

PRESS RELEASE

Crédit Mutuel Arkéa makes concrete proposals to the Confédération Nationale du Crédit Mutuel to find a solution to their conflict, calls for dialogue and invites the Confédération to open orderly discussions on this basis

Brest, 29 August 2022 – The Boards of Directors of Crédit Mutuel Arkéa, Crédit Mutuel du Sud-Ouest and Crédit Mutuel de Bretagne have just approved a detailed project defining the contours of a guaranteed autonomy framework for Crédit Mutuel Arkéa. This project represents a balance between the objectives of all parties to the dispute between Crédit Mutuel Arkéa and Confédération Nationale du Crédit Mutuel (CNCM). It is an alternative to the proposed disaffiliation of Crédit Mutuel Arkéa, which is the mandate given to its leaders since 2018.

On 7 July, the President of the CNCM held a meeting of its Board of Directors and had so-called "reconciliation" proposals adopted. While the few advances made are to be welcomed, these proposals are insufficient in substance and inadequate in method. In terms of substance, they do not address the root causes of the disagreement: the Confederation's powers are poorly defined and continually expanding, governance is unbalanced in favour of Crédit Mutuel Alliance Fédérale (CMAF), the dominant regional group, there are conflicts of interest between the CNCM and CMAF, and lastly, there is a centralising vision. With regard to the method, Crédit Mutuel Arkéa could only note the unilateral nature of the approach taken by the President of the Confederation. These positions, which do not respond to the group's demands and do not result from negotiation, were unanimously rejected by Crédit Mutuel Arkéa's board of directors at its meeting on 25 August, as well as by the boards of the Brittany and South-West federations.

Despite this, Crédit Mutuel Arkéa remains keen to give every opportunity to an alternative to disaffiliation, provided that this alternative enables it to carry out its specific and unique corporate project.

This is why Crédit Mutuel Arkéa took the initiative of working on **a set of concrete proposals** that were also unanimously approved by the boards of directors of Crédit Mutuel Arkéa and its two federations, Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest, and set out the conditions necessary for the realisation of such an alternative.

The acceptance of an orderly negotiation on the basis of these proposals **would make it possible to avoid a scenario** that would force Crédit Mutuel Arkéa to complete **the disaffiliation project - which has been the mandate given to its managers since 2018** - if this appears to be the only possible scenario for preserving its autonomy and its unique development model.

This initiative once again illustrates the invitation to **a calm and orderly discussion**. The approach and proposals put forward are **serious, balanced** and fully **respectful of mutualist values**. They also serve

the interests of all the regional groups. These **concrete** proposals make it possible to **guarantee in the long term the full recognition of the strategic autonomy of the regional groups and federations**.

They record an **unambiguous acceptance of the prudential powers** of the central body, which must be clearly and restrictively defined and exercised within the framework devolved by the law in the collective interest of the affiliated entities and members.

They are based on a **governance system** based on the principle of **subsidiarity**. This is reflected in the introduction of a strategic veto right allowing regional groups and federations to block any decision by the central body that violates its strategic autonomy and its business plan - except in the case of compelling prudential circumstances. Also proposed are amicable dispute settlement procedures, a more impartial and better regulated sanction procedure, and more balanced representation of regional minority groups in governance bodies.

These principles provide for **the recognition of free competition** between regional groups and the creation of a mechanism to ensure its proper implementation.

The "Crédit Mutuel" corporate brand, managed by the CNCM, is an important asset that conveys the mutualist and cooperative values shared by all. However, it must not be diverted from its common purpose to the benefit of a single regional group, and the regional groups and federations must be free to use **their own brands and signage**.

These changes would lead to a **framework of guaranteed strategic autonomy** enabling Crédit Mutuel Arkéa to remain within Crédit Mutuel and to return to a **decentralised** mode of operation that is both **modern and faithful to the group's origins**.

Mutual concessions are obviously necessary in order to reach an agreement. In return, **the unity of Crédit Mutuel will be preserved and consolidated**; a Crédit Mutuel united around a collective project based on the acceptance of the plurality of models and strategies as well as a real decentralisation.

All the proposals made are "under constant law": they do not imply any legislative or regulatory changes other than adjustments to the CNCM's statutes and General Decisions. **They can be implemented quickly and in any case before the end of 2022**.

Crédit Mutuel Arkéa and the Crédit Mutuel de Bretagne and Sud-Ouest federations **are ready to commit to these proposals and are keen to reach an agreement quickly**, within a serious, methodical and mutually respectful negotiating framework. If orderly discussions were to be opened on the basis of these proposals, then the mandate given by the Board of Directors of Crédit Mutuel Arkéa in 2018 to its managers could change. These proposals from Crédit Mutuel Arkéa have been shared with the Chairman of the CNCM.

About Crédit Mutuel Arkéa

The Crédit Mutuel Arkéa group is made up of the Crédit Mutuel de Bretagne and Sud-Ouest federations and their member local banks, as well as some forty specialised subsidiaries (Fortuneo, Monext, Arkéa Banque Entreprises et Institutionnels, Arkéa Investment Services, Suravenir, etc.). It has more than 11,000 employees, 2,800 directors, more than 5 million members and customers in banking and insurance and a balance sheet total of 182.4 billion euros. Crédit Mutuel Arkéa is one of the leading banking institutions with regional headquarters.



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