



Crédit-Mutuel CIC Home Loan SFH Investor presentation

Crédit Mutuel-CIC Home Loan SFH: Summary

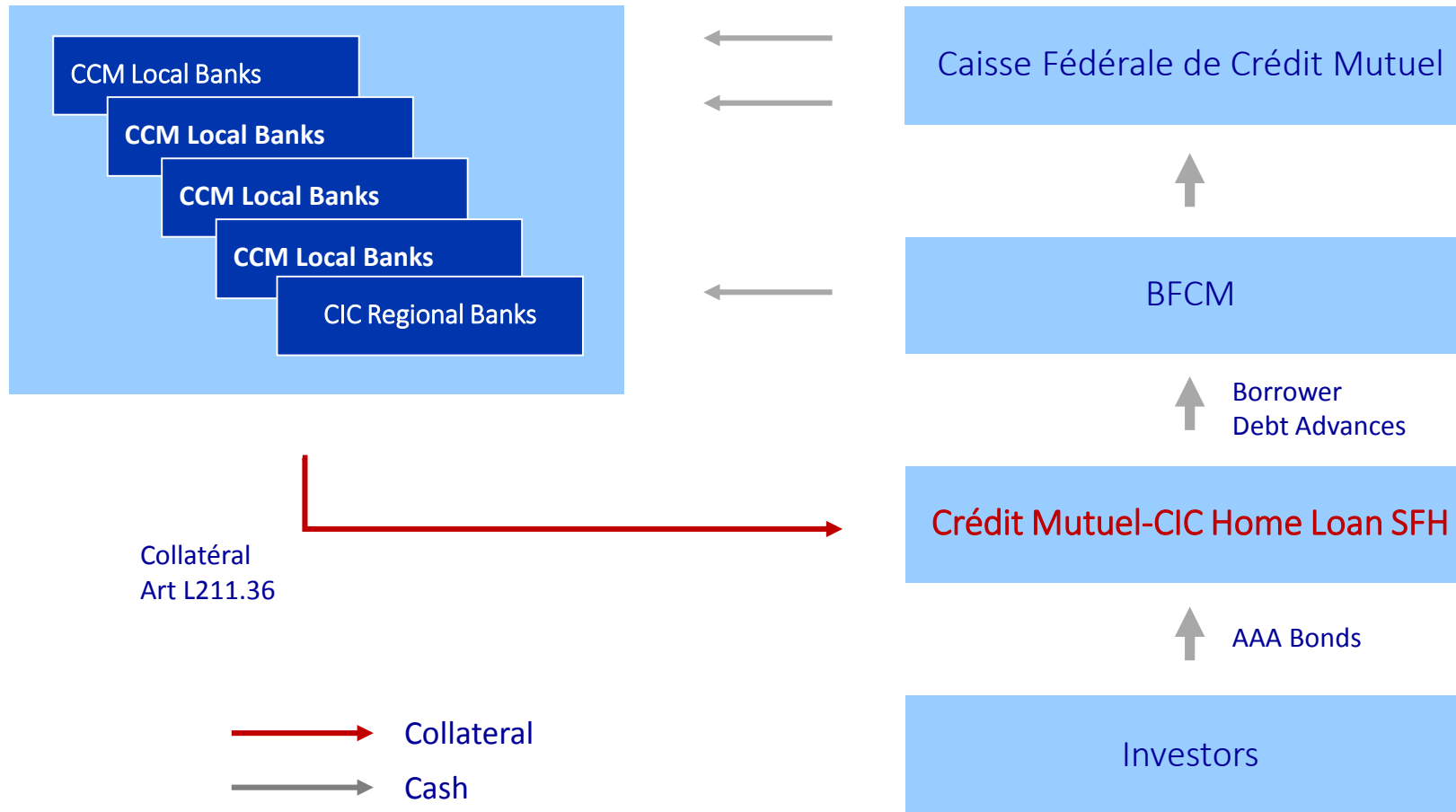
- **Banque Fédérative du Crédit Mutuel (“BFCM” or the “Borrower”)**
 - > Holding and central financing entity of the Crédit Mutuel-CM11 Group
 - > Senior unsecured debt ratings of Aa3 (stable) / A (stable) / A+ (stable) by Moody’s, S&P and Fitch Ratings respectively

- **Crédit Mutuel Network & CIC Network (the “Collateral Provider”)**
 - > Third largest retail bank in France in terms of number of branches
 - > Third largest provider of home loans in France

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

- **French Home Loan Cover Pool**
 - > Crédit Mutuel CM11 Group’s French residential home loan portfolio, subject to Eligibility Criteria
 - > Prime residential mortgages and guaranteed home loans (“crédits cautionnés”)
 - > Weighted average indexed current LTV of 63%, weighted average seasoning of 69 months

Overview of the Crédit Mutuel-CIC Home Loan SFH Program



Focus on the group internal guarantor: CMCIC Caution Habitat SA

All the home loans are guaranteed in France by

→ **Mortgages:** *which are registered by notaries in the Land Registry or by*

→ **Cautions:**

✓ **Crédit Logement:** the market leader for residential home loan guarantees

- Owned by the major French banks (CA:33%,BNP 17%, SG 17%,BPCE 15%, CM 9%,La Poste 6%, HSBC 3% as at Dec 2017)
- Rated Aa3 / AA(Moody's/DBRS)

✓ **Internal caution:** owned by a banking group or an insurance company

for Crédit Mutuel CM11 Group:

→ **Cautionnement Mutuel de l'Habitat** « CMH » (not SFH eligible)

→ **CMCIC Caution Habitat SA**

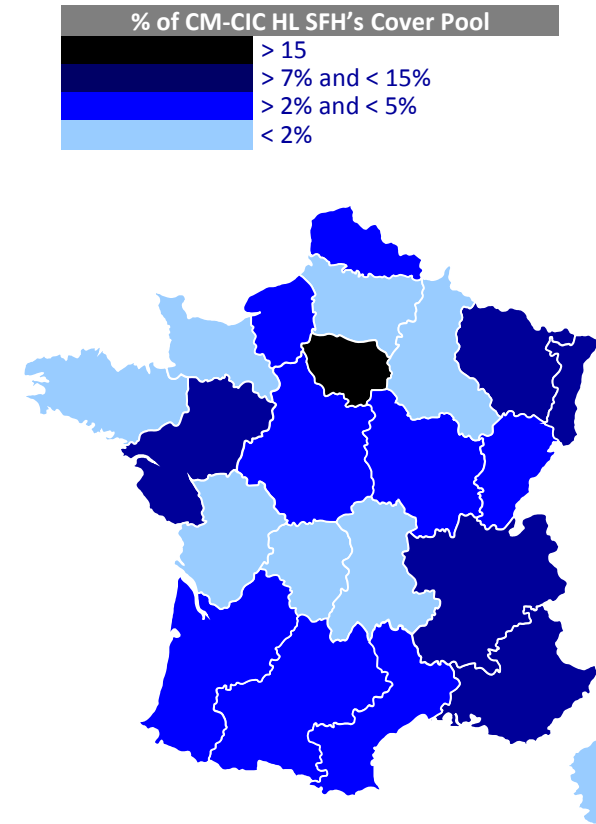
Crédit Mutuel CM11 has created a dedicated entity in order to provide SFH eligible guarantees:

CMCIC Caution Habitat SA has been agreed in 2016 as a « société de Financement », 100% BFCM subsidiary, directly supervised by the ACPR, segregated equity capital, rated by Fitch Rating :A+stable in March 2018.

Cover Pool as at October, 10th 2018

- Prime residential mortgages and guaranteed home loans only
 - > no RMBS
 - > no securitization
 - > no substitution assets
 - > no loans in arrears in the cover pool
- Cover Pool
 - > Underlying properties exclusively located in France
 - > Only loans originated by the group's networks are eligible
 - > Restrictive eligibility criteria
- Home Loan origination in every region of France

Cover pool % by region



Key Terms

Issuer

Crédit Mutuel-CIC Home Loan SFH

Program Size

€ 40bn

Ratings

Aaa (Moody's) / AAA (S&P) / AAA (Fitch)

Risik Weighting

ECBC + CRR / CRD4 compliant

Maturity Type

hard or soft bullet

Currency

any

Listing

Paris

Governing Law

French

Max. LTV

100% (with LTV cap at 80% for ACT)

Cover Pool as at October, 10th 2018

Pool Notional

€ 31bn

Type

Prime French residential mortgages and guaranteed

Number of loans

375,210

WA Current LTV

64%

WA Indexed LTV

63%

Seasoning

69 months

Interest Type

93% fixed, 7% floating and indexed

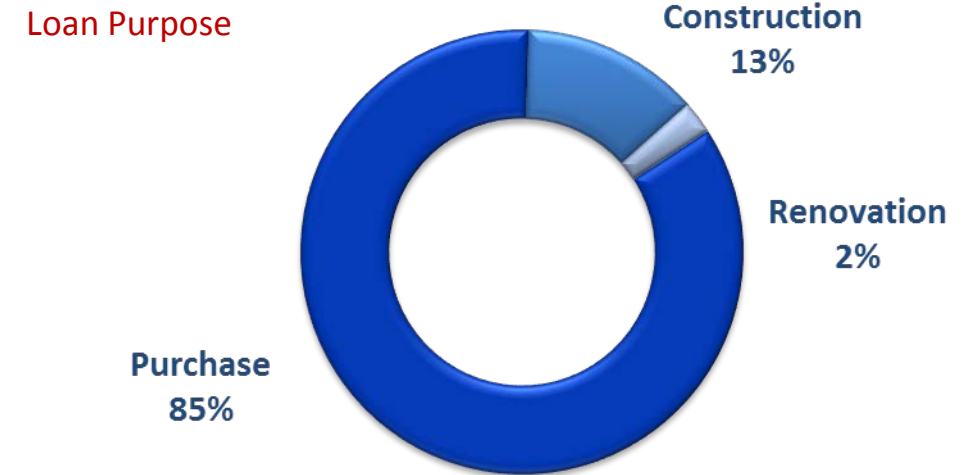
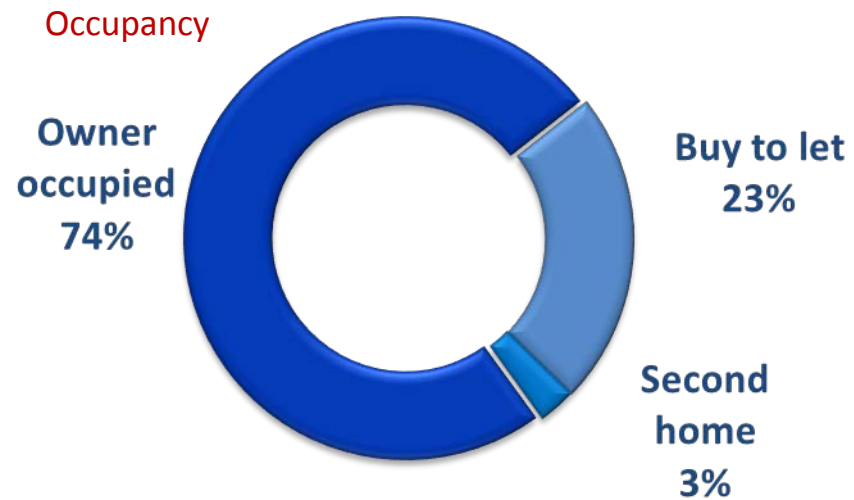
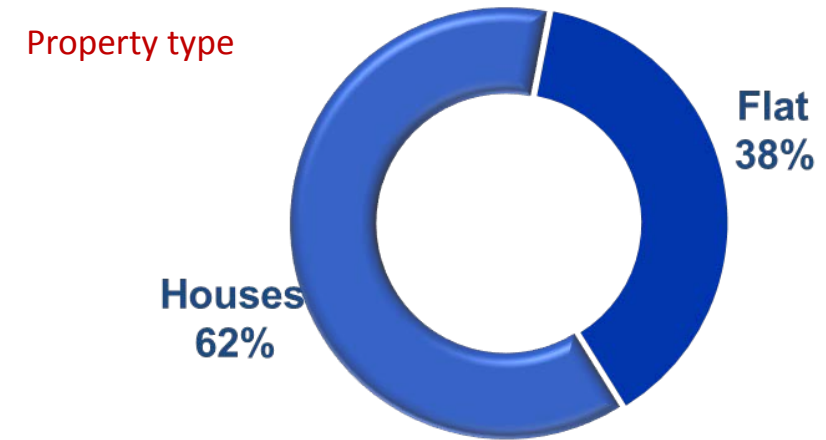
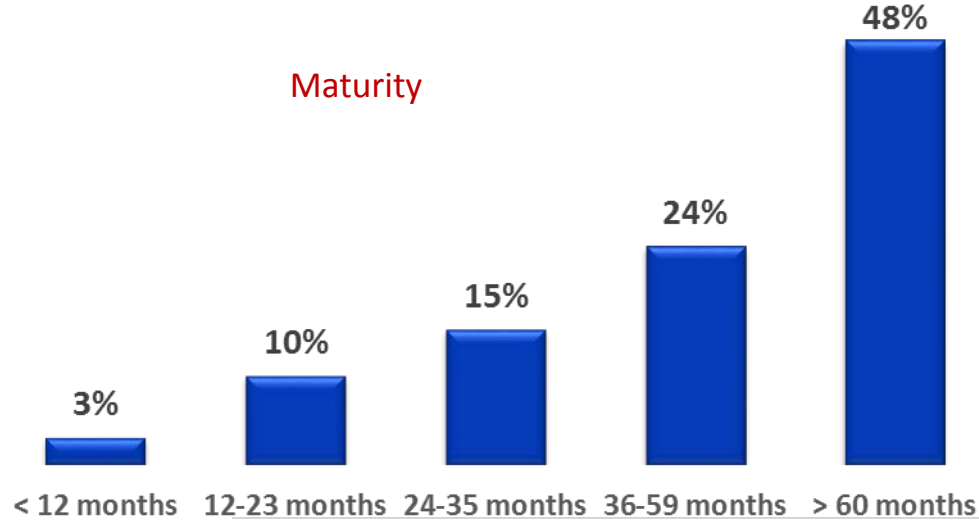
Max. loan amount

€ 1,000,000

Collateralisation

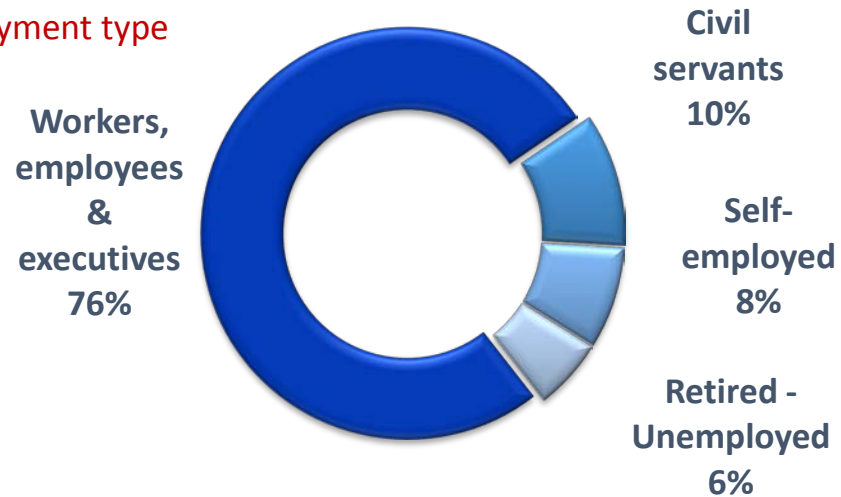
71% mortgages, 29% guaranteed

Cover Pool as at October, 10th 2018



Cover Pool as at October, 10th 2018

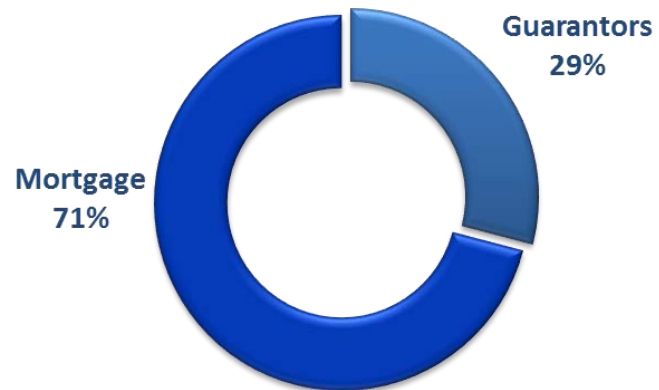
Employment type



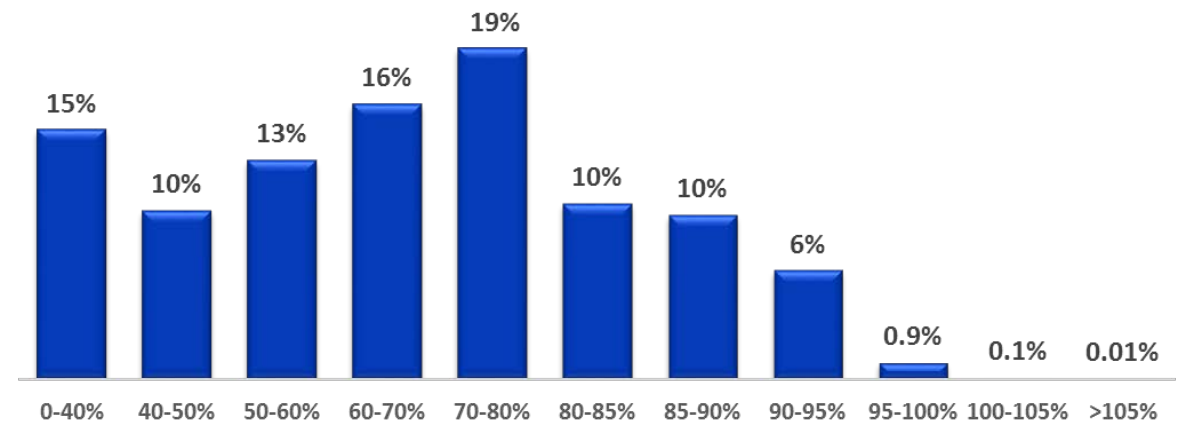
Rate type



Collateralisation



Unindexed LTV



A sound French housing market

Favorable structural factors

- ✓ growing population
- ✓ one of the lowest home ownership ratios in Europe
- ✓ inadequate growth in supply vis à vis strong and structural demand
- ✓ shortage of housing supply drives the evolution of prices in France

Low risk with a conservative origination policy

- ✓ borrowers' repayment cannot exceed 33% of his disposable monthly income (31% average debt ratio)
- ✓ close analysis of the client
 - work status, regularity of income, credit history
- ✓ more than 86% of home loans have a fixed rate to maturity
- ✓ all the loans are collateralized by a "caution" or mortgage

“Market Indicators for France – Observatoire Crédit Logement July 2018”

Rate	Maturity
Average Interest rate 1.43%	Average maturity of housing loans 222 months
Interest old property: 1.49% Interest new property: 1.45%	Average cost of a housing loan 4.1 years of a household's annual income

Comparison with European Peer Frameworks

Name of debt Instrument	Obligation à l'Habitat	Obligation Foncière	Hypothekendarlehenbrief
Issuer	Société de Financement de l'Habitat (SFH)	Société de Credit Foncier (SCF)	Pfandbrief bank
Issuer status	Specialised credit Institution	Specialised credit Institution	Universal Credit Institution with special license
Dedicated Legal Framework	Yes	Yes	Yes
Specific Supervision	French banking regulator and specific supervisor (controleur spécifique)	French banking regulator, specific supervisor (controleur spécifique)	Bafin and cover pool monitor
Recourse on the credit institution	Yes, direct	Yes, direct,	Yes, direct
Who owns the cover assets	Credit Institution, but assets are pledged to the issuer (with transfer to the issuer upon trigger breach)	The issuer directly	The issuer directly
Eligible assets	Residential property loans Eligible RMBS notes	Public sector, Residential mortgages, guaranteed loans, unit of eligible ABS Public sector	Mortgage loans (including guaranteed real estate loans)
Legal Over-Collateralization	105%	105%	102%
Includes Commercial Real Estate	No	No	Yes
Location of real estate property	Domestic, EEA, non EEA AAA-AA	Domestic, EEA, non EEA AAA-AA	Domestic, EEA, non EEA AAA-AA
Maximum Loan-to-value to calculate collateralisation rate	80%	60 to 80% depending on the collateral	60%
Replacement securities /substitutional assets	15%	15%	20%
Acceleration of Covered Bonds	No	No	No
Liquidity Risk Management	180-day needs must be covered at all times	180-day needs must be covered at all times	180-day needs must be covered at all times
UCITS 52(4) compliant ?	Yes	Yes	Yes

Source: ECBC, Barclays

BANQUE FÉDÉRATIVE
Crédit  Mutuel

www.bfcm.creditmutuel.fr

www.creditmutuelcic-sfh.com

Crédit  Mutuel - CIC
Home Loan SFH

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