



# ANNUAL FINANCIAL REPORT

## 2022

**Crédit  Mutuel**  
Home Loan SFH

This report presents the Company's activities in 2022, in accordance with Article L.451-1-2 of the French Monetary and Financial Code and Article 222-3 of the General Regulation of the *Autorité des Marchés Financiers* (AMF - French Financial Markets Authority).

It consists of:

- ❖ The certification of the person responsible for the annual financial report
- ❖ The Board of Directors' management report
- ❖ The Board of Directors' report on corporate governance
- ❖ The annual financial statements for the fiscal year ended December 31, 2022
- ❖ The statutory auditors' report on the financial statements for the period ended December 31, 2022
- ❖ The statutory auditors' special report on regulated agreements and commitments
- ❖ The draft resolutions submitted to the annual ordinary shareholders' meeting

## DISSEMINATION OF INFORMATION

Regulatory reports, prospectuses and issue documentation are available on Crédit Mutuel Home Loan SFH's website:

<https://www.creditmutuel-homeloansfh.eu/en/index.html>

# Crédit Mutuel

## Home Loan SFH

A French limited company (*société anonyme*) with share capital of €220,000,000

Registered office: 6 avenue de Provence, 75452 Paris Cedex 9

Paris Trade and Companies Register No. 480 618 800

---

Person responsible for the annual financial report

Eric Cuzzucoli - Chief Executive Officer

### **Certification of the person responsible for the annual financial report**

After taking all reasonable measures to this effect, I certify that, to the best of my knowledge, the information contained in the annual financial statements for the year ended December 31, 2022 is consistent with the facts and does not contain such omissions as may adversely affect its scope.

I certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company, and that the attached management report gives a true and fair view of changes in the business, results and financial position of the Company as well as a description of the main risks and uncertainties faced by the Company.

The annual financial statements of the Company as of December 31, 2022 are the subject of a statutory auditors' report with no observations.

Paris, March 30, 2023

Eric CUZZUCOLI  
Chief Executive Officer

# Crédit Mutuel

## Home Loan SFH

A French limited company (*société anonyme*) with share capital of €220,000,000  
Registered office: 6 avenue de Provence, 75452 Paris Cedex 9  
Paris Trade and Companies Register No.480 618 800

---

### **BOARD OF DIRECTORS' MANAGEMENT REPORT ANNUAL FINANCIAL STATEMENTS AT DECEMBER 31, 2022**

**March 2023**

## CONTENTS

<b>I. COMPANY STATUS AND ACTIVITIES.....</b>	<b>3</b>
1. KEY EVENTS DURING THE YEAR .....	3
2. FUTURE OUTLOOK.....	3
3. KEY EVENTS BETWEEN THE YEAR-END AND THE DATE OF THIS REPORT .....	3
4. BRANCHES.....	4
5. SUBSIDIARIES AND INVESTMENTS .....	4
6. EMPLOYEE SHARE OWNERSHIP.....	4
7. OWNERSHIP .....	4
<b>II. RESULTS, FINANCIAL POSITION AND DEBT .....</b>	<b>4</b>
1. STATEMENT OF FINANCIAL POSITION .....	4
<i>a. ASSETS</i> .....	4
<i>b. LIABILITIES</i> .....	5
<i>c. PROFIT/(LOSS) FOR THE PERIOD</i> .....	6
<i>d. STATEMENT OF NET CASH FLOWS</i> .....	7
<i>e. COVER POOL</i> .....	8
2. FINANCIAL POSITION AND PRUDENTIAL RATIOS.....	9
3. DEBT.....	9
<b>III. DESCRIPTION OF KEY RISKS AND UNCERTAINTIES AND RISK MANAGEMENT SYSTEM .....</b>	<b>9</b>
1. CREDIT AND COUNTERPARTY RISK .....	9
2. INTEREST RATE, FOREIGN EXCHANGE AND MARKET RISK.....	11
3. LIQUIDITY RISK .....	12
4. OPERATIONAL RISK .....	14
5. LEGAL RISK .....	15
<b>IV. RESEARCH AND DEVELOPMENT ACTIVITIES.....</b>	<b>15</b>
<b>V. EMPLOYMENT AND ENVIRONMENTAL IMPACTS AND COMMITMENTS TO SUSTAINABLE DEVELOPMENT – NON-FINANCIAL PERFORMANCE STATEMENT.....</b>	<b>15</b>
<b>VI. INFORMATION ON PAYMENT TERMS FOR CUSTOMERS AND SUPPLIERS.....</b>	<b>15</b>
<b>VII. DIVIDENDS PAID IN THE LAST THREE FISCAL YEARS .....</b>	<b>16</b>
<b>APPENDICES .....</b>	<b>16</b>
1. REPORT ON INTERNAL CONTROL .....	16
2. SUMMARY OF RESULTS FOR THE PAST FIVE FISCAL YEARS.....	16

## I. COMPANY STATUS AND ACTIVITIES

Crédit Mutuel Home Loan SFH was licensed by the French Credit Institutions and Investment Firms Committee (*Comité des établissements de crédit et des entreprises d'investissement* - CECEI) at its meeting on May 31, 2007. At its meeting on March 28, 2011, the ACPR authorized the company to opt for the status of "home loan financing company" (*Société de Financement de l'Habitat* - SFH).

The company's sole purpose is to contribute to the refinancing of Crédit Mutuel Alliance Fédérale. As such, US 144A documentation was prepared in 2012 to enable the company to reach new investors in the United States.

### 1. KEY EVENTS DURING THE YEAR

The main highlight of 2022 is the surge in inflation to levels not seen for nearly 40 years. This inflationary shock coupled with the energy crisis and the tightening of monetary policies led to high volatility on the financial markets. Although the return of inflation was evident as early as 2021 with the recovery of the post-pandemic economy, the conflict in Ukraine, a source of strong pressure on energy and food prices, quickly caused high and sustained inflation to spread to the entire global economy. To combat the latter, central banks (led by the FED and ECB) had to raise their interest rates very quickly and sharply. At the start of 2023, these restrictive policies seem to have slowed the rise in inflation without weighing too much on growth. However, the continuing high levels of inflation indicate that this battle is not yet completely won.

Nevertheless, despite highly volatile market conditions, the bond markets remained resilient.

In this context, Crédit Mutuel Home Loan SFH issued five major issues in 2022:

- In February: €1,500 million over five years (0.625% coupon)
- In February: €500 million over ten years (0.875% coupon)
- In June: €1,250 million over 5.6 years (2.375% coupon)
- In October: €1 billion over seven years (3.25% coupon)
- In November: €1 billion over five years (2.75% coupon)

### 2. FUTURE OUTLOOK

In 2023, we are recording repayments of €3 billion, that will at least be renewed. Crédit Mutuel Home Loan SFH will continue to make its contribution to the Group's issuance program, to a greater or lesser extent depending on market trends and while preserving the diversification of funding sources.

### 3. KEY EVENTS BETWEEN THE YEAR-END AND THE DATE OF THIS REPORT

Since December 31, 2022, Crédit Mutuel Home Loan SFH carried out two issues on February 22, 2023 for a total of €2.5 billion:

- €1,750 million over 4.5 years at 3.125%;
- €750 million over 10 years at 3.125%.

## 4. BRANCHES

As of December 31, 2022, the Company had no branches.

## 5. SUBSIDIARIES AND INVESTMENTS

In accordance with Article L.233-13 of the French Commercial Code regarding information on control of companies, the company has no subsidiaries.

## 6. EMPLOYEE SHARE OWNERSHIP

Not applicable.

## 7. OWNERSHIP

Crédit Mutuel Home Loan SFH is a 99.99%-owned subsidiary of Banque Fédérative du Crédit Mutuel.

Readers are reminded that the company has no employees.

# II. RESULTS, FINANCIAL POSITION AND DEBT

## 1. STATEMENT OF FINANCIAL POSITION

### a. ASSETS

ASSETS (€ millions)	Note	2022 December 31	2021 December 31
Cash, central banks			
Government securities and similar instruments			
Receivables due from credit institutions	2	30,333.4	27,122.9
Client transactions			
Bonds and other fixed-income securities			
Equities and other variable-income securities			
Investments in subsidiaries and other long-term investments			
Investments in associates			
Lease and similar transactions			
Intangible assets			
Property, plant and equipment			
Subscribed capital not paid			
Treasury shares			
Other assets	3	3.0	2.8
Accruals	4	89.4	82.6
<b>Total assets</b>		<b>30,425.8</b>	<b>27,208.3</b>

Off-statement of financial position items		2022	2021
		December 31	December 31
<b>Commitments received</b>			
<b>Financing commitments</b>			
Commitments received from credit institutions			
<b>Guarantee commitments</b>			
Commitments received from credit institutions	10	35,001.1	35 001,1
<b>Securities commitments</b>			
Optional repurchase agreements			
Other commitments received			

### **b. LIABILITIES**

LIABILITIES (€ millions)	Note	2022 December 31	2021 December 31
Central banks			
Due to credit institutions			
Client transactions			
Debt securities	5	27,044.3	24,298.5
Other liabilities	3	3,002.3	2,540.1
Accruals	4	89.9	82.8
Provisions			
Subordinated debt	6	60.4	60.1
Fund for general banking risks			
Shareholders' equity	7	228.9	226.8
- Subscribed capital		220.0	220,0
- Issue premiums			
- Reserves		2.3	2.1
- Revaluation reserve			
- Untaxed provisions			
- Retained earnings		0.1	0.1
-Profit (loss) for the period		6.6	4.6
<b>Total liabilities</b>		<b>30,425.8</b>	<b>27,208.3</b>

Off-statement of financial position items		2022	2021
		December 31	December 31
<b>Commitments given</b>			
<b>Financing commitments</b>			
Commitments given to credit institutions			
Commitments given to customers			
<b>Guarantee commitments</b>			
Commitments given on behalf of credit institutions			
Commitments given on behalf of customers			
<b>Securities commitments</b>			
Optional resale agreements			
Other commitments given			

Liabilities mainly consist of securities issued by SFH.

In addition, the "Other liabilities" item represents collateral offered by BFCM to cover regulatory liquidity requirements at 180 days. This item totaled €3,002 million at December 31, 2022.

Assets correspond to the on-lending of these funds to BFCM.

The off-statement of financial position assets of €35 billion correspond to home loans offered as collateral by SFH's providers of collateral.

### c. PROFIT/(LOSS) FOR THE PERIOD

(€ millions)	Note	2022 December 31	2021 December 31
+ Interest and similar income	13	330.5	310.1
+ Interest and similar expense	13	(320.6)	(302.8)
+ Income from variable-income securities			
+ Fee and commission income			
+ Fee and commission expense			
+/- Gains (losses) on trading portfolio transactions			
+/- Gains (losses) on investment portfolio and similar transactions			
+ Other banking operating income			
+ Other banking operating expense			
<b>= Net banking income</b>		<b>9.9</b>	<b>7.3</b>
+ Employee benefits expense			
+ Other administrative expenses		(1.0)	(0.9)
+ Depreciation and amortization			
<b>= Operating expenses</b>		<b>(1.0)</b>	<b>(0.9)</b>
<b>= Gross operating income</b>		<b>8.9</b>	<b>6.4</b>
+ Cost of risk			
<b>= Operating income</b>		<b>8.9</b>	<b>6.4</b>
+/- Gains (losses) on non-current assets			
<b>= Income before non-recurring items</b>		<b>8.9</b>	<b>6.4</b>
+/- Non-recurring items			
+ Corporate income tax	14	(2.3)	(1.8)
+/- Movements in fund for general banking risks			
+/- Movements in untaxed provisions			
<b>= Net profit/(loss)</b>		<b>6.6</b>	<b>4.6</b>

The company reported net profit for the year of €6.6 million, an increase compared with 2021.

**d. STATEMENT OF NET CASH FLOWS**

(€ thousands)	12.2022	12.2021
Net profit/(loss)	6,571	4,558
Tax	2,263	1,779
<b>Profit/(loss) before tax</b>	<b>8,834</b>	<b>6,337</b>
+/- Net depreciation and amortization of property, plant and equipment and intangible assets		0
- Impairment of goodwill and other non-current assets		0
+/- Net charges to provisions		0
+/- Share of profit/(loss) of equity-consolidated companies		0
+/- Net loss/gain from investing activities		0
+/- Expense from financing activities		0
+/- Other movements	-8,862	11,106
<b>= Total non-monetary items included in net profit/(loss) before tax and other adjustments</b>	<b>-8,862</b>	<b>11,106</b>
+/- Cash flows relating to transactions with credit institutions	-3,176,519	-894,532
+/- Cash flows relating to client transactions		
+/- Cash flows relating to other transactions affecting financial assets and liabilities		0
+/- Cash flows relating to other transactions affecting non-financial assets or liabilities	462,253	582,623
- Tax paid	-1,803	-1,878
<b>= Net decrease in assets and liabilities from operating activities</b>	<b>-2,716,069</b>	<b>-313,787</b>
<b>TOTAL NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>-2,716,097</b>	<b>-296,344</b>
+/- Cash flows relating to financial assets and investments		0
+/- Cash flows relating to investment property		0
+/- Cash flows relating to property, plant and equipment and intangible assets		0
<b>TOTAL NET CASH FLOWS RELATING TO INVESTING ACTIVITIES</b>		<b>0</b>
+/- Cash flows relating to transactions with shareholders	-4,400	-3,630
+/- Other net cash flows relating to financing activities	2,721,466	300,000
<b>TOTAL NET CASH FLOWS RELATING TO FINANCING ACTIVITIES</b>	<b>2,717,066</b>	<b>296,370</b>
<b>IMPACT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS</b>		<b>0</b>
<b>Net increase in cash and cash equivalents</b>	<b>996</b>	<b>38</b>
Net cash flows from operating activities	5,396	-296,332
Net cash flows relating to investing activities		
Net cash flows relating to financing activities	-4,400	296,370
Impact of changes in exchange rates on cash and cash equivalents		0
<b>Cash and cash equivalents at beginning of period</b>	<b>277,862</b>	<b>277,824</b>
Cash, central banks and postal checking accounts		0
Demand loans and accounts at credit institutions	277,862	277,824
<b>Cash and cash equivalents at end of period</b>	<b>278,858</b>	<b>277,862</b>
Cash, central banks and postal checking accounts		
Demand loans and accounts at credit institutions	278,858	277,862
<b>CHANGE IN NET CASH AND CASH EQUIVALENTS</b>	<b>996</b>	<b>38</b>

### e. COVER POOL

Collateral for secured loans consists of a portfolio of receivables made up entirely of mortgage receivables, totaling €35,001,056,995 at December 31, 2022.

The main characteristics of the home loan portfolio recognized at December 31, 2022, based on the principal amount outstanding at November 30, 2022, were as follows:

Total principal amount outstanding	€ 35,001,056,995
Average principal amount outstanding	€ 102,504
Number of loans	341,461
Number of borrowers	297,988

Average age of loans (months)	63
Average residual maturity (months)	184

Proportion of fixed-rate loans	98.58%
Average interest rate on fixed-rate receivables	1.62%
Average interest rate on variable-rate receivables	2.22%

Breakdown by type of security		
Type of security	Total principal amount outstanding	Proportion by type of security
Crédit Logement guarantee	€ 10,420,431,501	30%
First-rate mortgage or lender's priority lien	€ 24,580,625,494	70%
<b>TOTAL</b>	<b>€ 35,001,056,995</b>	<b>100%</b>

Breakdown by type of loan		
Type of loan	Total principal amount outstanding	Number of loans
Standard	€ 31,648,056,755	301,719
Home savings plans/accounts	€ 5,558,811	1,344
Interest-free loans	€ 0	-
Low-income housing loans	€ 2,268,655,064	27,900
Regulated loans	€ 1,078,786,365	10,498
<b>TOTAL</b>	<b>€ 35,001,056,995</b>	<b>341,461</b>

Breakdown by number of loans in arrears		
Number of monthly repayments missed	Total principal amount outstanding	Number of loans
0	€ 35,001,056,995	341,461
> 0	-	-
<b>TOTAL</b>	<b>€ 35,001,056,995</b>	<b>341,461</b>

These loans are taken out by customers of CIC's regional banks and Crédit Mutuel's local banks and offered as collateral by BFCM.

## 2. FINANCIAL POSITION AND PRUDENTIAL RATIOS

At the request of Crédit Mutuel Home Loan SFH, on June 19, 2014 the General Secretariat of the ACPR (SGACPR) agreed to allow the company to be exempt from the application on an individual basis of prudential requirements related to solvency ratios, the leverage ratio and major risks, as well as from application of the 75% ceiling on cash receipts for calculating liquidity coverage.

The company is subject to the LCR on an individual basis but benefits from an exemption from application of the 75% ceiling on cash receipts, granted to it by the Supervisory College of the ACPR in a letter dated August 1, 2014. Accordingly, given the company's operating model (issues of securities on-lent to BFCM with the same characteristics), this ratio is always observed.

## 3. DEBT

Readers are reminded that the company's borrowing capacity is limited by its articles of association: it may only take on debt in the form of housing finance bonds (*obligations de financement à l'habitat*) and subordinated debt.

In accordance with the company's corporate purpose, issues of housing finance bonds are intended to refinance personal home loans granted by the Crédit Mutuel Alliance Fédérale banks, full ownership of which is transferred as collateral by Banque Fédérative du Crédit Mutuel. As principal and interest repayments become due, BFCM repays the corresponding amounts in respect of the loans granted to it.

Furthermore, Crédit Mutuel Home Loan SFH's borrowing capacity is dependent upon its compliance with prudential ratios laid down in applicable regulations.

Articles L.441-6-1 and D.441-4 of the French Commercial Code require companies to provide specific information on the maturity dates of amounts due to suppliers. In the case of Crédit Mutuel Home Loan SFH, these amounts are negligible.

## III. DESCRIPTION OF KEY RISKS AND UNCERTAINTIES AND RISK MANAGEMENT SYSTEM

The sole corporate purpose of Crédit Mutuel Home Loan SFH is to contribute to the refinancing of Crédit Mutuel Alliance Fédérale by issuing covered bonds based on a home loan portfolio pledged as collateral on the basis of Article L.211-36, paragraph II and Articles L.211-38 to L.211-40 of the French Monetary and Financial Code.

### 1. CREDIT AND COUNTERPARTY RISK

Due to its limited corporate purpose, Crédit Mutuel Home Loan SFH's credit risk is strictly regulated. Funds may only be used as follows:

- On-lending of funds raised by issuing securities: these funds may only be lent to BFCM. This lending is itself secured by collateral in the form of home loans granted by Crédit Mutuel Alliance Fédérale, on the basis of Article L.211-36, paragraph II and Articles L.211-38 to L.211-40 of the French Monetary and Financial Code. The overall amount of lending and compliance with loan eligibility criteria are checked monthly and documented in an "Asset Cover Test" report.

- On-lending of capital is governed by the following limits:
  - Regulatory limits: Articles L.513-7 and R.513-6 set minimum credit quality levels for these investments.
  - Contractual limits: rating agencies have laid down minimum credit ratings that vary according to the term of the loan.

Duration/Minimum rating	S&P	Fitch	Moody's
< 30 days	A-1 or A	F1 and A	P-1
30 to 60 days	A-1	F1+ and/or AA-	P-1
60 days to 3 months	A-1+ or AA-	F1+ and/or AA-	P-1
< 1 year	A-1+ or AA-	F1+ and/or AA-	P-1

- Should BFCM default, the company would become the owner of the home loans offered as collateral. An analysis of this collateral by internal rating demonstrates the portfolio's high credit quality and is presented in the table below.

Rating	Outstandings (€m) <sup>(1)</sup>	Percentage	Aggregate percentage
A	20,908	60%	60%
B	9,757	28%	88%
C	3,044	9%	97%
D+	734	2%	99%
D-	443	1%	100%
E+	115	0	100%
E-	0	0	100%
E=	0	0	100%
F	0	0	100%
<b>TOTAL</b>	<b>35,001</b>	<b>100%</b>	<b>-</b>

<sup>(1)</sup> Outstandings at 11/30/2022 shown as guarantee commitments received in SFH's financial statements at 12/31/2022

There are no non-performing or overdue loans in the portfolio offered as collateral.

The breakdown of these home loans by type of security is as follows:

Type of security	Outstandings (€m) <sup>(1)</sup>
Home mortgage guarantees	24,581
Guarantees provided by a credit institution	10,420
<b>TOTAL</b>	<b>35,001</b>

<sup>(1)</sup> Outstandings at 11/30/2022 shown as guarantee commitments received in SFH's financial statements at 12/31/2022

All guaranteed loans are secured by Crédit Logement.

The present LTV (ratio of the principal amount outstanding to the present value of the assets) of these loans is 60% on average.

## 2. INTEREST RATE, FOREIGN EXCHANGE AND MARKET RISK

### *Interest rate risk*

Crédit Mutuel Home Loan SFH is required to operate in such a way that it is not exposed to interest rate risk.

- Funds collected by issuing securities must be lent to BFCM at the same interest rates and for the same terms (plus 10% of the margin generated relative to an unsecured issue, with a minimum of 2bp). This means that assets and liabilities are perfectly matched by term and interest rate.
- The only way the company could be exposed to interest rate risk would be if BFCM were to default. The company would then need to enforce its security and would become the owner of the home loans.

In accordance with the update to the issue program in July 2015 and with the approval of the rating agencies, this potential interest rate risk using a look-through approach is covered by a natural matching of assets and liabilities and by overcollateralization.

In fact, the vast majority (approximately 99%) of the cover pool assets are fixed-rate loans, and these assets are matched to liabilities by fixed-rate issues in the same proportion. The average interest rate of the cover pool (1.63% at 11/30/2022) and the average interest rate of bonds issued (1.39% at 11/30/2022) are monitored monthly. The overcollateralization rate resulting from the calculation of the Asset Cover Test negotiated with the rating agencies is always more than 74.9% (= Asset Percentage). The company is committed to maintaining this level of overcollateralization to meet the rating targets and regulatory requirements.

In addition, an *ex-ante* analysis of the potential interest rate risk using a look-through approach was carried out. It entails monitoring changes in the loans in the pool and issues within the Group's asset-liability management tool. This highlights the interest-rate sensitivity (plus or minus 200bp) of these two large volumes. SFH can easily bear this impact given its equity and overcollateralization.

### *Foreign exchange risk*

The program allows for the possibility that Crédit Mutuel Home Loan SFH carry out issues in foreign currencies. In such cases, the loan to BFCM is also made in the issue currency.

- At the reporting date, Crédit Mutuel Home Loan SFH's foreign currency issues were limited to:

Nominal amount in foreign currency	Foreign currency	Equivalent nominal amount in euros	Issue date	Maturity date
750,000,000	NOK	96,961,862	10/7/2011	10/7/2024

This issue was re-lent to BFCM under the same terms.

- The only way the company could be exposed to foreign exchange risk would be if BFCM were to default. The company would then need to enforce its security and would become the owner of the home loans, all of which are denominated in euros, while having to make repayments in foreign currencies. The issue program documentation requires Crédit Mutuel Home Loan SFH to enter into specific foreign currency swaps with counterparties that must meet detailed rating criteria in order to hedge this risk as soon as BFCM's rating is downgraded.

- Since a first-level rating criterion has been met, hedging swaps have been set up. BFCM has the necessary rating level and so is the counterparty to these swaps. It meets the following ratings-based eligibility criteria provided for in the issue program documentation: A-1 (short-term) and A+ (long-term) from Standard & Poor's, P-1 (short-term) and Aa3 (long-term) from Moody's and F1+ (short-term)/AA- (long-term) from Fitch.  
Furthermore, since no collateral has been transferred, the company does not need these swaps to hedge its risk. They have therefore been neutralized with BFCM.

### *Market risk*

In accordance with its limited corporate purpose, Crédit Mutuel Home Loan SFH is not involved in any capital market activity other than issuing covered bonds and on-lending the funds raised in this way to BFCM under the same terms.

An adverse change in market conditions would only affect Crédit Mutuel Home Loan SFH's ability to raise funds in the bond market.

## **3. LIQUIDITY RISK**

Crédit Mutuel Home Loan SFH operates in such a way that it is not exposed to liquidity risk. Since its sources and uses of funds are perfectly matched by term, Crédit Mutuel Home Loan SFH does not engage in maturity transformation.

- The only way the company could be exposed to liquidity risk would be if BFCM were to default. As indicated above, the company would then need to enforce its security and would become the owner of the home loans. The issue program documentation provides for a pre-maturity test to address this risk.
- The pre-maturity test requires BFCM to set aside a cash security deposit in the 180 business days before a covered bond issue matures. This deposit must be sufficient to cover the principal repayments falling due during the period in question. Failure to meet this obligation would represent default by BFCM.
- This pre-maturity test was triggered after Fitch Ratings downgraded BFCM's short-term credit rating to F1 on July 17, 2013. As a result, collateral was put in place to cover issues due to mature within 180 business days, and the funds thus obtained were deposited in term accounts maturing in less than 30 days.
- Fitch Ratings upgraded BFCM's short-term rating from F1 to F1+ on March 30, 2020. The use of the pre-maturity test is therefore no longer contractually required, but the decision was made to maintain the cash collateral for the 180-day regulatory liquidity requirements. The amount of this collateral was €3,000 million at December 31, 2022.

These mechanisms are considered compliant with the requirements of Article R.513-7 of the French Monetary and Financial Code.

Crédit Mutuel Home Loan SFH does not have a cash shortfall within 180 days of 12/31/2022.

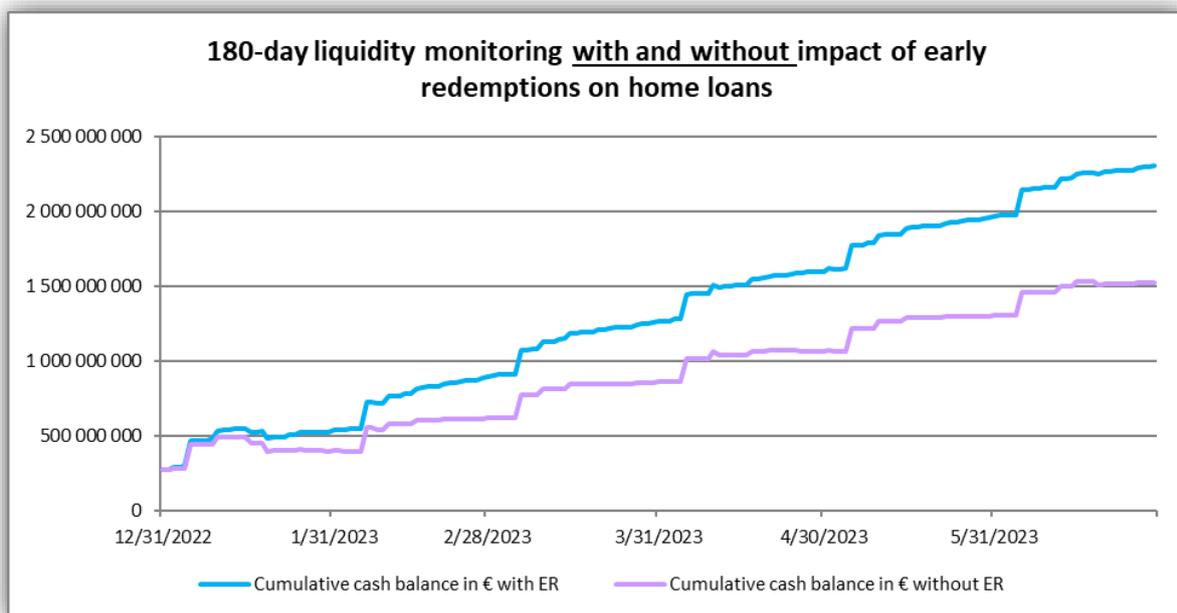
Total cash inflows in €	3,914,323,055
Total cash outflows in €	- 1,889,727,394
Cash balance in € <sup>1</sup>	<b>2,303,453,221</b>

<sup>1</sup> The cash balance at D+180 takes into account the initial balance of the current account of €278,857,560.

The graph below shows the projected liquidity situation with and without the impact of early redemptions. In both cases, these situations do not give rise to a cash shortfall. Requirements at 180 days are covered.

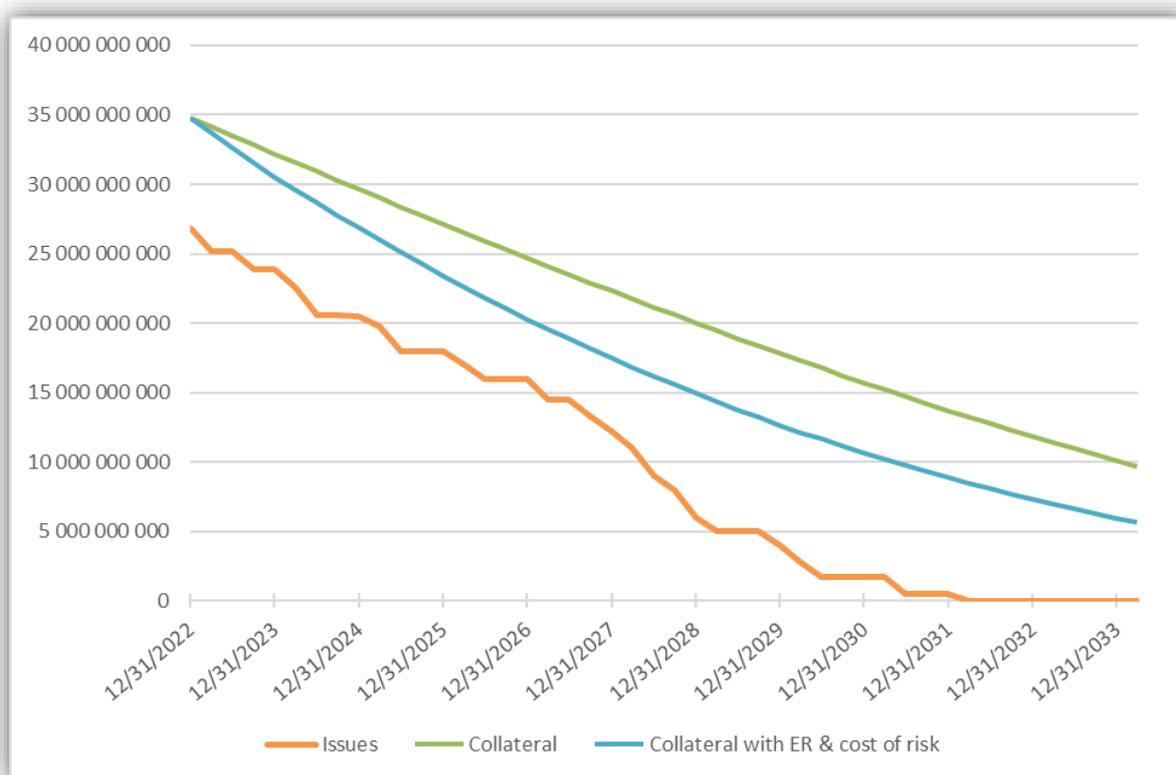
The amount corresponding to principal and interest redemptions on home loans before application of the early redemption rate and the cost of risk amounts to €1,478,632,064.

The impact of early redemptions is €783,871,900.



- Should BFCM default, the company would become the owner of the home loans offered as collateral.

The chart below shows the portfolio's amortization profile compared with the amortization of the issues and the resulting cash balance.



This simulation shows that at any given time the collateral is sufficient to cover issue maturities, including taking into account early redemptions and the cost of risk.

- The company is subject to the LCR on an individual basis but benefits from an exemption from application of the 75% ceiling on cash receipts, granted to it by the Supervisory College of the ACPR in a letter dated August 1, 2014. Accordingly, given the company's operating model (issues of securities on-lent to BFCM with the same characteristics), this ratio is always observed.
- The NSFR (Net Stable Funding Ratio) aims to ensure that assets and financing commitments considered at more than one year are financed by resources at more than one year. This one-year structural liquidity ratio is still respected, as SFH's assets and liabilities are backed and interdependent.

#### 4. OPERATIONAL RISK

In line with its articles of association, Crédit Mutuel Home Loan SFH has no resources of its own. All tasks are subcontracted to BFCM, CIC and Caisse Fédérale de Crédit Mutuel under various agreements. Internal control of outsourced activities is organized in accordance with the process defined by Group Compliance. The company's operational risk policy is in line with the global policy implemented by Crédit Mutuel Alliance Fédérale, particularly in terms of the Emergency and Business Continuity Plan.

## **5. LEGAL RISK**

Legal risk has been analyzed in detail by the rating agencies, which have assigned their top rating (AAA) to Crédit Mutuel Home Loan SFH's program.

To help it achieve its corporate purpose, Crédit Mutuel Home Loan SFH is advised by external legal advisers, including law firms.

More broadly, under the above-mentioned agreements, Crédit Mutuel Home Loan SFH receives assistance from Crédit Mutuel Alliance Fédérale for all its activities.

## **IV. RESEARCH AND DEVELOPMENT ACTIVITIES**

In light of Article L.232-1 of the French Commercial Code, readers are informed that the company has not engaged in any research and development activity during the year under review.

## **V. EMPLOYMENT AND ENVIRONMENTAL IMPACTS AND COMMITMENTS TO SUSTAINABLE DEVELOPMENT – NON-FINANCIAL PERFORMANCE STATEMENT**

Article 225 of the Grenelle II Act of July 12, 2010 and its implementing decree of April 24, 2012 extend the requirements, particularly for companies that issue securities on a regulated market, to publish information in their management report on the "employment and environmental impacts of their business and on their social commitments to sustainable development."

However, Crédit Mutuel Home Loan SFH has no employees. It is therefore unable to provide any employment information. Moreover, since the company has no buildings of its own, it has no direct environmental footprint. The environmental and social impact of its activities is covered by the policies defined by Crédit Mutuel Alliance Fédérale and presented in the management report of Caisse Fédérale de Crédit Mutuel, which is the parent company as defined in Article L.233-3 of the French Commercial Code.

The financial risks related to the impacts of climate change are analyzed in Chapter 5 "Risks and capital adequacy - Pillar 3," of the BFCM/Crédit Mutuel Alliance Fédérale Universal Registration Document.

## **VI. INFORMATION ON PAYMENT TERMS FOR CUSTOMERS AND SUPPLIERS**

Articles L.441-14 and D.441-6 of the French Commercial Code require companies whose financial statements are certified by a Statutory Auditor to disclose specific information pertaining to payment terms for suppliers and customers.

We considered that the scope of the information communicated relating to the payment terms mentioned in Article D. 441-6 of the French Commercial Code does not include banking and related transactions.

- **Invoices received and issued not paid at the closing date of the year which are overdue**

The sums in question are zero for Crédit Mutuel Home Loan SFH.

- **Invoices received and issued for which payment was late during the year (Article D.441-4 § II)**

There were no transactions involving significant amounts for which payment was late in 2022.

## VII. DIVIDENDS PAID IN THE LAST THREE FISCAL YEARS

For fiscal year:	2019	2020	2021
Amount in €	0.135	0.165	0.200
Dividend eligible for the deduction provided for in Article 158 of the French General Tax Code	Yes	Yes	Yes

## APPENDICES

### 1. REPORT ON INTERNAL CONTROL

### 2. SUMMARY OF RESULTS FOR THE PAST FIVE FISCAL YEARS



# Report on internal control

## Credit institutions, financing companies and investment firms

(Report prepared pursuant to Articles 258 to 266 of the order of November 3, 2014, modified by the order of February 25, 2021 and the order of July 28, 2021, on internal control of banking sector, payment services and investment services companies subject to ACPR supervision)

**Fiscal year 2022**

March 2023

This report, pursuant to Articles 258 to 266 of the order of November 3, 2014 (modified by the order of February 25, 2021 and the order of July 28, 2021) on internal control of banking sector, payment services and investment services companies subject to ACPR supervision, was presented to the Board of Directors on March 17, 2023.

## 1. Presentation of the activities carried out

Crédit Mutuel Home Loan SFH was licensed by the French Credit Institutions and Investment Firms Committee (*Comité des établissements de crédit et des entreprises d'investissement* - CECEI) at its meeting on May 31, 2007. At its meeting on March 28, 2011, the ACPR authorized the company to opt for the status of "home loan financing company" (*Société de Financement de l'Habitat* - SFH).

The sole corporate purpose of Crédit Mutuel Home Loan SFH is to help to refinance Crédit Mutuel Alliance Fédérale by issuing covered bonds based on a home loan portfolio pledged as collateral on the basis of Article L.211-36, paragraph II and Articles L.211-38 to L.211-40 of the French Monetary and Financial Code.

The company has an international EMTN program and a US 144A program enabling it to reach a wide range of international investors.

The company's activities in 2022 were fully in line with this corporate purpose, without the development of new activities, and consisted of the following operations:

- 5 issues for a total of €5.250 billion:

Series	Nominal	Foreign currency	Issue date	Maturity date
48	1,500,000,000	EUR	3/4/2022	3/4/2027
49	500,000,000	EUR	3/4/2022	3/4/2032
50	1,250,000,000	EUR	6/28/2022	2/8/2028
51	1,000,000,000	EUR	10/31/2022	10/31/2029
52	1,000,000,000	EUR	12/8/2022	12/8/2027

- on-lending of funds raised through these issues to BFCM.

In addition, the company's capital is deposited with BFCM.

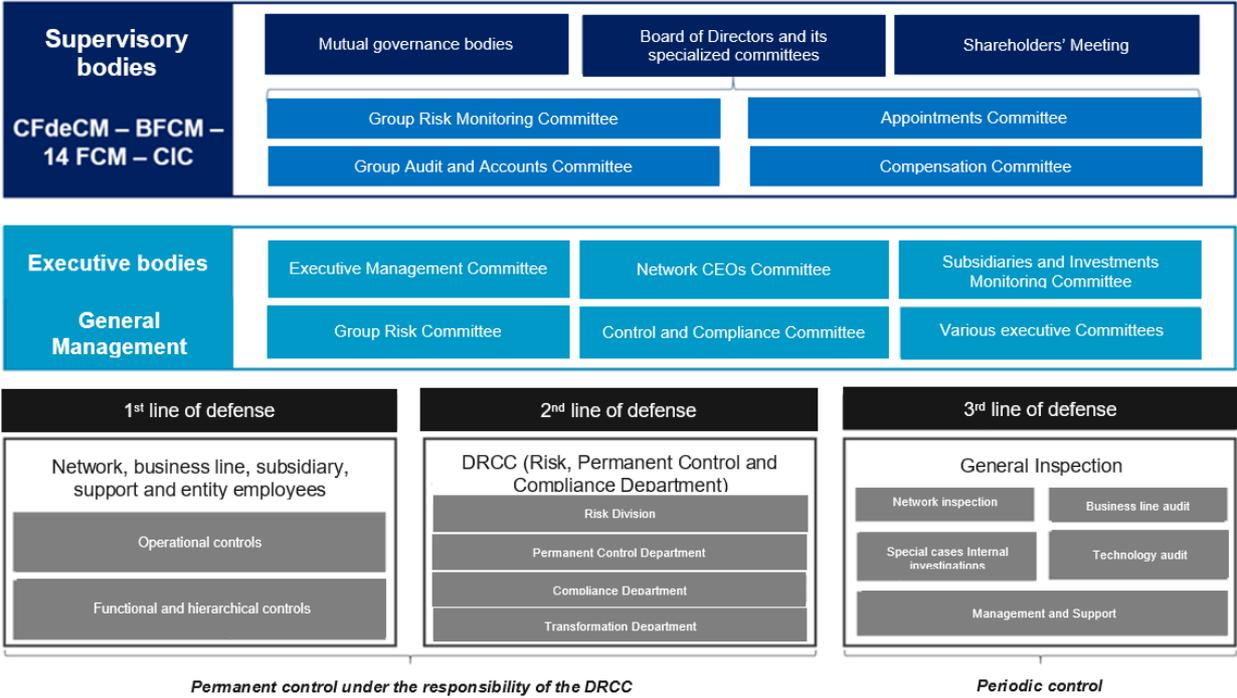
## 2. Overview of the internal control system

### 2.1. Organization at the Crédit Mutuel Alliance Fédérale level

The internal control system constitutes a cohesive set of procedures tailored to the needs and organization of Crédit Mutuel Alliance Fédérale.

In order to meet regulatory and prudential requirements and adhere to the operating principles that Crédit Mutuel Alliance Fédérale has established through its governing bodies, in the spirit of cooperation that has always guided its strategy, the internal control system brings together all Group functions involved in risk management and control.

Organizational chart of Crédit Mutuel Alliance Fédérale’s risk management and control system:



In accordance with the order of November 3, 2014 (amended by the order of February 25, 2021) on internal control, the system comprises three functions:

- Periodic Control,
- Permanent Control,
- Compliance.

The last two functions, which are part of a common Risk, Permanent Control and Compliance Department (see above), are subject to control by the first function.

The organization and responsibilities of Crédit Mutuel Alliance Fédérale’s Periodic Control function are governed by General Confederal Decision No. 1-2017 on the internal control system at the Crédit Mutuel group.

The organization and responsibilities of Crédit Mutuel Alliance Fédérale’s Compliance function are also part of a more general system coordinated by the Confédération Nationale du Crédit Mutuel (CNCM) on the basis of General Confederal Decision No. 2-2017 on the compliance system at the Crédit Mutuel group.

The consistency of the overall system is ensured by the control and compliance committee (CCC), which is chaired by an effective manager. This committee reports to the Group auditing and accounting committee (GAAC), which represents the Crédit Mutuel Alliance Fédérale’s supervisory bodies.

To perform their functions, the heads of the control departments in principle have permanent and unrestricted access to individuals, premises, equipment, software and information of any kind throughout Crédit Mutuel Alliance Fédérale. They may delegate any or all of their rights to their employees as needed for specific assignments.

## 2.2. Crédit Mutuel Home Loan SFH's internal control system

Crédit Mutuel Home Loan SFH's internal control system is in line with that of Crédit Mutuel Alliance Fédérale.

The company has implemented a permanent control and compliance system, with the Group's assistance, that reflects its limited corporate purpose and lack of own resources.

The units responsible for executing transactions are segregated from those responsible for transaction validation and settlement and for risk monitoring.

First-level controls are performed by all employees acting on the company's behalf as part of the management of accounting, administrative, regulatory and data processing transactions. Some of these controls are pre-integrated into the IT processes (*e.g., access rights, limit checks and permission levels*).

The control system implemented on behalf of the company is also based on the following principles:

- *First level control*: this is performed by all the operational teams involved in the functioning of Crédit Mutuel Home Loan SFH, in particular the Collateral Management and Front-Office functions on the one hand, and the Back-Office and Middle Office functions on the other. Aspects relating to the management of the company are the responsibility of the Group Treasury teams, while aspects relating to the processing of transactions and risk control are carried out by the CIC Marchés teams under the responsibility of the head of post-trade activities.
- *Second-level control*: a capital markets activities team, which acts exclusively as an auditor, is responsible for monitoring risk and the controls performed. This team reports to the Business Line Permanent Control department.
- *Compliance controls*: these are also performed by the CIC Marchés teams and by the Group Compliance department, particularly for regulatory watch and ethics matters.
- *Periodic control*: this is performed by Group Audit, which works with a specialized team of inspectors. The Network Periodic Control teams are also involved, particularly as regards home loans offered to the company as collateral.

In addition, given the company's status of "home loan financing company" (*Société de Financement de l'Habitat – SFH*), a special auditor is responsible for verifying compliance with all the obligations it assumes under this scheme with respect to its legal mandate.

## 3. Governance

The company's Executive Management regularly informs Crédit Mutuel Home Loan SFH's Board of Directors about the organization, activity and results of internal control.

In particular, any operational risk incident considered significant, as provided by the applicable regulations (see Articles 98 and 245 of the order of November 3, 2014), is reported based on the specific terms and procedures of Crédit Mutuel Alliance Fédérale.

In 2022, no significant incidents were identified.

Crédit Mutuel Home Loan SFH has no resources of its own. It depends fully on the Group's entities for all of its operations. This organization is reflected in several agreements, the most important of which are:

- An "outsourcing and resource provision agreement" signed on July 6, 2007 and amended on June 10, 2011 between Crédit Mutuel Home Loan SFH and BFCM, CIC and CFdeCM, which covers legal and fiscal secretarial services and all tasks enabling compliance with contractual, legal and

regulatory obligations;

- An “administrative agreement” signed on July 6, 2007 and amended on July 24, 2015 between Crédit Mutuel Home Loan SFH and BFCM, which covers the tasks required to achieve the company’s corporate purpose and, more specifically, to fulfill the duties of issuer calculation agent, comply with the issue program clauses and manage collateral and cash.

#### **4. Results of periodic controls performed during the period under review**

There were no new assignments carried out by Periodic Control in 2022.

#### **5. Identification of transactions with key executives, members of the supervisory body and principal shareholders**

Not applicable, in terms of commitments likely to be deducted from equity.

#### **6. Internal capital adequacy assessment process**

- Due to the nature of its corporate purpose, Crédit Mutuel Home Loan SFH’s use of funds is strictly regulated. It consists, with the exception of the on-lending of capital, exclusively of collateralized loans granted to BFCM.
- The collateral portfolio currently stands at €35 billion and equity totals €280 million.
- At the request of Crédit Mutuel Home Loan SFH, on June 19, 2014 the General Secretariat of the ACPR (SGACPR) agreed to allow the company to be exempt from the application on an individual basis of prudential requirements related to solvency ratios, the leverage ratio and major risks, as well as from application of the 75% ceiling on cash receipts for calculating liquidity coverage.

#### **7. Compliance risk**

See a discussion of this risk in Crédit Mutuel Alliance Fédérale’s consolidated report.

#### **8. Credit and counterparty risk**

Due to its limited corporate purpose, Crédit Mutuel Home Loan SFH’s credit risk is strictly regulated. Funds may only be used as follows:

- On-lending of funds raised by issuing securities: these funds may only be lent to BFCM. This lending is itself secured by collateral in the form of home loans granted by Crédit Mutuel Alliance Fédérale, on the basis of Article L.211-36, paragraph II and Articles L.211-38 to L.211-40 of the French Monetary and Financial Code. The overall amount of lending and compliance with loan eligibility criteria are checked monthly and documented in an “Asset Cover Test” report.
- On-lending of capital is governed by the following limits:
  - Regulatory limits: Articles L.513-7 and R.513-6 set minimum credit quality levels for these investments.
  - Contractual limits: rating agencies have set minimum credit ratings that vary according to the term of the investments.

Duration/Minimum rating	S&P	Fitch	Moody's
< 30 days	A-1 or A	F1 and A	P-1
30 to 60 days	A-1	F1+ and/or AA-	P-1
60 days to 3 months	A-1+ or AA-	F1+ and/or AA-	P-1
< 1 year	A-1+ or AA-	F1+ and/or AA-	P-1

- Should BFCM default, the company would become the owner of the home loans offered as collateral.  
An analysis of this collateral by internal rating demonstrates the portfolio's high credit quality and is presented in the table below.

Rating	Outstandings (€m) <sup>(1)</sup>	Percentage	Aggregate percentage
A	20,908	60%	60%
B	9,757	28%	88%
C	3,044	9%	97%
D+	734	2%	99%
D-	443	1%	100%
E+	115	0	100%
E-	0	0	100%
E=	0	0	100%
F	0	0	100%
<b>TOTAL</b>	<b>35,001</b>	<b>100%</b>	<b>-</b>

<sup>(1)</sup> Outstandings at 11/30/2022 shown as guarantee commitments received in SFH's financial statements at 12/31/2022

There are no non-performing or overdue loans in the portfolio offered as collateral.

The breakdown of these home loans by type of security is as follows:

Type of security	Outstandings (€m) <sup>(1)</sup>
Home mortgage guarantees	24,581
Guarantees provided by a credit institution	10,420
<b>TOTAL</b>	<b>35,001</b>

<sup>(1)</sup> Outstandings at 11/30/2022 shown as guarantee commitments received in SFH's financial statements at 12/31/2022

Loans secured by a guarantee are guaranteed by Crédit Logement.

The present LTV (ratio of the principal amount outstanding to the present value of the assets) of these loans is 60% on average.

## 9. Operational risk

In line with its articles of association, Crédit Mutuel Home Loan SFH has no resources of its own. All tasks are subcontracted to BFCM, CIC and Caisse Fédérale de Crédit Mutuel under various agreements. Internal control of outsourced activities is organized in accordance with the process defined by Group Compliance.

The company's operational risk policy is in line with the global policy implemented by Crédit Mutuel Alliance Fédérale, particularly in terms of the Emergency and Business Continuity Plan.

Legal risk has been analyzed in detail by the rating agencies, which have assigned their top rating (AAA) to Crédit Mutuel Home Loan SFH's program.

To help it achieve its corporate purpose, Crédit Mutuel Home Loan SFH is advised by external legal advisers, including law firms.

More broadly, under the above-mentioned agreements, Crédit Mutuel Home Loan SFH receives assistance from Crédit Mutuel Alliance Fédérale for all its activities.

## 10. Interest rate risk

Crédit Mutuel Home Loan SFH is required to operate in such a way that it is not exposed to interest rate risk.

- Funds collected by issuing securities must be lent to BFCM at the same interest rates and for the same terms (plus 10% of the margin generated relative to an unsecured issue, with a minimum of 2bp). This means that assets and liabilities are perfectly matched by term and interest rate.
- The only way the company could be exposed to interest rate risk would be if BFCM were to default. The company would then need to enforce its security and would become the owner of the home loans.

In accordance with the update to the issue program in July 2015 and with the approval of the rating agencies, this potential interest rate risk using a look-through approach is covered by a natural matching of assets and liabilities and by overcollateralization.

In fact, the vast majority (approximately 99%) of the cover pool assets are fixed-rate loans, and these assets are matched to liabilities by fixed-rate issues in the same proportion. The average interest rate of the cover pool (1.63% at 11/30/2022) and the average interest rate of bonds issued (1.39% at 11/30/2022) are monitored monthly. The overcollateralization rate resulting from the calculation of the Asset Cover Test negotiated with the rating agencies is always more than 74.9% (= Asset Percentage). The company is committed to maintaining this level of overcollateralization to meet the rating targets and regulatory requirements.

In addition, an ex-ante analysis of the potential interest rate risk using a look-through approach was carried out. It entails monitoring changes in the loans in the pool and issues within the Group's asset-liability management tool. This highlights the interest-rate sensitivity (plus or minus 200bp) of these two large volumes. SFH can easily bear this impact given its equity and overcollateralization.

## 11. Foreign exchange risk

The program allows for the possibility that Crédit Mutuel Home Loan SFH carry out issues in foreign currencies. In such cases, the loan to BFCM is also made in the issue currency.

- At the reporting date, Crédit Mutuel Home Loan SFH's foreign currency issues were limited to:

Nominal amount in foreign currency	Foreign currency	Equivalent nominal amount in euros	Issue date	Maturity date
750,000,000	NOK	96,961,862	10/7/2011	10/7/2024

This issue was re-lent to BFCM under the same terms.

- The only way the company could be exposed to foreign exchange risk would be if BFCM were to default. The company would then need to enforce its security and would become the owner of the home loans, all of which are denominated in euros, while having to make repayments in foreign currencies. The issue program documentation requires Crédit Mutuel Home Loan SFH to enter into specific foreign currency swaps with counterparties that must meet detailed rating criteria in order to hedge this risk as soon as BFCM's rating is downgraded.
- Since a first-level rating criterion has been met, hedging swaps have been set up. BFCM has the necessary rating level and so is the counterparty to these swaps. It meets the following ratings-based eligibility criteria provided for in the issue program documentation: A-1 (short-term) and A+ (long-term) from Standard & Poor's, P-1 (short-term) and Aa3 (long-term) from Moody's and F1+ (short-term)/AA- (long-term) from Fitch.  
Furthermore, since no collateral has been transferred, the company does not need these swaps to hedge its risk. They have therefore been neutralized with BFCM.

## 12. Liquidity risk

Crédit Mutuel Home Loan SFH operates in such a way that it is not exposed to liquidity risk. Since its sources and uses of funds are perfectly matched by term, Crédit Mutuel Home Loan SFH does not engage in maturity transformation.

- The only way the company could be exposed to liquidity risk would be if BFCM were to default. As indicated above, the company would then need to enforce its security and would become the owner of the home loans. The issue program documentation provides for a pre-maturity test to address this risk.
- The pre-maturity test requires BFCM to set aside a cash security deposit in the 180 business days before a covered bond issue matures. This deposit must be sufficient to cover the principal repayments falling due during the period in question. Failure to meet this obligation would represent default by BFCM.
- This pre-maturity test was triggered after Fitch Ratings downgraded BFCM's short-term credit rating to F1 on July 17, 2013. As a result, collateral was put in place to cover issues due to mature within 180 business days, and the funds thus obtained were deposited in term accounts maturing in less than 30 days.
- Fitch Ratings upgraded BFCM's short-term rating from F1 to F1+ on March 30, 2020. The use of the

pre-maturity test is therefore no longer contractually required, but the decision was made to maintain the cash collateral for the 180-day regulatory liquidity requirements. The amount of this collateral was €3,000 million at December 31, 2022.

These mechanisms are considered compliant with the requirements of Article R.513-7 of the French Monetary and Financial Code.

Crédit Mutuel Home Loan SFH does not have a cash shortfall within 180 days of 12/31/2022.

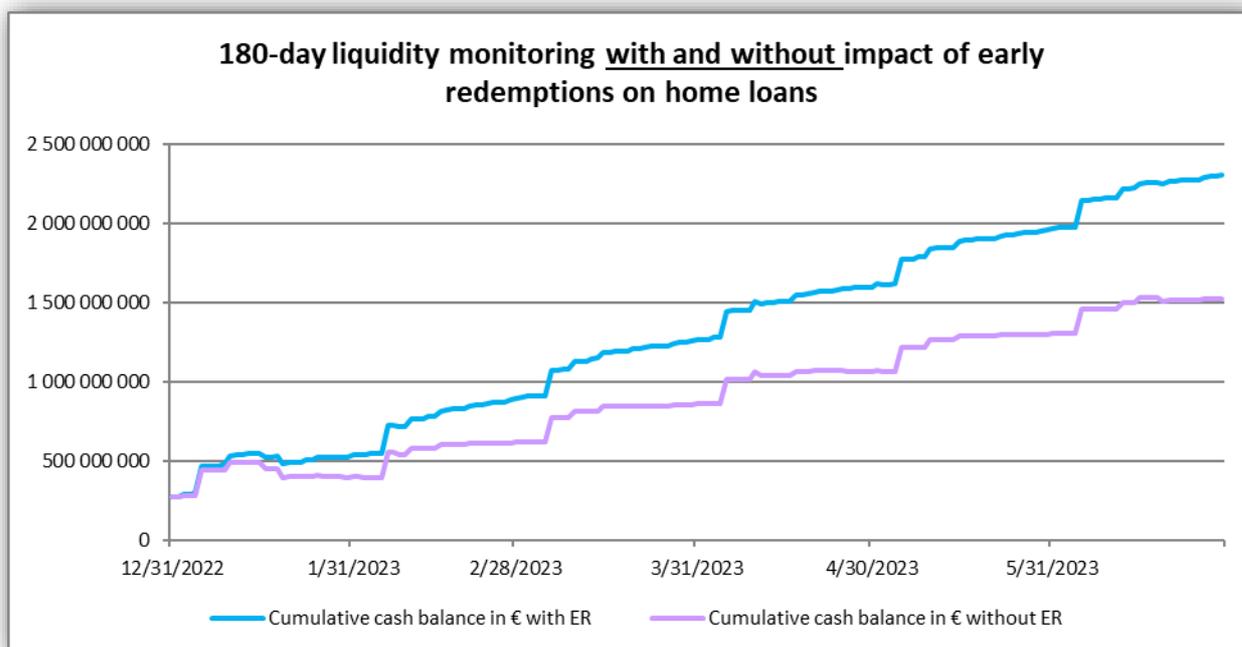
Total cash inflows in €	3,914,323,055
Total cash outflows in €	- 1,889,727,394
Cash balance in € <sup>1</sup>	<b>2,303,453,221</b>

<sup>1</sup> The cash balance at D+180 takes into account the initial balance of the current account of €278,857,560.

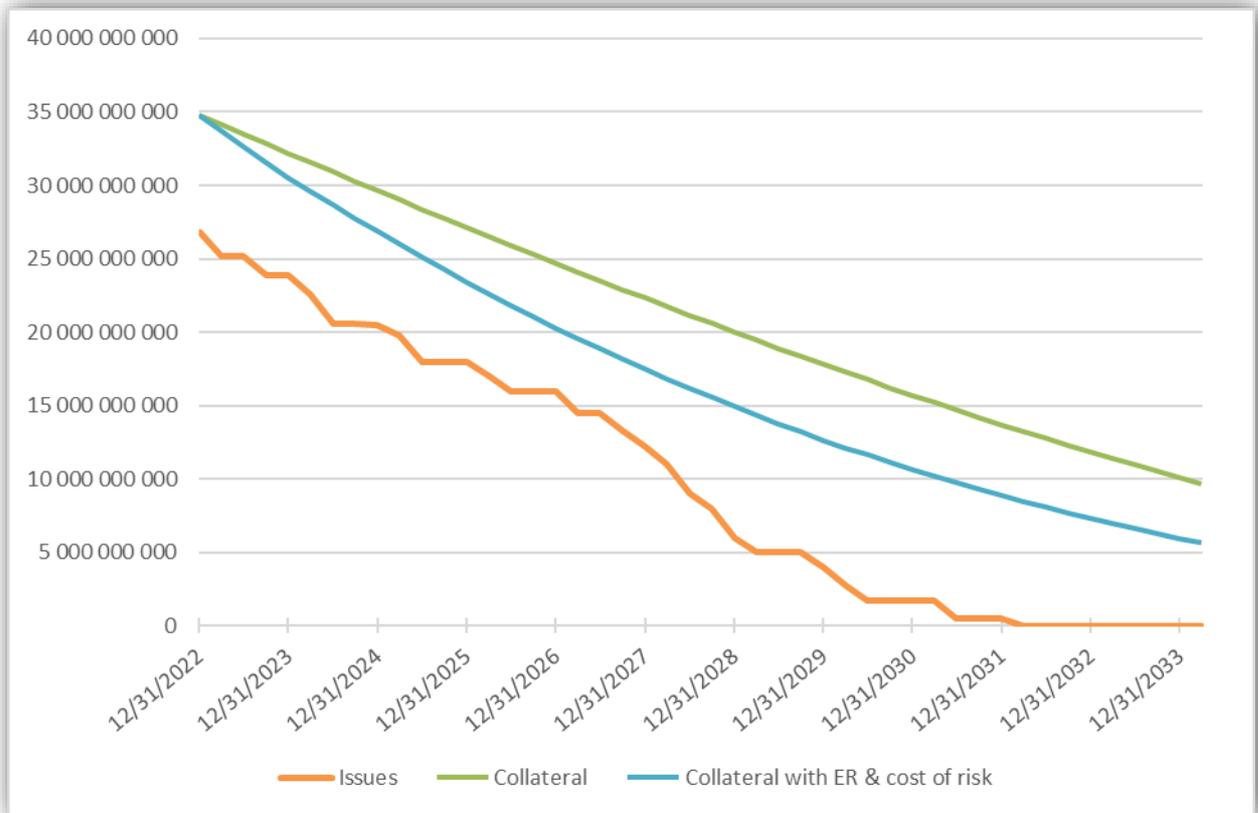
The graph below shows the projected liquidity situation with and without the impact of early redemptions. In both cases, these situations do not give rise to a cash shortfall. Requirements at 180 days are covered.

The amount corresponding to principal and interest redemptions on home loans before application of the early redemption rate and the cost of risk amounts to €1,478,632,064.

The impact of early redemptions is €783,871,900.



- Should BFCM default, the company would become the owner of the home loans offered as collateral.  
The chart below shows the portfolio's amortization profile compared with the amortization of the issues.



This simulation shows that at any given time the collateral is sufficient to cover issue maturities, including taking into account early redemptions and the cost of risk.

- The company is subject to the LCR on an individual basis but benefits from an exemption from application of the 75% ceiling on cash receipts, granted to it by the Supervisory College of the ACPR in a letter dated August 1, 2014. Accordingly, given the company's operating model (issues of securities on-lent to BFCM with the same characteristics), this ratio is always observed.
- The NSFR (Net Stable Funding Ratio) aims to ensure that assets and financing commitments considered at more than one year are financed by resources at more than one year. This one-year structural liquidity ratio is still respected, as SFH's assets and liabilities are backed and interdependent.

## Five-year financial summary (in €)

Nature of the information	2018	2019	2020	2021	2022
<b>1. Financial position at the end of the fiscal year</b>					
Share capital	220,000,000	220,000,000	220,000,000	220,000,000	220,000,000
Total number of shares issued	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000
"A" shares or common shares	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000
<b>2. Total income from operations</b>					
Banking income	503,697,609	446,986,428	405,633,115	310,105,868	330,463,531
Earnings before tax, profit-sharing, depreciation, amortization, and provisions and non-recurring items	4,595,090	4,711,360	5,621,975	6,336,874	8,834,003
Corporate income tax	1,529,443	1,571,428	1,763,482	1,778,687	2,263,179
Profit-sharing					
Profit	3,065,647	3,139,932	3,858,493	4,558,187	6,570,824
Profits distributed	2,970,000	2,970,000	3,630,000	4,400,000	6,160,000
<b>3. Earnings per share</b>					
Earnings after tax and employee profit-sharing, but before depreciation, amortization and provisions	0.14	0.14	0.18	0.21	0.30
Net profit/(loss)	0.14	0.14	0.18	0.21	0.30
Dividend per "A" share	0.135	0.135	0.165	0.200	0.280
<b>4. Personnel</b>					
Number of employees (average FTE)	-	-	-	-	-
Payroll expense	-	-	-	-	-
Employee benefits (social security, benefit plans, etc.)	-	-	-	-	-

**BOARD OF DIRECTORS' REPORT ON CORPORATE GOVERNANCE**  
**FINANCIAL YEAR ENDED DECEMBER 31, 2022**

(Pursuant to Article L. 225-37 of the French Commercial Code)

Dear Shareholders,

The Board of Directors has prepared this report on corporate governance in accordance with Article L.225-37 of the French Commercial Code, which states that the Board of Directors shall submit a report on corporate governance to the shareholders' meeting referenced in Article L.225-100.

**I) Governance**

At December 31, 2022, the Board of Directors of Crédit Mutuel Home Loan SFH (the "Company") was composed of:

- Alexandre Saada, Chairman,
- Eric Cuzzucoli, director,
- Banque Fédérative du Crédit Mutuel (BFCM), director, represented by Sandy Faure,
- Eric Platiau, independent director.

General management is ensured by Eric Cuzzucoli, first effective manager.

Denis Reinsbach, the Chief Financial Officer, serves as second effective manager.

In accordance with Article L.225-37-4, paragraph 1 of the French Commercial Code, a list of offices and positions held in any company by each corporate officer during the period under review can be found in Appendix 1.

**II) Executive compensation**

Pursuant to Article 20 of the Company's Articles of Association, "the shareholders' meeting may allocate to the directors, as compensation for their activities, a fixed annual sum, in the form of directors' fees. The Board of Directors distributes this compensation freely among its members".

By decision of May 19, 2022, the Company's shareholders' meeting decided to set the total compensation

package for directors at €4,000 per year. The Board of Directors, which met at the end of this meeting, decided to allocate to the independent director the entire amount, i.e. €4,000 per year in attendance fees, for a full year.

### III) **Regulated agreements**

No agreements falling within the scope of Article L.225-38 of the French Commercial Code were signed during the period under review.

### IV) **Delegations of authority concerning increases in the Company's share capital**

The shareholders' meeting has not granted the Board of Directors any delegations of authority and/or of power concerning capital increases.

### V) **Organization and operation of the Board of Directors**

The operating rules and powers of the Board of Directors (in particular with regard to issues) are set out in Articles 13 to 17 of the articles of association.

Crédit Mutuel Home Loan SFH complies with current corporate governance regulations. The Company does not adhere to the AFEP-MEDEF code on this same subject, as the code is not suited to the Company's situation given that 99.9% of its shares are held by Banque Fédérative du Crédit Mutuel.

The Board of Directors meets at least four times a year and as often as the interests of the Company so require, at the invitation of its Chairman.

The Board of Directors sets the Company's business strategy and oversees its implementation. Subject to the powers expressly granted to shareholders' meetings and within the limit of the corporate purpose, it considers all issues relating to the Company's operation and makes decisions on matters affecting it.

The Rules of Procedure define certain rules on the use of videoconferencing and telecommunications for meetings of the Board of Directors.

Individually, directors have a duty of discretion and confidentiality on all matters related to the Company's purpose.

The Board is chaired by Alexandre Saada. As such, he organizes and directs the Board of Directors' work and ensures that directors are able to perform their duties.

When determining the composition of the Board of Directors, several principles are applied:

**1° Incompatibilities and prohibitions:** at the time of their appointment, directors sign a statement certifying that they are not subject to the banking prohibitions set out in Article L.500-1 of the French Monetary and Financial Code.

**2° Age limit:** the age limit of members of the Board of Directors is set at 70. Offices held at this age end at the time of the shareholders' meeting following the member's birthday. This provision also applies to permanent representatives of legal entities.

**3° Combination with an employment contract:** no director has an employment contract with the Company and its controlled subsidiaries (except for directors representing employees, to whom the rules regarding concurrent directorships and employment contracts do not apply).

**4° Application of the principle of balanced representation of men and women on the Board of Directors:** the Copé-Zimmermann Law No. 2011-103 of January 27, 2011, amended in 2014 and in force as of January 1, 2017, applies to Crédit Mutuel Home Loan SFH, which does not, at this stage, meet the thresholds for balanced representation of men and women on boards of directors. In 2018, the Company replaced Marc Bauer, permanent representative of BFCM, with Annie Gain, who was in turn replaced by Sandy Faure in 2022.

**5° Director competence and training:** Crédit Mutuel Home Loan SFH places a great deal of importance on the competence of its directors. A specific training module for directors was introduced at the initiative of the interfederal elected member training commission aimed at reinforcing the knowledge and skills of Crédit Mutuel Home Loan SFH's directors in light of the regulatory competencies required since the transposition of CRD IV in France.

Specific skill-building training modules are also offered to members of the regulatory committees to help them complete the work of these committees.

**6° Composition of the Board of Directors and independent directors:** the Board of Directors of Crédit Mutuel Home Loan SFH consists of four members, including one independent director, appointed by the shareholders' meeting for six years, pursuant to Article 13 of the articles of association, to whom attendance fees are allocated.

#### **VI) Executive management structure and limits placed on the powers of the Chief Executive Officer by the Board of Directors**

Pursuant to Article L.225-51-1 of the French Commercial Code, the Board has opted for a dual executive management structure. The roles of Chairman of the Board of Directors and Chief Executive Officer are therefore separated.

Subject to the powers granted by law to shareholders' meetings and the Board of Directors, and within the limit of the corporate purpose, the Chief Executive Officer enjoys the broadest powers to act in all circumstances on the Company's behalf and represents the Company in its dealings with third parties. The Board of Directors has placed no other limits on the powers of the Chief Executive Officer.

In accordance with the provisions of Article L.228-40 of the French Commercial Code and the articles of association, the Board of Directors may decide on and authorize bond issues. It may delegate to any person of its choice the powers needed to carry out the issues, within a one-year period, and may set the terms and conditions thereof.

**VII) Shareholder participation in shareholders' meetings**

In accordance with the Company's articles of association, all shareholders, regardless of the number of shares they own, have the right to attend shareholders' meetings and to participate in the discussions in person or by proxy or to vote by mail under the legal and regulatory conditions.

The operating rules and powers of the shareholders' meeting are set out in Articles 24 *et seq.* of the articles of association.

The rules for amending the articles of association are specified in these same articles.

## **APPENDIX 1**

### **LIST OF ALL OFFICES AND POSITIONS HELD IN ANY COMPANY BY EACH CORPORATE OFFICER AT DECEMBER 31, 2022**

**Alexandre Saada**, Chairman of the Board of Directors

<b>Job title</b>	<b>Company name of the entity</b>
Deputy Chief Executive Officer – effective manager	Banque Fédérative du Crédit Mutuel
Chairman of the Board of Directors	Crédit Mutuel Home Loan SFH
Chairman of the Board of Directors	Banque CIC Ouest
Vice-Chairman of the Supervisory Board	Cofidis Group
Vice-Chairman of the Supervisory Board	Cofidis
Member of the Supervisory Board	Targobank AG
Member of the Supervisory Board	Tardgodeutschland GmbH
Permanent representative of BFCM, Member of the Board of Directors	Banque de Tunisie
Permanent representative of BFCM, Member of the Board of Directors	ACM IARD SA

**Eric Cuzzucoli**, director

<b>Job title</b>	<b>Company name of the entity</b>
Chief Executive Officer – Effective manager	Crédit Mutuel Home Loan SFH
Member of the Board of Directors	Crédit Mutuel Home Loan SFH
Permanent representative of BFCM, Member of the Board of Directors	Caisse de Refinancement de l'Habitat - CRH

**Sandy Faure**, permanent representative of BFCM, director

<b>Job title</b>	<b>Company name of the entity</b>
Permanent representative of BFCM, Member of the Board of Directors	Crédit Mutuel Home Loan SFH

**Eric Platiau**, director

Job title	Company name of the entity
Member of the Board of Directors	Crédit Mutuel Home Loan SFH
Member of the Supervisory Board	Oney Bank, Polish branch

**Denis Reinsbach**, effective manager

Job title	Company name of the entity
Chief Administrative Officer - effective manager	Crédit Mutuel Home Loan SFH
Chairman of the Supervisory Board	Crédit Mutuel Caution Habitat

# **CREDIT MUTUEL HOME LOAN SFH**

## **Annual financial statements**

**at DECEMBER 31, 2022**

- Statement of financial position
- Income statement
- Notes

# ANNUAL FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL POSITION

ASSETS (€ millions)	Note	December 31, 2022	December 31, 2021
Cash, central banks			
Government securities and similar instruments			
Receivables due from credit institutions	2	30,333.4	27,122.9
Client transactions			
Bonds and other fixed-income securities			
Equities and other variable-income securities			
Investments in subsidiaries and other long-term investments			
Investments in associates			
Lease and similar transactions			
Intangible assets			
Property, plant and equipment			
Subscribed capital not paid			
Treasury shares			
Other assets	3	3.0	2.8
Accruals	4	89.4	82.6
<b>Total assets</b>		<b>30,425.8</b>	<b>27,208.3</b>

Off-statement of financial position items		December 31, 2022	December 31, 2021
<b>Commitments received</b>			
<b>Financing commitments</b>			
Commitments received from credit institutions			
<b>Guarantee commitments</b>			
Commitments received from credit institutions	10	35,001.1	35,001.1
<b>Securities commitments</b>			
Optional repurchase agreements			
Other commitments received			

## STATEMENT OF FINANCIAL POSITION

LIABILITIES (€ millions)	Note	December 31, 2022	December 31, 2021
Central banks			
Due to credit institutions			
Client transactions			
Debt securities	5	27,044.3	24,298.5
Other liabilities	3	3,002.3	2,540.1
Accruals	4	89.9	82.8
Provisions			
Subordinated debt	6	60.4	60.1
Fund for general banking risks			
Shareholders' equity	7	228.9	226.8
- Subscribed capital		220.0	220.0
- Issue premiums			
- Reserves		2.3	2.1
- Revaluation reserve			
- Untaxed provisions			
- Retained earnings		0.1	0.1
- Profit (loss) for the period		6.6	4.6
<b>Total liabilities and shareholders' equity</b>		<b>30,425.8</b>	<b>27,208.3</b>
<b>Off-statement of financial position items</b>		<b>December 31, 2022</b>	<b>December 31, 2021</b>
<b>Commitments given</b>			
<b>Financing commitments</b>			
Commitments given to credit institutions			
Commitments given to customers			
<b>Guarantee commitments</b>			
Commitments given on behalf of credit institutions			
Commitments given on behalf of customers			
<b>Securities commitments</b>			
Optional resale agreements			
Other commitments given			

## INCOME STATEMENT

(€ millions)	Note	December 31, 2022	December 31, 2021
+ Interest and similar income	13	330.5	310.1
+ Interest and similar expense	13	-320.6	-302.8
+ Income from variable-income securities			
+ Fee and commission income			
+ Fee and commission expense			
+/- Gains (losses) on trading portfolio transactions			
+/- Gains (losses) on investment portfolio and similar transactions			
+ Other banking operating income			
+ Other banking operating expense			
<b>= Net banking income</b>		<b>9.9</b>	<b>7.3</b>
+ Employee benefits expense			
+ Other administrative expenses		-1.0	-0.9
+ Depreciation and amortization			
<b>= Operating expenses</b>		<b>-1.0</b>	<b>-0.9</b>
<b>= Gross operating income</b>		<b>8.9</b>	<b>6.4</b>
+ Net additions to/reversals from provisions for loan losses			
<b>= Operating income</b>		<b>8.9</b>	<b>6.4</b>
+/- Gains (losses) on non-current assets			
<b>= Income before non-recurring items</b>		<b>8.9</b>	<b>6.4</b>
+/- Non-recurring items			
+ Corporate income tax	14	-2.3	-1.8
+/- Movements in fund for general banking risks			
+/- Movements in untaxed provisions			
<b>= Net profit/(loss)</b>		<b>6.6</b>	<b>4.6</b>

## INFORMATION ON STATEMENT OF FINANCIAL POSITION ITEMS, OFF-STATEMENT OF FINANCIAL POSITION AND INCOME STATEMENT

The notes to the financial statements are presented in millions of euros.

### Significant events during the period under review

In 2022, Crédit Mutuel Home Loan SFH issued €5.3 billion in EMTNs. Taking into account issues that had reached maturity, total issues on the statement of financial position were €26.8 billion at December 31, 2022.

Crédit Mutuel Home Loan SFH is a 99.99%-owned subsidiary of Banque Fédérative du Crédit Mutuel.

### NOTE 1 - Accounting principles, valuation and presentation methods

The annual financial statements are prepared in accordance with *Autorité des normes comptables* (ANC - French Accounting Standards Authority) regulation 2014-07 related to the financial statements of banking sector firms and included in the compendium of French accounting standards for the banking sector.

#### Loans

Loans are recorded on the statement of financial position at their nominal value.

#### Foreign currency-denominated assets and liabilities

Assets and liabilities denominated in a currency other than the local currency are translated at the official exchange rate on the reporting date. Unrealized foreign exchange gains or losses resulting from these translations are recognized on the income statement with the exchange gains or losses realized or incurred on transactions carried out during the period.

#### Interest and commissions

Interest is recognized on the income statement on a pro rata temporis basis. Commissions are recorded using the cash receipt criterion, with the exception of commissions relating to financial transactions, which are recorded at the close of the issue or when invoiced.

### NOTE 2 - Receivables due from credit institutions

	December 31, 2022		December 31, 2021	
	Demand deposits	Term deposits	Demand deposits	Term deposits
Current accounts	278.9		277.9	
Loans and securities received under repurchase agreements (*)		29,821.3		26,644.8
Securities delivered under repurchase agreements		233.2		200.2
Accrued interest				
Non-performing loans				
Impairment				
<b>Total</b>	<b>278.9</b>	<b>30,054.5</b>	<b>277.9</b>	<b>26,845.0</b>
<b>Total receivables due from credit institutions</b>		<b>30,333.4</b>		<b>27,122.9</b>

(\*) BFCM is the only counterparty to the loans granted.

### NOTE 3 - Other assets and liabilities

	December 31, 2022		December 31, 2021	
	Assets	Liabilities	Assets	Liabilities
Premiums on options				
Guarantee deposits	3.0	3,000.0	2.4	2,539.7
Securities settlement accounts				
Debt representing securities borrowed				
Deferred tax		2.3		0.4
Other receivables and payables				
Receivables and related debt			0.4	
Impairment				
<b>Total</b>	<b>3.0</b>	<b>3,002.3</b>	<b>2.8</b>	<b>2,540.1</b>

### NOTE 4 - Accruals

	December 31, 2022		December 31, 2021	
	Assets	Liabilities	Assets	Liabilities
Collection accounts				
Currency and off-statement of financial position adjustment accounts	1.0	1.0	2.0	2.0
Other accruals	88.4	88.9	80.6	80.8
<b>Total</b>	<b>89.4</b>	<b>89.9</b>	<b>82.6</b>	<b>82.8</b>

Accrual accounts - liabilities mainly concern EMTN issue premiums.

Accrual accounts - assets reflect accruals - liabilities at the loan level.

## NOTE 5 - Debt securities

	December 31, 2022	December 31, 2021
Certificates of deposit		
Interbank instruments and negotiable debt securities		
Bonds	26,821.3	24,105.1
Other debt securities		
Related liabilities	223.0	193.4
<b>Total</b>	<b>27,044.3</b>	<b>24,298.5</b>

Borrowings are in EUR and NOK

The unamortized balance corresponding to the difference between the amount initially received and the redemption price of the debt securities recorded as a liability is €80.0 thousand.

## NOTE 6 - Subordinated debt

	December 31, 2021	Issues	Redemptions	Other changes	December 31, 2022
Subordinated debt					
Non-voting loan stock					
Perpetual subordinated debt	60.0				60.0
Related liabilities	0.1			0.3	0.4
<b>Total</b>	<b>60.1</b>			<b>0.3</b>	<b>60.4</b>

Main subordinated debt issues:

	OUTSTANDING	INTEREST RATE	MATURITY
PERPETUAL SUBORDINATED LOAN STOCK 2007	60.0	3-month Euribor + 1.41	**
<b>TOTAL</b>	<b>60.0</b>		

This is a "perpetual" subordinated loan in euros with the option of Early Redemption (without payment conditions) at each interest payment date subject to approval by the ACPR.

## NOTE 7 - Shareholders' equity and fund for general banking risks (FRBG)

	Share capital	Premiums	Reserves (1)	Retained earnings	Profit (loss) for the period	Total	FRBG
<b>Balance at January 1, 2021</b>	<b>220.0</b>		<b>1.9</b>		<b>3.9</b>	<b>225.8</b>	
Profit (loss) for the period					4.6	4.6	
Appropriation of earnings from previous year			0.2	3.6	-3.9		
Payment of dividends				-3.6		-3.6	
Capital increase							
Impact of revaluations							
Other changes							
Impact of the merger							
<b>Balance at December 31, 2021</b>	<b>220.0</b>		<b>2.1</b>	<b>0.1</b>	<b>4.6</b>	<b>226.8</b>	
<b>Balance at January 1, 2022</b>	<b>220.0</b>		<b>2.1</b>	<b>0.1</b>	<b>4.6</b>	<b>226.8</b>	
Profit (loss) for the period					6.6	6.6	
Appropriation of earnings from previous year			0.2	4.4	-4.6		
Payment of dividends				-4.4		-4.4	
Capital increase							
Impact of revaluations							
Other changes							
Impact of the merger							
<b>Balance at December 31, 2022</b>	<b>220.0</b>		<b>2.3</b>	<b>0.02</b>	<b>6.6</b>	<b>228.9</b>	

(1) At December 31, 2022, the Reserves item includes: €1.4 million in legal reserves and €0.9 million in other reserves.

At December 31, 2022, the share capital is made up of 22,000,000 shares with a par value of €10.

BFCM held 99.99% of the share capital of Credit Mutuel Home Loan SFH as of December 31, 2022.

As such, it is fully consolidated in the consolidated financial statements of Crédit Mutuel Alliance Fédérale and at the Crédit Mutuel national consolidation level.

The shareholders' meeting will be asked to allocate €6,593,187.00, of which €6,570,823.81 from 2022 profit and €22,363.19 from retained earnings, as follows:

Legal reserve	€328,541.19
Dividends	€6,160,000.00
Retained earnings	€104,645.81
	€6,593,187.00

## NOTE 8 - Analysis of certain assets/liabilities by residual maturity

	<3 months and at sight	> 3 months <1 year	> 1 year <5 years	> 5 years	Open-ended	Receivables and related debt	Total at December 31, 2022
<b>ASSETS</b>							
Receivables due from credit institutions	4,996.0	1,360.7	11,666.8	12,309.9			30,333.4
Receivables due from customers							
Bonds and other fixed-income securities							
<b>LIABILITIES</b>							
Due to credit institutions							
Due to customers							
Debt securities							
- Certificates of deposit							
- Interbank instruments and negotiable debt securities							
- Bonds	1,715.3	1,360.4	11,662.6	12,306.1			27,044.3
- Other							
Subordinated debt				60.4			60.4

## NOTE 9 - Euro-equivalent of foreign currency-denominated assets and liabilities

The euro equivalent of foreign currency-denominated assets and liabilities was -€73.1 million and €73.1 million, respectively, at December 31, 2022.

## NOTE 10 - Guarantee commitments

The loans granted by Crédit Mutuel Home Loan SFH to BFCM are guaranteed by eligible home loans from the Crédit Mutuel Alliance Fédérale's branch network, in accordance with Article 431-7 of the French Monetary and Financial Code.

At December 31, 2022, the amount of this collateral was €35,001.1 million, versus €35,001.1 million at December 31, 2021.

## NOTE 11 - Forward financial instruments - Counterparty risk

The counterparty risk associated with forward financial instruments is estimated according to the methodology used to calculate prudential ratios.

Credit risks on forward financial instruments	12/31/2022	12/31/2021
<b>GROSS EXPOSURE</b>		
Credit institution risk	25.3	26.3
Company risk		
<b>TOTAL</b>	<b>25.3</b>	<b>26.3</b>

Fair value of forward financial instruments	12/31/2022		12/31/2021	
	Assets	Liabilities	Assets	Liabilities
Fair value of forward financial instruments	4.0	4.0	10.4	10.4

## NOTE 12 - Other off-statement of financial position commitments

	12/31/2022	12/31/2021
<b>Foreign currency transactions</b>		
- Currencies receivable		
- Currencies payable		
<b>Commitments on forward financial instruments</b>		
<b>Transactions carried out on organized and similar markets</b>		
- Forward foreign exchange transactions		
. Hedging		
. Other transactions		
- Financial foreign exchange swaps		
. Separate open position		
. Micro-hedging	168.3	241.8
. Overall interest rate risk		
. Specialized management		

## NOTE 13 - Interest income and expense

	December 31, 2022		December 31, 2021	
	Income	Expense	Income	Expense
Credit institutions	327.8	-5.1	307.4	-2.3
Customers				
Finance leases and operating leases				
Bonds and other fixed-income securities				
Other	2.7	-315.5	2.7	-300.5
<b>Total</b>	<b>330.5</b>	<b>-320.6</b>	<b>310.1</b>	<b>-302.8</b>
of which subordinated debt expense				

#### NOTE 14 - Corporate income tax

	December 31, 2022	December 31, 2021
Current income tax – Amount for the period	2.3	1.8
Current income tax – Prior-period adjustments		
Current income tax – Effect of tax consolidation		
<b>Total</b>	<b>2.3</b>	<b>1.8</b>
On ongoing operations	2.3	1.8
On non-recurring items		
<b>Total</b>	<b>2.3</b>	<b>1.8</b>

Effective January 1, 2016, Caisse Fédérale de Crédit Mutuel opted for "mutual tax consolidation" in accordance with Article 223 A, paragraph 5 of the French General Tax Code.

This tax consolidation scheme allows companies to pay corporate income tax on the total income obtained by taking the algebraic sum of the positive and negative results of the group's entities. In 2022, CFdeCM's tax consolidation group consisted of 1,535 companies, namely:

- CFdeCM itself, the head of the tax group,
- 1,488 Crédit Mutuel local mutual banks and 13 Crédit Mutuel regional banks that belong to the member Federations of Crédit Mutuel Alliance Fédérale, which are required to be members of this tax group,
- Banque Fédérative du Crédit Mutuel and 32 other entities of the Crédit Mutuel Alliance Fédérale group that opted to be part of it.

By agreement, each member of the tax group must pay CFdeCM, as a share of the payment of the group's corporate income tax and regardless of the actual amount of said tax, a sum equal to the tax that it would have paid on its income if the member were taxed separately, minus therefore all the tax deduction rights that members would have had if they were not consolidated.

The corporate income tax due for the year and additional contributions are determined in accordance with applicable tax regulations. Tax credits attached to income from securities are not recognized. They are deducted directly from the tax expense.

"Corporate income tax" includes:

- The amount of corporate income tax and the additional contribution calculated as if the company were taxed separately,
- Any adjustments (back taxes or tax credits) related to prior years,
- The tax expense or income related to tax credits on interest-free and similar loans.

Difference between the tax recognized and the tax that the member is jointly and severally responsible for paying: NONE.

Difference between the tax recognized and the tax that the member would have borne if it were not consolidated: NONE.

Loss carryforwards:

- The CFdeCM tax consolidation group has no tax loss carryforwards,
- Some members of the group (including CFdeCM) have tax loss carryforwards that predate their membership in the tax consolidation group.

#### NOTE 15 - Statutory auditors' fees in 2022

	PricewaterhouseCoopers Audit	ERNST & YOUNG et Autres
(€ thousands ex-VAT)		
Certification of the individual financial statements and limited review	15	15

#### NOTE 16 - Subsequent events

No events that would materially affect the financial statements occurred between December 31, 2022 and the date of publication of the financial statements.

## STATEMENT OF NET CASH FLOWS

(€ thousands)	12.2022	12.2021
Net profit/(loss)	6,571	4,558
Tax	2,263	1,779
<b>Profit/(loss) before tax</b>	<b>8,834</b>	<b>6,337</b>
+/- Net depreciation and amortization of property, plant and equipment and intangible assets		
- Impairment of goodwill and other non-current assets		
+/- Net charges to provisions		
+/- Share of profit/(loss) of equity-consolidated companies		
+/- Net loss/gain from investing activities		
+/- Expense from financing activities		
+/- Other movements	-8,862	11,106
<b>= Total non-monetary items included in net profit/(loss) before tax and other adjustments</b>	<b>-8,862</b>	<b>11,106</b>
+/- Cash flows relating to transactions with credit institutions	-3,176,519	-894,532
+/- Cash flows relating to client transactions		
+/- Cash flows relating to other transactions affecting financial assets and liabilities		
+/- Cash flows relating to other transactions affecting non-financial assets or liabilities	462,253	582,623
- Tax paid	-1,803	-1,878
<b>= Net decrease in assets and liabilities from operating activities</b>	<b>-2,716,069</b>	<b>-313,787</b>
<b>TOTAL NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>-2,716,097</b>	<b>-296,344</b>
+/- Cash flows relating to financial assets and investments		
+/- Cash flows relating to investment property		
+/- Cash flows relating to property, plant and equipment and intangible assets		
<b>TOTAL NET CASH FLOWS RELATING TO INVESTING ACTIVITIES</b>		
+/- Cash flows relating to transactions with shareholders	-4,400	-3,630
+/- Other net cash flows relating to financing activities	2,721,466	300,000
<b>TOTAL NET CASH FLOWS RELATING TO FINANCING ACTIVITIES</b>	<b>2,717,066</b>	<b>296,370</b>
<b>IMPACT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS</b>		
<b>Net increase in cash and cash equivalents</b>	<b>996</b>	<b>38</b>
Net cash flows from operating activities	5,396	-296,332
Net cash flows relating to investing activities		
Net cash flows relating to financing activities	-4,400	296,370
Impact of changes in exchange rates on cash and cash equivalents		
<b><u>Cash and cash equivalents at beginning of period</u></b>	<b><u>277,862</u></b>	<b><u>277,824</u></b>
Cash, central banks and postal checking accounts		
Demand loans and accounts at credit institutions	277,862	277,824
<b><u>Cash and cash equivalents at end of period</u></b>	<b><u>278,858</u></b>	<b><u>277,862</u></b>
Cash, central banks and postal checking accounts		
Demand loans and accounts at credit institutions	278,858	277,862
<b>CHANGE IN NET CASH AND CASH EQUIVALENTS</b>	<b>996</b>	<b>38</b>

## **Crédit Mutuel Home Loan SFH**

Year ended December 31, 2022

### **Statutory auditors' report on the annual financial statements**

**PricewaterhouseCoopers Audit**  
63 rue de Villiers  
92208 Neuilly-sur-Seine Cedex  
S.A.S. (French simplified limited company) with capital of  
€2,510,460  
Nanterre Trade and Companies Register No.: 672 006 483

Statutory Auditor  
Member of the Regional  
Company of Versailles and the Center

**ERNST & YOUNG et Autres**  
Tour First  
TSA 14444  
92037 Paris-La Défense Cedex  
S.A.S. à *capital variable* (French simplified limited company  
with variable capital)  
Nanterre Trade and Companies Register No.: 438 476 913

Statutory Auditor  
Member of the Regional  
Company of Versailles and the Center

## Crédit Mutuel Home Loan SFH

Year ended December 31, 2022

### Statutory auditors' report on the annual financial statements

To the shareholders' meeting of Crédit Mutuel Home Loan SFH,

#### Opinion

In accordance with the terms of the engagement entrusted to us at your shareholders' meeting, we have audited the annual financial statements of Crédit Mutuel Home Loan SFH for the year ended December 31, 2022, as appended to this report.

In our opinion, the annual financial statements present a true and fair view of the company's assets, liabilities, financial position and results at the end of the year under review, in accordance with French accounting rules and principles.

#### Basis of our opinion

##### ■ Auditing standards

We conducted our audit in accordance with the professional standards applicable in France. We believe that the information we have gathered is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities pursuant to these standards are indicated in the section of this report entitled "Responsibilities of the statutory auditors regarding the audit of the annual financial statements."

##### ■ Independence

We have conducted our audit in compliance with the rules regarding independence specified in the French Commercial Code and in the code of ethics for statutory auditors, for the period from January 1, 2022 to the date of issuance of our report and, in particular, we have not provided any of the services prohibited by Article 5, paragraph 1 of Regulation (EU) No. 537/2014.

## Basis for our assessments – Key points of the audit

Pursuant to Articles L.823-9 and R.823-7 of the French Commercial Code regarding the basis for our assessments, we must inform you of the key points of the audit related to the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the annual financial statements, as well as our responses to these risks.

We have determined that there were no key points of the audit to inform you of in our report.

## Specific verifications

In accordance with the professional standards applicable in France, we also carried out the specific verifications provided for by legal and regulatory requirements.

### ■ Information provided in the management report and in other documents on the financial position and the annual financial statements sent to shareholders

We have no comments as to the fair presentation of the information set out in the Board of Directors' management report and the other documents on the company's financial position and the annual financial statements sent to shareholders, or its consistency with the annual financial statements, other than the point set out below.

The fair presentation and consistency with the annual financial statements of the information relating to payment terms mentioned in Article D. 441-6 of the French Commercial Code calls for the following observation: as indicated in the management report, this information does not include banking and related transactions, as your company considers that they do not fall within the scope of the information to be produced.

### ■ Report on corporate governance

We certify the existence, in the Board of Directors' report on corporate governance, of the information required by Articles L.225-37-4 and L.22-10-10 of the French Commercial Code.

## Other verifications or information provided for by legal and regulatory requirements

### ■ Format of presentation of the annual financial statements to be included in the annual financial report

In accordance with the professional standards applicable to the statutory auditor's work as regards the annual and consolidated financial statements presented in the European single electronic reporting format, we have also verified that the presentation of the annual financial statements to be included in the annual financial report referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code, and prepared under the responsibility of the chief executive officer, complies with this format, as defined in European Delegated Regulation No. 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the annual financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

It is not our responsibility to verify that the annual financial statements that will ultimately be included by your company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

## ■ Appointment of the statutory auditors

We were appointed as statutory auditors of Crédit Mutuel Home Loan SFH by your shareholders' meeting on April 16, 2007.

At December 31, 2022, our firms had performed their duties for the 16<sup>th</sup> consecutive year.

## Responsibilities of management and persons charged with corporate governance as regards the annual financial statements

It is the responsibility of management to prepare annual financial statements that give a true and fair view, in accordance with French accounting rules and principles, and to implement such internal control as it deems necessary for the preparation of annual financial statements that contain no material misstatements, whether such misstatements are the result of fraud or errors.

When preparing the annual financial statements, management must assess the company's ability to continue to operate, present in these financial statements, where applicable, the necessary information regarding the company's continued operation and apply the going concern accounting convention, unless there are plans to liquidate the company or discontinue its business.

The annual financial statements were approved by the Board of Directors.

## Responsibilities of the statutory auditors regarding the audit of the annual financial statements

It is our responsibility to prepare a report on the annual financial statements. Our goal is to obtain reasonable assurance that the annual financial statements taken together do not contain any material misstatements. Reasonable assurance is a high level of assurance, but one that does not guarantee that an audit conducted in accordance with generally accepted auditing standards always leads to the detection of all material misstatements. Misstatements may result from fraud or errors and are considered material when there is a reasonable expectation that they can, when taken individually or combined, influence the economic decisions made by users of the financial statements on the basis of these financial statements.

As set out in Article L.823-10-1 of the French Commercial Code, our task of certifying the financial statements does not entail guaranteeing the viability or quality of your company's management.

When conducting an audit in accordance with auditing standards applicable in France, the statutory auditor exercises its professional judgment throughout the audit. Moreover, the statutory auditor:

- ▶ identifies and assesses the risks that the annual financial statements contain material misstatements, whether such misstatements result from fraud or errors, defines and implements audit procedures to address these risks, and collects information that it considers a sufficient and appropriate basis for such opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that for a material misstatement resulting from an error, as fraud may involve collusion, forgery, deliberate omissions, false statements or the circumvention of internal control;
- ▶ reviews internal control relevant to the audit in order to define appropriate audit procedures under the circumstances, and not to express an opinion on the effectiveness of internal control;
- ▶ assesses the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as related information provided in the annual financial statements;

- ▶ assesses the appropriateness of management’s application of the going concern accounting convention and, based on the information collected, whether or not significant uncertainty exists regarding events or circumstances likely to call into question the company’s ability to continue to operate. This assessment is based on information collected up to the date of its report, it being noted however that subsequent circumstances or events could call into question the company's continued operation. If the statutory auditor concludes that significant uncertainty exists, it brings the information provided in the annual financial statements regarding such uncertainty to the attention of readers of its report or, if such information is not provided or is not relevant, the statutory auditor issues a qualified opinion or a denial of opinion;
- ▶ assesses the overall presentation of the annual financial statements and determines whether they fairly present the underlying transactions and events.

Neuilly-sur-Seine and Paris-La Défense, March 31, 2023

The Statutory Auditors

PricewaterhouseCoopers Audit

ERNST & YOUNG et Autres

Laurent Tavernier

Hassan Baaj

## **Crédit Mutuel Home Loan SFH**

Shareholders' meeting called to approve the financial statements for the year ended  
December 31, 2022

### **Statutory auditors' special report on regulated agreements**

**PricewaterhouseCoopers Audit**  
63 rue de Villiers  
92208 Neuilly-sur-Seine Cedex  
S.A.S. (French simplified limited company) with capital of  
€2,510,460  
Nanterre Trade and Companies Register No.: 672 006 483

Statutory Auditor  
Member of the Regional  
Company of Versailles and the Center

**ERNST & YOUNG et Autres**  
Tour First  
TSA 14444  
92037 Paris-La Défense Cedex  
S.A.S. à *capital variable* (French simplified limited company  
with variable capital)  
Nanterre Trade and Companies Register No.: 438 476 913

Statutory Auditor  
Member of the Regional  
Company of Versailles and the Center

## Crédit Mutuel Home Loan SFH

Shareholders' meeting called to approve the financial statements for the year ended December 31, 2022

### Statutory auditors' special report on regulated agreements

To the shareholders' meeting of Crédit Mutuel Home Loan SFH,

In our capacity as the company's statutory auditors, we present to you our report on regulated agreements.

It is our duty, based on the information provided to us, to inform you of the basic characteristics and terms and conditions and the basis of the benefits for the company of the agreements of which we have been informed or of which we may have become aware during our audit, without the obligation to express an opinion on their appropriateness and relevance or to determine the existence of other agreements. In accordance with Article R.225-31 of the French Commercial Code, it is your responsibility, in considering whether to approve these agreements, to determine whether they should have been entered into.

We are also required, where appropriate, to provide you with the information referred to in Article R.225-31 of the French Commercial Code on the performance during the past fiscal year of agreements already approved at a shareholders' meeting.

We carried out the work we considered necessary in view of the professional standards of the French Statutory Auditors' Association (*Compagnie nationale des commissaires aux comptes*) relating to this assignment.

### Agreements submitted to the shareholders' meeting for approval

We inform you that we have not been advised of any agreement authorized and entered into during the past year that must be submitted to the shareholders' meeting for approval pursuant to the provisions of Article L.225-38 of the French Commercial Code.

## Agreements already approved by the shareholders' meeting

We inform you that we have not been advised of any agreement already approved by a shareholders' meeting that remained in force during the past year.

Neuilly-sur-Seine and Paris-La Défense, March 31, 2023

The Statutory Auditors

PricewaterhouseCoopers Audit

ERNST & YOUNG et Autres

Laurent Tavernier

Hassan Baaj

## RESOLUTIONS SUBMITTED TO THE ANNUAL ORDINARY SHAREHOLDERS' MEETING OF MAY 16, 2023

### FIRST RESOLUTION

In accordance with the quorum and majority conditions required for ordinary shareholders' meetings and after the management report prepared by the Board of Directors, the report on corporate governance and the statutory auditors' reports had been read to them, the shareholders approved the annual financial statements for the fiscal year ended December 31, 2022, as presented to them by the Board of Directors, which show a profit of €6,570,823.81.

The shareholders also approved the transactions entered in these financial statements or summarized in these reports.

Accordingly, they granted the directors full and unconditional discharge for their work during said fiscal year.

### SECOND RESOLUTION

The shareholders resolve to appropriate the net profit for the year, totaling €6,570,823.81, plus the €22,363.19 in retained earnings, i.e. an available amount of €6,593,187.00, as follows:

- Legal reserve	€328,541.19
- Payment of dividends	€6,160,000.00
<i>i.e. a dividend of €0.280 per share</i>	
- Balance to retained earnings	€104,645.81

In accordance with the relevant legal provisions, we remind you that the following dividends had been paid in respect of previous years:

Fiscal year	2019	2020	2021
Dividend distributed	€0.135 per share	€0.165 per share	€0.200 per share

### THIRD RESOLUTION

In accordance with the quorum and majority conditions required for ordinary shareholders' meetings, after having familiarized themselves with the report prepared by the Board of Directors and after the statutory auditors' special report on the agreements referred to in Article L.225-38 of the French Commercial Code had been read to them, the shareholders approved the findings of said report.

### FOURTH RESOLUTION

The shareholders' meeting renews the term of office of Mr. Eric Platiau as independent director for a period of six years, i.e. until the shareholders' meeting called to approve the financial statements for the year ended December 31, 2028.