

VULNERABLE CUSTOMERS COMMITMENTS CHARTER

Preamble

Crédit Mutuel Alliance Fédérale is the bank for all customers and remains attentive to assisting those who are going through difficult life situations, be they for fundamental, social, or economic reasons. The diverse nature of situations of vulnerability can result in financial insecurity, which means a strategy responsive to the populations concerned has to be implemented.

Under this approach, Crédit Mutuel Alliance Fédérale entities, which are responsible for the economic ecosystem in which they operate, undertake through specific actions that respect our values as a mutual company to comply with all standards of professional conduct and a code of ethics.

This policy sets out all of Crédit Mutuel Alliance Fédérale's specific commitments to the banking inclusion of customers in a situation of vulnerability and supplements the other customer protection schemes designed to encourage behaviour that is respectful of the interests of customers and proper business practices.

The regulatory framework, which is strengthened regularly, structures the actions to put in place to identify, support and protect vulnerable customers.

The measures taken apply to all entities in the group, subject to compliance with the legal and regulatory provisions specific to each entity. They may be revised whenever the group deems it necessary.

Crédit Mutuel Alliance Fédérale has put in place a structure that promotes banking inclusion for customers identified as vulnerable. The offers and services proposed to these customers are adapted to each person's situation.

These commitments concern financially-fragile customers and vulnerable customers (protected adults and people dealing with the death of a loved one).

The background

The authorities have set up a legislative framework to promote bank inclusion and limit incident charges.

These provisions are supplemented by the recommendations issued by the Governor of the Banque de France, the French Ministry of the Economy and Finance, the French Observatory for Banking Inclusion (*Observatoire de l'Inclusion Bancaire* or OIB) and those formulated by the French Prudential authority (*Autorité de Contrôle Prudentiel et de Résolution* or ACPR), as well as the professional commitments defined by the French Banking Federation (*Fédération bancaire française* or FBF).

Credit institutions identify vulnerable and financially-fragile individuals on the basis of specific indicators, in order to propose the regulatory offer that is best suited to their situation.

I. Governance

Crédit Mutuel Alliance Fédérale has put in place a central and local governance structure to ensure the effective implementation of regulatory obligations regarding the protection of vulnerable customers, and to promote bank inclusion.

The structure at the central level is managed by the Networks General Managers Committee, as well as by a Committee dedicated to working on behalf of Fragile and Vulnerable Customers, under the aegis of the group's General Management assisted by representatives of the commercial, compliance, IT, and social mutual responsibility (SMR) departments.

The latter committee oversees in particular the implementation of the recommendations and best practices issued by the authorities. An internal regulation sets out the procedures for the functioning of this committee, which meets every six months at least.

The actions proposed by the committee are validated by the Networks General Managers Committee.

An annual report presenting the results of the various projects is submitted to the group's Board of Directors for approval. It is included in Crédit Mutuel Alliance Fédérale's Extra-Financial Performance Disclosure.

A national network of Correspondents constitutes the local governance level dedicated to banking inclusion. It assists the network in implementing vulnerable customer protection measures and actively participates in the training modules provided to the networks, as well as in controls.

II. Financially-fragile and vulnerable customer measures

Financially-fragile customers

Three regulatory offers consisting of a set of everyday essential products and services are available:

- the right to a basic bank account with the Basic Banking Services offer,
- basic services, and
- a vulnerable customer offer called Facil'Accès/Service Accueil for the Crédit Mutuel and CIC networks, respectively.

These offers are made known to the public on the websites of the entities and are presented in the tariff brochures to ensure their promotion.

In addition to regulatory obligations, Crédit Mutuel Alliance Fédérale is committed to developing systems to detect financial fragility, to constantly improving the content of offers, and to strengthening the treatment of people in fragile or vulnerable situations.

➤ ***Investing in systems to detect financially-fragile individuals***

The identification of financial fragility is based on criteria defined by the regulation and additional criteria:

- customers registered for three consecutive months in the Banque de France's central cheque file for an unpaid cheque or a bank card withdrawal declaration,
- excessively-indebted customers from the date of eligibility of their over-indebtedness file and for the duration of the debt-management plan,
- customers registered in the FICP¹ due to unpaid loans and/or an unpaid overdraft,
- customers whose situation has deteriorated to the point where there is a risk of major default of payment,

- customers whose account registers more than €120 in intervention fees for three consecutive months or who accumulate five incident fees in one month and whose income is less than 2.65 times the RSA² for a single person.

Crédit Mutuel Alliance Fédérale is improving its system with a view to extending these criteria to all incident charges included in the scope of capping³. Any new criteria for detecting financial fragility defined by the regulations will be integrated into the system.

Crédit Mutuel Alliance Fédérale is carrying out work based on indicators derived from its knowledge of customers in order to broaden the scope of detection of financial-fragility detection upstream of the actual situation and to intervene proactively at the first warning signs of a deteriorating situation.

Furthermore, the unsolicited proposal of the Facil'Accès/Service Accueil offer during the relationship is available to all customers when a situation of financial fragility appears.

➤ **Fostering better assistance for financially-fragile individuals**

The Facil'Accès/Service Accueil offers include, in addition to the regulatory content and for the same tariff:

- an unrestricted number of direct debits, transfers and bank cheques,
- an online banking service providing access to budget management and comprehensive transaction management systems - including for external transfers and the provision of dematerialised documents in the customer's personal space.
- a second payment card systematically authorised and offered for a joint account.

These offers can be supplemented with additional services:

- access to the subscription of all types of savings account, in particular the Livret d'Epargne Populaire and the Livret Jeune, under the conditions provided for by the regulations,
- the granting of an overdraft facility of a maximum of €225 to alleviate an additional one-off difficulty upon proposal by the customer advisor and depending on the customer's situation,
- the possibility of benefitting from the advance payment of healthcare costs for customers with complementary health insurance from Assurances du Crédit Mutuel (ACM).

➤ **Acting on incident fees**

As part of the emergency measures adopted during the health crisis, a total exemption from incident fees was introduced for customers with these offers. Crédit Mutuel Alliance Fédérale has chosen to make this measure permanent. These fees⁴ have been definitively waived for all customers with Facil'Accès/Service Accueil offers. These offers are accompanied by a regular review procedure with the customer aimed at enabling him/her, as far as possible, to emerge from a situation of financial fragility and return to a classic and complete offer. Automatically scheduled appointments and regular reminders are being looked into as part of the overall system.

For customers identified as being financially fragile, and in line with its professional commitments, Crédit Mutuel Alliance Fédérale introduced a €25/month cap on incident fees as of 2 January 2019.

Like other customers, financially-fragile individuals are informed via their personal remote banking space, as well as on the mobile application, of the upcoming transactions⁵ that will be debited from their account.

➤ **Fostering better assistance for financially-fragile individuals**

Crédit Mutuel Alliance Fédérale, drawing on its local presence, promotes the human relationship by enhancing the role of the customer advisor and takes care to:

- increase the frequency of contacting vulnerable customers by sending reminders of the proposal to subscribe to a dedicated offer,
- ensure that vulnerable individuals with a Facil'Accès/Service Accueil offer attend the mandatory annual meeting required for basic banking service customers under the banking inclusion and excess debt prevention charter.

During this meeting, the customer advisor ensures that the offer is appropriate to the customer's situation. The role of the customer advisor is crucial in this process. They are in regular contact with the customer, meaning that they are best able to accompany him/her through these difficult times. In addition, the customer networks advisors are trained in offers for vulnerable customers and are able to propose responses tailored to each particular case. They can also direct their customers to the Budget Advice Points, the list of which is available internally and on the bank's websites.

Helping individuals with excess debt

Preventing and tackling over-indebtedness is an integral part of Crédit Mutuel Alliance Fédérale's historical solidarity, and mutual proximity actions, and an intrinsic part of our bank's model.

The bank has a specific unit consisting of around 50 experienced staff across four regional sites that assists excessively-indebted customers. For each situation, an analysis of the origins and causes of the debt is conducted with the customer in order to formalise the various debt resolution approaches and help the customer set up an excessive-debt management plan.

Supporting the distribution of personal and professional micro-credit offers

Crédit Mutuel Alliance Fédérale enables customers in a situation of vulnerability to benefit from financial support by developing partnerships with associations such as ADIE, Initiative France, and France Active to foster the provision of micro-credit. The micro-credit distribution is aimed at creating and consolidating jobs for those who are excluded from the job market: job-seekers, those receiving minimum social benefits, disabled people, etc.)⁶.

Enabling those to stay in work or return to the job market

Enabling vulnerable individuals to stay in work or return to the job market is one of the priority areas in which Crédit Mutuel Alliance Fédérale provides assistance. To date, more than 200 regional agreements to cover the whole of France have been signed with social insertion associative networks such as Centre Communal d'Action Sociale (CCAS), Secours Catholique, Union Départementale des Associations Familiales (UDAF), Secours Populaire, Restaurants du Cœur, as well as *département* councils, in order to assist our customers and receive advice that is appropriate to each situation.

This commitment to facilitating access to employment in the French regions is enshrined in new national or local partnerships to complete the measures already in place at Crédit Mutuel Alliance Fédérale entities.

The Fragile or Vulnerable Customers Committee reports on the progress of these partnerships and the actions carried out.

For vulnerable customers

Being a responsible bank entails taking action against poverty, hardship and exclusion to help vulnerable people. Crédit Mutuel Alliance Fédérale's overriding and distinctive principle concerns the absence of commissioning for the network's commercial functions. This rule encourages the search for an offer that is most adapted to the customer concerned.

Measures for protected adults

Crédit Mutuel Alliance Fédérale pays particular attention to those who are subject to protectionary measures to accompany them in the best safety conditions both in their daily life and in the management of their assets.

This approach requires the customer advisors to understand and be aware of the protectionary measures⁷ as they are trained to ensure a personalised service.

A modular "Daily Life" service offer is adapted to the needs of the protected adult and the representative in compliance with the judge's decision:

- A functioning current account authorising the representative to manage all the banking operations of the protected adult.
- A current account dedicated to the protected adult allowing him/her to manage his/her daily expenses alone. This account is funded by transfers that transit via the representative.
- A withdrawal card, without a PIN number, only permitting the withdrawal of the available balance on the account dedicated to the protected adult.
- A payment card that is customised specially to enable payments and withdrawals with a balance check.

Crédit Mutuel Alliance Fédérale has decided to exonerate accounts for a protected adult from management and intervention fees and to allow the account holders to benefit from price reductions on the global offer⁸.

Those suffering a bereavement: support offered for administrative procedures

Crédit Mutuel Alliance Fédérale has developed a support service for customers suffering a bereavement amongst their relatives and/or for close relatives of deceased customers.

These difficult times in life can generate situations of vulnerability, the consequences of which can be multiple. In order to facilitate administrative procedures and the management of the estate, Crédit Mutuel Alliance Fédérale puts the people concerned in touch with a dedicated manager. They benefit from particular attention thanks to the ADD service (Assistance for administrative procedures following death) which is entirely free of charge whatever the size of the estate and the status of the beneficiaries, whether or not they are customers.

During a telephone consultation, the list of entities to be contacted in the event of a death is established, as are the letters to be sent to beneficiaries depending on their choice and situation.

In addition, Crédit Mutuel Alliance Fédérale offers estate management services via the personal remote banking function to allow beneficiaries to track the dossier and access all of the correspondence.

Staff training and information

In principle and according to the group's ethics code, staff are enjoined from engaging in any discriminatory behaviour and are required to act in a professional and responsible manner to customers and members by abstaining from ostentatious or vexatious behaviour that could be interpreted as stemming from discriminatory or prejudiced sentiment.

To ensure that the procedure to handle vulnerable customers is deployed effectively, Crédit Mutuel Alliance Fédérale provides ongoing training for its entire network staff via dedicated materials and the national correspondents' network, which is in contact with customer advisors.

The committee dedicated to working for Fragile or Vulnerable Customers is tasked with ensuring that the programme is rolled out on a consistent basis and that network information and training is followed up.

Appendix – Footnotes

- ¹ FICP: *Fichier National des Incidents de Remboursement des Crédits aux Particuliers* (National Database on Household Credit Repayment Incidents).
- ² Amount of the RSA (active solidarity income) at 1 april 2023: €607.75 for a single person, €911.62 for a couple.
- ³ Details of charges included: intervention fees, fees for prior information letters for cheques without funds, fees for information letters for unauthorised overdrawn accounts, flat-rate fees per cheque rejected for lack of funds, fees for direct debit rejection for lack of funds, charges for non-execution of a standing order for lack of funds, charges following notification by the Banque de France of a decision to withdraw a payment card, charges following notification by the Banque de France of a ban on issuing cheques, charges for blocking the card by the Bank.
- ⁴ Fees referred to in number 3 above, as well as the costs of administrative seizure by third parties and the costs of seizing assets.
- ⁵ Future direct debits, transfers and incident fees.
- ⁶ Almost 10,000 micro-loans have been granted since the start of the partnerships by all Crédit Mutuel Alliance Fédérale networks and are often completed by classic investment loans of less than €3,000.
- ⁷ Support for managing the family budget, guardianship by court order without appointing a substitute decision-maker, medical guardianship, guardianship with the appointment of a substitute decision-maker, simple trustee, reinforced trustee, trusteeship and family empowerment.
- ⁸ According to the professionals in the sector and the Public Authorities, the number of Protected Adults in France is estimated at 800,000 people. The steady increase is due in part to the ageing of the population. Crédit Mutuel Alliance Fédérale has more than 100,000 Protected Adults in its network.