

Crédit Mutuel

Home Loan SFH

Investor Presentation

September 2022

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Change in perimeter: Crédit Mutuel Alliance Fédérale accounts include the contribution of Crédit Mutuel Nord Europe in H1-2022.

Real estate credit environment in France

A regulated French real estate market

- A market **regulated** by the authorities
- Granting process that requires a significant personal contribution, which is based on a **borrowing capacity**
- **Compliance with HCSF recommendations** ⁽¹⁾:
 - **Monthly annuity of max. 35%** of disposable income
 - **Maximum maturity of 25 years**
- Loans granted mainly at **fixed rates**
- Social supports mitigate the risk of income loss

A very low loss ratio of 1.06% in France (ACPR, 2020) also demonstrated during European stress tests.

In France, all home loans are guaranteed by:

1/ Mortgages: which are registered by notaries in the Land Registry

2/ Cautions:

- **Crédit Logement:** the market leader for residential home loan guarantees
 - **Owned by the major French banks: Crédit Mutuel / CIC** as **5th** major shareholder (10%, as at December 2021)
 - **Ratings: Aa3 stable** (Moody's), **AA low stable** (DBRS)
- **Internal caution:** owned by a banking group or an insurance company
 - **Cautionnement Mutuel de l'Habitat « CMH »** for Crédit Mutuel Alliance Fédérale

Market indicators in France, Observatoire Crédit Logement September 2022

- Average interest real estate loan: **1.88%**
- 15 years fixed interest rate: **1,74%**
- 20 years fixed interest rate: **1,88%**
- 25 years fixed interest rate: **1.98%**
- Average term of real estate loan: **20.25** years
- Number of loans granted: **-11.5%** (October 2021 to September 2022 vs October 2020 to September 2021)

(1) Haut Conseil de Stabilité Financière

Crédit Mutuel Home Loan SFH

Summary

Banque Fédérative du Crédit Mutuel (“BFCM” or the “Borrower”)

- Central financing entity of the Crédit Mutuel Alliance Fédérale
- Senior unsecured debt ratings of **Aa3 (stable) / A+ (stable) / AA- (stable)** by Moody's, S&P and Fitch Ratings respectively

Crédit Mutuel Network & CIC Network (the “Collateral Provider”)

- Third largest retail bank in France in terms of number of branches
- Third largest provider of home loans in France

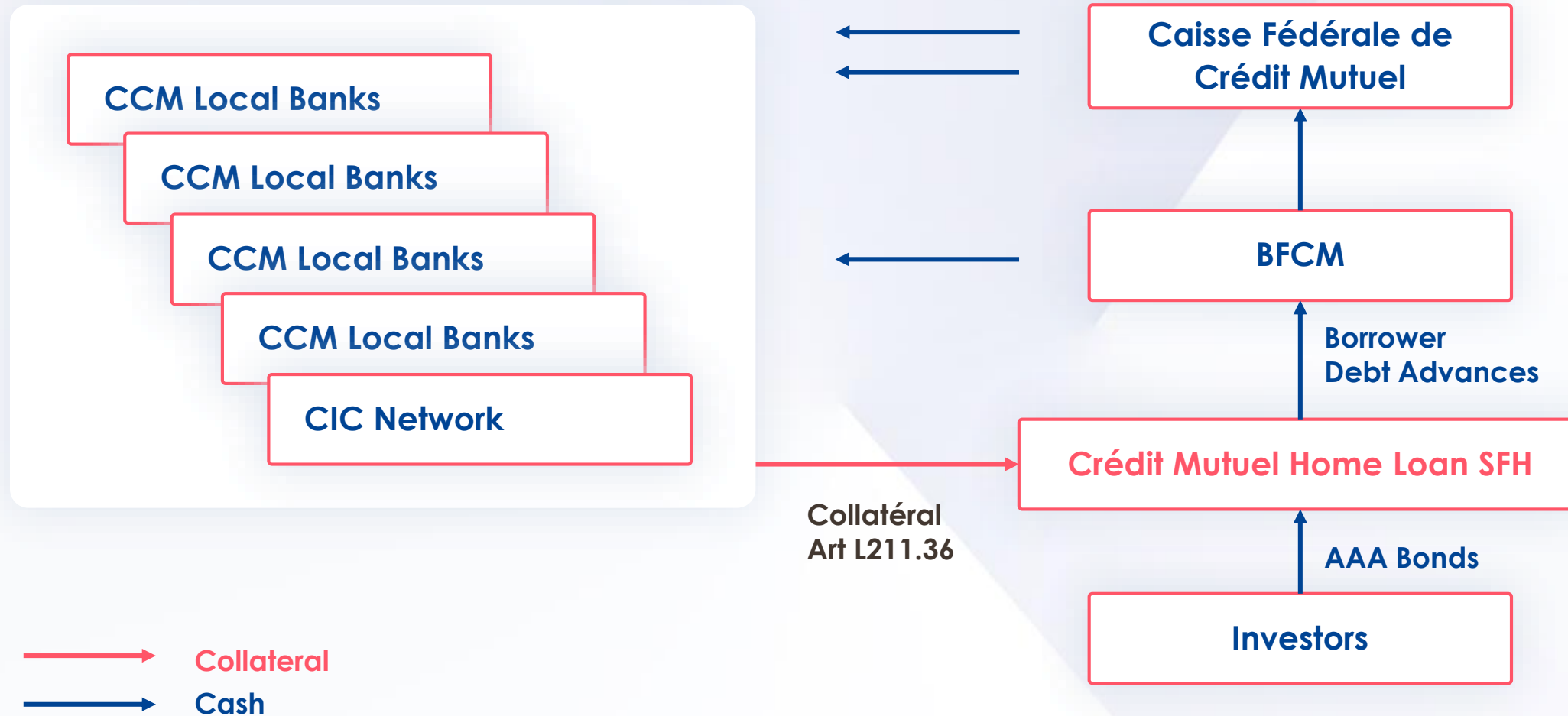
Crédit Mutuel Home Loan SFH (the “Issuer”)

- Crédit Mutuel Home Loan SFH is a **specialised French credit institution** (établissement de crédit spécialisé) licensed and regulated by the regulator Autorité de Contrôle Prudentiel et de Résolution (ACPR)
- Full recourse obligation of the Issuer to BFCM
- **AAA / Aaa / AAA** expected ratings issuance with hard or soft bullet maturities
- **Standard covered bond features:** Asset Cover Test with **80% LTV cap** and **92.5% maximum asset percentage**
- **Comfortable level of over-collateralization** with an **effective asset percentage** of **74.9%**
- A bankruptcy of BFCM cannot result in insolvency proceedings being extended to Crédit Mutuel Home Loan SFH

Since July 2022, Crédit Mutuel Home Loan SFH has been authorized by the ACPR to use the high-quality European covered bond label

Crédit Mutuel Home Loan SFH

Overview of the program



Crédit Mutuel Home Loan SFH

“High-quality European Covered Bond Label”

« Société Financement à l’habitat »

Restrictive eligibility criteria

- **French Covered Bond Structure**
- No area, no securitization, or asset substitution
- Only loans originated by the group’s networks are eligible with an **origination in every region of France**
- Prime residential mortgages and guaranteed home loans only
- **Monthly annuity max. 33%** of disposable income for guaranteed loans

Main characteristics of the program

- Program size: **€60 bn**
- **Ratings: Aaa** (Moody’s), **AAA** (S&P), **AAA** (Fitch)
- **Max. 100% LTV** (80% cap for ACT)
- **Risk weighting:** ECBC + CRR / CRD4 compliant
- **Maturity type:** hard or soft bullet
- **French law**

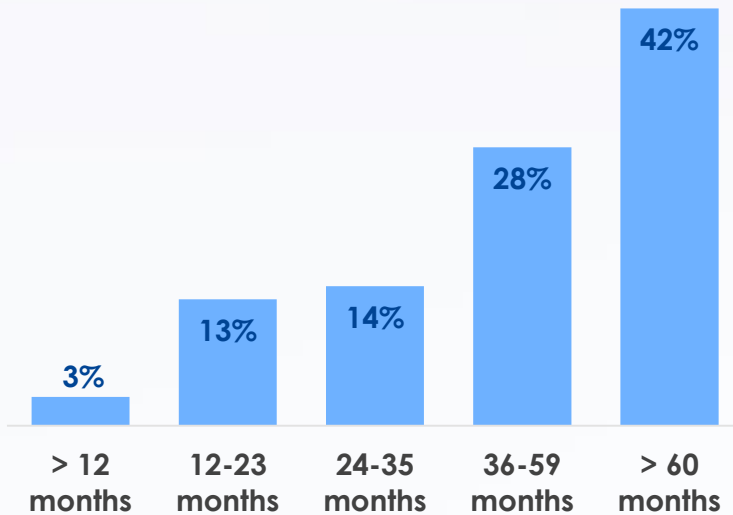
(1) As at June 2022

Crédit Mutuel Home Loan SFH

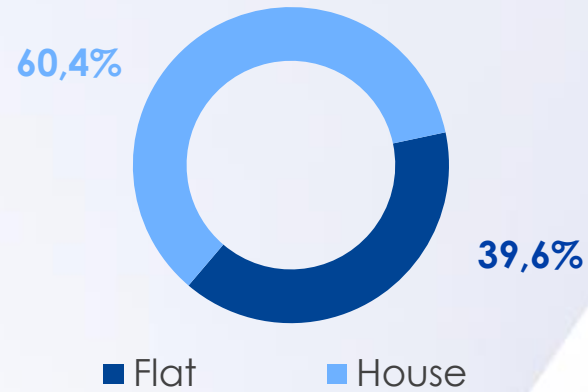
Cover Pool as at September 2022

- Total Loan Balance: **€35 bn**
- Number of loans: **340,240**
- WA Current LTV: **68%**
- WA indexed LTV: **61%**
- Duration: **62 months**

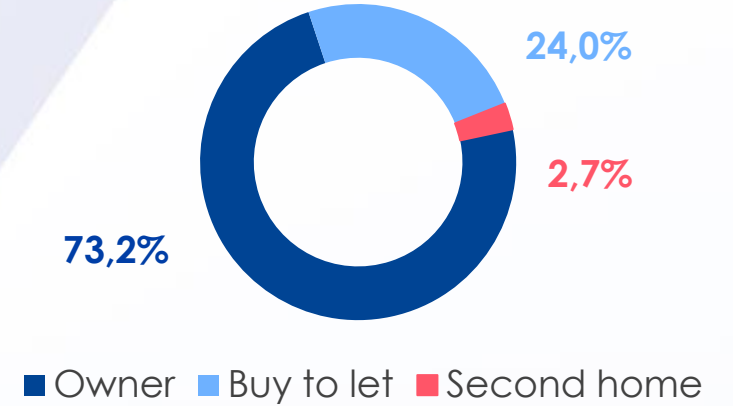
Maturity



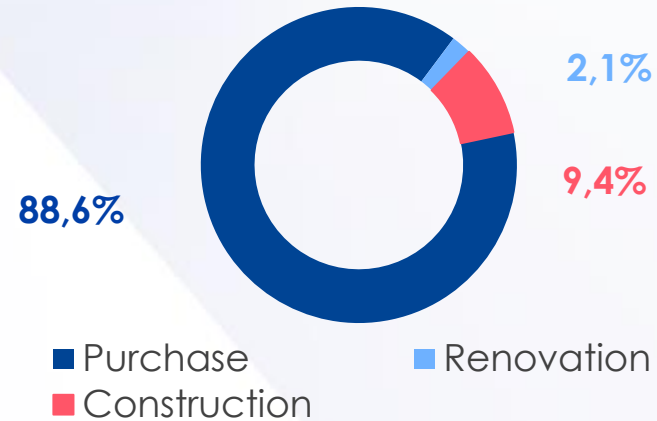
Property Type



Occupancy



Loan Purpose

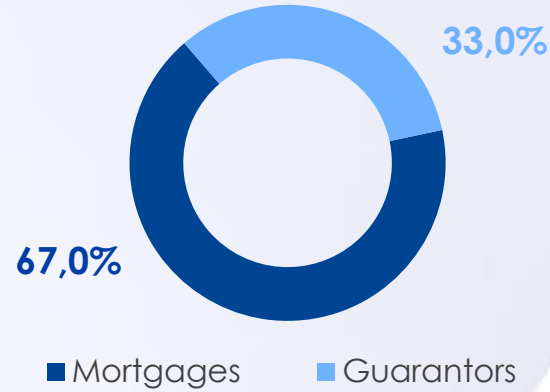


Crédit Mutuel Home Loan SFH

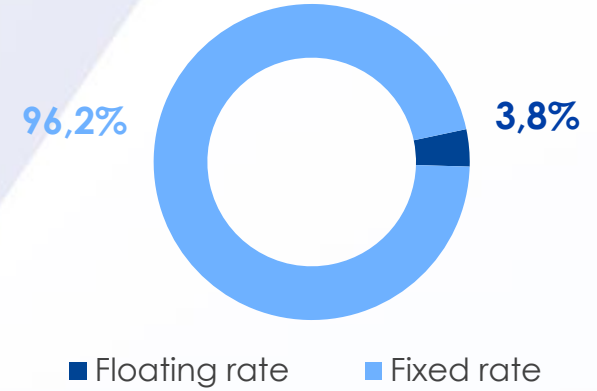
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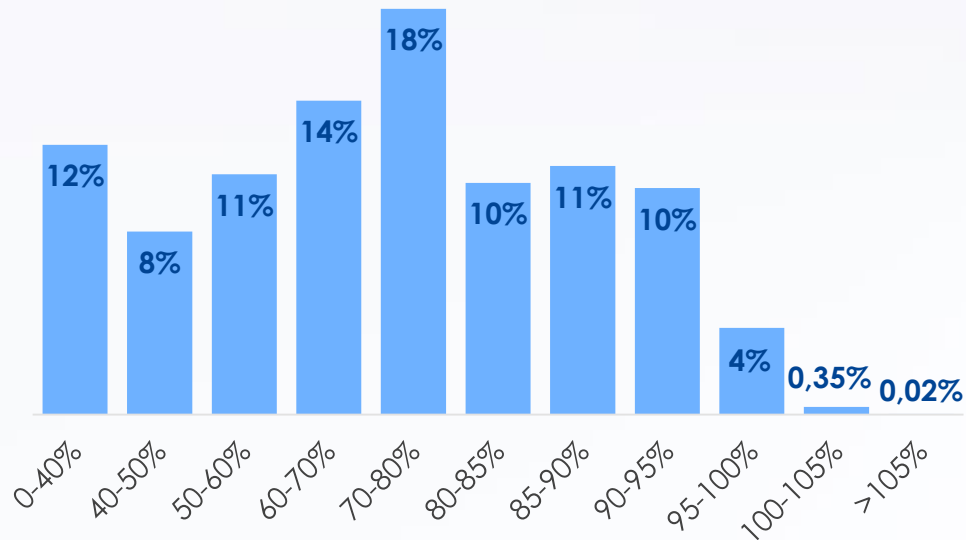
Collateralisation (1)



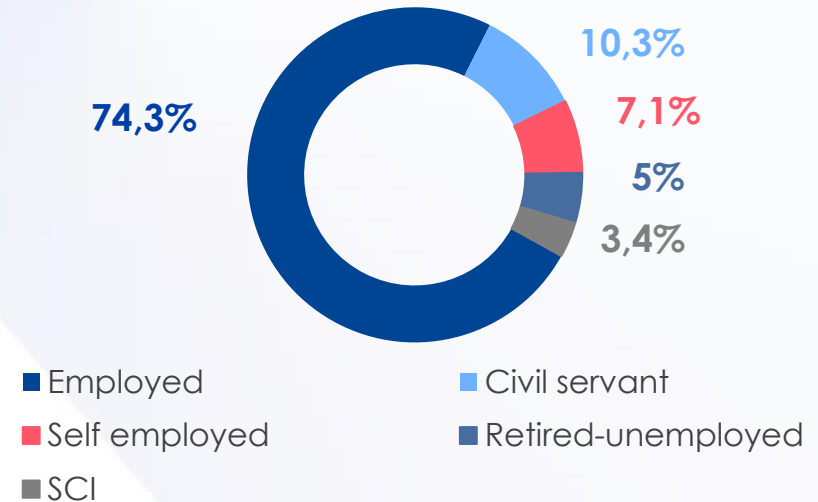
Rate Type (1)



Unindexed LTV



Employment Type



(1) As at June 2022

Crédit Mutuel Alliance Fédérale 2022 Half-Year Results

You can find the **investor presentation** presenting the **latest financial results** of **Crédit Mutuel Alliance Fédérale** on the BFCM website

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<https://www.bfcm.creditmutuel.fr/fr/investisseurs/presentation.html>

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