forms of mobility; more than 25,000 people now benefit from the zero per-cent bike loan. Local sports and cultural associations obtained nearly €2 million *via* the complete reimbursement of their banking costs (account, check book, card, remote banking and dedicated advisor). Based on the 2023 results, €617 million will be allocated to the societal dividend.

### The Environmental and Solidarity Revolution Fund: €363m committed

- Better mobility
- Better consumption
- Better production
- Better housing
- Better food
- Better preserve our ecosystems

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# 1. Consolidated earnings

## 1.1. Financial results

| (€ millions) | 2023 | 2022 pro forma | Change |
|---|---|---|---|
| **Net revenue** | **16,060** | **15,625** | **+2.8%** |
| General operating expenses | (9,173) | (8,610) | +6.5% |
| **Gross operating income** | **6,887** | **7,015** | **-1.8%** |
| Cost of risk | (1,296) | (768) | +68.7% |
| *cost of proven risk* | *(1,477)* | *(891)* | *+65.8%* |
| *cost of non-proven risk* | *181* | *123* | *+47.4%* |
| **Operating income** | **5,591** | **6,247** | **-10.5%** |
| Net gains and losses on other assets and ECC [1] | 71 | (1,193) | n.s. |
| **Net profit/(loss) before tax** | **5,661** | **5,054** | **+12.0%** |
| Income tax | (1,546) | (1,569) | -1.4% |
| **Profit/(loss) for the period** | **4,115** | **3,485** | **+18.1%** |
| Non-controlling interests | 174 | 170 | +2.3% |
| **Group net income** | **3,942** | **3,315** | **+18.9%** |

[1] ECC = equity consolidated companies.

### Net revenue

In a changing interest rate environment, Crédit Mutuel Alliance Fédérale's net revenue continued to grow to more than €16 billion, an increase of 2.8% compared with December 31, 2022. This increase was due to the excellent resilience of retail banking coupled with the strong performance of the specialized business lines, particularly private banking, corporate banking and capital markets.

| Net revenue (€ millions) | 2023 | 2022 pro forma | Change |
|---|---|---|---|
| **Retail banking** | **12,273** | **12,074** | **+1.7%** |
| *of which banking networks* | *8,440* | *8,474* | *-0.4%* |
| *of which consumer credit* | *3,131* | *2,960* | *+5.8%* |
| **Insurance [1]** | **1,188** | **1,206** | **-1.5%** |
| **Specialized business lines** | **2,724** | **2,361** | **+15.3%** |
| *Asset management and private banking* | *1,285* | *1,119* | *+14.8%* |
| *Corporate banking* | *629* | *471* | *+33.7%* |
| *Capital markets* | *465* | *342* | *+36.0%* |
| *Private equity* | *345* | *430* | *-19.8%* |
| **Other business lines [1]** | **(125)** | **(16)** | **x 7.8** |
| **TOTAL NET REVENUE Crédit Mutuel Alliance Fédérale** | **16,060** | **15,625** | **+2.8%** |

[1] Of which reclassification of operating expenses related to insurance contracts as expenses related to insurance contracts classified under net revenue.

Retail banking has once again proven its effectiveness. Despite a decrease in loan releases, the increase in the cost of deposits and the constraints related to the usury rate, **retail banking** revenues rose by 1.7% to €12.3 billion. In 2023, the net interest margin increased thanks to the increase in loan income and good management of interest rate risk. Fee and commission income remained stable at €5.1 billion.

The banking networks' net revenue remained stable at €8.4 billion (-0.4%), driven by growth in the Crédit Mutuel banking network (+2.4%).

Consumer credit was up 5.8% thanks mainly to TARGOBANK Germany, which benefited from the change in market conditions as evidenced by a continuous rise in the return on loans, while Cofidis was more restricted by the usury rate in France.

Net income from the **insurance** activities fell slightly by 1.5% to €1.2 billion.

The contribution of the **asset management and private banking** business line increased by 14.8% to nearly €1.3 billion at end-2023, of which nearly €740 million from private banking, reflecting strong commercial activity, an increase in the net interest margin and an increase in stock market and management fees.

**Corporate banking** saw a sharp increase in its net revenue (+33.7%) to €630 million thanks to strong activity in lending to large corporates and in project financing.

The movements observed in the financial markets were good news for the **capital markets** activities, which saw net revenue rise by 36% to €465 million compared with €342 million at end-December 2022.

Net revenue in the **private equity** business was solid at nearly €345 million compared with €430 million in 2022 after two exceptional years.

The **other business lines** were impacted by the IFRS 17 restatements related to the insurance activities carried out through the banking network.

## General operating expenses and gross operating income

In 2023, general operating expenses rose by 6.5% to €9.2 billion, in line with growth targets and amid strong inflation.

Employee benefits expense (60% of operating expenses) include, in particular, the effects of salary increases decided in early 2023 (payroll expense +4.5%).

The increase in other operating expenses reflects investments in technology and the donations policy linked to the societal dividend in the amount of €68 million. Other operating expenses continued to be impacted in 2023 by the contributions to the Single Resolution Fund, supervision costs and the Deposit Guarantee Fund, which totaled €292 million in 2023 (versus €409 million in 2022).

The cost/income ratio was 57.1% versus 55.1% in 2022 based on equivalent standards. It is therefore in line with the objectives of the revised 2019-2023 strategic plan.

Gross operating income fell slightly by 1.8% to €6.9 billion.

## Cost of risk and operating income

2023 saw an increase in the overall cost of risk (+68.7%) to €1.3 billion, which weighed on income growth:

- an increase in the cost of proven risk measured at 27 basis points (versus 18 basis points at end-2022) in respect of network and consumer credit customers, and corporate finance due to a rise in defaults on the professional and corporate market and downgraded receivables. This deterioration reflects adverse economic conditions;

- a net reversal of the cost of non-proven risk of €181 million compared with €123 million in 2022; with the discontinuation in 2022 of the sector provisions set aside during the pandemic and the adjustment in 2023 of a management overlay related to the uncertainties surrounding the current economic climate (change of IFRS 9 model).

Overall, the cost of risk at December 31, 2023 was 24 basis points, still lower than the 2019 level of 28 basis points (versus 17 basis points in 2022). The non-performing loan ratio rose to 2.8% compared with 2.6% in 2022, remaining lower than the pre-Covid-19 level of 3.1%.

| Outstandings in € millions | 12/31/2023 | 12/31/2022 | 12/31/2021 |
|---|---|---|---|
| Gross customer loans | 532,054 | 511,668 | 454,020 |
| Gross non-performing loans | 15,133 | 13,181 | 11,723 |
| Provisions for loan losses | 10,103 | 9,571 | 9,195 |
| *provisions for losses on non-performing loans (Stage 3)* | *7,013* | *6,278* | *5,949* |
| *provisions for losses on non-performing loans (Stages 1 & 2)* | *3,090* | *3,293* | *3,246* |
| Non-performing loans as a % of gross loans | 2.8% | 2.6% | 2.6% |

As a result of this deterioration in the cost of risk, operating income fell by 10.5% over the year to €5.6 billion.

## Other

Unlike in 2022, there were no major adjustments to "Net gains and losses on other assets and ECC", which totaled €71 million compared with -€1.2 billion a year earlier. As a reminder, 2022 included a -€958 million adjustment related to the value of TARGOBANK Germany's goodwill linked to the increase in the discount rate and an additional provision (-€270 million) related to the sale of TARGOBANK Spain to ABANCA.

## Income before tax

Income before tax rose by 12% year on year to €5.7 billion in 2023 versus €5.1 billion in 2022.

## Net income

In an unsettled macroeconomic environment, net income rose by 18.1% to €4.1 billion, surpassing the €3 billion target set in the 2019-2023 strategic plan revised in 2020.

Group net income was €3.9 billion (+18.9%).

## 1.2. Financial structure

### Liquidity and refinancing [1]

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

Crédit Mutuel Alliance Fédérale has a number of issue programs that allow access for investors in the main international markets to public and private issues. In addition, it has a comfortable cash reserve that complies with regulatory ratios and enables it to withstand severe stress scenarios.

To halt inflation, central banks continued to apply rapid rate increases, in line with the policy that began in Europe in July 2022. In the first half of the year, these abrupt changes created significant volatility in the financial markets by triggering a crisis with no lasting consequences. But this crisis reminded banks that liquidity continues to be a major issue.

This rate hiking policy was also brought to an end in 2023, with rates having reached their highest levels in autumn. With rates heaving peaked, the markets, resolutely optimistic, strongly anticipated rate cuts, triggering a sharp and rapid fall in yields, with the 10-year OAT at 2.40% at end-December, despite very cautious statements by the central bank.

Demand from bond investors remained very strong, underpinned by the rise in rates and related yield outlook.

Ultimately, 2023 was a positive year for all bond markets, which posted excellent performances.

In total, external funding obtained in the markets stood at €155.2 billion at the end of December 2023, a slight decrease of 0.98% compared with the end of 2022.

The average LCR in 2023 was 162.8% (vs. an annual average of 153.3% in 2022).

The liquidity reserve (€170 billion) amply covers the market funding due over 12 months.

### Solvency and capital management

At December 31, 2023, Crédit Mutuel Alliance Fédérale's shareholders' equity was €62.4 billion compared with €58.4 billion at the end of December 2022 pro forma, the nearly €4 billion increase being due to retained earnings.

Crédit Mutuel Alliance Fédérale showed very solid capital adequacy with an estimated Common Equity Tier 1 (CET1) ratio of 18.5%, an increase of 30 basis points relative to December 31, 2022. The Tier 1 ratio was an estimated 18.5% at end-2023 and the overall solvency ratio estimated at 20.7%.

CET1 capital was estimated at €55.7 billion, having risen by 9.4% due to the retention of the annual profit.

The group's risk-weighted assets (RWA) were estimated at €300.8 billion at December 31, 2023 (compared with €280.0 billion at end-December 2022, up +7.4%). At €274.6 billion, credit risk-weighted assets represented an estimated 91% of the total.

The return on risk-weighted assets (RoRWA) was 1.42% at end-December 2023, higher than the target in the 2019-2023 strategic plan.

### Impact of the Basel IV reform

The impact of the first-time application of Basel IV at the Crédit Mutuel Alliance Fédérale level is negligible in 2025, (including transitional arrangements and the output floor at the Crédit Mutuel Alliance Fédérale consolidated level).

[1] For more details, see the additional information in section 6.1 of this press release.

## 1.3. Ratings

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

| | LT/ST counterparty ** | Issuer/LT Senior preferred debt | Outlook | ST Senior preferred debt | Stand-alone rating *** | Date of last publication |
|---|---|---|---|---|---|---|
| **Standard & Poor's** [1] | AA-/A-1+ | A+ | Stable | A-1 | a | 11/22/2023 |
| **Moody's** [2] | Aa2/P-1 | Aa3 | Stable | P-1 | a3 | 02/01/2024 |
| **Fitch Ratings** [*3] | AA- | AA- | Stable | F1+ | a+ | 01/19/2024 |

* The Issuer Default Rating remains at A+.
** The counterparty ratings correspond to the following agency ratings: Resolution Counterparty 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 (as the dominant entity of the Crédit Mutuel Group).

In 2023 and in early 2024, the three main financial rating agencies confirmed the external ratings and stable outlook assigned to Crédit Mutuel Alliance Fédérale and the Crédit Mutuel group. This reflects operational efficiency, recurring earnings, a low risk profile and strong financial fundamentals.

*The audit of the financial statements for the year ended December 31, 2023 is being conducted by the statutory auditors.*

*The Board of Directors met on February 7, 2024 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 figures[1]

| (€ millions) | 12/31/2023 | 12/31/2022 pro forma[2] |
|---|---|---|
| **Financial structure and business activity** | | |
| Balance sheet total | 913,314 | 883,555 |
| Shareholders' equity (including net income for the period before dividend pay-outs) | 62,379 | 58,408 |
| Customer loans | 521,951 | 502,097 |
| Total savings | 892,789 | 846,890 |
| *- of which customer deposits* | *481,095* | *456,983* |
| *- of which insurance savings* | *105,920* | *102,057* |
| *- of which financial savings (under management and in custody)* | *305,773* | *287,850* |
| **Key figures** | | |
| Employees, end of period (group-controlled entities) | 77,283 | 77,457 |
| Number of branches | 4,367 | 4,488 |
| Number of customers (in millions) | 31.2 | 30.2 |
| Number of members (in millions) | 6.3 | 6.0 |
| **Key ratios** | | |
| Cost/income ratio | 57.1% | 55.1% |
| Overall cost of customer risk related to outstanding loans | 24 bp | 17 bp |
| Net income on regulatory assets (RoRWA) | 1.42% | 1.33% |
| Return on assets (ROA) | 0.46% | 0.40% |
| Loan-to-deposit ratio | 108.5% | 109.9% |
| Overall solvency ratio (estimated for 12/2023) | 20.7% | 20.8% |
| CET1 ratio (estimated for 12/2023) | 18.5% | 18.2% |

| (€ millions) | 12/31/2023 | 12/31/2022 pro forma[2] |
|---|---|---|
| **Results** | | |
| **Net revenue** | **16,060** | **15,625** |
| General operating expenses | (9,173) | (8,610) |
| **Gross operating income** | **6,887** | **7,015** |
| Cost of risk | (1,296) | (768) |
| **Operating income** | **5,591** | **6,247** |
| Net gains and losses on other assets and ECC | 71 | (1,193) |
| **Net profit/(loss) before tax** | **5,661** | **5,054** |
| Income tax | (1,546) | (1,569) |
| **Profit/(loss) for the period** | **4,115** | **3,485** |
| Non-controlling interests | 174 | 170 |
| **Group net income** | **3,942** | **3,315** |

[1] Consolidated figures for 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 and Nord Europe, and of their joint federal bank, Banque Fédérative du Crédit Mutuel (BFCM) and all its subsidiaries, including CIC, Euro-Information, Assurances du Crédit Mutuel (ACM), TARGOBANK Germany, Cofidis Group and Banque Européenne du Crédit Mutuel.

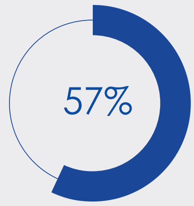
[2] As of January 1, 2023, Crédit Mutuel Alliance Fédérale applies IFRS 17 "Insurance Contracts" at the group level as well as IFRS 9 "Financial Instruments" for its insurance entities. To ensure a consistent benchmark, 2022 data have been restated on a pro forma basis.

## 1.5. Organization of business lines

Crédit Mutuel
Alliance Fédérale

Contribution of operational activities* to 2023 net income

### Retail banking

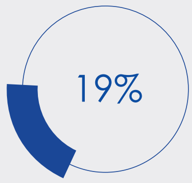



**Local banking networks**
- Crédit Mutuel
- CIC
- BECM (Banque Européenne du Crédit Mutuel)
- Beobank

**Consumer credit**
- Cofidis Group
- TARGOBANK Germany

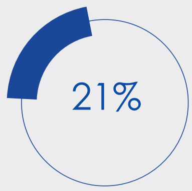
**Business subsidiaries**
- Leasing
- Factoring
- Real estate
- Other

### Insurance



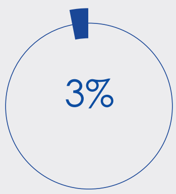

Groupe des Assurances du Crédit Mutuel (GACM)

### Specialized business lines




**Asset management and private banking**
**Corporate banking**
**Capital markets**
**Private equity**

### Other business lines




- Technology (Euro-Information)
- Media

* *Excluding Holding company services.*

In its 2024-2027 strategic plan, Crédit Mutuel Alliance Fédérale strengthened its development ambitions, particularly in relation to the corporate market (mainly *via* the Corporate and Investment Banking (CIB) activity in France and abroad and the CIC networks).
In this context, the review embarked on at the end of 2023 into a potential reorganization of Crédit Mutuel Alliance Fédérale's CIB activities on the one hand, and CIC's retail banking network activities on the other hand, to streamline the structures, is ongoing and a draft proposal for consultation by the employee representatives is expected by summer 2024.

# 2. Retail banking and consumer credit in France and Europe

| (€ millions) | 2023 | 2022 pro forma | Change |
|---|---|---|---|
| **Net revenue** | **12,273** | **12,074** | **+1.7%** |
| General operating expenses | (7,836) | (7,490) | +4.6% |
| **Gross operating income** | **4,437** | **4,584** | **-3.2%** |
| Cost of risk | (1,049) | (752) | +39.5% |
| *cost of proven risk* | *(1,200)* | *(837)* | *+43.4%* |
| *cost of non-proven risk* | *151* | *85* | *+77.8%* |
| **Operating income** | **3,388** | **3,831** | **-11.6%** |
| Net gains and losses on other assets and ECC [1] | 5 | 12 | -55.9% |
| **Net profit/(loss) before tax** | **3,393** | **3,843** | **-11.7%** |
| Income tax | (965) | (1,093) | -11.7% |
| **Profit/(loss) for the period** | **2,428** | **2,750** | **-11.7%** |

[1] ECC = equity consolidated companies.

**The retail banking segment comprises three business lines:**
- **the branch banking network, comprising the Crédit Mutuel local banks of the 14 federations, the CIC branch network, Banque Européenne du Crédit Mutuel and Beobank;**
- **consumer credit, comprising Cofidis Group and TARGOBANK Germany;**
- **specialized business line subsidiaries whose products are marketed by the branch networks: equipment leasing and hire purchase, real estate leasing, factoring, and real estate sales and management.**

## 2.1. The banking network

### 2.1.1. Crédit Mutuel, Beobank and BECM banking and insurance network

#### 2.1.1.1 Crédit Mutuel and Beobank banking and insurance network

At the end of December 2023, the local banking and insurance network, which is the cornerstone of Crédit Mutuel Alliance Fédérale's business, demonstrated its solidity with an increase in net revenue to €4.2 billion and a net income of €784 million.

The growth in net revenue (+3.7%) was the result of an increase in the margin and commission income.

General operating expenses rose by 3.2% to €3.1 billion.

In 2023, the cost of risk improved with a net allocation of €31 million compared with a net allocation of €36 million at the end of 2022, and income before tax reached €1.1 billion (+5.2%).

The banking network's net income contribution increased to €784 million.

### > Business activity: Crédit Mutuel local banks

At the end of December 2023, the number of customers in the Crédit Mutuel banking and insurance network rose by 450,000 (1.5%) to 9.2 million. The number of retail customers, who account for 86% of the total customer base, increased by 1.1%. The increase was even greater in the business customer and corporate market, at +5.1% (+40,000 customers) and +7.2% (+4,900 customers), respectively.

| Network of Crédit Mutuel local banks (outstandings at end of period in € billions) | 12/31/2023 | 12/31/2022 | Change |
|---|---|---|---|
| Current accounts | 55.5 | 62.2 | -10.9% |
| *Livret Bleu* and *Livret A* passbook accounts | 38.7 | 34.6 | 12.1% |
| Other passbook accounts | 37.2 | 37.5 | -0.8% |
| Mortgage savings agreements | 26.5 | 29.6 | -10.5% |
| Brokered deposits* | 24.9 | 10.9 | x 2.2 |
| Other | 0.6 | 0.1 | n.s. |
| **Customer deposits** | **183.5** | **174.9** | **4.9%** |

* Term deposits and *Plan d'Épargne Populaire (PEP)* savings plans.

Deposits made by customers of the local banks came to €183.5 billion at the end of 2023, up 4.9% year-on-year.

2023 was a year characterized by a change in the structure of deposits with significant transfers from current accounts to interest-bearing accounts.

At end-December 2023, regulated savings[1] reached €87 billion (+5.6%).

Inflows into *Livret Bleu* and *Livret A* passbook accounts were particularly high, with balances increasing by 12.1% to nearly €39 billion. The instability of the financial markets prompted customers to opt for products that are both liquid and safe. Conditions remained favorable for regulated savings in 2023, with interest rates on *Livret Bleu, Livret A* and *Livret de Développement Durable et Solidaire (LLDS)* savings accounts increasing from 2% in January to 3% starting in February.

Term deposits and *Livret d'Épargne Populaire (LEP)* savings accounts also benefited from the attractive interest rates offered, as demonstrated by a €14 billion increase in brokered deposits to nearly €25 billion at the end of 2023.

| Network of Crédit Mutuel local banks (outstandings at end of period in € billions) | 12/31/2023 | 12/31/2022 | Change |
|---|---|---|---|
| Home loans | 144.2 | 139.2 | +3.6% |
| Consumer credit | 8.9 | 8.5 | +4.7% |
| Equipment and leasing | 27.6 | 26.8 | +3.1% |
| Operating loans* | 3.7 | 4.5 | -17.2% |
| Other | 1.1 | 0.8 | +33.2% |
| **Customer loans** | **185.6** | **179.8** | **+3.2%** |

* Current accounts in debit and cash flow loans.

[1] *Livret Bleu, Livret A, LDD, LEP, CEL, Livret Jeune, PEL, PEP.*

Outstanding loans continued to grow (+3.2%), reaching €185.6 billion at end-2023. This increase was driven by home loans at €144.2 billion (+3.6%), coupled with stabilization in consumer credit at nearly €9 billion and equipment loans at close to €28 billion. Loan releases fell by 19% to €32.2 billion compared with €39.9 billion a year earlier.

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

- the number of property and health, protection & creditor insurance contracts (excluding creditor insurance) reached 13.2 million, up nearly 3.1% year-on-year;
- the number of mobile phone contracts was 845,000, a 1.6% increase year-on-year;
- the number of remote home surveillance subscriptions rose significantly (+6.6%) to more than 226,500 contracts at the end of 2023.

In 2023, the Crédit Mutuel banking and insurance network generated net revenue of €3.9 billion (+2.8%), driven by growth in the net interest margin (up 5.6%) and high commission income (+1.8%).

General operating expenses were kept under control at €2.8 billion (+2.9%).

Overall, the cost of risk fell to €17 million, which included an increase in the cost of proven risk (+€50 million) that was more than offset by a favorable change in the cost of non-proven risk (+€59 million).

The business activity of the Crédit Mutuel local banks generated net income of €725 million compared with €698 million at end-December 2022.

### > Business activity: Beobank

Beobank offers banking and insurance products in Belgium. Throughout the year, business remained under control: steady customer satisfaction level, increase in production and effective management of risks and financial results. The quality of the loan and investment portfolio was very good. Outstanding loans totaled €8.7 billion at end-2023, up 9.3%, and included consumer credit (+2.7%), mortgage loans (+12.2%) and business loans (+10.2%). The property insurance portfolio grew by 23%. At the same time, deposits amounted to €7.5 billion (+7.3%) at the end of 2023.

Beobank generated €59.1 million in income. Income before tax improved significantly to €63.0 million, up 60% compared with the same period the previous year. Net revenue rose, mainly due to the combined effects of a higher volume of mortgage loans and consumer credit, a better return on the portfolio of consumer credit, mortgage loans and credit cards, as well as the favorable change in hedging swaps, while it took some time for the increase in interest rates to impact Belgium.

Operating expenses also increased as a result of inflation directly impacting wages in Belgium *via* wage indexation and the recognition of a provision for time credit. The cost of risk increased, but remains under control.
The cost/income ratio was lower than in 2022 (75.4% in 2023).

### 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. Drawing on the expertise of its employees and all the services provided by Crédit Mutuel Alliance Fédérale's business centers, BECM serves 20,561 customers. The sales network, which consists of 45 branches, is organized on a market basis, with 31 branches serving the general business market and 14 serving the real estate market.

In 2023, BECM adapted its organization by pooling cash flow management resources to improve customer service quality.

New capital expenditure loans of €1.6 billion for businesses and €1.2 billion for real estate companies and investors were generated in 2023. Short-term lending agreements with real estate clients totaled €1.8 billion.

Customer loans grew by 3.5% to €18.7 billion at end-2023. Deposits increased by 25.8% to €12.8 billion.

Net revenue fell by 13.3% to €306.4 million and net income was €152 million, down 17.1% compared with 2022.

## 2.1.2. CIC banking and insurance network

With more than 83,000 new customers, CIC's banking network had 5.6 million customers at end-December 2023, a 1.5% increase year-on-year. At 2.4%, the increase was even greater in the business customer and corporate market, which had a total of more than one million customers. The number of retail customers, who account for nearly 80% of the customer base, grew by a more moderate 1.2%.

| **Network of CIC regional banks (outstandings at end of period in € billions)** | **12/31/2023** | **12/31/2022** | **Change as %** |
|---|---|---|---|
| Current accounts | 79.1 | 96.0 | -17.6% |
| *Livret Bleu* and *Livret A* passbook accounts | 15.1 | 12.8 | +18.6% |
| Other passbook accounts | 25.1 | 28.7 | -12.7% |
| Mortgage savings agreements | 11.1 | 12.3 | -9.7% |
| Brokered deposits [1] | 45.2 | 18.7 | x 2.4 |
| Other | 0.1 | 0.1 | +46.4% |
| **Customer deposits** | **175.8** | **168.6** | **+4.3%** |

[1] Term accounts and *Plan d'Épargne Populaire (PEP)* savings plans.

At end-December 2023, deposits amounted to €175.8 billion, up 4.3%.

The nature of deposits changed in 2023, with an increase in brokered deposits.

Regulated savings totaled €37 billion (x4.4) at December 31, 2023 compared with €8 billion at the end of 2022.

The outflows from current accounts (-18%) were transferred to *Livret Bleu* and *Livret A* passbook savings accounts, the outstandings of which increased by 18.6% to more than €15 billion. In addition, the attractive interest rates offered helped drive the development of term deposits and *Livret d'Épargne Populaire (LEP)* savings accounts, as illustrated by the €26.5 billion increase in brokered deposits to more than €45 billion at the end of 2023.

| Network of CIC regional banks (outstandings at end of period in € billions) | 12/31/2023 | 12/31/2022 | Change as % |
|---|---|---|---|
| Home loans | 103.4 | 98.7 | +4.8% |
| Consumer credit | 6.6 | 6.2 | +6.0% |
| Equipment and leasing | 54.3 | 51.6 | +5.3% |
| Operating loans [1] | 18.7 | 21.2 | -11.8% |
| Other | 0.3 | 0.4 | -7.1% |
| **Customer loans** | **183.3** | **178.0** | **+3.0%** |

[1] Current accounts in debit and cash flow loans.

Outstanding loans totaled €183.4 billion, up 3.0%, at end-December 2023 compared with €178.0 billion in 2022. In total, the CIC network generated €42.2 billion in new loans compared with €50.9 billion a year earlier, a decrease of 17%. Growth in outstanding loans remained strong in 2023 in the main loan categories:

- outstanding home loans rose by 4.8% to €103.4 billion; the total amount released over the year fell by 22.4% to €15.4 billion, impacted by interest rate constraints and the deferral of customer projects;
- investment loans rose by 5.3% to €54.3 billion; demand for financing for business customers' projects held steady, with €14.2 billion in funds released (-19%);
- consumer credit rose by 6% to €6.6 billion.

Products sold to customers increased thanks to the multi-service strategy:

- the number of property and health, protection & creditor insurance contracts (excluding life insurance) rose by 3.8% year-on-year to €6.6 million;
- the number of mobile phone contracts increased slightly year-on-year to 556,000;
- the number of remote home surveillance subscriptions rose by 5.1% to more than 123,000 contracts.

As for the CIC banking network, the growth in commission income (+3.3%) did not offset a decline in its net revenue (-3.5%) to €3.8 billion.

General operating expenses rose by 6.8% to €2.5 billion.

The cost/income ratio was 64.3% with gross operating income of €1.4 billion compared with €1.7 billion at the end of 2022.

The cost of risk deteriorated, with a net allocation of -€235 million compared with a net reversal of +€74 million in 2022, and income before tax amounted to €1.1 billion.

Net income fell by 35.4% to €822 million in 2023.

# 2.2. Consumer credit

## 2.2.1. Cofidis Group

Cofidis Group operates under three brand names: Cofidis, Créatis and Monabanq. An expert in consumer credit, it offers its products in nine European countries: France, Belgium, Spain, Italy, Portugal, Czech Republic, Hungary, Slovakia and Poland.

Cofidis Group had a strong year, with nearly €10 billion in new loans and financing that exceeded budget forecasts. Financing *via* the direct business channel was deliberately reduced along with a simultaneous reduction in marketing investments, in order to adapt risk targets to the current declining margin environment. This reduction in the direct business channel focused on personal loans and loan purchases. On the other hand, revolving credit, a product that continues to have higher margins, increased. Financing *via* the referral business continued to grow: with financing up 10% compared with 2022. Cofidis Group has chosen to continue to support its partners in order to preserve its market share.

Outstanding loans increased by 8% compared with the end of 2022 to €19,690 million.

Monabanq's "remote banking" activity continued to grow at a steady pace with 80,000 current and savings accounts opened, an increase of 16% compared with 2022. Deposits and financial savings increased by 19% to more than €1.1 billion.

In 2023, refinancing rates continued to rise, which severely impacted net revenue, with an additional interest expense of €276 million compared with 2022.

Interest income was up sharply thanks to robust commercial activity and higher rates charged to customers.
The increase in interest income was €212 million compared with 2022, €128 million of which was tied to the increase in outstandings and €84 million to the higher rates charged.

Commission income also rose significantly (+€38 million) thanks to strong commercial activity through the partnerships, mainly driven by Cofidis Italy (+€24 million), Cofidis France (+€6 million) and the development of the Monabanq banking activity (+€3 million). This trend helped to limit the decline in net revenue to €19 million compared with last year.

General operating expenses fell sharply compared with 2022 (-€13 million) as a result of the decrease in commercial investments tied to the voluntary reduction in commercial activity, given the unfavorable interest rate environment. However, despite the absence of push marketing, the market remained very active and the withdrawal of certain competitors from the market was profitable.

On the other hand, the employee benefits expense rose by 6% to support employees' purchasing power. The increase in the number of employees was limited to 1% and was concentrated in the developing entities (Monabanq, Cofidis Italy and Central Europe).

The cost of risk was kept under control at 2.2% of outstanding loans, the same level as in 2022. Given the intrinsic improvement in Cofidis Group's risk since the health crisis, the positive impact of the updating of the provision rates, particularly as regards provisioning of performing loans, is factored into the cost of risk. Defaults increased at the end of 2023 and collection performance declined slightly. However, these two indicators were significantly better than they were before the health crisis.

At €146.7 million, down €41 million compared with 2022, income before tax remained at a good level. This represents a strong performance given the very steep decline in the net interest margin. The margin is expected to gradually recover as customer rates steadily rise and financial expenses stabilize and then decrease.

Net income was €103 million, down 20% from last year.

### 2.2.2. TARGOBANK Germany

TARGOBANK operates in over 250 German cities, meeting the needs of 3.8 million retail and business customers to whom it provides everyday banking, consumer credit, investment, insurance, factoring and leasing solutions. Since 2022, its offering also includes corporate finance, special financing, commercial real estate financing and payment services.

New personal installment loans totaled €5.8 billion in 2023, down slightly relative to 2022.

In the retail segment, outstanding loans grew by 9.7% to €21.6 billion, while customer deposit volumes reached €29.2 billion.

The retail business contributed €379 million to net income, 28.9% more than in the previous year. This increase was mainly due to growth in the loan portfolio as well as the increase in interest rates which the bank was able to record on the assets side of the balance sheet, while controlling the cost of its resources.

Business activities (classified under banking network and business subsidiaries) showed an increase in investment loans and leasing, while factoring production decreased relative to 2022.

In 2023, income before tax was €671 million, up 26% from the previous year.

## 2.3. Business subsidiaries

Within retail banking, the supporting business lines - i.e. leasing, factoring, real estate - generated net revenue of €703 million, up significantly by 9.9%, and net income of €167 million (vs. €128 million in 2022), after payment of commissions to the networks.

### 2.3.1. Factoring and receivables management in France

Crédit Mutuel Alliance Fédérale's factoring division, which caters for businesses and professionals, comprises two entities in France: Crédit Mutuel Factoring and Factofrance. Crédit Mutuel Factoring, the group's historical factoring unit, sells its solutions through the Crédit Mutuel and CIC networks. Factofrance distributes its products directly *via* a dedicated sales team and business introducers such as credit insurance brokers, accountants, etc. In Germany, factoring activities are carried out by TARGOBANK under the TARGO Factoring and TARGO Factoring & Equipment Finance names.

In 2023, the volume of receivables purchased by Crédit Mutuel Factoring and Factofrance reached a record level of €103.4 billion, an increase of 5.0%, for more than 14,300 customers. The share of international business accounts for approximately 32.3% of total revenues. Factoring receivables at year end totaled €14.2 billion, an increase of 5.4%.

Net revenue rose by 24.1% year-on-year to €436 million, thanks to the rise in financed receivables and the increase in the average financing fee, which was impacted by the increase in refinancing rates. Operating expenses remained under control. The cost of risk increased while remaining very low and well below budget.

In total, the division's net income rose significantly by 56% to €153 million.

## 2.3.2. Equipment and real estate leasing

### 2.3.2.1 Crédit Mutuel Leasing and CCLS (Leasing Solutions)

Crédit Mutuel Alliance Fédérale's leasing division is a major player in equipment lease financing, with a market share of more than 15.2%[1] in France, including 18.9% in leasing and finance lease products. For over 60 years, the division has specialized in the financing of capital goods through lease financing.

The division distributes its products through various distribution channels. Within the banking networks, marketing is carried out by Crédit Mutuel Leasing. Lease financing solutions are distributed under the Crédit Mutuel Leasing brand within the Crédit Mutuel network and under the CIC Leasing brand within the CIC network. Internationally, the entity finances the investments of French companies that have subsidiaries or their parent company on site. It also meets the needs of foreign companies that have entities or their parent company in France.

The leasing division also has a dedicated sales team and distributes its products through its own branch and partner network. Historically carried out by the CCLS and Bail Actea entities, sales through the direct channel have been generated exclusively by the CCLS brand since January 2024, after the commercial networks of the two entities were combined.

In 2023, production across the entire scope increased by 6% to more than €7 billion. As a result, the division's outstandings rose to €15.4 billion. With more than €909 million, international production accounted for 13% of the division's total production.

The net revenue of real estate leasing in France (after payment of commissions to the group's networks) fell by 25% to nearly €136 million. The net loss was €34.6 million.

### 2.3.2.2 Crédit Mutuel Real Estate Lease

Crédit Mutuel Real Estate Lease is a major player in the real estate leasing market in France. It meets the real estate investment needs of Crédit Mutuel Alliance Fédérale customers. It covers companies, professionals, social economy players and institutions. Crédit Mutuel Real Estate Lease offers tailored financing for the purchase or construction of business properties. Projects can involve commercial, logistical and industrial properties, healthcare facilities, offices or hotels. Its financing solutions are distributed under the Crédit Mutuel Real Estate Lease brand at Crédit Mutuel local banks and under the CIC Real Estate Lease brand at CIC branches.

In 2023, Crédit Mutuel Real Estate Lease continued to expand, signing nearly 200 new contracts totaling more than €832 million. Its total outstandings increased by nearly 2% to €6.4 billion. With this level of production, Crédit Mutuel Real Estate Lease is one of the top real estate lessors in France.

[1] Source: ASF at end-Q3 2023.

# 3. Insurance

| (€ millions) | 2023 | 2022 pro forma | Change |
|---|---|---|---|
| **Net insurance revenue** | **1,188** | **1,206** | **-1.5%** |
| General operating expenses | (129) | (113) | +14.5% |
| **Gross operating income** | **1,059** | **1,093** | **-3.1%** |
| Net gains and losses on other assets and ECC [1] | (5) | (13) | +62.6% |
| **Net profit/(loss) before tax** | **1,054** | **1,080** | **-2.4%** |
| Income tax | (232) | (266) | -12.7% |
| **Profit/(loss) for the period** | **822** | **814** | **+0.9%** |

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

Groupe des Assurances du Crédit Mutuel (GACM), the insurance subsidiary of Crédit Mutuel Alliance Fédérale, is at the heart of the bancassurance model. It benefits from the synergies inherent in the mutual banking and insurance model, made possible through the strength of the local networks and technological integration. The Group's insurance business protects the networks' customer-members through offers based on a broad pooling of risks and useful, solidarity-based and differentiating services.

GACM's premium income was €13.9 billion, up 5.2% compared with 2022. Excluding GACM España, which was sold on July 12, 2023 [1], income growth even reached 6.6%, on a like-for-like basis. At the end of 2023, the portfolios had 37 million policies, a year-on-year increase of 3.2%.

In France, gross life insurance inflows totaled €7.4 billion, up 6.2% on 2022, driven by strong growth in payments on euro-denominated funds (+20.4%). The share of inflows invested in unit-linked vehicles decreased but remained at a high level (29% versus 37% in 2022). In a context of rising rates of return on regulated savings, net inflows were positive at €1.6 billion (stable compared with 2022) for both euro-denominated funds (+€0.8 billion) and unit-linked funds (+€0.8 billion). Thanks to its financial strength and large reserves, in 2023 GACM increased the average rate paid on the euro-denominated funds of its life insurance and individual pension policies by 0.50 points to 2.80%, including compensation bonuses. The ratio of the provision for policyholder dividends to life insurance outstandings was 6.9% (compared with 7.8% in 2022), following a 0.9-point recovery, hence an improvement in returns for our policyholders.

Income from P&C and protection insurance for GACM companies amounted to €6.4 billion. More specifically, in France, health, protection & creditor insurance increased by 5.1% (including +5.7% in health insurance, +5.1% in protection insurance and +4.8% in creditor insurance [2]), and P&C insurance increased by 5.6% (including +4.9% in motor insurance and +6.3% in property insurance), increases driven by the sustained growth in policy portfolios.

Insurance income generated by the GACM subsidiaries in Belgium amounted to €201 million, up 4.6% compared with 2022.

Commissions rose by 2.6% to €2.0 billion, of which €1.7 billion was paid to the Crédit Mutuel Alliance Fédérale networks.

[1] On July 12, 2023, GACM sold all of GACM España's capital to Axa Seguros Generales S.A. de Seguros y Reaseguros. The premium income of €193 million made by GACM España in the first half of the year was retained by GACM.
[2] Pro forma of the transfer of the Cofidis Spain portfolios to ACM VIE SA and ACM IARD SA by GACM España as part of the sale.

GACM's contribution to net revenue [1], measured under IFRS 9 and 17, amounted to €1,188 million, down by a slight 1.5% on the 2022 pro forma level. In property & casualty insurance, the high level of sectoral inflation in recent years led, first and foremost, to an increase in repair and reconstruction costs. Also, after 2022, 2023 saw the second highest level of natural event expenses for GACM, with a claim expense of €338 million (€469 million in 2022) generated mainly by storm Ciaran, floods in northern France and drought events. At 31 December 2023, GACM's combined P&C insurance ratio [2] was 102.1%, compared with 95.2% at end-2022. The impact on net banking income of the fall in P&C insurance was mitigated by the increase in income from health, protection & creditor insurance and life insurance.

Financial income was up, in a financial environment that was generally more favorable than in 2022, and which saw a rise in the equity markets and a slight easing of interest rates.

GACM's net income contribution in 2023 was €822 million, up slightly by 0.9% compared with the 2022 pro forma net income contribution under IFRS 17/IFRS 9 (€814 million), which was close to the 2022 net income contribution published under IFRS 4/IAS 39 (€832 million).

At end-2023, GACM's shareholders' equity totaled €11.1 billion, an increase of €0.3 billion compared with 2022. In addition to the €498 million in dividends distributed in respect of 2022, on December 20, 2023 GACM paid an exceptional dividend of €620 million to its shareholders.

In light of the many current and future challenges, GACM aims to continue offering insurance solutions to as many people as possible, while facilitating the procedures of its policyholders through digital functionalities and innovative services.

1 Under IFRS 17, net revenue includes expenses related to insurance policies, i.e. the vast majority of expenses. Only unrelated expenses are now included in general operating expenses.
2 Under IFRS 17, net of reinsurance.

# 4. Specialized business lines

Private banking and asset management, corporate banking, capital markets and private equity round out Crédit Mutuel Alliance Fédérale's banking and insurance offering. These four businesses account for 14% of net banking revenue [1] and 21% of net profit from operating activities [2].

## 4.1. Asset management and private banking

| (€ millions) | 2023 | 2022 | Change |
|---|---|---|---|
| **Net revenue** | **1,285** | **1,119** | **+14.8%** |
| General operating expenses | (862) | (794) | +8.6% |
| **Gross operating income** | **423** | **326** | **+30.0%** |
| Cost of risk | (75) | (32.8) | x2.2 |
| **Operating income** | **348** | **293** | **+18.9%** |
| Net gains and losses on other assets and ECC [1] | 2 | 15 | -86.5% |
| **Net profit/(loss) before tax** | **350** | **307** | **+13.9%** |
| Income tax | (88) | (67) | +32.2% |
| **Profit/(loss) for the period** | **262** | **241** | **+8.8%** |

[1] ECC = Equity consolidated companies.

**Crédit Mutuel Alliance Fédérale's asset management and private banking business line comprises:**
- **five asset management entities (Crédit Mutuel Asset Management, Crédit Mutuel Gestion, Crédit Mutuel Épargne Salariale, CIC Private Debt and Cigogne Management) and the Crédit Mutuel Investment Managers distribution platform;**
- **the La Française group, comprising five asset management companies and a distribution platform;**
- **Banque Transatlantique, Banque de Luxembourg and Banque CIC (Suisse).**

Net revenue from the asset management and private banking activity came to nearly €1.3 billion, representing 7% of the net revenue of Crédit Mutuel Alliance Fédérale's operational business lines, rising by nearly 15%. This increase highlights strong commercial activity in private banking following the rise in interest rates, which favors growth in the net interest margin.

General operating expenses rose by 8.6%.

In 2022, the "Net gains/(losses) on other assets and ECC" item comprised non-recurring income related to the first-time consolidation of Crédit Mutuel Investment Managers and CIC Private Debt.

Net income grew by 8.8% to €262 million in 2023, compared with €241 million in 2022.

These data do not include the private banking business carried out through CIC's network and its five regional banks, i.e. net revenue of €212 million (-10%) and net income of €87 million (-18%).

[1] Excluding intra-group transactions and holding company services.
[2] Excluding holding company services.

### > Asset management [1]

Crédit Mutuel Alliance Fédérale aims to become a major player in asset management in France and Europe, committed and responsible, by creating an asset management division bringing together all third-party asset management structures within one multi-specialist model.

This ambitious project, on which all the teams have been working since September 2022, will create a major player in asset management in France from the end of the first quarter of 2024.

Crédit Mutuel Alliance Fédérale will rely on the 12 asset management companies within the group and a single distribution platform comprising Crédit Mutuel Investment Managers and La Française Finance Services, an entity of the La Française group, 60% owned by BFCM and 40% owned by the Crédit Mutuel Nord Europe regional bank since January 1, 2024. It will operate through a number of sites in Europe and Asia.

Thanks to the expertise of these different companies, a wide range of products and services is offered to a diversified French and international customer base: institutional investors, large corporates, external distributors - third-party distribution networks, private banks, fund selectors, wealth managers, etc. The asset management entities also support the networks in all the Group's markets, including internationally.

Business in 2023 was conducted in a broadly complex environment marked by ongoing geopolitical tension which impacted economic and financial trajectories. The corollary of this is inflation continuing to fall, interest rates remaining restrictive, mixed economic growth prospects and continued urgency around the energy and climate transition. In this context, decisions on whether or not to continue monetary tightening will depend on the level of inflation on both sides of the Atlantic. In real estate, inflows slowed for retail investors and were down significantly for institutional investors, who took a wait-and-see approach given asset valuations, particularly those of office buildings.

Total asset management revenues amounted to €601 million with recurring income of €195 million.

The total outstandings of the different management companies came to €173 billion at the end of December 2023.

With the rise in interest rates, investors showed strong interest in money market instruments, an important activity for Crédit Mutuel Alliance Fédérale. Net inflows in 2023 thus totaled €1.8 billion in money market funds for assets under management of €36.4 billion. Asset management excluding money market funds generated net inflows of nearly €1.9 billion. The sustainable dimension continued to be a priority in all asset classes, both for listed assets with the Impact fund range (more than €760 million in assets under management) and for unlisted assets, mainly real estate and private debt.

Fixed-maturity bond funds, the flagship expertise of asset management companies La Française Asset Management and Crédit Mutuel Asset Management, benefited from investor enthusiasm, resulting in inflows of nearly €885 million and representing €3.45 billion in assets under management.

A key player in the real estate asset class within the La Française Group, **La Française REM** maintained its leading position in the French collective real estate market in a turbulent environment. It remained faithful to its prudent approach and conservative management style to ensure quality assets and underpin the positioning of its SCPIs. The real estate activity represented €30.6 billion in assets under management and recorded inflows of more than €870 million in 2023. The attractiveness of the brand was acknowledged by the European Real Estate Brand Institute in June 2023.

In an unsettled environment, structured products – EMTN created by CIC under the **CIC Market Solutions** brand – saw continued success, with annual inflows of €2.7 billion through the retail, corporate and private banking networks and from external customers with issues of new products at a steady pace. This expertise is also deployed as a white label through invitations to tender with major distributors in the marketplace.

[1] The earnings data provided in this section correspond to the entities' parent company results and not their contribution to the consolidated Crédit Mutuel Alliance Fédérale results.

**CIC Private Debt** attracted new investors, with net inflows reaching €246 million, bringing its assets under management to €3.1 billion. 2023 saw successful fundraising by CIC Debt Fund 4 (€565 million). CIC Private Debt was ranked first among private debt funds in the first half of 2023 by DebtWire.

A new development in 2023, alternative management driven by **Cigogne Asset Management** was more broadly deployed thanks to the launch of a new Cigogne UCITS Crédit Opportunities fund, which has gained 4.76% since its launch in July 2023.

NewAlpha, an asset management subsidiary of the La Française group, specializing in equity multi-management and absolute performance and private equity, continued to grow, and now has €3 billion in assets under management.

BLI, which has €13.6 billion in assets under management, built an Impact range in partnership with Funds for Good, which obtained the Towards Sustainability label. The management company recorded redemptions of €1.9 billion in 2023.

In terms of sustainable investment, Crédit Mutuel Asset Management and the La Française group made waves in 2023 by being ranked in the "Avant-Gardist" category by the Responsible Investment Brand Index (RIBI).

Also of note was the launch in 2023 of the Environmental and Solidarity Revolution fund, managed by Crédit Mutuel Impact. This fund has no financial return target but is 100% reserved for investments that support the environment and the community and the primary ambition of which is to change production models. At the end of 2023, the fund had total assets of €363 million, derived from its share of the societal created and dividend launched by Crédit Mutuel Alliance Fédérale in 2023. At December 31, 2023, Crédit Mutuel Impact had €433 million in assets under management.

### > Private banking [1]

The **Banque Transatlantique group** continued to grow, posting solid results for 2023. All of the group's entities in France and abroad saw an improvement in their sales performance in a new interest rate environment.

Net revenue, one-third of which is generated abroad, amounted to €206 million (+2% compared with 2022). This increase was driven by both the increase in net interest income (+8% on 2022) and the increase in fees other than performance and outperformance fees received by Dubly Transatlantique Gestion (+2% compared with 2022).
Net income was stable at €59.1 million (€61.2 million in 2022).

All of the Banque Transatlantique group entities, i.e. Banque Transatlantique France, Banque Transatlantique Belgium, Banque Transatlantique Luxembourg, Dubly Transatlantique Gestion and Transatlantique Private Wealth, reached or surpassed their 2023 budget.

Outstanding loans amounted to €5.2 billion (up +7% on 2022). New home loans remained strong over the year, with outstandings totaling €3.2 billion (+7% on 2022).

In 2023, the positive effect of the rise in the markets combined with very strong capital inflows in all customer segments (senior executives, business leaders, family offices, expatriates, etc.) led to record savings outstandings of €62.5 billion (+19% compared with 2022). Financial savings totaled €56.5 billion in 2023, an increase of 20%.

Twenty new plans were acquired in 2023, confirming Banque Transatlantique's position as the French leader in administering manager shareholding plans.

[1] The earnings data provided in this section correspond to the entities' parent company results and not their contribution to the consolidated Crédit Mutuel Alliance Fédérale results.

During 2023, **Banque de Luxembourg** continued to benefit from a favorable interest rate environment, along with strong commercial growth in all its businesses serving individuals, corporates and asset management professionals.

Net revenue came to €437.2 million at end-2023 [1], up 23%, while net profit came to €115.0 million, an increase of 17% on 2022. This increase can be attributed to a 92% increase in net interest income to €192.6 million, while net fee income fell by a slight 4% to €234.4 million. Customer outstandings remained stable at €121 billion at the end of 2023.

During the year, Banque de Luxembourg obtained B Corp™ certification. In doing so, it joined the community of over 7,000 certified companies worldwide that meet high societal, environmental, governance and transparency requirements.

For **Banque CIC (Suisse)**, fiscal year 2023 was marked by a strategic review to strengthen its market positioning as a bank serving entrepreneurs and businesses and to further harness synergies with the group.

With a balance sheet total of €14.3 billion, the expertise of its 461 employees in financing and investments, and excellent results in the management of the funds entrusted to it, Banque CIC (Suisse) is perfectly positioned to continue generating growth. Volumes differed during 2023, with savings volumes down 2.0% to €16.9 billion and loan volumes up 8.7% to €10.7 billion.

Net revenue grew by 23% to €240 million. Net income came to €47.8 million, up by a sharp 43% on 2022, representing the best result in the bank's history despite an increase in provisions.

[1] All unaudited figures as at 12/31/2023.

# 4.2. Corporate banking

| (€ millions) | 2023 | 2022 | Change |
|---|---|---|---|
| **Net revenue** | **629** | **471** | **+33.7%** |
| General operating expenses | (155) | (146) | +5.8% |
| **Gross operating income** | **474** | **324** | **+46.3%** |
| Cost of risk | (168) | 7 | n.s |
| *cost of proven risk* | *(202)* | *(51)* | *x 3.9* |
| *cost of non-proven risk* | *35* | *58* | *-40.8%* |
| **Operating income** | **307** | **332** | **-7.5%** |
| Net gains and losses on other assets and ECC [1] | 8 | - | n.s |
| **Net profit/(loss) before tax** | **315** | **332** | **-5.1%** |
| Income tax | (120) | (72) | +66.7% |
| **Profit/(loss) for the period** | **195** | **260** | **-25.0%** |

[1] ECC = 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 assists the "corporate" networks in their dealings with major customers and contributes to the development of international business and the implementation of specialized financing (acquisitions, assets and projects).**

Corporate banking commitments rose by €6.3 billion to €66.7 billion.

Net revenue rose by 33.7% to €629 million at the end of 2023, illustrating the strength of this business.

The cost of risk deteriorated to €168 million compared with €7 million in 2022.

Net income therefore fell to €195 million in 2023, compared with €260 million in 2022.

The **structured financing activity** (acquisition finance, project finance, asset finance and securitization) was very active across all its business lines. Overall, loan production was higher than in 2022, totaling €4.9 billion over the year, an increase of 13% on the previous year. Net revenue [1] reached an all-time high of €281.3 million. The cost of proven risk was very low at less than 5 basis points, enabling it to generate good results across all business lines.
Earnings [1] reached €182 million, up on 2022.

The **large corporates (CIC Corporate)** activity, which provides long-term support for the development of listed and unlisted major French and foreign industrial companies and financial institutions, made revenue of more than €500 million. Amid ongoing inflation and changing monetary policies, investment operations continued in 2023 at a slower pace than in 2022. Revenues were nevertheless up sharply, driven by the rise in lending rates, which had a very positive impact on net interest income, as well as by good commercial momentum, particularly linked to strategic transactions or trade finance in France and abroad (lending, bond issues, guarantees, factoring, etc.).

[1] Parent company financial statements.

The **international business department** helps corporate customers carry out their international projects. Despite a context of geopolitical stress and a lack of visibility, it continued to support companies, helping them to secure international sales: documentary transactions, international guarantees, forfaiting, supplier loans, buyer loans, etc.

Through its specialized subsidiary, CIC Aidexport, customers obtain personalized assistance and advice for their international development, in particular in relation to multi-market targeting, partner selection, setting up sales or production operations and detailed and realistic analysis of target markets. In 2023, nearly 250 companies were supported by CIC Aidexport. In this context, the teams played the part of ambassadors for their customers, acting as effective representatives.

## 4.3. Capital markets

| (€ millions) | 2023 | 2022 | Change |
|---|---|---|---|
| **Net revenue** | **465** | **342** | **36.0%** |
| General operating expenses | (257) | (236) | 8.6% |
| **Gross operating income** | **208** | **106** | **97.3%** |
| Cost of risk | (5) | (1) | n.s |
| **Net profit/(loss) before tax** | **204** | **105** | **93.9%** |
| Income tax | (57) | (28) | x 2 |
| **Profit/(loss) for the period** | **147** | **77** | **90.1%** |

**CIC Marchés comprises the commercial capital markets business - under the CIC Market Solutions brand - for corporate customers and financial institutions, investment activity and the post-market services that support these activities.**

**CIC Marchés** saw a sharp increase of 36.0% in net revenue to €465 million. Its general operating expenses rose by 8.6% to €257 million. Gross operating income rose by 97.3% to €208 million.

Gross operating income amounted to €208 million. Overall net income from capital markets activities was €147 million, an increase of 90.1%, compared with €77 million in 2022.

**CIC Market Solutions** enjoyed solid sales momentum in 2023. IFRS net revenue came to €241 million compared with €169 million at end-2022, an increase of 43%. This growth was driven by all activities.

The **investment** business line (including France and the New York, Singapore and London branches) generated net revenue of €224 million in 2023 compared with €173 million in 2022, beating its five-year average. The continued exit by central banks from unconventional policies, anti-inflationary measures, multiple geopolitical tensions and banking events (Crédit Suisse and Silicon Valley Bank) all brought volatility to the financial markets and to bond markets in particular. The investment business was particularly active in 2023 in order to take advantage of opportunities that presented themselves. Earnings volatility was low in light of the context.

# 4.4. Private equity

| (€ millions) | 2023 | 2022 | Change |
|---|---|---|---|
| **Net revenue** | **345** | **430** | **-19.8%** |
| General operating expenses | (86) | (75) | +14.8% |
| **Gross operating income** | **259** | **355** | **-27.1%** |
| Cost of risk | 0 | 2 | n.s |
| **Net profit/(loss) before tax** | **259** | **357** | **-27.5%** |
| Income tax | (2) | (17) | n.s |
| **Profit/(loss) for the period** | **256** | **340** | **-24.6%** |

**Crédit Mutuel Equity encompasses the group's equity financing businesses, from innovation capital, growth capital and buyout capital to infrastructure investments and M&A advisory services. Crédit Mutuel Equity finances development projects, mainly in France *via* eight regional offices in Paris, Lyon, Nantes, Bordeaux, Lille, Strasbourg, Marseille and Toulouse but also abroad through subsidiaries in Germany, Belgium, Switzerland and Canada.**

Crédit Mutuel Equity invests the capital of Crédit Mutuel Alliance Fédérale and makes long-term commitments alongside company managers to promote innovation, growth and employment, and thus enable them to carry out the necessary transformation of their business models, create financial and non-financial value, and progress through the different stages of economic, social and environmental development.

This commitment is borne out by the fact that it has held more than a quarter of its 333 equity interests for more than ten years. The renewal of the portfolio nevertheless remains very dynamic and provides an indication of the organization's effectiveness: over the last three years, more than €1.5 billion has been sold and more than €1.7 billion has been invested.

2023 saw a record level of investment. Nearly €700 million was deployed as part of a prudent policy taking into account the prevailing geopolitical uncertainty, the resulting economic impact on projected corporate growth and the resulting valuation multiples. In France, no less than €430 million was invested in new companies throughout the country and nearly €200 million was reinvested in the capital of portfolio companies. This portfolio of investment assets reached €3.8 billion, demonstrating the strong momentum of the private equity businesses across all segments.

At €345 million, total income, two-thirds of which came from capital gains, returned to a normal level after two exceptional years post-Covid. Net income amounted to €256 million, demonstrating the solidity and effectiveness of the model deployed, which has given rise to more than €1 billion in cumulative net income being generated over the last three fiscal years.

For the second consecutive year, CIC Conseil posted record fees on mergers and acquisitions, despite a difficult market environment: 28 deals were finalized in 2023 and nearly €15 million in fees was charged.

As an investor that is serious about its societal commitments, Crédit Mutuel Equity has adopted a vision that is service-oriented and focused on sustainability and human considerations. It emphasizes balanced financial arrangements and adheres to project timeframes to always ensure a fair redistribution of the value created from its transactions among all stakeholders: the shareholders, managers and employees of the companies supported.

# 5. Other business lines: IT, logistics, media and others

**This segment mainly comprises:**

- **the "logistics" business line, which includes the Group's IT companies and logistics organizations;**
- **the EBRA group (Crédit Mutuel Alliance Fédérale's regional daily press group), which has nine regional daily newspapers and more than 1,400 journalists: *Le Dauphiné Libéré, Le Progrès, Le Bien Public, Le Journal de Saône et Loire, Le Républicain Lorrain, L'Est Républicain, Vosges Matin, Les Dernières Nouvelles d'Alsace* and *L'Alsace*. The nine publications have strong local roots and cover a total of 23 departments across the entire eastern part of France. The EBRA group operates various print and digital brands as well as an event offering with its subsidiary EBRA Events and video expertise *via* its subsidiaries EBRA Studios and EBRA Productions;**
- **holding company services.**

There was a net loss of €125 million, compared with a loss of €16 million at end-2022, including reclassifications recognized in the holding company.

Net income was positive at €6 million, compared with a loss of €997 million in 2022, impacted by:

- the logistics business line posted an increase in activity of €140 million (+15.2%); revenue growth of 8.1% to €2.4 billion, mainly consisting of Euro-Information revenue. The increase in expenses of 10.6% to €2.2 billion reflects ongoing investments in technology;
- a deterioration in the press activity, with a loss of €22 million compared with a loss of €13 million a year earlier;
- net income of €112 million for holding company services. The 2022 fiscal year included, for a total of €1.2 billion, goodwill impairment on TARGOBANK Germany and an additional provision relating to the disposal of TARGOBANK Spain.

### Focus on the media business

The current inflationary environment severely penalized the EBRA group's operations in 2023. Nevertheless, the group continued to work on its digital transformation. Digital subscriptions grew by 20% between 2022 and 2023. The share of local digital advertising also increased, from just over 18% to 21% of advertising revenue generated by the EBRA group's local advertising networks.

In 2023, the EBRA group continued to roll out its strategic plan around four priority areas:
- strengthen content and service offerings that create value and commitment;
- develop a profitable and sustainable revenue growth model;
- invest in new growth drivers that make a significant contribution;
- support the personal development of its employees and reassert its culture of excellence.

This plan is part of the Group's *raison d'être*: "Take action to strengthen ties of proximity and trust between the players in our regions". To support its *raison d'être* and its press publications, in 2023 the group launched a communication campaign and a manifesto around the brand slogan "*La presse qui nous lie*" (the press that binds us).

In order to adapt to new uses and better incorporate different reading models, the publishers of the EBRA group have developed and implemented a new, more modern paper format that facilitates access to information and improves clarity and readability.

In 2023, EBRA became the first French press group to obtain Journalism Trust Initiative (JTI) certification, reasserting its commitment to editorial excellence, responsibility and transparency, and its desire to maintain the independence of its publications.

Diversification in the event business continued, with the acquisition of a majority stake in the capital of KCIOP, which organizes, among other things, the La Grande Odyssée sleigh dog race, and the acquisition of Livevent, a company that organizes inter-company sporting challenges.

Digital transformation and diversification do not fully offset the erosion of print revenues and the increase in production costs. Nevertheless, efforts to control operating expenses have helped to reduce the impact of the decline in turnover on the group's net income (negative in 2023).

# 6. Additional information

## 6.1. Liquidity and refinancing

All in all, 2023 was a good year on all markets (with the exception of the commodities market), with the equity, credit and interest rate markets all posting excellent performances.

The bond markets, buoyed by the continued rise in yields, saw record flows across all issuers, from high-yield (HY) to investment grade (IG). Demand from investors seeking to take advantage of the highest yields seen in several years was fulfilled by an increase in bank issuance to offset the end of the central banks' accommodative policies.

The central banks continued to raise their rates in order to swiftly bring inflation, rampant since 2022, back under control. The ECB raised its key interest rate by an additional 200 basis points, to a high of 4% in September 2023. Similarly, the Fed continued to tighten its monetary policy, hiking its key rate by 100 basis points and bringing it to 5.5% in July 2023. In the meantime, long-term yields also rose sharply, reaching their highest level in the autumn with the US 10-year rate at 5%, the 10-year OAT at 3.59% and the Bund at 3.00%.

This rapid and abrupt tightening of monetary policies and interest rates created high volatility in the markets and triggered a banking liquidity crisis in the spring. From the US, the crisis spread to Europe. Although rapidly curbed by the central banks, it nevertheless led to the bankruptcy of specialized banks, SVB and Silvergate, in the US and an emergency takeover of Crédit Suisse by UBS brokered by the authorities. In the end, it did not have any lasting consequences for the health of the markets, which recovered with renewed vigor. But this sudden and dramatic crisis reminded banks that liquidity continues to be a major issue for the survival of the global financial system.

This monetary policy ultimately paid off, with inflation falling sharply and growth persevering; the much-feared recession was finally avoided. Against this backdrop, the central banks suggested that a rate peak had been reached but that rates would nevertheless remain higher for longer.

These precautionary statements were clearly not heeded by the markets, which saw a sharp drop in yields at the end of the year as a result of "over-anticipating" rate cuts in 2024. Long-term yields therefore returned to their lowest levels, particularly in Europe, with the 10-year OAT below 2.50% and the Bund significantly below 2%, i.e. a decrease of 100 basis points compared with the highest levels in 2023.

Total external funding obtained in the markets was €155.2 billion at the end of December 2023, a decrease of 0.98% on the end of December 2022.

Short-term money market funding (less than one year) totaled €52.6 billion at the end of December 2023, up 3.68% on the previous year. It accounted for 34% of all market funding raised, two percentage points more than in 2022.

Medium and long-term (MLT) funding totaled €102.7 billion at the end of December 2023, a 3.2% reduction compared with 2022. In the period to December 31, 2023, Crédit Mutuel Alliance Fédérale raised €21.7 billion in MLT funding (of which €1.25 billion in prefunding for 2024), primarily under the BFCM name but also under Crédit Mutuel Home Loan SFH, the covered bond issuing entity with the best agency ratings. 71.0% of this MLT funding was raised in euros and the balance in foreign currencies (US dollar, pound sterling and Swiss franc), demonstrating good diversification of the investor base.

Public issues and private placements represented 87% and 13% of the total respectively. The average length of medium and long-term funding raised as of December 31, 2023 was 5.78 years, comparable to the average for 2022.

### 2023 refinancing program

Public issues in the period to December 31, 2023 had a total value of €18.9 billion and were made up as follows:

- BFCM in an EMTN senior format:
  - €4.0 billion in senior format in 5, 6, 7 and 10-year issues in March, June and September,
  - GBP 1.0 billion in 3 and 5-year issues in January and May,
  - CHF 485 million in 4 and 7-year issues in January and July,
  - USD 3.75 billion in 3 and 5-year issues in January and July in US144A format,
  - JPY 167.0 billion in Samurai format in 3, 5 and 10-year issues in October.
- BFCM non-preferred senior EMTNs: €4.0 billion in 5, 7, 8 and 10-year issues in January, May and November in connection with MREL management;
- BFCM Tier2 EMTNs: €1.25 billion in a 10-year issue in January;
- Crédit Mutuel Home Loan SFH: €3.5 billion in +4, 6 and 10-year issues in February and April.

### LCR and liquidity buffer

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

- an average LCR over 2023 of 162.8% (vs. 153.3% in 2022);
- average HQLA (High Quality Liquid Assets) of €125.6 billion, 79.8% 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 (€ billions)** | **12/31/2023** |
|---|---|
| Cash deposited at central banks | 92.5 |
| LCR securities (after LCR haircut) | 27.0 |
| *Level 1 HQLA included in the above* | *21.6* |
| Other eligible central bank assets (after ECB haircut) | 50.6 |
| **TOTAL LIQUIDITY RESERVES** | **170.1** |

The liquidity reserve covers the vast majority of market funding due over 12 months.

### Planned refinancing operations

The various amounts allocated by the EIB continued to be passed on to the final beneficiaries of the Crédit Mutuel Alliance Fédérale network in 2023.

Thus, the allocation of the "Young Farmers & Climate Action" package was finalized and a new package of €80 million was created.

In addition, the "EIB SME & Midcap III" and "Loans to medical professions" packages continued during 2023, enabling those customers to receive support.

A new contract was signed with the EIB on December 18, 2023. It concerned a new €350 million subsidized loan package, exclusively to finance small and medium-sized renewable energy projects, in particular onshore wind and photovoltaic power, as well as geothermal, hydroelectric, biomass and biogas projects. An initial drawdown of €60 million was made in early January 2024.

## 6.2. Outstanding loans and deposits

### Customer deposits

| (outstandings at the period-end in billions of euros) | 12/31/2023 | 12/31/2022 | Change |
|---|---|---|---|
| Current accounts | 191.1 | 221.7 | -13.8% |
| *Livret Bleu* and *Livret A* passbook accounts | 54.2 | 47.6 | +13.9% |
| Other passbook accounts | 71.3 | 78.0 | -8.6% |
| Mortgage savings agreements | 37.7 | 42.0 | -10.3% |
| Brokered deposits* | 107.1 | 52.4 | x 2 |
| Other | 19.7 | 15.3 | +29.0% |
| **Customer deposits** | **481.1** | **457.0** | **+5.3%** |

* Term accounts and *Plan d'Épargne Populaire (PEP)* savings plans.

Deposits increased by 5.3% to €481 billion at end-2023, impacted by a sudden repricing of commercial liabilities. These deposits reflect significant transfers from current accounts (non-interest-bearing) to interest-bearing accounts.

Following an increase in interest rates in 2023, inflows were particularly high in *Livret Bleu* and *Livret A* passbook accounts, as illustrated by a 13.9% increase in these deposits to €54.2 billion from current accounts (-13.8%). Reflecting the trend seen in the Crédit Mutuel and CIC banking networks, regulated savings[1] benefited from higher interest rates, with an increase of 7% to €124.5 billion.

Brokered deposits (term accounts and PEPs) doubled year-on-year to €107 billion compared with €52 billion at end-2022.

### Customer loans

| (outstandings at the period-end in billions of euros) | 12/31/2023 | 12/31/2022 | Change |
|---|---|---|---|
| Home loans | 264.9 | 254.4 | +4.1% |
| Consumer credit | 54.6 | 51.0 | +6.9% |
| Equipment and leasing | 141.4 | 134.8 | +4.9% |
| Operating loans* | 51.7 | 54.5 | -5.0% |
| Other | 9.4 | 7.4 | +27.1% |
| **Customer loans** | **522.0** | **502.1** | **+4.0%** |

* Current accounts in debit and cash flow loans.

At the end of 2023, outstanding loans were up €20 billion to €522 billion compared with €502 billion at the end of 2022, a year-on-year increase of 4.0%.

Despite rising interest rates, 2023 showed continued growth in outstanding loans in all the main categories:

- home loans rose by 4.1% to €264.9 billion;
- consumer credit rose by 6.9% to €54.6 billion;
- other loans, including equipment loans, rose by 27.1%.

[1] *Livret Bleu, Livret A, LDD, LEP, CEL, Livret Jeune, PEL, PEP.*

# 6.3. Methodology notes

## 6.3.1. Restated 2022 results

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

To ensure a consistent benchmark, data at December 31, 2022 have been restated on a pro forma basis.

The two business lines affected are:

- **Insurance**, with two main effects:
  - Amortization over the contract life of the expected future profits (contractual service margin - CSM) from multi-year contracts (life, creditor, long-term care and burial and funeral insurance);
  - Reclassification of expenses related to insurance contracts from operating expenses to net revenue.

- **“Other business lines”**, with expenses incurred by the network for the distribution of insurance contracts reclassified as net revenue; to avoid skewing the analysis of the businesses’ performance, these expenses were reclassified under “other business lines”.

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

- the deconsolidation, effective January 1, 2022, of several subsidiaries of Groupe des Assurances du Crédit Mutuel (GACM), including MTRL, Sérénis Assurance, ACM Belgium (formerly Partners Assurances), ICM Life and ACM Courtage;
- the recognition as net revenue of the banking network of expenses related to “development plans”, which were previously recognized under “other business lines”.

## Impacts of the first-time application of IFRS 17 and IFRS 9 at December 31, 2022

The main impacts of the first-time application of IFRS 17 and IFRS 9 at December 31, 2022 for the insurance entities are as follows:

### Balance sheet (assets)

| € millions | 12/31/2023 | 12/31/2022 restated | Effect of IFRS 17/9 and other | 12/31/2022 reported |
|---|---|---|---|---|
| Cash and amounts due from central banks | 97,504 | 111,929 | 0 | 111,929 |
| Financial assets at fair value through profit or loss | 33,892 | 29,264 | 0 | 29,264 |
| Hedging derivatives | 1,525 | 4,226 | 0 | 4,226 |
| Financial assets at fair value through shareholders' equity | 37,147 | 34,522 | 0 | 34,522 |
| Securities at amortized cost | 3,825 | 3,436 | 0 | 3,436 |
| Loans and receivables due from credit institutions and similar, at amortized cost | 66,843 | 57,173 | 0 | 57,173 |
| Loans and receivables from customers at amortized cost | 521,951 | 502,097 | 0 | 502,097 |
| Remeasurement adjustment on interest-rate hedged portfolios | (2,301) | (6,904) | 0 | (6,904) |
| Financial investments by the insurance activities | 130,997 | 122,096 | (579) | 122,675 |
| Insurance contracts issued - Assets | 15 | 18 | 0 | - |
| Reinsurance contracts held - Assets | 312 | 328 | 0 | - |
| Current tax assets | 1,662 | 1,559 | 2 | 1,557 |
| Deferred tax assets | 1,131 | 1,232 | 1,005 | 2,237 |
| Accruals and other assets | 10,530 | 9,540 | (42) | 9,582 |
| Non-current assets held for sale | 0 | 4,897 | (89) | 4,986 |
| Deferred profit-sharing | 0 | 0 | (48) | 48 |
| Investments in equity consolidated companies | 798 | 775 | (15) | 790 |
| Investment property | 311 | 298 | 0 | 298 |
| Property, plant and equipment | 4,131 | 3,978 | (101) | 4,079 |
| Intangible assets | 690 | 740 | 0 | 740 |
| Goodwill | 2,351 | 2,351 | (2) | 2,353 |
| **Total assets** | **913,314** | **883,555** | **(1,532)** | **885,087** |

## Balance Sheet - Liabilities and Equity

| € millions | 12/31/2023 | 12/31/2022 restated | Effect of IFRS 17/9 and other | 12/31/2022 reported |
|---|---|---|---|---|
| Central banks | 31 | 44 | 0 | 44 |
| Financial liabilities at fair value through profit or loss | 17,940 | 18,772 | 0 | 18,772 |
| Hedging derivatives | 2,003 | 2,502 | 0 | 2,502 |
| Debt securities at amortized cost | 150,692 | 135,072 | 0 | 135,072 |
| Due to credit and similar institutions at amortized cost | 50,034 | 70,182 | 6,965 | 63,217 |
| Amounts due to customers at amortized cost | 481,095 | 456,983 | 0 | 456,983 |
| Remeasurement adjustment on interest-rate hedged portfolios | (243) | (14) | 0 | (14) |
| Current tax liabilities | 759 | 581 | (103) | 684 |
| Deferred tax liabilities | 501 | 525 | (355) | 880 |
| Accruals and other liabilities | 13,958 | 14,045 | 47 | 13,998 |
| Debt related to non-current assets held for sale | 0 | 3,622 | (98) | 3,720 |
| Liabilities related to insurance business policies | | | (120,121) | 120,121 |
| Insurance contracts issued - liabilities | 119,042 | 109,563 | 109,563 | 0 |
| Reinsurance contracts held - liabilities | 0 | 0 | 0 | 0 |
| Provisions | 3,619 | 3,408 | 1 | 3,407 |
| Subordinated debt at amortized cost | 11,502 | 9,861 | 910 | 8,951 |
| **Total shareholders' equity** | **62,379** | **58,408** | **1,660** | **56,748** |
| **Shareholders' equity - attributable to the group** | **60,364** | **56,483** | **1,459** | **55,024** |
| Capital and related reserves | 8,063 | 8,366 | 0 | 8,366 |
| Consolidated reserves | 48,172 | 44,882 | 880 | 44,002 |
| Gains and (losses) recognized directly in equity | 188 | (80) | 592 | (672) |
| Profit/(loss) for the period | 3,942 | 3,315 | (14) | 3,329 |
| **Shareholders' equity – Non-controlling interests** | **2,015** | **1,925** | **201** | **1,724** |
| **Total liabilities and shareholders' equity** | **913,314** | **883,555** | **(1,532)** | **885,087** |

## Income statement

| € millions | 12/31/2023 | 12/31/2022 restated | Effect of IFRS 17/9 and other | 12/31/2022 reported |
|---|---|---|---|---|
| Net interest margin | 8,497 | 8,003 | 0 | 8,003 |
| Fees and commissions | 4,585 | 4,547 | 16 | 4,531 |
| Net gain/(loss) on financial instruments | 650 | 563 | 0 | 563 |
| Net profit/(loss) of the insurance activities | 1,358 | 1,371 | (1,793) | 3,164 |
| Net income and expenses of other activities | 970 | 1,142 | 63 | 1,079 |
| **Net revenue** | **16,060** | **15,625** | **(1,715)** | **17,340** |
| General operating expenses | (9,173) | (8,609) | 1,720 | (10,329) |
| **Gross operating income** | **6,887** | **7,015** | **3** | **7,012** |
| Cost of risk | (1,296) | (768) | 0 | (768) |
| **Operating income** | **5,591** | **6,247** | **3** | **6,244** |
| Other components of revenue | 71 | (1,193) | (8) | (1,185) |
| Income tax | (1,546) | (1,569) | (13) | (1,556) |
| **Profit/(loss) for the period** | **4,115** | **3,485** | **(17)** | **3,503** |
| **Profit/(loss) - Non-controlling interests** | **174** | **170** | **(4)** | **174** |
| **Group net income** | **3,942** | **3,315** | **(14)** | **3,329** |

## 6.4. Alternative performance indicators

| Name | Definition/calculation method | For the ratios, justification of use |
|---|---|---|
| Cost/income ratio | Calculated from the consolidated income statement items: ratio of general operating expenses (sum of the items “employee benefit expense”, “other general operating expenses” and “allocations/reversals of depreciation, amortization and provisions for property, plant and equipment and intangible assets”) to “net revenue” | Measurement of the operating efficiency of the bank |
| Overall cost of customer risk related to the outstanding loans (expressed in % or in basis points) | Cost of customer risk as stated in the notes to the consolidated financial statements related to 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 | “Cost of counterparty risk” item in the publishable consolidated income statement | Measurement of the level of risk |
| Customer loans/new loans | “Loans and receivables due from customers at amortized cost” item on the asset side of the consolidated balance sheet | Measurement of customer activity in terms of loans |
| Cost of proven risk | Impaired assets (S3): see note on “cost of counterparty risk” | Measurement of the level of proven risk (non-performing loans) |
| Cost of non-proven risk | 12-month expected losses (S1) + expected losses at maturity (S2): see note on “cost of counterparty risk.” Application of IFRS 9. | Measurement of customer activity in terms of balance sheet resources |
| Customer deposits; accounting deposits | “Due to customers at amortized cost” item on the liabilities side of the consolidated balance sheet | Measure of customer activity in terms of balance sheet resources |
| Insurance savings products | Life insurance products held by our customers - management data (insurance company) | Measurement of customer activity in terms of life insurance |
| Financial savings, savings under management and in custody | Off-balance sheet savings products held by our customers or under custody (securities accounts, UCITS, etc.) - management data (group entities) | Representative measurement of activity in terms of off-balance sheet resources (excluding life insurance) |
| Total savings | Sum of accounting deposits, insurance savings and bank financial savings | Measurement of customer activity in terms of savings |
| General operating expenses, general expenses, management expenses | Sum of the lines “employee benefit expense”, “other general operating expenses” and “allocations/reversals of depreciation, amortization and provisions for property, plant and equipment and intangible assets” in the publishable consolidated income statement | Measurement of the level of general operating expenses |
| Net interest margin, net interest revenue, net interest income | Calculated from the items on the consolidated income statement: difference between interest received and interest paid:<br>- interest received = item “interest and similar income” in the publishable consolidated income statement<br>- interest paid = item “interest and similar expenses” in the publishable consolidated income statement | Representative measure of profitability |
| Loan-to-deposit ratio, commitment ratio | Ratio calculated from items in the consolidated balance sheet:<br>ratio expressed as a percentage of total customer loans to customer deposits | Measurement of dependency on external refinancing |
| Return on assets (ROA) | The ratio of average return on total assets is calculated by dividing net income by the average of total assets over two years | ROA is an indicator of the bank’s performance. It measures the income generated in relation to the assets mobilized |
| Total coverage ratio | Determined by calculating the ratio of credit risk provisions (S1, S2 and 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 total outstandings |
| Coverage ratio of non-performing loans | 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 rate measures the maximum residual risk associated with loans in default (“non-performing loans") |
| Non-performing loan ratio, CDL ratio | Ratio of gross receivables subject to an S3 individual i mpairment to gross customer loans (calculated from the "loans and receivables due from customers" note to the consolidated financial statements: gross receivables + finance leases) | Asset quality indicator |

# Alternative performance indicators (APIs): reconciliation with the financial statements

**(€ millions)**

| Cost/income ratio | 12/31/2023 | 12/31/2022 pro forma |
|---|---|---|
| Operating expenses | (9,173) | (8,610) |
| Net revenue | 16,060 | 15,625 |
| **Cost/income ratio** | **57.1%** | **55.1%** |

| Net income / average risk-weighted assets (RoRWA) | 12/31/2023 | 12/31/2022 pro forma |
|---|---|---|
| Profit/(loss) for the period | 4,115 | 3,485 |
| Average risk-weighted assets (RWA) | 290,471 | 262,611 |
| **Net income / average risk-weighted assets - annualized** | **1.42%** | **1.33%** |

| Loan-to-deposit ratio | 12/31/2023 | 12/31/2022 pro forma |
|---|---|---|
| Net customer loans | 521,928 | 502,097 |
| Customer deposits | 481,095 | 456,983 |
| **Loan-to-deposit ratio** | **108.5%** | **109.9%** |

| Coverage ratio of non-performing loans | 12/31/2023 | 12/31/2022 pro forma |
|---|---|---|
| Provisions for impairment of non-performing loans (S3) | (7,013) | (6,278) |
| Gross receivables subject to individual impairment (S3) | 15,133 | 13,181 |
| **Verified coverage ratio** | **46.3%** | **47.6%** |

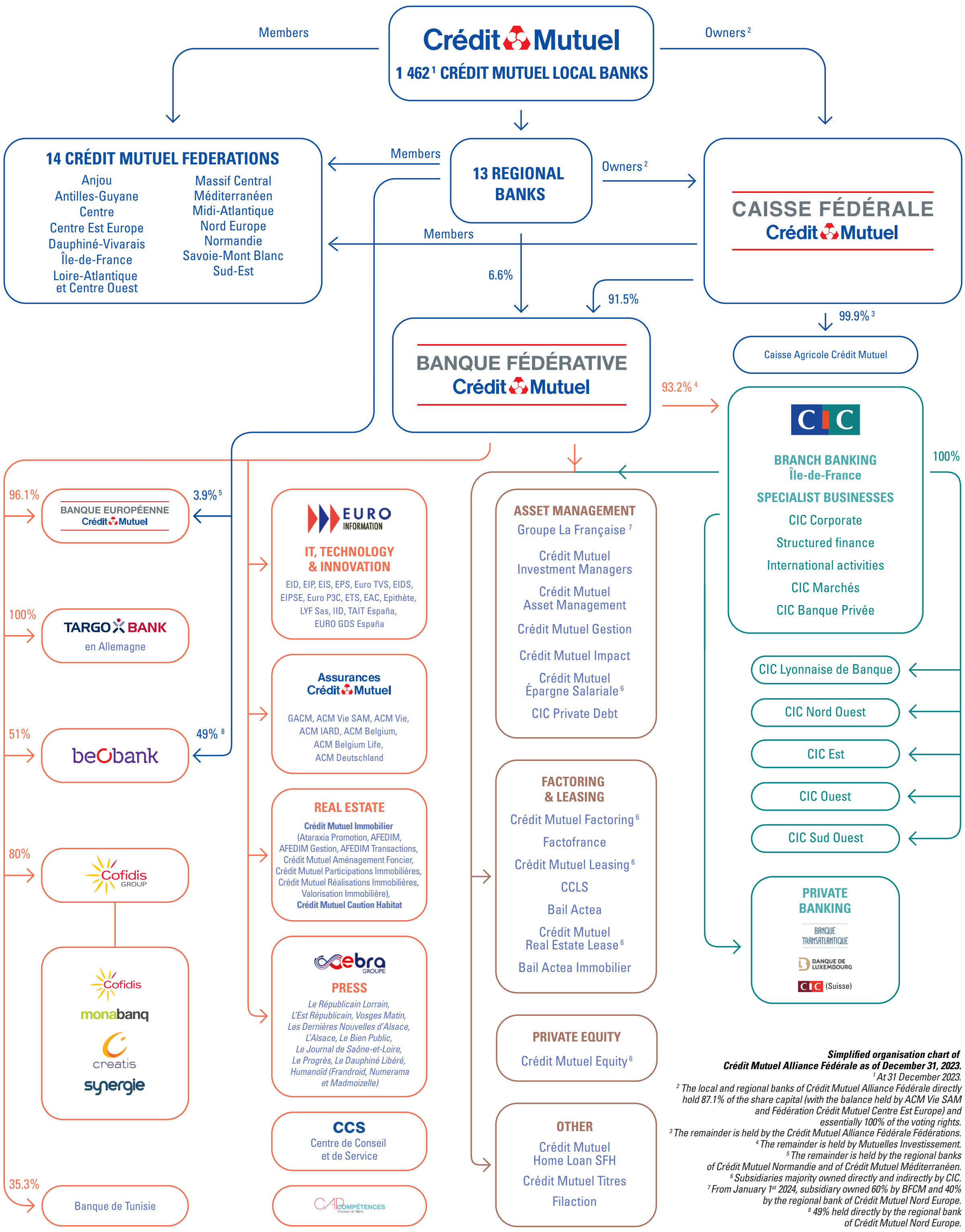
| Total coverage ratio | 12/31/2023 | 12/31/2022 pro forma |
|---|---|---|
| Provisions for impairment of non-performing (S3) and performing (S1 and S2) loans | (10,103) | (9,571) |
| Gross receivables subject to individual impairment (S3) | 15,133 | 13,181 |
| **Total coverage ratio** | **66.8%** | **72.6%** |

| Non-performing loan ratio | 12/31/2023 | 12/31/2022 pro forma |
|---|---|---|
| Gross receivables subject to individual impairment (S3) | 15,133 | 13,181 |
| Gross customer loans | 532,054 | 511,668 |
| **Non-performing loan ratio** | **2.8%** | **2.6%** |

| Overall cost of customer risk related to the outstanding loans | 12/31/2023 | 12/31/2022 pro forma |
|---|---|---|
| Cost of customer risk | (1,241) | (833) |
| Average gross customer loans | 521,861 | 482,844 |
| **Cost of risk for customer loans as a ratio of outstanding loans (in basis points)** | **24** | **17** |

| Return on assets (ROA) | 12/31/2023 | 12/31/2022 pro forma |
|---|---|---|
| Profit/(loss) for the period | 4,115 | 3,485 |
| Average assets | 898,658 | 863,788 |
| **Return on assets (ROA)** | **0.46%** | **0.40%** |

# 7. Simplified organisation chart of Crédit Mutuel Alliance Fédérale




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

*[1] At 31 December 2023.*

*[2] The local and regional banks of Crédit Mutuel Alliance Fédérale directly hold 87.1% of the share capital (with the balance held by ACM Vie SAM and Fédération Crédit Mutuel Centre Est Europe) and essentially 100% of the voting rights.*

*[3] The remainder is held by the Crédit Mutuel Alliance Fédérale Fédérations.*

*[4] The remainder is held by Mutuelles Investissement.*

*[5] The remainder is held by the regional banks of Crédit Mutuel Normandie and of Crédit Mutuel Méditerranéen.*

*[6] Subsidiaries majority owned directly and indirectly by CIC.*

*[7] From January 1st 2024, subsidiary owned 60% by BFCM and 40% by the regional bank of Crédit Mutuel Nord Europe.*

*[8] 49% held directly by the regional bank of Crédit Mutuel Nord Europe.*