

CRÉDIT MUTUEL GROUP

2017 Activity Report

2018
EDITION



BRIDGING
DISTANCES
SPEEDING
UP TIME
CREATING
OPPORTUNITIES

THAT IS HOW WE BUILD
THE BANK OF TOMORROW



4	Joint InterVIEW
	WITH THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER
	PROfile
8	AN AGILE AND FERTILE BUSINESS MODEL
10	• A business model built around its network
12	• The local banks: active decision-making centers with direct knowledge of regional issues
14	• The Crédit Mutuel federations: influencers in the regions
16	• Regions take the lead in governance
	RÉSULTs
18	EXCELLENCE FOR THE FUTURE
20	• A responsive and effective business model
22	• Key figures
24	• 2017, an eventful year
	TreNDS
26	CUSTOMER RELATIONS IN AUGMENTED REALITY
28	• The customer is the focus of all our developments Focus: Retail banking, the group's core business
36	• The bank of the future, now
40	• Ever closer to the regions and their challenges Focus: A more collaborative, responsive, people-oriented real economy
	IDentity
48	THE START-UP SPIRIT BEHIND THE BRAND
50	• A bank owned by its customers, that changes everything!
52	• A strong and unifying identity
54	• Our values are recalibrating the bank of the future
56	• A responsible employer, we support change
58	• Committed to the planet
60	• Music: the power of our values can reverberate far and wide
	VALUEadded
62	OUR MULTI-SERVICES APPROACH IS TAKING HOLD
64	• When a bank is multi-faceted
66	• Insurance, of course!
68	• Integrated services with high value-added
72	• Highly complementary business subsidiaries

THE STRENGTH OF THE COOPERATIVE MODEL, CREATING OPPORTUNITIES

A leading bankinsurer, the Crédit Mutuel Group offers a diversified range of local services to private individuals, professionals and companies of all sizes in France, in Europe and abroad.

More than 100,000 employees — 82,000 salaried staff and 22,600 directors — bring their expertise, enthusiasm and advice to 31.6 million customers.

The group's network of 5,800 points of sale, consisting primarily of the Crédit Mutuel, CIC, Targobank and Cofidis brands, is supplemented by a broad range of innovative and secure digital services to better serve its customers.

Every day and across all regions, the group's practices combine its values with its convictions: performance and proximity, innovation that benefits people, soundness and solidarity. These values are those of a different kind of bank, one that supports innovation and the development of the economy.

Its primary objective is the quality of its member and customer relationships and service, the cornerstone for trust and growth.

At a time of unprecedented change in the economy in general and in the banking business in particular, the group continues to transform its business model based on a diversification strategy across all its businesses. It seeks to strengthen its positioning as a multi-services bank and drive its technological transformation in support of customers and regions.

THE BANK OF THE FUTURE
www.creditmutuel.com



A TASTE FOR THE FUTURE

NICOLAS THÉRY, Chairman, Confédération Nationale du Crédit Mutuel.
PASCAL DURAND, Chief Executive Officer

What major economic and financial trends drove the banking businesses in France, Europe and around the world in 2017?

Nicolas Théry: The underlying trend that continued and intensified in 2017 is twofold: increased competition in technological innovation, with the entry into the financial services sector of digital players who forced us to become even more innovative and responsive, and a greater awareness among the general

public of the risks to their data and digital identity, which meant we had to offer ever-higher levels of protection. **We are in a new world now.** A world where the boundaries of banking and finance have been shattered. A world that destroys all the rent, where institutions that have been lulled by the comfort of the past are under threat. And where those that relish the future, like Crédit Mutuel, have tremendous opportunities. I am confident that Crédit Mutuel, more so than others, has what it takes.

Pascal Durand: I would like to stress two points. First, the persistence of low rates and abundant liquidity, a situation that leads to historically low levels of risk and very high levels of demand deposits. Second, regulatory developments, which could significantly undermine the relationship banking model. I am thinking in particular about the new payment services directive.

A number of court rulings were handed down in 2017, putting an end to the disputes brought by senior executives of Crédit Mutuel Arkéa against Confédération Nationale du Crédit Mutuel. Where do things stand now?

Nicolas Théry: The senior executives of Crédit Mutuel Arkéa set out to undermine the very existence of the Crédit Mutuel Group through the courts. They asserted the existence of two competing groups. In June 2017, the competition authority confirmed that Crédit Mutuel was “a single company within the meaning of competition law.” They then disputed the fact that “Crédit Mutuel” was a brand. Both the Paris Appeals Court and the European Union Intellectual Property Office affirmed that Crédit Mutuel is in fact a brand. Lastly, at the beginning of 2018, the Conseil d’État (France’s highest administrative court), with its approval of the Confédération’s bylaws and general decisions on solidarity and internal audit, upheld the validity of the Confédération’s role and functions, which had already been reaffirmed by the General Court of the European Union. Justice has spoken. Crédit Mutuel is a united and diversified group, organized around a prudential, competitive and branded unit that is now beyond dispute. The ECB and the ACPR also welcomed the reforms the Confédération has implemented over the last two years under the supervision of Pascal Durand. Now more than ever we need to focus on the challenges we are facing and on reinventing the relationship bank of the future.

How would you describe the Crédit Mutuel Group’s 2017 results?

Pascal Durand: Without the €337 million corporate income tax surcharge, the Crédit Mutuel Group would have delivered its best results ever in 2017. Despite this surcharge, the Group’s results of €3.05 billion reflect the success of the business model implemented by Crédit Mutuel, which has been able to diversify beyond its core business. I was particularly pleased to see that all the federations that make up Crédit Mutuel contributed to this performance. These results strengthened our CET 1 solvency ratio, which stood at 17.4% at the end of 2017, well above the regulatory requirements. This safety margin gives us confidence in our ability to meet the challenges of the future, but we must not let down our guard.

“Crédit Mutuel’s results reflect the success of its business model...”

Challenges that bring new complexities, constantly changing businesses, increasingly efficient technologies, industry-wide digitalization: how is Crédit Mutuel preparing for all these transformations?

Nicolas Théry: One of our greatest strengths is **our technology and our ability to innovate.** Technology is not a constraint but a choice. Today, this means using digital tools to develop a community for the customers of each local bank and branch. It should not be harnessed to build a purely virtual and faceless relationship but rather to allow for an “augmented relationship” between the local banks and branches and their customers and members. I believe



that technology is the next frontier for mutualism. It is up to us, as part of our strategic plan, to define it based on three key concepts:

- **protection of the individual**, for example, by offering lifelong health insurance or covering major risks;
- **protection of digital privacy**. More so than others, we can commit to not selling our customers' data. The duty to advise must be reflected more strongly in the digital field;
- **security of information and financial systems**. This must also be one of the new mutualist commitments.

"The world will not wait for us... Technology, Crédit Mutuel's soundness, its brands and its models are important advantages for building the bank of tomorrow."

our ability to build on our strengths. Now is the time to act. **Today's world will not wait for us!**

How is retail banking changing? Do local banks still play a central role?

Pascal Durand: Two trends are emerging in the retail banking model. The relationship model, that is, the one that we know, based on a long-term relationship of trust. And the transaction-based model, where customers constantly switch between different banking products and always choose the best offer. Crédit Mutuel is firmly committed to the relationship model. The local bank plays a central role in this model because its proximity makes it a deciding factor in building trust. It is the local bank that must, on a day-to-day basis, prove that we are living up to our motto: "A bank owned by its customers, that changes everything."

Artificial intelligence has been supporting customer advisors for several months. Is there a risk that this will mean fewer advisors?

Nicolas Théry : There is a concern that an all-knowing robot will replace employees, but that is not our objective at all: we would like to use Watson to keep our advisors available to their customers, so we can increase our revenue. We are looking at it from the standpoint of development, not cost savings. Watson is a virtual assistant whose role is to free up our advisors' time and make their jobs easier. It is a tool for the "augmented relationship" between customers and their advisors.

Technology will not replace people. At Crédit Mutuel, technology will always be used to help people. Our mission is to serve our customers and provide high quality services. The true reality of who we are is reflected in our decision to make our customers our absolute priority. We listen to their needs and take a comprehensive approach rather than just selling products.

The future of the retail bank will not depend on its distribution network (physical or "phygital"). The major challenge is to earn our customers' overall trust.

What sets your mutualist model apart?

Pascal Durand: Being mutualist is the opposite of being individualistic, and means establishing a long-term relationship with your community. It means understanding that solidarity is not a burden but an opportunity. At Crédit Mutuel, this commitment and this solidarity are reflected in brand recognition not only by the French, as seen in the results of various surveys (the preferred bank of French people in the Posternak survey), but also by the financial ecosystem (top French group in the World Finance and Global Finance rankings). We owe our collective success to our model, which gives each entity the autonomy to manage its growth but also provides a protective framework grounded in the solidarity that binds us all together.



CRÉDIT MUTUEL THE ART OF STANDING OUT

The preferred brand in the French banking sector

(Posternak/Ilop survey, Q1 2018)

No.1 in the Banking category in the Customer Relations awards for the 11th time

(BearingPoint – Kantar TNS)



Top French bank
"The World's Best Developed Market Banks 2017" for the 4th

(Global Finance)



AN AGILE AND FERTILE BUSINESS MODEL



- 10 • A business model built around its network
- 12 • The local banks: active decision-making centers with direct knowledge of regional issues
- 14 • The Crédit Mutuel federations: influencers in the regions
- 16 • Regions take the lead in governance

IT'S BECAUSE WE HAVE
BEEN REINVENTING OUR
MODEL FOR MORE THAN
A CENTURY THAT WE ARE
ALWAYS BUILDING
THE BANK OF THE FUTURE

A BUSINESS MODEL

BUILT AROUND ITS NETWORK

WORKING TOGETHER?

THE MEN AND WOMEN WHO ARE BUILDING OUT THE NETWORK

The heart of the group is the network that makes up Crédit Mutuel, a cooperative bank governed by the French Act of September 10, 1947.

A true community with shared objectives and interests, Crédit Mutuel is a **partnership company** that does not seek to enrich a group of shareholders but rather **to provide the best possible service to all, anywhere in the country**.

Crédit Mutuel is independent and permanently rooted in local economies, contributing to job creation and regional economic vitality. **By sharing** resources, risks and expertise, it has the agility it needs to succeed in a restrictive and structurally disrupted environment.

Its development model, designed to meet the needs of all economic players, **demonstrates the power of individual initiative and its collective expression: cooperation**. This effective model, which has proven its worth year after year, guides its **goals for the future**.



FAVORING LONG-TERM CONVICTIONS OVER SHORT-TERM FADS

Crédit Mutuel belongs exclusively to its members, who own its capital and determine its strategy within a framework of democracy.

As a mutual bank, Crédit Mutuel makes all decisions with its members in mind. In its development it remains true to its founding values of local proximity, solidarity, and social responsibility. Crédit Mutuel's values are its hallmarks, setting the bank apart and ensuring the relevance of its development model.



A LONG-RUNNING, PEOPLE-FOCUSED COMPANY PROJECT

Grounded in this identity, **Crédit Mutuel supports its customers** – individuals, professionals, farmers and associations – with a range of innovative services adapted to their daily needs.

The group derives its many strengths from a **long-term strategy that is in line with its cooperative values**: a customer-focused policy of product and service diversification, a network of banks and branches designed as local service centers across all channels of contact, a **strong brand** that inspires trust, **employees who undergo continuous training**, an effective combination of **maximum decentralization** of the networks and **standardization of the businesses**.

"Reinventing itself to push the boundaries while remaining true to its values and drawing on its strengths..."

Crédit Mutuel never rests in its efforts to create a **timeless company** that reinvents itself to adapt to the changing needs of its members.

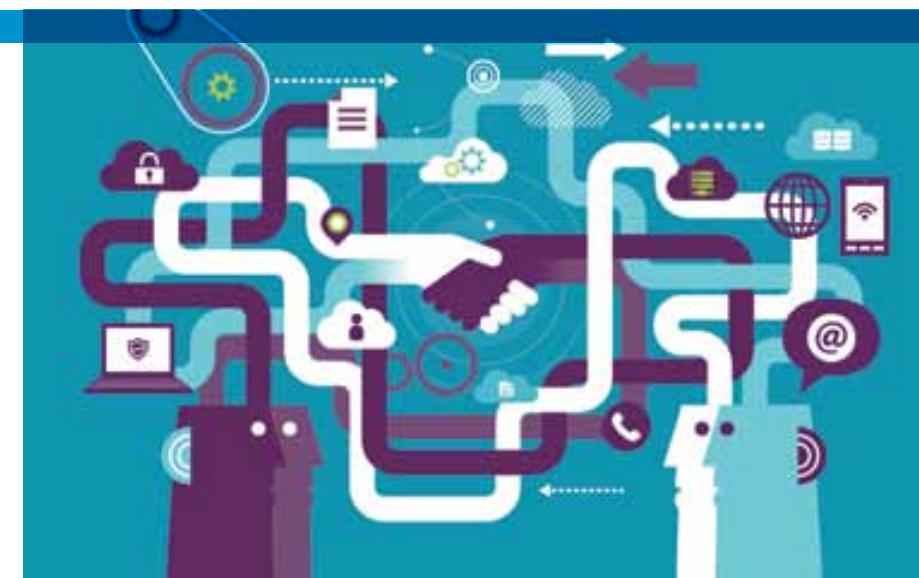
THE LOCAL BANKS:

ACTIVE DECISION-MAKING CENTERS WITH DIRECT KNOWLEDGE OF REGIONAL ISSUES



CRÉDIT MUTUEL IN BRIEF

- **Crédit Mutuel's shareholders' meetings**, held annually by each local bank, give their members a voice according to the "one person, one vote" principle. This democratic principle is at the root of the difference in the way Crédit Mutuel operates and underpins its operating model.
- **The 2,092 local banks** are the cornerstone of the Crédit Mutuel Group's organization. Classified as credit institutions under French banking law, the local banks drive entrepreneurship on a daily basis and mobilize energy across the regions.
- Covering every region of France, **the 18 regional federations**, along with Crédit Mutuel Agricole et Rural (FCMAR, the national federation for the farming sector), promote the Group's strategy in the regions. They are all affiliated with Confédération Nationale du Crédit Mutuel (CNCM).
- **La Confédération Nationale du Crédit Mutuel** is the central body of the network. Its missions are primarily to defend the Group's collective interests, to protect and promote the Crédit Mutuel brand, which it owns, and to ensure the Group's prudential consistency. **The Caisse Centrale**, the central financing bank, organizes Crédit Mutuel's mutual financial support mechanism.



CRÉDIT MUTUEL GROUP

31.6 million customers

MOVING FORWARD AS ONE: OUR MAIN SUBSIDIARIES AND PARTNERSHIPS

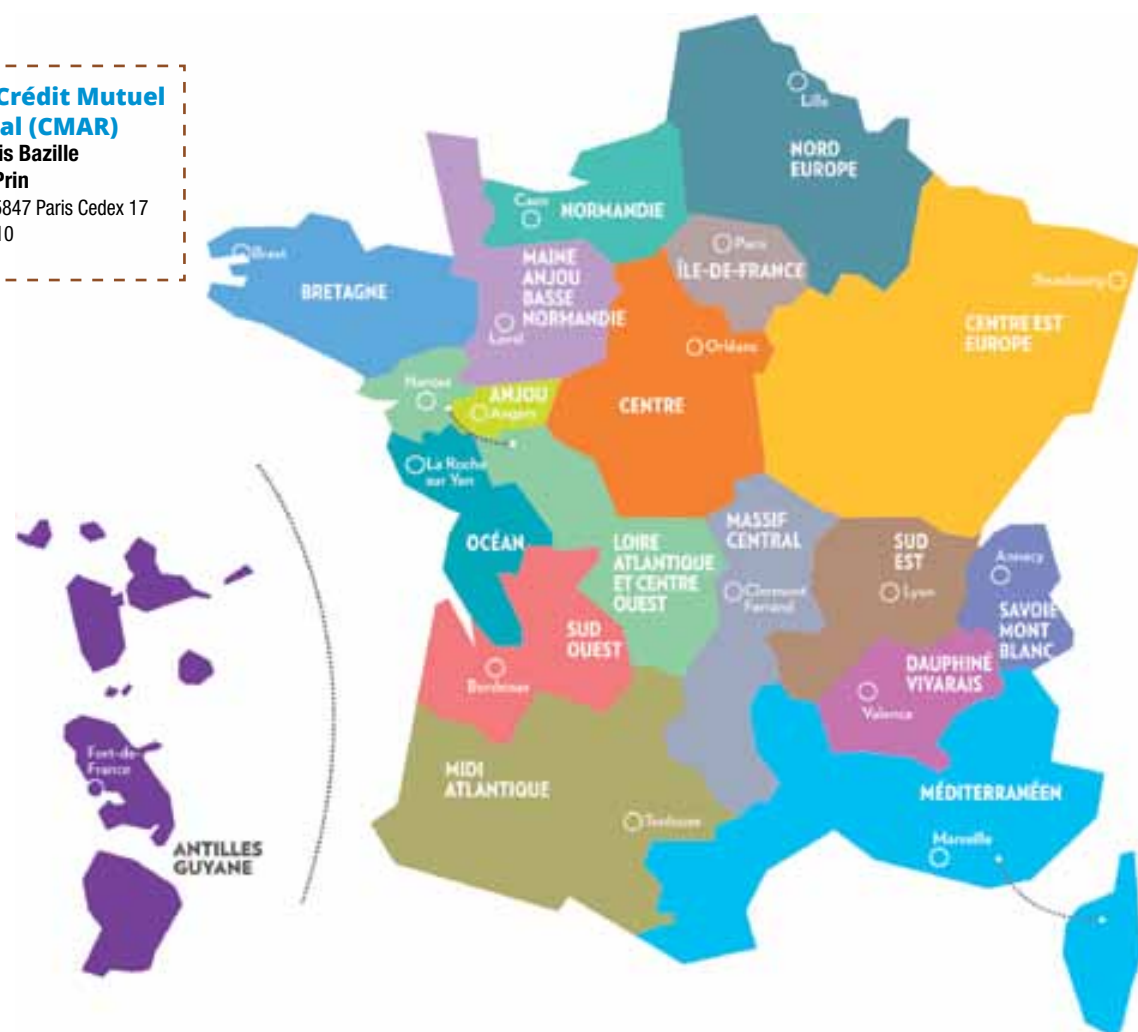


THE CRÉDIT MUTUEL FEDERATIONS: INFLUENCERS IN THE REGIONS

Each regional federation takes responsibility for strategy and supervision, representing Crédit Mutuel in its region. These decision-making centers, which have direct knowledge of regional issues, are run by boards elected by the local banks and are all affiliated with Confédération Nationale du Crédit Mutuel (CNCM). In addition to these 18 regional federations covering all of France, there is also a national federation for the farming sector: Fédération du Crédit Mutuel Agricole et Rural (FCMAR).



**Fédération du Crédit Mutuel
Agricole et Rural (CMAR)**
Chairman: Jean-Louis Bazille
Director: Sébastien Prin
88-90, rue Cardinet – 75847 Paris Cedex 17
Tel.: +33 (0)1 44 01 10 10



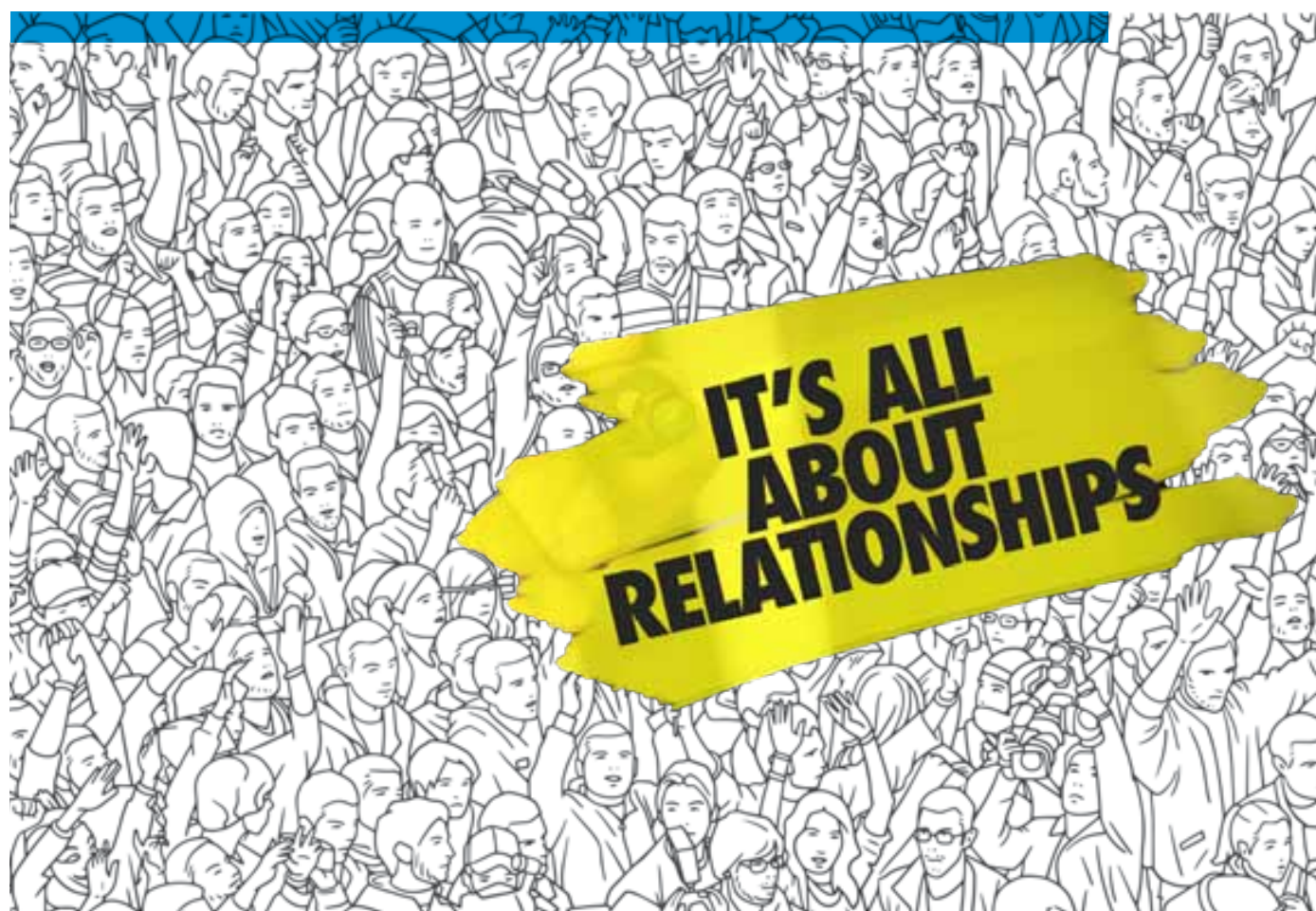
FROM LOCAL EXCELLENCE TO INTERNATIONAL REACH

The local bank of choice in France, the Crédit Mutuel Group is now also sharing its expertise with the world. **Underpinned by the vitality of its organization and the strength of its results**, the Group has continued to expand in France, Europe and around the world. It is thus promoting on an even larger scale the values that it supports and **that illustrate its distinctive approach to responsible, sustainable growth in support of the economy.**



REGIONS TAKE THE LEAD IN GOVERNANCE

BOARD OF DIRECTORS OF
CONFÉDÉRATION NATIONALE DU CRÉDIT MUTUEL
(at June 30, 2018)



CHAIRMAN:

Nicolas Théry,
Chairman of Crédit Mutuel Centre Est Europe

VICE-CHAIRMEN:

Gérard Cormorèche,
Chairman of Crédit Mutuel Sud-Est

André Halipré,
Chairman of Crédit Mutuel Nord Europe

DIRECTORS:

Catherine Barbaroux,
Independent Director

Jean-Louis Boisson,
Vice-Chairman of Crédit Mutuel Centre Est Europe

Gérard Bontoux,
Chairman of Crédit Mutuel Midi-Atlantique

Jean-Marc Busnel,
Chairman of Crédit Mutuel Maine-Anjou, Basse-Normandie

Éric Charpentier,
Chief Executive Officer of Crédit Mutuel Nord Europe

Jean-François Jouffray,
Vice-Chairman of Crédit Mutuel Ile-de-France

Anne Leitzgen,
Independent Director

Jean-Luc Le Pache,
Director of Crédit Mutuel Bretagne

Gérard Lindacher,
Director of Crédit Mutuel Centre Est Europe

André Lorieu,
Chairman of Crédit Mutuel Océan

Lucien Miara,
Chairman of Crédit Mutuel Méditerranéen

Alain Têtedoie,
Chairman of Crédit Mutuel Loire-Atlantique
et Centre-Ouest

Philippe Tuffreau,
Chairman of Crédit Mutuel Anjou

NON-VOTING MEMBERS:

Jean-Louis Bazille,
Chairman of Crédit Mutuel Agricole et Rural

Hervé Brochard,
Chairman of Crédit Mutuel Normandie

Luc Cortot,
Chief Executive Officer of Crédit Mutuel Océan

Jean-Loïc Gaudin,
Chief Executive Officer of Crédit Mutuel Maine-Anjou,
Basse-Normandie

Damien Lievens,
Chairman of Crédit Mutuel Centre

Maurice Loizeau,
Vice-Chairman of Crédit Mutuel Loire-Atlantique
et Centre-Ouest

Daniel Rocipon,
Chairman of Crédit Mutuel Savoie-Mont Blanc

Michel Vieux,
Chairman of Crédit Mutuel Dauphiné-Vivaraïs

Alex Weimert,
Chairman of Crédit Mutuel Antilles-Guyane

THE FOLLOWING PEOPLE ALSO SIT ON THE BOARD:

Pascal Durand,
Chief Executive Officer

Pierre-Édouard Batard,
Deputy Chief Executive Officer

Guillaume Sauvaire,
Board Secretary

EXCELLENCE FOR THE FUTURE



- 20 • A responsive and effective business model
- 22 • Key figures
- 24 • 2017, an eventful year

ACHIEVING
EXCELLENCE
FOR THE SOLE
PURPOSE OF
**SUPPORTING OUR
CUSTOMERS' PROJECTS**
AND THE REGIONAL
ECONOMIES

**5,800
points
of sale**

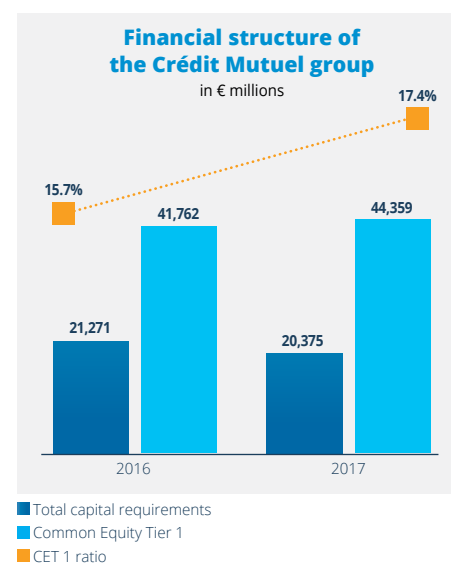


A RESPONSIVE AND EFFECTIVE BUSINESS MODEL TO BETTER SERVE OUR CUSTOMERS AND THE ECONOMY

TRUST, ROOTED IN SOUNDNESS

At a time of intense competition, low interest rates and new consumer habits, the 2017 results are an achievement and demonstrate the effectiveness of the cooperative and mutualist development model, which is by nature agile and responsive. This model, which is continuously adjusted based on the group's local presence, supports customers' projects and addresses regional economic challenges. The group has notably pioneered new technological innovations, which aim first and foremost to facilitate the day-to-day banking needs of members and customers.

Buoyed by strong sales growth, loans and savings rose sharply and insurance had a record year.



The diversification of local services, driven by innovative products, has helped to better support the group's 31.6 million customers.

The strength of the decentralized cooperative model, the training policy, the adaptability of the networks and innovation explain this performance, which was recognized on several occasions in 2017.

STRONG SALES GROWTH

In 2017, backed by its 5,800 points of sale, the Crédit Mutuel group further diversified its products and services, strengthening its positioning as a local multi-services group rooted in the regions.

The main changes in the scope of consolidation arose from Banco Popular Español's placement under resolution; the sale of CIC Singapore's private banking business; the takeover of HelloAsso; and the acquisitions of Izimmo and Pumpkin.

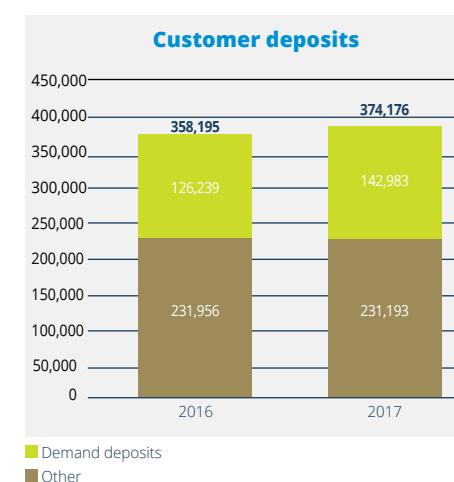
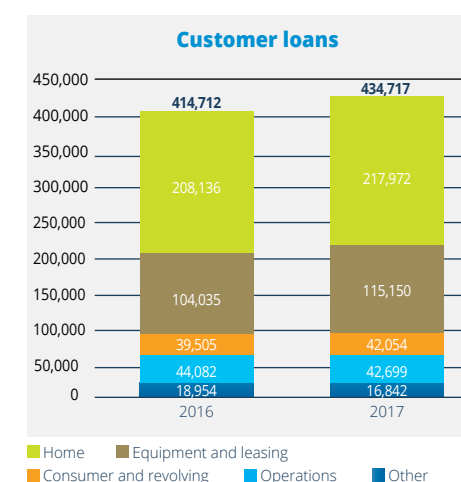
STRONG SUPPORT FOR THE ECONOMY

Total lending came in at €434.7 billion in 2017, up by 4.8%.

This performance once again demonstrates the group's commitment to supporting its customers by meeting their personal and professional financing needs.

The growth came from equipment loans, home loans and consumer loans.

Outstanding home loans rose by 4.7% to reach €218 billion, due to a high volume of new lending in a tough competitive environment. They represented 50% of total outstanding loans.



HIGH-TECH ENTREPRENEURSHIP, SOUGHT AND SHARED

Free enterprise and room to grow, under Crédit Mutuel's strong and protective umbrella, are the cornerstone of our model and at the root of its success. The group supports entrepreneurship through acquisitions, equity investments, partnerships and financing.



KEY FIGURES



CRÉDIT MUTUEL GROUP

31.6
million customers

5,767
points of sale

82,000
employees



ONE OF FRANCE'S LEADING RETAIL BANK INSURERS

17.0%
market share in
bank loans

15.5%
market share in
deposits



SUPPORT FOR THE DEVELOPMENT OF THE REGIONS AND THE LOCAL ECONOMY

€771.6
billion in
savings

€374.2
billion in
deposits

€434.7
billion in
loans



EFFICIENT PRODUCTS AND SERVICES INSURANCE

More than
15 million
policyholders

More than
40 million
policies

Insurance accounts for
33.4%
of net income
attributable to owners
of the company



A VERY STRONG FINANCIAL POSITION

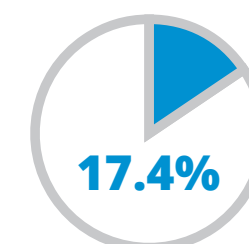
Net banking
income
€17.748
billion

Net income
attributable to
owners of the
company
€2.978
billion

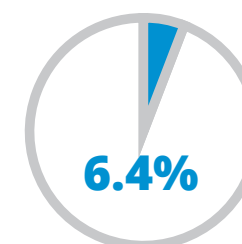
A strengthened
capital base
€52.370
billion in shareholders'
equity attributable to
owners of the company



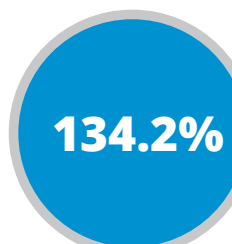
FUNDAMENTALS ON PAR WITH THE TOP FRENCH BANKS



Target
Common Equity
Tier 1 ratio



Leverage ratio



Liquidity
coverage ratio



A FINANCIAL STRUCTURE THAT MEETS THE HIGHEST EUROPEAN STANDARDS

Funds for investment
Rate of allocation of 2017
earnings to reserves:
96%

No. 34
worldwide
Crédit Mutuel moved up 2 spots



AN ISSUER THAT INSPIRES CONFIDENCE



STANDARD & POOR'S
with a stable outlook



2017, AN EVENTFUL YEAR



JANUARY

■ Euro-Information/IBM partnership

Innovation, anticipation and development are at the heart of this strategic alliance concerning the installation, maintenance and support of IT systems, electronic payment systems, ATMs and connected objects.

FEBRUARY

■ CNCM, a presenter at the fourth Assises de la Coopération et du Mutualisme (conference on cooperation and mutualism) on the theme:

"Youth employment, uberization, cooperation and mutualism."

■ Crédit Mutuel Arkéa offers contactless mobile payment with biometric fingerprint authentication

MARCH

■ The Crédit Mutuel CM11 group, major partner to Seine Musicale, the only new music project of its kind in France and Europe.

■ Crédit Mutuel, No. 1 in the Banking category in the BearingPoint - TNS Sofres Customer Relations Awards

This award, won for the 10th time in 13 years, attests to the relationship of trust between Crédit Mutuel and its customers and members.

APRIL

■ Watson technology to benefit people

After a successful pilot project, Crédit Mutuel and IBM announced the expansion of the use of IBM Watson (artificial intelligence) technologies to 20,000 employees in 5,000 local banks of 15 Crédit Mutuel federations and CIC branches.

This is the first commercial use of Watson by a financial institution in France to assist its advisors

MAY

■ Next-generation mobile payments with Lyf Pay

Developed in conjunction with retailers with the customer in mind, the Lyf Pay application integrates payment cards, loyalty cards and coupons for a multi-services offer that improves the customer relationship. www.lyf.eu

■ Alain Fradin passes the baton to Daniel Baal

Alain Fradin, who has served the Crédit Mutuel group for 33 years, is replaced by Daniel Baal. This succession paves the way for a new management duo within Crédit Mutuel CM11: Nicolas Théry, Chairman, and Daniel Baal, the new Chief Executive officer of CMCEE, CFCM, BFCM and CIC.

JUIN

■ Launch of the new corporate website www.creditmutuel.com

■ CIC delisted in Paris

JULY/AUGUST

■ The process of joining Paylib is underway and concerns all the Crédit Mutuel federations and their subsidiaries that are Euro-Information members.

As this service has been available to the Arkéa group's individual customers since 2015, all group customers will soon have access to Paylib.

SEPTEMBER

■ Help for hurricane victims

The Crédit Mutuel Antilles Guyane federations and 14 Crédit Mutuel federations, CIC and its regional banks joined forces to help the victims of the hurricanes.

OCTOBER

■ Crédit Mutuel selected for the sixth time as the best French banking group by World Finance magazine

■ A bank in your pocket: Crédit Mutuel offers cutting-edge service with Avantoo

This offer combines a bank account, a bank card and a 50 GB phone plan.

NOVEMBER

■ Dividend tax: banks and insurance companies will pay nearly half of this special tax. Mutual companies will be particularly hard hit as they will not receive a refund of the dividend tax.

■ Crédit Mutuel, the first French bank to use SWIFT GPI (Global Payment Innovation) services.

This new technology is now applied to all international payments initiated by Crédit Mutuel and its main subsidiaries. It is faster, more transparent and easier to trace, and can therefore meet customers' needs and respond to market developments.

DECEMBER

■ Société Générale, Crédit Mutuel, BECM and CIC preview an IBAN verification service offer, through the SEPAmail.eu2 DIAMOND application. This tool helps companies ensure the reliability of their customers' and suppliers' bank details and protect against identity fraud.

CUSTOMER RELATIONS IN AUGMENTED REALITY



- 28 • The customer is the focus of all our developments
Focus: Retail banking, our core business
- 36 • The bank of the future, now
- 40 • Ever closer to the regions and their challenges
Focus: A more collaborative, responsive, people-oriented real economy

**CUSTOMER
SATISFACTION**
IS OUR ONLY GUIDE,
WHICH IS WHY
WE PUT OUR
CUSTOMERS AT THE
CENTER OF THE UNIVERSE

The digital transformation is accelerating and revolutionizing customer relations. The ecosystem is being transformed with new uses, new expectations and new behaviors. The Crédit Mutuel Group has been preparing for this day for many years by developing a broad range of technological expertise. Redefining the relationship channels, implementing new services, and supporting and continually rolling out innovations are just some of the levers that help the Group strengthen the ties that connect it with its customers. The best that the bank of the future can offer is thus already available today.



THE CUSTOMER IS THE FOCUS OF ALL OUR DEVELOPMENTS

A new personal assistant on the market

Launched by Crédit Mutuel Arkéa, Max provides a simple, impartial and efficient response to consumers' day-to-day needs. It is an innovative application that includes banking and insurance services, concierge and personal services, and personalized advice.



At a time of unprecedented social and technological disruption, our customers — their desires, their new habits, their priorities — are, now more than ever, the focus of every discussion and every action. The technological innovation that drives the Group is a tremendous opportunity to build even closer relationships with its customers. The Crédit Mutuel Group's priorities are to simplify their lives, more appropriately match products to consumers' needs, and improve the quality of service.

MAKING EVERYDAY LIFE EASIER

To simplify the lives of its customers, the Crédit Mutuel Group has **focused relentlessly on ambitious innovations** such as remote and mobile banking, mobile phone services, remote home surveillance, electronic payment solutions and mobile payment

services. Through its diversified, tailor-made and highly secure offer, the Group has positioned itself as a true partner to its customers in their daily lives.

For each channel of contact championed (branches, fixed Internet or mobile web via smartphones or tablets, phone, secure email, electronic payment services, social networks, etc.), new features are being developed to facilitate access to a broad range of products and services. The Group has put in place all sorts of options — online contract applications, electronic signatures and files, account viewing, and policy monitoring — that allow its customers to save valuable time and that give them **the seamless, personalized and stress-free relationship that they would like to have with their bank.**

Elementary, my dear Watson! The virtual assistant supporting "Advisor 2.0"

Both email analyzer and virtual assistant, Watson exists first and foremost to help advisors, who remain our customers' preferred point of contact. This new "cognitive" solution improves the speed and relevance of advisors' responses to customer emails. Our advisors can therefore focus more on providing their customers with a personalized relationship based on attentiveness, helpfulness and efficiency.



A high-tech group that has stayed **100% human**

Digitally yours

THREE QUESTIONS FOR **FRANTZ RUBLÉ**,
Chief Executive Officer of Euro-Information within Crédit Mutuel

The Crédit Mutuel Group is one of the leaders in digital. What are its primary strengths in this field?



Frantz Rublé: With 15 of Crédit Mutuel's federations sharing an information system, we have been preparing for digital for years. Staying true to our founding principles, we developed a unique information system internally dedicated to bankinsurance and services. We were the first, or one of the very first, to launch and test, among others, bank cards, ATMs, Minitel, the Internet and mobile applications, and now artificial intelligence.

Within the Group, how is the customer experience being reconfigured in the digital era?

F.R.: In a fast-changing world, digitalization has taken hold in virtually every day-to-day transaction. With 139 million fund transfers processed through the remote bank in 2017 (up 11% in one year) and 1.3 billion log-ins (of which 56% from our mobile apps), digital is now the primary point of contact. This change is coupled with our customers' very strong attachment to their direct relationship with their advisor. To meet this expectation, we do everything we can to keep the advisor at the center of the relationship; to do so, we are improving the ways advisors and customers can interact remotely no matter the subject. Our motto — "Technology that benefits people" — is a concrete illustration of what sets us apart.

What are Crédit Mutuel's next digital challenges?

F.R.: **Expanding the cognitive technologies** to all business lines to put the progress made on these solutions to work for our employees and our customers. The first rollouts to 20,000 advisors were well received and our Cognitive Factory now counts 75 specialists.

Expanding the use of Optical Character Recognition (OCR) to improve services to customers and free our advisors from tedious data entry work (health-care reimbursement claims, auto insurance quote with three photos, etc.).

Using **big data** technologies to **strengthen** the tools advisors use to help them understand and anticipate their customers' needs and expectations. The challenge is being there at the right time and over the right channel.

Paying special attention to protecting our members' and customers' **data**. Our IT centers are ISO 27001 certified and we have a security control tower that anticipates, detects and reacts to all security events.

Working to increase adoption of all these new technologies by our customers and employees by **keeping them informed, training them and supporting them.**

FOCUS

THE CUSTOMER IS THE FOCUS
OF ALL OUR DEVELOPMENTS

RETAIL BANKING, OUR CORE BUSINESS

In € millions

PNB:
12,846

RBE:
4,162

**Net income attributable
to owners of the company:**
1,991

Retail Banking, **the group's main business line**, comprises the network offerings of Crédit Mutuel's 18 regional federations and CIC's 5 regional banks. It also includes all the specialized businesses whose products are marketed by the network, in particular leasing, factoring, fund management and real estate.

The day-to-day bank for 29 million private individuals, the Crédit Mutuel group holds 15.5% of the deposit market and 17.1% of the bank lending market.

**A MULTI-SERVICES
BANKING APPROACH
TAILORED TO SPECIFIC NEEDS**

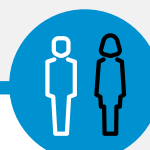


A MAJOR RETAIL BANK

The Crédit Mutuel group has put innovation at the forefront of its development strategy. This takes the form of new services in e-payments, insurance, telephony, remote surveillance and real estate, and the group now offers the best banking technologies and connected services to its **29 million individual customers**.

This expanded offer complements the physical network of almost 6,000 points of sale. It enhances trust, responsiveness and the advisory role. These changes are transforming banking practices without changing its core missions to offer the best possible support to customers for their own projects, advise them, anticipate their needs and facilitate their everyday life. All with one objective in mind: the quality of service and of the customer relationship, the key to growth.

This service excellence lies at the heart of our practices and is yielding results: Crédit Mutuel is regularly cited as the favorite French bank, topping the list of the Posternak/Ifop awards which focuses on the largest French banking networks (fourth quarter of 2017).



MAKING EVERYDAY LIFE EASIER FOR OUR CUSTOMERS, WE...

■ ADAPT OUR CHANNELS WITH:

DEDICATED POINTS OF SALE and advisors focused on the quality of the relationship.

ARTIFICIAL INTELLIGENCE helping to support advisors and make them more available.

DIGITAL TEAMS to support employees so that everyone adopts new behaviors and guides our customers toward new practices.

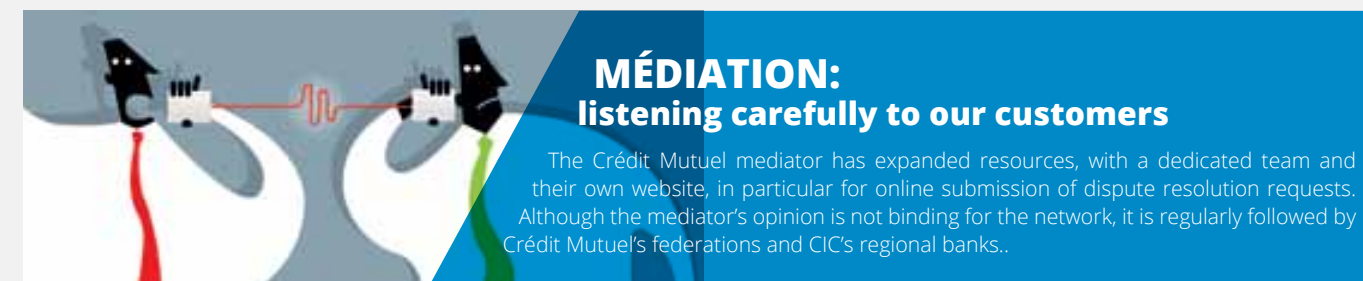
■ DEVELOP CUSTOM PRODUCTS

FOR HEALTH-CARE PROFESSIONALS
Crédit Mutuel Professions de Santé (CMPS) is a network of branches dedicated solely to serving health-care professionals. Representatives from all segments of the medical and paramedical sectors sit on the boards and supervisory bodies of these mutual banks. They assist practitioners with their decisions and develop active partnerships with professional associations, unions, professional guilds and institutional bodies.

FOR TEACHERS
The Union Nationale du Crédit Mutuel Enseignant (UNCME) has more than 40 mutual banks in France. These mutual banks offer a service that combines clear terms and conditions, product quality and cooperative values to staff working in the French national departments of education, research, youth affairs, and sports and culture.

■ SHAKE THINGS UP!

We make life easier for our customers and speed up administrative processes, since it is now possible to simulate and apply for a consumer loan in just three clicks and to get an auto insurance quote with just three photos.



MÉDIATION: listening carefully to our customers

The Crédit Mutuel mediator has expanded resources, with a dedicated team and their own website, in particular for online submission of dispute resolution requests. Although the mediator's opinion is not binding for the network, it is regularly followed by Crédit Mutuel's federations and CIC's regional banks.

FOCUS

THE CUSTOMER IS THE FOCUS OF ALL OUR DEVELOPMENTS

ASSOCIATIONS:

THE NATURAL WAY TO STRENGTHEN SOCIAL COHESION

Specific banking products and an ongoing presence among families and community-based federations at the local, regional and national levels help make Crédit Mutuel the partner of choice for non-profits and underpin its continued expansion in this segment.

The group serves the needs of a sector that plays a key role in reinforcing social cohesion and creating new forms of solidarity.

A partner to **512,000 associations** and non-profits, the Group managed €21.8 billion in savings and €3.5 billion in loans in 2017.

associ@thèque
Partenaire de votre engagement



YOUTH:

ON THE WAY TO INDEPENDENCE

Crédit Mutuel group has a dedicated offer for young people from birth until they join the workforce.

Teaching day-to-day banking skills, encouraging savings from an early age, assisting young account holders along the road to independence until they enter the workforce: these are the main facets of the offer for the under-30 segment which represents nearly 30% of the Crédit Mutuel and CIC retail customer base.

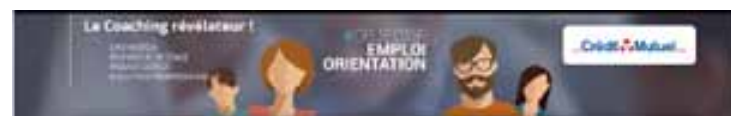
With tailored products, services and rates, the banking offering is flexible and every effort is made, at each key stage, to support the younger generations as they transition to independence.

www.objectif-emploi-orientation.fr

www.tipsntricks.fr

#objectif-emploi-orientation

www.objectif-emploi-orientation.fr



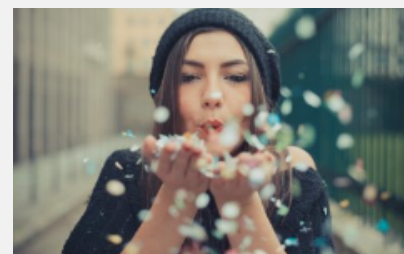
With the Tips n' Tricks dedicated offer, Crédit Mutuel Arkéa makes it easier for young professionals to leave the nest

EXPLORATION



THE ULTIMATE GUIDE TO TRAVELING
ABROAD

ENTREPRENEURSHIP



"BELIEVE IN YOURSELF, IN HUMANITY,
IN YOUR SUCCESSES..."

EDUCATION



HOW TO BALANCE WORK AND
STUDIES



No. 2
bank
for the farming sector
16%
**of the medium-
and long-term loan
market**

FARMING:

BECAUSE WE SHARE THE SAME VALUES

The group remains a key player in the face of the profound transformations affecting the sector and the crises impacting the French countryside. It offers innovative solutions to respond to the changes occurring around the food transition, the revival of the regions, the local food network and the development of organic farming.

Far more than the second leading bank for the farming sector, Crédit Mutuel is a trusted partner of the farming industry, whose values it has always shared: an understanding of the land, responsibility, the long view, the unexpected and risk, as well as an extraordinary sense of solidarity. One agricultural federation is also dedicated exclusively to farming: the Crédit Mutuel Agricole et Rurale (CMAR) federation.

METHANIZATION:

Crédit Mutuel supports tomorrow's agriculture

Crédit Mutuel has developed a specific offering that consists of an analysis of the project and the appropriate financing. Methanization has a number of advantages for farmers: it creates new business, generates stable additional income and improves farmyard manure.

THE 50+ SEGMENT: WHEN PROXIMITY AND SERVICE MAKE PERFECT SENSE

This customer group can have very different situations and needs depending on their age, personal journeys, home and professional life, and health. Seniors need the support and advice they receive from the network during important phases or events in their lives (preparation for retirement, moving house or adapting their homes, supporting elderly parents, inheritance/gifts, etc.). To that end, the group offers seniors products and services that are tailored to their specific situations, expectations and interests.

Notre temps,

Every month, an expert from the group addresses bankinsurance topics that relate directly to seniors' concerns.



FOCUS

THE CUSTOMER IS THE FOCUS
OF ALL OUR DEVELOPMENTS



No. 3
in
home loans



HOME FINANCING: PRIORITIZING EXPECTATIONS

Meeting demand for loans to purchase main residences and **providing finance** for quality rental investments is a priority for the Crédit Mutuel Group.

The strong market was reflected in home lending activity during the year. With €218 billion in outstanding home loans (+4.7%), the group is the third-largest residential lender with a market share of close to 20%. It prefers a direct approach, recommendations and service quality, supported by a short and responsive decision-making process.

The group is active in a number of regions where its activities take various forms:

- it has capital stakes in around 40 subsidized housing organizations (ESH);
- it contributes its expertise in social housing sales through subsidized homebuyer loans;

■ it is a close partner of social housing cooperatives for first-time homebuyer construction programs (financed through tenant home purchase schemes, interest-free loans, etc.) and for cohousing support programs;

■ it works with the federation of local public enterprises (EPL), a professional body that represents in particular the 188 real estate EPLs managing a stock of 549,000 homes.

It is also a long-time partner to the French agency for housing improvement (ANAH).

The group also offers — through all its specialized subsidiaries — all housing-related services and products. As part of this comprehensive range, the group now offers land development, real estate development, rental property management and real estate agency services.



BORROWER'S INSURANCE * NO CONSTRAINTS, NO FALSE PROMISES!

Apart from its very competitive offer, Crédit Mutuel asserts its mutualist values by **maintaining medical approval, the only company on the market to do so**, as well as by providing real all-risks insurance that does not exclude any profession or sporting activity.

* Excluding Crédit Mutuel Arkéa.

Crowdfunding, Arkéa acquires a stake in Koregraf

Koregraf, a leading player on the real estate development crowdfunding market, sold 8% of its capital to Crédit Mutuel Arkéa, which also has extensive expertise in real estate financing.

The group will support the brand's growth strategy and its aim of expanding its offer to become a global real estate consultancy.



With the Riche Terre Association, a collective chicken coop (seven chickens) and a collective worm bin for composting were made available to the residents of the "Bergeronnettes" complex in Gorges. A collective charter for this garden, and the shared spaces, will be drawn up.
Congratulations to the residents for this positive use of the new space!



Cohousing is expanding in Nantes with Atlantique Habitations, and a whole new mindset based on solidarity, mutual assistance and inter-generational links is taking root.



The group's entities encourage new forms of city planning that consider all modern environmental features. This is true in particular for CM-CIC Immobilier with the completion of the first tranche of the Bois Milon eco-neighborhood in Saint-André-de-Cubzac (in Gironde).

A ROOF OVER
EVERYONE'S HEAD
AND A BETTER
COMMUNITY LIFE!

Real estate development for the regions



Soderec, a nationwide Crédit Mutuel subsidiary, works with real estate contractors in the public and private sectors. A nationally recognized player, Soderec has distinguished itself with a number of recent projects: the outpatient surgery unit at the university hospital of Nantes, the Lyon-Sud university cafeteria in Pierre-Bénite, the Sénart-Fontainebleau institute of technology in Lieusaint, the police station in Marseillan, the Joliot-Curie high school in Nanterre, and the bioclinical research center at the university of Clermont-Ferrand, to name a few.

<http://www.lasoderec.com>

"Imagining the Métropole du Grand Paris"



In October 2017, La Française (a subsidiary of Crédit Mutuel Nord Europe) won three iconic sites of the future Grand Paris, the largest infrastructure project in Europe with the aim of maintaining Paris's place as an attractive global city.

These projects are core components of the urban development strategy and will be served by the new metro lines (200 km of metro lines and 68 new stations).

THE BANK OF THE FUTURE, NOW



Loyalty in augmented reality

Thanks to augmented reality, Crédit Mutuel CM11 offers its customers a new experience by combining a loyalty program with its MasterCard payment cards: **Crédit Mutuel programme à la carte**. This fun app can be downloaded free of charge from the iOS and Android stores. The bank card then becomes a great way to have augmented reality experiences: **practical information** on the characteristics of the different MasterCard cards, insurance coverage, support services, and other services offered by Crédit Mutuel; **games** to try to win amazing gifts (concerts, soccer games, Victoires de la Musique awards ceremony, Brit Awards ceremony, travel, trips to Disneyland® Paris, etc.); and **entertainment** with videos that take advantage of this new technology.



Let's talk augmented reality

Augmented reality is a technology that integrates 2D or 3D virtual elements within a real environment.

Innovation in the customer experience

Nine minutes to open a bank account at Crédit Mutuel Arkéa

Customers can now sign up for a bank account entirely online, anywhere, anytime. It takes customers just nine minutes to open an account remotely and get their bank account identification numbers and virtual bank card.

There is no doubt that this saves time for customers but also for advisors, who can spend more time reviewing their customers' projects.

At a time when people are increasingly mobile, the complete digitalization of the process is a major step forward in simplifying the customer experience.

OUR CUSTOMERS ARE MOBILE... WE ARE AGILE!

In just a few years, mobile phones have become the remote control for our daily lives. For our customers, smartphones should quite naturally instantly open the door to our broad and reliable range of products and services. They can also be used to access exciting new features thanks to all the innovations we are developing or in which we are participating.

It is not by chance that the smartphone tops the list of devices our customers use to check and manage their accounts. Our **"Mobile First" approach** fits into this trend and focuses on smartphones for new app development, to give customers an even more satisfying and seamless experience.

This approach strengthens the Crédit Mutuel Group's positioning as a **distributor of high-tech services**.

LYF PAY

Next-generation mobile payment

Available for all smartphones since May 2017, Lyf Pay is an innovative, secure, multiservice mobile payment application that supports the customer relationship.

Developed in conjunction with retailers with the customer in mind, the application offers a number of options: in-store payments, online purchases, person-to-person payments, and even charitable donations. By integrating payment cards, loyalty cards and coupons, it creates a close relationship with the consumers it serves on a daily basis, providing them with the latest news from their favorite stores, special offers and information on their spending.

The number of points of sale and services that accept Lyf Pay, an already well-known solution developed alongside BNP, is increasing quickly and the app regularly adds new functionalities to better respond to the different ways it is being used.



29 million retail customers and every one of them inspires us to innovate.

AVANTOO

A COMMITMENT TO EXCELLENCE

An innovative response to our "Mobile First" strategy

With **Avantoo du Crédit Mutuel**, the Group is proposing a novel bundled offer. This package gives customers a current account along with a payment card, powerful remote services (mobile internet account monitoring (apps) to allow them to make internal and external fund transfers, issuance of bank account identification numbers, etc.), access to a dedicated advisor for personalized services, and a 50 GB mobile plan.

With new services gradually being added (including contactless payment), this new offer is clearly consistent with consumers' changing habits. Smartphones are now the primary device used to check and manage accounts.

CAPITALIZING ON NEW SYNERGIES

Building on its more than 10 years of experience in mobile phone services and its exhaustive knowledge of day-to-day banking, the Crédit Mutuel Group is the **first traditional banking player to propose a mix of "banking and mobile phone services"** in France. In a constantly changing market, it has thus confirmed its expertise and positioning as a **"phygital" bank** that combines a physical network with a digital bank.

WE ARE DIGITIZING DAILY LIFE TO MAKE THINGS EASIER FOR OUR CUSTOMERS

With mobility still on the rise, the challenge is not so much how to manage paper documents but rather what to do with information flows. It has become increasingly important to streamline the access to, use of, and distribution of information in order to improve responsiveness and efficiency. Document digitization has also made it possible to update information in real time in a centralized manner.

The Crédit Mutuel group is an innovator in this respect and has endeavored to offer simple and practical tools in all areas, like the Avance Santé card, which keeps salaried staff from having to pay health-care costs upfront, and the Monetico card, which simplifies restaurant voucher management.

E-SIGNATURE FOR MULTIPLE USES AND IN ALL CHANNELS

The use of e-signatures increased sharply in 2017 due to the growing use of tablets — more than 19,000 tablets have been installed in the local banks and branches and more than 2,800 teller windows have been equipped. More than 2.6 million e-signatures across all channels (tablets, as well as remote banking) were recorded in 2017.

In mid-2018, e-signatures will also be offered to professional customers.

OPTICAL CHARACTER RECOGNITION: FASTER POLICYHOLDER REIMBURSEMENTS!

Expertise in OCR allows the group to automate the processing of various documents that departments receive in large quantities. Optical processing of invoices reduces case management time but most of all allows us to reimburse our policyholders more quickly.

Thanks to this technology, the group has also revamped the customer experience. Member policyholders are therefore offered a “three photos in three clicks quote” using their smartphone. This option means, for example, that they can get an auto insurance quote on their smartphone.



TECHNOLOGY TAKES A BACK SEAT TO EFFECTIVE AND EASY-TO-USE SERVICES

WE KEEP TRANSACTIONS SECURE TO BOOST CONFIDENCE

The security of remote services has always been the group's primary concern. The aim is to provide the security tools appropriate to the specific risks faced by individual and corporate customers. The group proposes a range of solutions, offering the right security tool for each challenge and ensuring that it is very easy for members and customers to use.



Making online shopping even more secure

Since the end of 2017, the Crédit Mutuel Group has been testing the next generation of cards whose three-digit security code (located on the back) has been replaced by a mini-screen that automatically displays a new code every hour. The code, which is routinely requested for online transactions in Europe, becomes obsolete after an hour and can no longer be reused by potential fraudsters.



EVER CLOSER TO THE REGIONS AND THEIR CHALLENGES

The Group benefits from its mutualist and cooperative identity, and can also rely on the maximum decentralization of its networks to achieve its full potential at the regional level. Its network of local banks, its specialized businesses, its expert employees and its elected directors are the lifeblood of its development.



97%
of financing
decisions
processed locally

91%
of loans are
granted in France

RIGHT THERE WHERE THE ECONOMY HAPPENS

The Crédit Mutuel Group works hard and purposefully alongside all the those involved at the ground level in the regional economy, including self-employed professionals and small and medium-sized enterprises. Now the **no. 3 bank for SMEs**, it finances some 680,000 customers and has a nearly 16% market share.

The Group also plays a large role with business start-ups, and thus actively participates in **job creation** and in the development of the local economy. The partnerships established with the business start-up support networks (Initiative France, France Active, Adie) position the Group as a preferred point of contact and daily partner for entrepreneurs.

*Being bold means
supporting initiatives wherever
they emerge.*

ACHILLÉE Crédit Mutuel supports biodynamics in Alsace

Armed with their experience and Crédit Mutuel's support, Jean and Pierre Dietrich have transformed their family farm into a modern vineyard that has adopted environmentally-friendly and organic techniques. With their biodynamic straw bale-constructed winery, an architectural feat, and their biodynamic harvest and wine-making process — a completely different way to produce, these two young winegrowers have become a model for the profession.



A PARTNER TO THE REAL ECONOMY AND ITS STAKEHOLDERS, CRÉDIT MUTUEL SUPPORTS ALL VALUE CREATORS ON A DAILY BASIS

On the ground: an incubator for new ideas

LE CUBE BY CRÉDIT MUTUEL NORD EUROPE



Crédit Mutuel Nord Europe has launched the **"Innovation Labs" concept**, which combines imagination, creativity and production to address issues that relate to the Group's challenges. Ten Labs have been opened and more than 60 "labbers" have worked tirelessly to design and deliver innovative solutions: a **mobile recruitment app** has already been designed and a number of innovations are in development.

CRÉDIT MUTUEL OCÉAN SUPPORTS THE FRENCH ROBOTICS CUP



Crédit Mutuel Océan is a **partner in the French Robotics Cup** organized by the Planète Science association. The last Cup was held in May 2017 and was a major event for fans of robotics and engineering schools, which saw it as an opportunity to present innovative projects directly to employers, thereby promoting the region's economic development.

LA FRANÇAISE RECOGNIZED FOR ITS ALL-DIGITAL REITS FOR RETAIL INVESTORS



The new Moniwan platform aims to make collective investment in real estate widely available. Created by the La Française group, a subsidiary of Crédit Mutuel Nord Europe, Moniwan aims to win new customers by giving everyone the ability to understand this type of investment and seize these savings opportunities. It received the **prize for most innovative digital project** in mid-November 2017, when the fifth Asset Management Awards were handed out.

FOCUS

EVER CLOSER
TO THE REGIONS AND THEIR CHALLENGES

A MORE COLLABORATIVE, RESPONSIVE, PEOPLE-ORIENTED REAL ECONOMY RÉELLE

The group's **5,800 points of sale** and networks in France and Europe fuel the vibrant entrepreneurship and the development projects of all economic actors in the regions. Crédit Mutuel, CIC, Banque Européenne du Crédit Mutuel, CIC Iberbanco, Targobank branches in Germany and Spain and all the specialized corporate and investment banking subsidiaries and businesses lend their expertise and know-how to start-ups and job creators on the ground.



CM-CIC
Investissement

Fully committed to you

CM-CIC Investissement, a major sector player, offers a comprehensive range of solutions (venture capital, growth capital, buyout capital and M&A advisory services) for equity investments ranging from €1 million to €100 million to support companies' development plans in France and abroad.

Real economy and proximity: the keys to successful entrepreneurship



FORTUNEO: new office space and an important example of the investment boom in our regions

The new offices of the online bank, a subsidiary of the Crédit Mutuel Arkéa group, are now home to Fortuneo's 300 employees just a few kilometers from Brest (Finistère).

A RECOGNIZED PLAYER IN SOCIAL HOUSING

The group has developed, particularly through regulated subsidized housing loans, attractive offers to help social housing rental organizations (OPH, ESH, HLM cooperatives, SEM, etc.) optimize their cash management. Through its FILACTION subsidiary, Crédit Mutuel also helps social housing rental organizations manage and collect unpaid rent. With EURO TVS, an expert in document digitization and processing, it rounds out the range of services offered with a check processing solution (images, traditional and pre-scheduled) for banks and major remitters, with digitization and processing of all types of documents as well as access to secure web services.

Crédit Mutuel
Nord Europe
Entreprises

Helping local companies move forward every day

In the Nord department, Crédit Mutuel Nord Entreprises (formerly BCMNE) offers its corporate and institutional customers all the benefits of a bank with strong local roots and expert specialized services.



CM-CIC Investissement **OLETIS** **A MATCH MADE IN HEAVEN**

With 15 hotels under 6 brands located in the downtown areas of major French cities, Oletis is an important nationwide hotel franchise player.

When its founder and CEO, François-Xavier Bourgois, made a bet in 2015 on accelerated development through a capital increase, it was only natural that CM-CIC Investissement would support him.

With €40 million in revenue, 15 hotels in operation and 311 employees, this turned out to be a winning bet!

COMMITTED TO THE COMMUNITY

For almost 40 years, Crédit Mutuel has been an on-the-ground partner to local authorities

It shares its financing expertise and its services with them to help manage municipalities, intercommunal cooperation bodies, departments and regions.

It is a non-centralized banking organization, deeply committed to local economic and social development, and as such a natural partner to the main civic decision-makers via its specialized regional teams. A considerable number of elected representatives also sit on the boards of our local mutual banks.



BOOSTING ENERGY

No. 3
bank
for SMEs

Outstanding loans to
SMEs, intermediated-
sized enterprises
and large companies
+4.12%
in 2017



Now is the time to act

NICOLAS THÉRY,
Chairman, Confédération Nationale
du Crédit Mutuel.

*"MAKE NO MISTAKE, OUR FUTURE
WILL NOT DEPEND ON WHAT WE
HAVE ALREADY ACCOMPLISHED
BUT ON OUR ABILITY TO BUILD
ON OUR STRENGTHS. TODAY'S
WORLD WILL NOT WAIT FOR US!"*



AN INVESTMENT IN THE FUTURE OF FILM

Specializing in the installation of film equipment since the 1950s, Ciné Digital Service is now the French leader in digital projection. Through its network, the group has equipped nearly 54% of French screens. Since CM-CIC Investissement acquired a stake in 2002, Ciné Digital Service has delivered a strong performance. The company has tripled in size and is now reporting revenues of more than €35 million with a 70-person staff.



AN AGILE PARTNERSHIP

A European leader in contemporary furniture, Gautier has made innovation and "Made in France" its trademark. For more than 15 years, the group has supported this impressive family-owned mid-sized company whose passionate leaders have made bold choices: designer furniture, French manufacturing, and a commitment to good corporate citizenship.

ENTREPRENEURSHIP MEANS SUPPORTING PROJECTS AND GROWTH

The Crédit Mutuel group provides support on the ground to all those who make up the regional economy: independent professionals, microbusinesses and SMEs.

It ranks as the number three bank for the sector with more than €88.6 billion in outstanding loans to professionals and SMEs.

The business financing activities are carried out by the network and specialized subsidiaries: Banque Européenne du Crédit Mutuel (BECM), a subsidiary of Crédit Mutuel Centre Est Europe; Arkéa Banque Entreprises et Institutionnels, a subsidiary of the Crédit Mutuel Arkéa group; and Crédit Mutuel Nord Europe Entreprises (CMNE).

CIC has also implemented a system to ensure the local presence of account managers and rapid response times thanks to short decision-making channels. The group is a key player in financing for self-employed professionals — artisans, small retailers, independent professionals and microbusinesses in the services and light manufacturing sectors — with nearly 680,000 customers and a market share of nearly 16%.

It plays a leading role among business startups, thanks mainly to all the partnerships that the Crédit Mutuel group facilitates with business creation support organizations.

SUPPORTING TALENT

The "Talents" contest created by BGE* in 1997 highlights entrepreneurship in all its geographic, social, economic and human diversity. Most importantly, it confirms that the staying power of new companies depends in large part on the quality of support their creators receive.

Nearly 1,500 entrepreneurs participated in the 2017 contest and eight of them won a national award. Crédit Mutuel, which funds the prize for the artisans' segment, had the honor of presenting €8,000 to Alice Balas, a young fashion designer who has appropriated the famous biker jacket concept.

Confédération Nationale du Crédit Mutuel was thus able to recognize a captivating and passionate young entrepreneur who is putting all her energy into her art and her company.

* Boutique de Gestion pour Entreprendre, a national network that supports entrepreneurs

LIVRET A/BLEU/LDD: THE GROUP CONTRIBUTES STRONGLY TO SME FINANCING

Loans granted by the group
to SMEs were

**more than
2x**

the decentralized funds that
remained on its balance sheet
(200% utilization rate).

FOCUS

EVER CLOSER
TO THE REGIONS AND THEIR CHALLENGES

OPENING UP NEW HORIZONS

Développer
c'est



WITH US,
IT'S ALSO
A MATTER
OF TRUST



CORPORATE AND INVESTMENT BANKING

In € millions

Net banking income:

12,152

Operating income
before provisions:

774

Net income attributable to
owners of the company:

609

ASSET MANAGEMENT AND PRIVATE BANKING

In € millions

Net banking income:

829

Net income attributable to
owners of the company:

189



Positioned at the heart of investment and economic flows, the group offers leading financial solutions to corporate and institutional customers.

These businesses — corporate and investment banking, asset management and private banking — are carried out by a number of entities that are regularly recognized for their performance.

AWARDS AND HONORS 2017

The string of awards the group's asset management companies have periodically received indicate, over the long term, the trade press's recognition of the quality of their results.

Key honors include:

AWARDS FOR THE CM-CIC RANGE OF FUNDS

European Funds Trophy

Best French company in the 101-200
rated funds category

Source: Eurofunds – a group of several European newspapers –
and FUNDCLASS (performance at December 31, 2016)

AWARDS FOR THE DIVERSIFIED RANGE

Trophées d'Or – Le Revenu

Best range of diversified funds over three years
for the second straight year

Source: Morningstar (performance at March 31, 2017)

AWARDS FOR THE BOND RANGE

Trophées d'Or – Le Revenu

Best range of international bond funds
over three years

Source: Morningstar (performance at March 31, 2017)

TARGETED SOLUTIONS AND INVESTMENT: SETTING THE STANDARD

€69 billion in assets
under management
606 employees



Organized around four businesses – Securities, Real Estate, Investment Solutions and Direct Financing – La Française, the asset management company subsidiary of the Crédit Mutuel Nord Europe group, is rolling out its multi-affiliate model to institutional and high net worth customers in France and abroad. It currently has a presence in the major European cities, in the USA and in Asia.

As a responsible actor and in a long-term perspective, the group looks to the challenges of the future to forge its current convictions.



XAVIER LÉPINE,
Chairman of the Management Board
of the La Française group.

“WORSHIPPING AT THE ALTAR OF
NO RISK LEADS TO OUTSIZED RISK”

AWARDS FOR EQUITY AND DIVERSIFIED FUNDS

Labels - Mieux Vivre Votre Argent

CM-CIC Europe Growth:
Europe-General Equity category
for the third straight year

CM-CIC Dynamique International:
Dynamic Diversifieds category
for the third straight year

(Performance over five years to December 31, 2016)

In 2016, Federal Finance was granted the government's
SRI label for three years for its Federal Actions Ethiques
fund, invested in French small- and mid-cap stocks selected
for their sustainable development commitment and practices.

THE START-UP SPIRIT

BEHIND THE BRAND



- 50 • A bank owned by its customers, that changes everything!
- 52 • A strong and unifying identity
- 54 • Our values are recalibrating the bank of the future
- 56 • A responsible employer, we support change
- 58 • Committed to the planet
- 60 • Music: the power of our values can reverberate far and wide

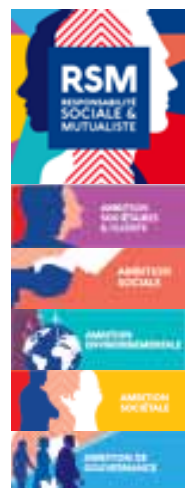
CRÉDIT MUTUEL,
A NAME KNOWN TO BUILD
LONG-TERM
RELATIONSHIPS
WITH THE COMMUNITY

7.8 million

members:
and they all have
a voice in deciding
the future of a bank
unlike any other.

The transformations taking place, in particular from a technology standpoint, are in no way at odds with the strong human values advocated by Crédit Mutuel. Rather, they provide opportunities to affirm its identity every day and proudly promote it. The Crédit Mutuel bank is able to claim a strong and distinctive brand because it is guided by a “start-up spirit” that combines a sense of solidarity with entrepreneurship. Our commitment to moving forward, adapting and reinventing ourselves together is now more than ever a sign of our value-added and modern approach.

A BANK OWNED BY ITS CUSTOMERS THAT CHANGES EVERYTHING!



**No. 1 in the banking category
in the customer
relations awards**
for the 11th time in 14 years



Crédit Mutuel took top prize in the Banking category in the BearingPoint - Kantar TNS1 Customer Relations awards. This award, won for the 11th time in 14 years, attests once again to the trust and loyalty that unites Crédit Mutuel and its customers.

The theme of this 14th edition was recognizing what makes each person unique, understanding his or her needs in detail to provide tailor-made support, and surprising him or her with special attention. This perfectly reflects the close relationship of everyone involved in customer relations at Crédit Mutuel: the people-focused, imaginative and digital bank of choice. Crédit Mutuel would like to thank all its customers and members for this latest honor.

1 - Survey conducted by BearingPoint and Kantar TNS in November 2017 of customers/users of companies/governments, from a sample of 4,000 people.

MEMBERS: THE KEY LINK IN THE DECISION-MAKING AND ACTION CHAIN

At Crédit Mutuel, **cooperation and interactivity** are not a fantasy. They are a concrete part of a day-to-day operating model that puts members at the core of every decision made and every action taken. Choosing a bank like Crédit Mutuel means first and foremost adhering to its founding values of proximity, solidarity and social responsibility. It also means being open to the possibility of expressing oneself freely and participating in controlled growth to support all customers and members and, more broadly, **society**.

SPOT Customer satisfaction in full view

The goal of this far-reaching program is to measure satisfaction and give customers back their voice at the local bank level. It was developed with Critizr, a start-up in France's Nord region.

SPOT will go beyond the satisfaction surveys that have been carried out for many years at Crédit Mutuel Nord Europe, which show a high level of overall satisfaction among our members and customers — higher than that of our competitors, and will seamlessly monitor service quality.



A DEMOCRATIC PROCESS, SUPPORTED BY THE NUMBERS

At the end of 2017, Crédit Mutuel had **7.8 million members** at nearly **2,100 local banks**. The local banks, run by more than **22,000 member-elected representatives**, affirm this collective and individual commitment that sets the Group apart and reinforces the full relevance of its operating model. Elected directors, employees and members of the Group are involved in and incorporated into the local community. They run the local banks and ensure their development.



Let's talk corporate democracy

More than 2,000 shareholders' meetings
at local banks in 2017

Women account for 43% of members
of the boards of directors

The participatory model

THREE QUESTIONS FOR **DANIEL LEROYER**,
Former Chairman of Crédit Mutuel Maine-Anjou, Basse-Normandie

In what way is the participatory model developed by Crédit Mutuel relevant?



Daniel Leroyer: Our model has always been resilient and this has been proven in major crises. It's much more than a type of status, it's a shared vision of the economy and of community life. The Notat-Senard report, submitted to the government in March 2018, highlights this concept of utility. It stresses that corporate economic development should have meaning. Our model is therefore far ahead of its time since it was inspired by Frédéric Guillaume Raiffeisen, whose 200th birthday we are celebrating this year. He was an early advocate for social progress for as many people as possible.

What societal values did he hold?

D.L.: First, active solidarity, which blends economic outcome with social bonds. Second, responsibility, which sets a high standard for meaning. And, last but not least, subsidiarity, which is reflected in personal and physical proximity. The idea here is that things are not done at a higher level if they can be done just as efficiently at a lower level. Decisions are made at ground level. Crédit Mutuel is one of the few banks that operates like this. Accordingly, 97% of financing decisions are processed locally. This principle dates back more than 200 years and is what makes our model strong.

How do we develop this “on-the-ground decision-making” that the Group values so highly?

D.L.: This on-the-ground decision-making must be carried through to the highest level of the company if it is to have power and be shared by all. Our long-standing local roots and our strength give us credibility as a key player in the regional economies. Our mission is to be the banker to the regions and to support our members and customers with their projects. We are a bank, and so much more. Crédit Mutuel is first and foremost a long-term partner that is dedicated to helping people and is duty-bound to provide rapid and appropriate responses to all the situations they face in life.

A STRONG AND UNIFYING IDENTITY



COOPERATION IS IN OUR DNA

- Rules of **good conduct** for all
- **Equality** among members with “one person, one vote”
- **Respect** for subsidiarity
- Common **values**



PASCAL DURAND,
Chief Executive Officer

“BEING MUTUALISTIC IS THE OPPOSITE OF BEING INDIVIDUALISTIC, AND MEANS ESTABLISHING A LONG-TERM RELATIONSHIP WITH YOUR COMMUNITY. IT MEANS UNDERSTANDING THAT SOLIDARITY IS NOT A BURDEN BUT AN OPPORTUNITY.”

**The
preferred
brand
in the French
banking sector**

(Posternak/Ifop survey, Q1 2018)

**GOOD IDEAS
ARE TIMELESS!**



**BICENTENNIAL
RAIFFEISEN
PIONEER IN
COOPERATIVE BANKING**

**200 YEARS
OF LOYAL SERVICE**

HELPING AND SERVING, THE KEYS TO A UNIQUE ORGANIZATIONAL MODEL

Crédit Mutuel is **independent and permanently rooted in local economies**, contributing to job creation and regional economic vitality.

As a **partnership company** that is not listed on the stock exchange, Crédit Mutuel does not seek to enrich a group of shareholders, but rather to provide **the best possible service to all**.

Its **development model**, designed to meet the needs of all economic players, **demonstrates the power of individual initiative and its collective expression: cooperation**.

“ONE PERSON, ONE VOTE”: THE MUTUAL BANKING DIFFERENCE

The shareholders’ meeting is the foundation of Crédit Mutuel’s internal democracy. This is an opportunity to listen and learn, as well as a forum to engage in discussion and share suggestions among employees, directors and members, to improve the quality of services offered.

A statutory portion includes the business and management report, testifying to the group’s specificities and its mutualist actions, as well as a member vote on the accounts, information on current affairs, and the election of representatives to the bank board following the «one person = one vote» principle.

A vibrant democracy?

More than **500,000** members and elected representatives come together every year for their local and/or federal shareholders’ meetings to discuss and exchange views on their company.

That’s a different kind of cooperative bank!

SOLIDARITY

PROXIMITY

SHARING

RESPONSIVENESS

EQUALITY

COOPERATION

At Crédit Mutuel, economic development has no meaning if it is not shared as broadly as possible. It works closely with the regions and their residents and, through its commitment, maintains the virtuous circle of mutual assistance and solidarity every day.

Socially responsible investment
€11 billion in assets in 2017
+23%

OUR VALUES ARE RECALIBRATING THE BANK OF THE FUTURE

Social Good Week 2018

“Reboot: Connecting the world is not enough”

Launched in 2010 by HelloAsso, this event is the outgrowth of a collective effort by all actors involved in the social and solidarity web. Every year it brings together the digital ecosystem and the non-profit sector — startups, associations, developers, social entrepreneurs, etc. — to **encourage initiatives that put community-based innovation at the center of their work**. The goal is to put digital to work for people.

www.socialgoodweek.com



Crédit Mutuel and HelloAsso: shared values

To help associations navigate the digital transition, HelloAsso — the leader in France in online fundraising for associations — can count on Crédit Mutuel's support. Several Group federations (primarily CM MABN and CM Océan) have jointly provided more than €6 million to the entity to fund its growth. This partnership is based first and foremost on shared values: proximity at the ground level, a focus on people and a desire to get involved.

AN ONGOING SOCIAL AND CIVIC COMMITMENT

The Crédit Mutuel Group is actively involved in the economy, at both the local and national levels, and ensures that the **social bonds** that connect the men and women who form the country's economic and social fabric are maintained and strengthened.

Integration and reintegration of the most vulnerable individuals are therefore at the core of its commitment. Because employment is the first step in (re)integration, the Group works closely with support networks in the regions. Its line of personal and business microloans allows it to build a joint approach **to helping those in need** complete a project.

STEADFAST SOLIDARITY

Having a strong regional presence that best meets people's needs is crucial when it comes to solidarity. Through associations and foundations, Crédit Mutuel develops mutual assistance in line with the needs of local populations at all its regional federations, whether this involves re-entry into the banking system, employment assistance, training, mobility, or housing. With Ark'ensol, Créavenir and Crédit Mutuel Solidaire, among others, the Group demonstrates its commitment to solidarity through solutions that **combine financial and human dimensions**.

Business microloans:
18 % increase
in applications processed in 2017

It is therefore only natural that these values would be reflected in its line of products and services. With its solidarity savings solutions offered mainly by CM-CIC Asset Management (Crédit Mutuel CM11 Group), Federal Finance (Crédit Mutuel Arkéa Group) and La Française AM (Crédit Mutuel Nord Europe Group), Crédit Mutuel supports **civic-minded and solidarity-based social and environmental initiatives**. That is another aspect of reinventing the bank of the future and providing concrete responses to the needs of our fellow citizens.



A Foundation dedicated to active solidarity

The Crédit Mutuel Foundation, created in early 2009 under the aegis of Fondation de France, encompasses several of Crédit Mutuel's national sponsorship initiatives:

- support for mutual savings and loan networks to help people in emerging countries become financially independent through the Centre International du Crédit Mutuel (CICM);
- promotion of reading and the French language in all its forms through the Reading division;
- support for research in the fields of cooperation, the social economy and European integration;
- assistance for non-profit integration projects.

Helping each other: What could be better?

ENVIRONMENT

Environmental protection for everyone

Green loans to finance environmental projects, loans for housing renovation, photovoltaic panels, methanization installations, etc. – Crédit Mutuel's offer is as sustainable as it is diverse.



EMPLOYMENT

Employment initiatives, helping with a fresh start

The Créavenir association was founded in 1992 by Crédit Mutuel MABN. Its goals are to combat exclusion, reintegrate individuals and provide employment assistance. These solidarity commitments have now been taken up and adapted by several other Crédit Mutuel federations.



YOUTH

Helping young people help their communities

They are under the age of 26 and already making a difference in people's lives. Crédit Mutuel rewards their commitment, whether they are working as firefighters, referees, camp counselors, or non-profit chairs or treasurers, performing voluntary civic service or volunteering at Crédit Mutuel partner festivals.



DISABILITY

Supporting children with disabilities

At the initiative of Crédit Mutuel Maine-Anjou, Basse-Normandie, the first Solidarity Challenge was held from December 5, 2017 to January 31, 2018. Nearly €240,000 was raised and donated to children with disabilities to help pay for custom equipment (voice synthesis tablet, wheelchair, etc.) or a service dog, etc.



RESOURCES

Dealing with temporary setbacks

In the Nord region, the microloans offered by CMNE's Caisse Solidaire (“solidarity bank”) provide temporary assistance for basic necessities and help with mobility, training, housing, etc.



THE ELDERLY

For a more pleasant convalescence

Crédit Mutuel Océan, in partnership with the 3H hospital group and housing specialist Escaliers Ouest, provides temporary accommodation facilities for older individuals who need a structure for convalescence and assistance between their hospital stay and their return home.



MEDECINE

The strength of virtuous support

By building or taking over retirement homes, the Cémavie Foundation aims to help individuals who have become vulnerable due to disability or old age. With charity status since 2007, its actions are managed completely independently from the banking and commercial activity of Crédit Mutuel Loire-Atlantique et du Centre-Ouest.



SOLIDARITY

Employment for all

Since September 2016, Crédit Mutuel Ile-de-France has been a partner of the “Nos Quartiers ont des Talents” association, which helps young graduates from disadvantaged neighborhoods access employment. Fifteen mentors from Crédit Mutuel Ile-de-France are already committed to supporting one mentee each.



A RESPONSIBLE EMPLOYER, WE SUPPORT CHANGE

More than **82,000**
employees
in the group

More than **95%**
on permanent
contracts



Academy for leaders They are our weapon for the future!

The particular strength of the training programs offered to future managers, who will ultimately spur change in the teams, is that they focus on learning by belonging to a group and on learning how regions and corporate cultures differ.

EMPLOYMENT CENTERED ON TRAINING

Employment is not an adjustment variable but rather one of the group's strategic objectives. Showing appreciation for the teams and building their loyalty, diversifying recruitment, and promoting equal opportunity are the main challenges of social and professional integration.

Employee training is a crucial part of tackling the many technological and competitive challenges facing the group.

It responds to the unchanging fundamental customer expectations — of expertise, quality and proximity from banks, branches and account managers — by adapting to new forms of customer relations and to changes in customer behavior.

Finding fulfillment is another aspect of liking your job



CMNE has worked alongside Planète Urgence since 2010 and every year allows employees to take two weeks' leave to volunteer on a project. The aim is for employees of CMNE to find meaning in their time off, to be useful, and to grow as a person.

**REAL JOBS
FOR YOUNG PEOPLE**
No more never-ending internships...
At Crédit Mutuel,
more than 40%
of permanent contracts signed
are with the under-26 segment.
**That's what it means to be a
DIFFERENT kind of employer!**

**YOU DON'T
KNOW WHAT
THE FUTURE
HOLDS?
WE KNOW
THAT IT IS
YOURS.**

Crédit Mutuel

A DIFFERENT KIND OF EMPLOYER? YES, WE ARE!

#Fiers de travailler au Crédit Mutuel
(Proud to work at Crédit Mutuel)

Professional recognition

The joint national employment commission (CPNE) has created a sector Professional Qualification Certificate for the customer account manager profession and has begun the procedure for registering it in the national professional certification registry (RNCP).

This initiative certifies employees as professionals and contributes to their employability and to the security of their career paths through recognized certifications.



TRAINING: the key to success

more than 68,000
employees trained
in 2017

more than 5% of total payroll
2.3 million hours
dedicated to training
initiatives

A PEOPLE-FOCUSED WAGE POLICY

The Crédit Mutuel sector wage agreement of September 20, 2017 sets a minimum contractual annual wage on hiring. For 2017, it was nearly 13% higher than the annual minimum wage (SMIC) in 2017.

A GREAT COMPANY TO WORK FOR

In 2017, a number of agreements were signed on mobility, support for the social framework, common status for Crédit Mutuel and CIC employees, career opportunities, improvement in the social framework related to families and retirement plans, etc.



€458
million
IN PROFIT-SHARING
AND INCENTIVES
in 2017

Massive digitization
of account statements
(e-statements)

**More than
2,500 tons
of paper saved**

Use of
**video-conferencing up
2X**

Building energy audits

**350
audits
conducted**

COMMITTED TO THE PLANET



We Positive Invest Investing today to protect tomorrow

After Osmia, We Positive Invest — Crédit Mutuel Arkéa's social innovation fund — is investing in Algo Paint. This start-up is developing a range of natural seaweed-based paints that meet environmental challenges and the demands of individual and professional users.



SECTOR POLICIES AND CLIMATE CHANGE

The group decided not to wait for the obligations arising from COP 21, which will apply to all companies starting in 2020, and has already made concrete commitments to the environment.

These commitments take various forms. For corporate and investment banking and large corporate customers, clear sector policies have been published to supplement those already formalized by the asset management companies. The group's policy thus provides greater visibility on the commitments relating to power plants, coal, civil nuclear energy, mining activities, etc.



Supporting the ecological transition: Crédit Mutuel signs with Blue Bees

The Crédit Mutuel group and the crowdfunding site Blue Bees signed a partnership agreement at the 2018 International Agricultural Show. The aim is to develop financing activities for farmers with innovative projects that promote the ecological transition.

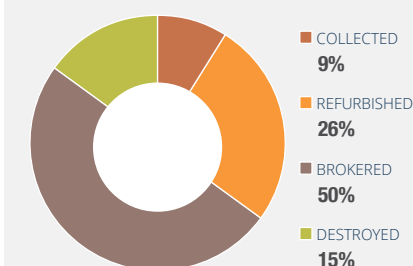
Bringing these two partners together will allow the Crédit Mutuel local bank network to join forces with the Blue Bees investor community, which is loyal and committed to transforming the food model.

Their shared goal is to work together to fund more than 300 projects in the next three years.

ADOPTING AND ENCOURAGING VIRTUOUS BEHAVIORS

As a services company, Crédit Mutuel's polluting activities have limited environmental impacts. Nonetheless, particular attention is now being paid to reducing waste and limiting travel and energy consumption (lighting, heating, sleep mode for PCs, etc.), water and paper consumption, etc.

2017 waste management policy



REDUCING THE ENVIRONMENTAL FOOTPRINT: THAT'S A JOB FOR EVERYONE!

The Crédit Mutuel group, after undertaking company-wide discussions, has implemented a transparency and ethics policy as well as processes for collaboration which all stakeholders must follow.



CRÉDIT MUTUEL GROUP

INTERNAL STAKEHOLDERS

- Customer-members/directors
- Regional federations
- Employees
- Management
- Subsidiaries and shared service companies

COMMERCIAL STAKEHOLDERS

- Customers
- Suppliers
- Subcontractors
- Business partners
- Competitors

SECTOR STAKEHOLDERS

- Industry relationships
- Public authorities
- Supervisory/regulatory authorities
- Rating agencies

SOCIETAL STAKEHOLDERS

- Cooperative institutions
- Associations/NGOs
- Media
- Civil society/Parliament

THROUGH MUSIC, THE POWER OF OUR VALUES OF SHARING AND PASSION CAN REVERBERATE FAR AND WIDE

NICOLAS THÉRY, Chairman, Confédération Nationale du Crédit Mutuel



CLASSICAL EVENTS

CIC, the Crédit Mutuel group's second-largest network, is a partner and founder of the Festival de Pâques in Aix-en-Provence, launched in 2013 with a five-year commitment by the group. This major international musical event aims to attract both confirmed music lovers and the general public.

CIC also supports young performers through its patronage, since 2003, of the Victoires de la Musique Classique classical music awards, which are broadcast on France 3. This event enables talented young musicians to build a reputation and it helps promote classical music to an increasingly wide audience.

CIC has also been the official partner of the Folle Journée de Nantes since 2015.



Crédit Mutuel, committed to music alongside the Zénith in Strasbourg for its 10th anniversary.

"For more than 15 years now, Crédit Mutuel has set the tone for music, or rather, for every kind of music. We demonstrate our attachment to music and the values it upholds through partnerships, support programs and patronage. This passion is now ingrained in our organization at every level, whether local, regional or national.

Why have we made this commitment? Quite simply because, at Crédit Mutuel, we believe that music creates bonds. "Setting the tone" means adding in that one little note that will make a real difference and make things happen. We spark, facilitate and champion the many events that we support.

We back events as varied as the NRJ Music Awards, the Prodiges TV program and the Francofolies and Vieilles Charrues festivals, but also support local music schools. We may not actually be musicians ourselves, but we are a leading musical partner — a loyal, innovative and enthusiastic partner.

Crédit Mutuel has been working long and hard to bring the people who make music and those who love it together. Across France, on the ground and in the conservatories, through sponsorships and partnerships, on stage and over the airwaves, Crédit Mutuel innovates, creates and pools energies, develops the ability to listen and promotes individual talent and projects: these are just some of the values reflected in music that justify the Group's commitment to this form of expression."



Seine Musicale

To join us in experiencing the music,
listen to Crédit Mutuel's playlist
A selection developed through partnerships with France Inter.



OUR MULTI-SERVICES APPROACH IS TAKING HOLD



- 64 • When a bank is multi-faceted
- 66 • Insurance, of course!
- 68 • Integrated services with high value-added
- 72 • Highly complementary business subsidiaries

WHEN OUR
CUSTOMERS' PRACTICES
AND NEEDS CHANGE,
**OUR SERVICES EVOLVE,
ADAPT AND EXPAND**

WHEN A BANKS IS MULTI-FACETED

Now more than ever, a bank that wants to build close relationships with its customers must be more than a traditional bank. While bankinsurance remains the Crédit Mutuel Group's core business, in recent years it has opened itself up to new areas of expertise and specialized businesses. Mobile telephone services, remote surveillance, real estate, and car lease-to-purchase are just some of the ways it is meeting its customers' needs and seizing every opportunity to ensure their total satisfaction. Crédit Mutuel is now the epitome of a diversified bank and strives continuously to improve the quality of the relationship and the level of service.

Because our customers — individuals, tradespeople and small retailers, companies, farmers and associations — do not all have the same needs or priorities, the Crédit Mutuel Group has been able to move beyond traditional bankinsurance standards toward a more diversified and digitalized services model.

A multi-brand and multi-services group, its leading brands, such as Crédit Mutuel, CIC, Fortuneo, ACM, Suravenir, Targobank, Cofidis and Financo, as well as its subsidiaries, are constantly innovating to offer efficient, reliable, stress-free products and services to all its customers.

BANKINSURANCE: OUR CORE BUSINESS

Financing and insurance: the Group was able to take advantage of the complementarities between these two businesses when it invented the concept of bankinsurance more than 45 years ago.

With more than 31 million customers, the Group finances and supports the needs and projects of the entire family, as well as those of self-employed professionals and companies. It is a **leading provider of home loans** and one of the **main banking partners for subsidized homebuyers**.



Groupe des Assurances du Crédit Mutuel (GACM), Suravenir, Suravenir Assurances and the Nord Europe Assurances (NEA) group account for 30% of the Group's net income, with more than 14 million policyholders.



Viewpoint... Customer relations

THREE QUESTIONS FOR **SÉBASTIEN BAUDELET**,
Marketing and Communication Director at Crédit Mutuel Océan

Do customers really have different expectations today?

Sébastien Baudalet: *The expectations of our customers and members have not changed very much. They want to be heard and considered. This fully justifies our strategy, which is to put advisors at the center of the relationship. Consumers are also very well informed and expect expert responses, which is why we are investing heavily in training our employees. Lastly, consumers have new standards now: our customers and members would like to be able to log in to their bank and carry out transactions entirely on their own, anytime, anywhere.*



Is proximity still a key point in CM's relationship with its customers?

S.B.: *More than ever before, proximity is a key and differentiating factor in Crédit Mutuel's relationship with its customers and members. This means, first, developing physical proximity via the expansion of our network of local banks and the local roots of our mutualist elected directors. The relationship should also be strengthened through efficient digital tools that foster seamless customer experiences and simplified interactions with advisors. I like to think that proximity is not just a question of distance!*

The challenge is great: to offer our customers and members the best of a brick-and-mortar bank combined with the best of digital.

How does your multi-services offer contribute to quality and satisfaction?

S.B.: *We are focused on the idea that Crédit Mutuel must be useful to the residents of our regions. We therefore offer a diverse range of products and services that actually meet their needs. We would like to be recognized as a trusted third party and to become the partner of choice in a variety of segments, such as day-to-day banking, housing, mobility and the creation and development of wealth.*

In short, we are much more than a bank. We are a dynamic, innovative and connected services company that builds relationships with its regions.



Insurance:
**2nd-largest
business**
the Group's

FOCUS

WHEN A BANK IS
MULTI-FACETED

INSURANCE, OF COURSE!

In € millions

Net banking income:

2,374

**Operating income
before provisions:**

1,694

**Net income attributable
to owners of the company:**

996

Insurance generated €2,374 million in net banking income in 2017 and €976 million in net income attributable to owners of the company, or a contribution of more than 33% to total net income attributable to owners of the company.

Groupe des Assurances du Crédit Mutuel (GACM), Suravenir and Suravenir Assurances, and Assurances du Crédit Mutuel Nord Europe (ACMN) manage the insurance business for more than:

**15
million
policyholders**

**40
million
policies**

Assurances
Crédit Mutuel

GREATER STRENGTH TO FACE THE FUTURE

29.6 million policies

The standard-bearer for the bankinsurance concept invented by Crédit Mutuel 45 years ago, Groupe des Assurances du Crédit Mutuel markets its offer in 15 Crédit Mutuel federations and in all the CIC regional banks, i.e., nearly 5,000 points of sale.

All branches combined, the group's offer is available to more than 10.7 million customers.

Driven by dynamic activity in property and casualty insurance and the successful refocus on life insurance, total premium income was €10.2 billion in 2017.

www.groupe-assurances-creditmutuel.fr



NEA
NORD EUROPE ASSURANCES

CUSTOMERS AT THE HEART OF THE VALUE CHAIN

**Nord Europe Assurances (NEA)
2.3 million policies**

Crédit Mutuel Nord Europe distributes life, personal and property and casualty insurance products offered by the NEA holding company, which includes ACMN Vie and ACMN IARD in France, Nord Europe Life Luxembourg in Luxembourg and North Europe Life Belgium in Belgium. With 208 employees, NEA generated €1.04 billion in premium income in 2017, up 3%.

www.creditmutuel.fr/cmne

the Group's
**2nd-largest
business**

SURAVENIR SURAVENIR
ASSURANCES ASSURANCES

SERVICES ADAPTED TO NEEDS

**2.8 million individual and
professional customers**

The life and personal insurance subsidiary of Crédit Mutuel Arkéa, **Suravenir** reported almost €40 billion in life insurance assets under management and nearly €43 billion in capital-at-risk. With 277 specialist employees, Suravenir generated premium income of €4.4 billion in 2017.

**Survenir Assurances
2 million policies**

Survenir Assurances a wholly owned subsidiary of the Crédit Mutuel Arkéa Group, manages a portfolio of more than two million policies covering a comprehensive range of property and personal insurance products for more than 700,000 customers. With 227 employees, Suravenir Assurances generated premium income of €365 million in 2017.

www.suravenir.fr
www.suravenir-assurances.fr

CLOSE-UP LOOK AT...

The consolidation of the insurance entities in France and Europe

In 2017, the Crédit Mutuel CM11 Group and the Crédit Mutuel Nord Europe Group began the process of merging their life insurance and non-life insurance activities in France, Belgium and Luxembourg.

This merger will help to simplify the business links between the two entities, consolidate the positioning of the group's insurance entities in France and Europe, facilitate compliance with regulatory requirements, optimize costs and increase flexibility, while strengthening the social foundation.

INTEGRATED SERVICES WITH HIGH VALUE-ADDED

Excelling in unexpected places is another one of Crédit Mutuel's strengths. It is a bank that is always in motion and knows how to stay connected to the expectations of its 31 million diverse customers. By devising novel solutions, supporting unifying and innovative ideas and exploring new regions, we are building the next-generation bank for and with Crédit Mutuel's customers.

CARS

Crédit Mutuel Auto: we take care of everything!

The car budget remains a major cost item in France. With Crédit Mutuel Auto, **Crédit Mutuel takes care of everything for its customers**, from purchasing and financing to insurance and maintenance. This is a comprehensive, tailor-made offer for a simple, no-stress experience.



MOBILE PHONE SERVICES

Trusted by more than 1.6 million customers

Through its brands - Crédit Mutuel Mobile, CIC Mobile, NRJ Mobile and Soon, Auchan Telecom and Cdiscount Mobile - the Group's full MVNO (mobile virtual network operator) is the only operator to combine **mobile phone services** with banking products and services. It has 2G/3G/4G connections to the three major network operators, Orange, SFR and Bouygues Telecom. We have flexible options for our customers, regardless of their needs and budget.



REAL ESTATE

Promoting home ownership

CM-CIC Immobilier houses **all the real estate business expertise** in a single structure. The entity thus benefits from all the synergies between the shared activities and from their momentum: sales, development, trading, contract management, land development and property management. With nearly **190 employees**, the real estate division had close to 10,153 housing units under contract in 2017 and 1,065 building lot reservations.

REMOTE SURVEILLANCE

No. 1 in France, that's reassuring!



Group subsidiary EPS is the **leading remote surveillance company in France**, with a 31% market share. In addition to security, EPS's core business and the foundation of its comprehensive connected home range, the Group offers new home automation services related to domestic risks (carbon monoxide alarms, water leak detection systems, etc.).

SUSTAINABLE DEVELOPMENT

Methanization: Crédit Mutuel supports tomorrow's agriculture

Crédit Mutuel du Sud-Est has already financed around 10 methanization projects since 2011. These projects are viewed as a diversification of the main farming activity and have a number of advantages for farmers: they create new business, generate stable additional income, and improve farmyard manure.

FACTORING

Simplifying corporate management

The Crédit Mutuel Group also helps companies manage and finance their trade receivables. With CM-CIC Factor and Facto France, the Group currently holds **25% of the French factoring market**.

The integration of services

THREE QUESTIONS FOR **NATHALIE DELPLACE**,
Head of business development at
Crédit Mutuel Nord Europe

In what way is the integration of products and services critical for Crédit Mutuel Nord Europe?



Nathalie Delplace: *The transformation of uses and the businesses, new lifestyles and technology are all disrupting our lives, and our responses to our customers need to be faster, more reactive and more qualitative. The multi-channel aspect of our approach is therefore critical to creating the most seamless customer experience possible, regardless of the customer's profile. What's different about multi-channel distribution is that it offers high-quality service directly to customers, wherever they are and however they would like it. That is why it is critical to have an integrated offer. Crédit Mutuel needs to be a trusted third party for both its services and the security that it offers.*

How does it work? What is the strategy?

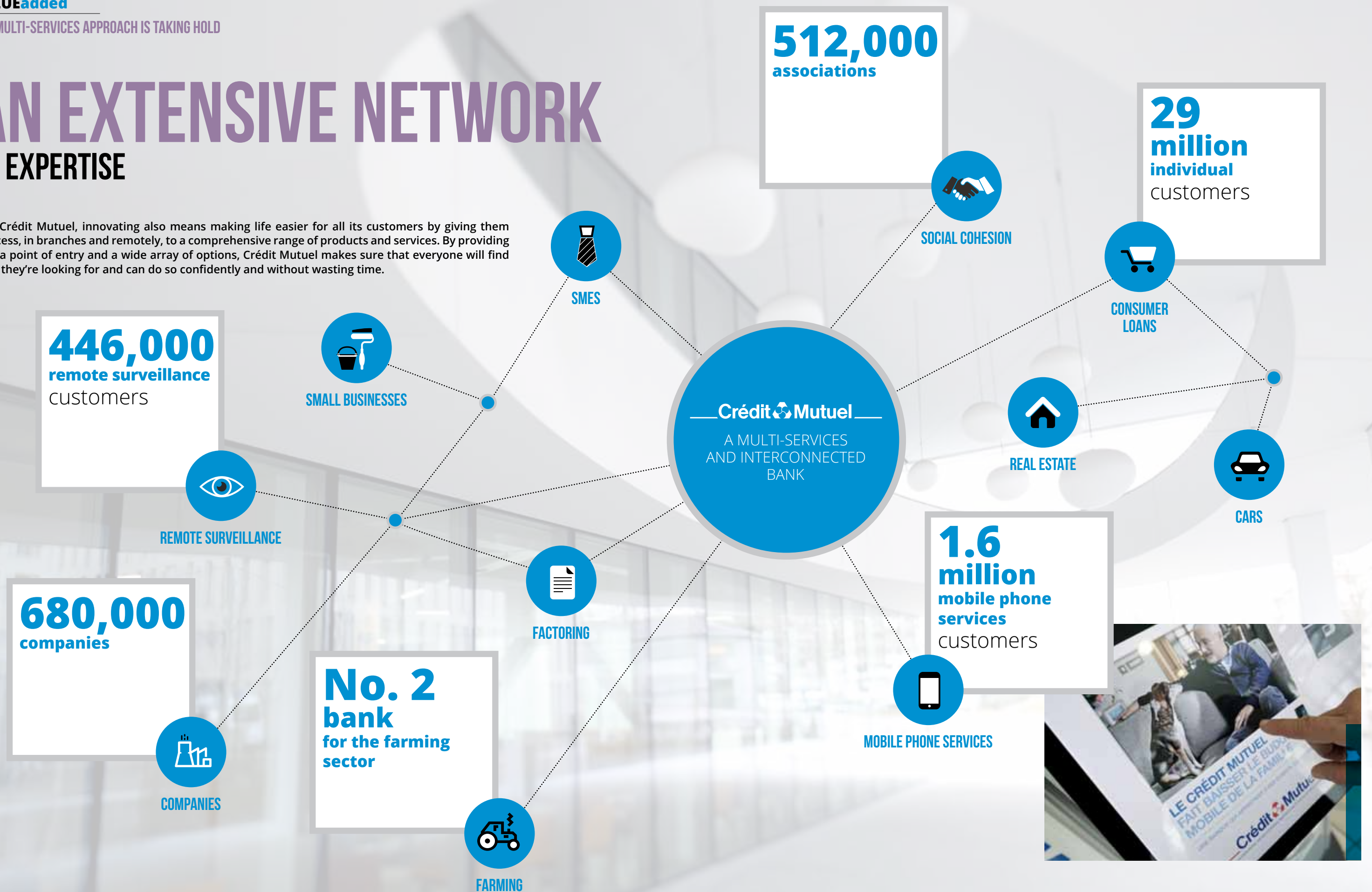
N.D.: *Our goal is to have a social and environmental strategy that meets everyone's needs. For example, in real estate, we adapt our offers to the customer's profile. We offer first-time buyers a primary residence solution and help them choose the right property and type of financing based on their borrowing capacity. For our new products and services, we test them and then roll them out if there is demand. We are testing a number of solutions to meet societal needs.*

How do customers view this branching out from the traditional banking and insurance businesses?

N.D.: *If our customers continue to rank us as one of the top banks and give our customer relations a high rating, it's because we meet their needs while staying true to who we are. They trust us and trust our new offers. At Crédit Mutuel Nord Europe, we are creating various customer panels and asking them for their opinions. It's an innovative approach and the feedback has been positive. Our customers are not surprised, quite the opposite in fact.*

AN EXTENSIVE NETWORK OF EXPERTISE

For Crédit Mutuel, innovating also means making life easier for all its customers by giving them access, in branches and remotely, to a comprehensive range of products and services. By providing both a point of entry and a wide array of options, Crédit Mutuel makes sure that everyone will find what they're looking for and can do so confidently and without wasting time.



HIGHLY COMPLEMENTARY BUSINESS SUBSIDIARIES



ACTIVE SUPPORT FOR ENTREPRENEURSHIP THROUGH FACTORING



The group makes its financing expertise, as well as its know-how on the factoring market, available to companies. Subsidiaries focused on factoring have considerable capacity to respond and are able to provide companies with unique value-added.

The responses provided by the group via **CM-CIC Factor**, **Factofrance** and **Cofacredit** — a personalized customer approach, a wide variety of solutions and of accounts receivable management products, export solutions, structured financing, etc. — offer real alternatives to traditional financing solutions and can be adapted to every stage of a company's life cycle.



*Sell your invoices and get
so much more than funding*



LEASE FINANCING: PUTTING FINANCIAL AND SECTOR EXPERTISE TO WORK FOR COMPANIES

EQUIPMENT leasing

CM-CIC Bail (Crédit Mutuel Centre Est Europe), **Bail Actéa** (Crédit Mutuel Nord Europe), **Arkéa Crédit Bail** as well as **CM-CIC Leasing Solutions** and **Targobank Leasing** (General Electric entities acquired in 2016) manage global outstandings of €11.1 billion, a 6.1% increase.

PROPERTY leasing

In addition to medium- and long-term loan financing, corporate customers are offered specialized property leasing products through: **CM-CIC Lease** (Crédit Mutuel Centre Est Europe), **Arkéa Crédit Bail** (Crédit Mutuel Arkéa) and **Nord Europe Lease** (Crédit Mutuel Nord Europe).

Assets managed by the group's subsidiaries were stable at €5.2 billion.



6th
**AWARD FOR
OUR TEAMS!**

Unleash your desires with a CONSUMER LOAN

The consumer credit products marketed through the network are supplemented by those of the specialized subsidiaries: **Targobank Germany**, the **Cofidis** group in France and seven other European countries, and **Financo**, a subsidiary of Crédit Mutuel Arkéa.

The growth in consumer credit continued in the networks and subsidiaries, with loan outstandings up 6.5% to €42.1 billion in 2017.



COOPERATION IN ACTION



HEAR DIRECTLY FROM THOSE WHO EMBODY
THE CRÉDIT MUTUEL GROUP AND ITS VALUES
Read our monthly newsletter for actions and testimonials
from the people who strive daily to increase the visibility
and build the pride of active participants in cooperation.

GET OUR LATEST NEWS ON:



Crédit  Mutuel

A TASTE FOR
THE FUTURE

LEARN MORE ABOUT THE CRÉDIT MUTUEL GROUP:
www.creditmutuel.com



Avec Ecofolio
tous les papiers
se recyclent.

Photos: Crédit Mutuel - Getty - Fotolia - Shutterstock - Emmanuel Robert Espalieu - Sophie Dupressoir
Sources: Crédit Mutuel and websites of different Crédit Mutuel group