

Paris, February 26, 2015

## CIC in 2014

### Vitality of the commercial network, financial solidity confirmed

Results for the year ended December 31, 2014

Net banking income	€4,410m	→	Stable NBI <sup>1</sup>	(-0.8%)
Net income	€1,124m	→	Good performances <sup>1</sup>	(+32.4%)
Basel 3 CET1 ratio without transitional measures	11.5%	→	A solid financial structure	
<b>Business</b>				
Customer loans	€146.7bn	→	Active financing of the real economy	(+7.3%)
Customer deposits	€121.9bn	→		(+8.0%)
Savings under management and custody	€245.5bn	→		(+8.5%)

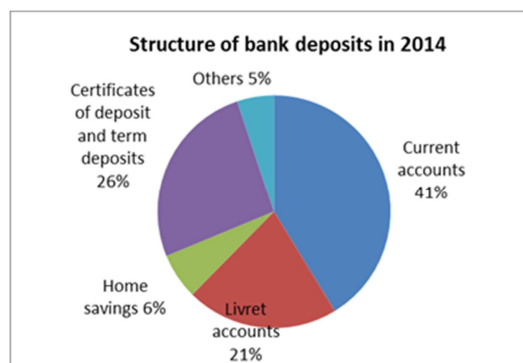
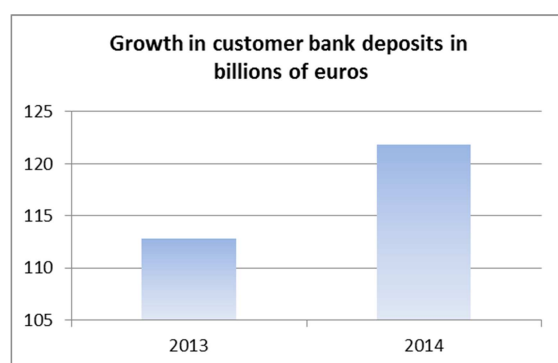
CIC has maintained its growth momentum with three objectives: deliver quality service to its customers, provide increasingly better-tailored products by diversifying its offer, and participate in the financing of the economy in all regions of France and at the national level. During the year, the number of customers and branches continued to grow, as did loan outstandings, deposits and insurance and service activities (remote banking, remote surveillance and telephony). In these conditions, net income totaled €1,124m, up 32.4%.

<sup>1</sup> The December 2013 figures used to calculate changes have been adjusted to neutralize the impact of the exit from the consolidation scope of CM-CIC Gestion at December 31, 2013 and of SNC Saint-Pierre at January 1, 2014.

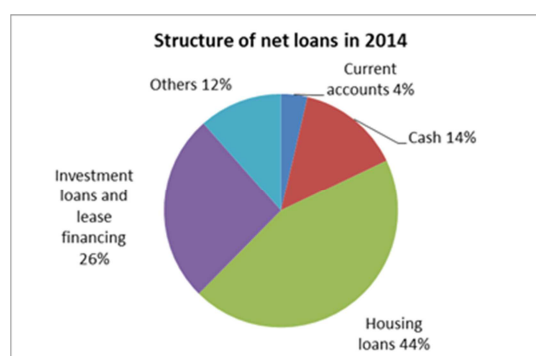
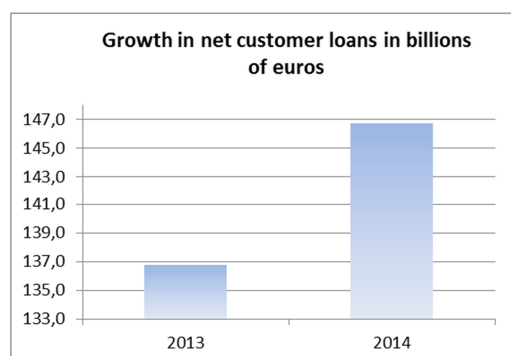
## Continued commercial dynamism and support for the economy

In 2014, the commitment of all staff members and the relationship of trust they have established with their customers enabled the bank to best serve its client base of private individuals, associations, self-employed professionals and corporates.

Bank deposits totaled €121.9 billion, up 8.0%, thanks to strong growth in current accounts (+17.5%) and home savings (+9.1%), whereas certificates of deposit and term deposits fell by 8.8%. Outstanding deposits held in savings plans were stable (+0.5%).



Total loan outstandings came to €146.7 billion, up 7.3% from 2013, of which 66% stemmed from the reclassification of pensions previously recorded at fair value by option. Excluding this reclassification, loans grew by 2.5%, with a notable 3.1% increase in equipment loans to €29.0 billion. Outstanding leases grew by 4.9% to €9.3 billion and treasury loans grew by 2.1% to €20.9 billion. Housing loans reached €65.3 billion (+0.8%). CIC therefore continued to make a dynamic contribution to the financing of the economy.



The loan-to-deposit ratio – the ratio of total net loans to balance sheet deposits – improved further to 120.4% at December 31, 2014, compared with 121.2% a year earlier.

## Growth in financial results

<i>(in millions of euros)</i>	2014	2013	Change 2014/2013	2013 adjusted*	Change* 2014/2013
Net banking income	4,410	4,466	-1.3%	4,447	-0.8%
General operating expenses	(2,911)	(2,888)	0.8%	(2,871)	1.4%
Gross operating income	1,499	1,578	-5.0%	1,576	-4.9%
Income before tax	1,482	1,280	15.8%	1,278	16.0%
Net income	1,124	851	32.1%	849	32.4%

\*Adjusted for the impact of the exit from the consolidation scope of CM-CIC Gestion and SNC Saint-Pierre.

*The financial statements for the period ended December 31, 2014 were approved by the Board of Directors of Crédit Industriel et Commercial (CIC), chaired by Nicolas Théry, on February 26, 2015.*

Net banking income was stable at €4,410 million. The change to the accounting classification of pension funds had little impact (€1.6 million), as the operations concerned were of short maturity.

NBI in retail banking represents more than 75% of total net banking income, in accordance with the strategic priorities of the Crédit Mutuel group.

General operating expenses were tightly controlled at €2,911 million. The cost-to-income ratio came to 66.0%, compared with 64.7% a year earlier.

Net provision allocations/reversals for loan losses fell by 44% from €367 million at the end of 2013 to €206 million. The actual net provision for known risks, as a proportion of total loan outstandings, rose from 0.22% to 0.18% and the overall non-performing loan coverage ratio was 49.7 % at December 31, 2014.

The share of income of affiliates and gains on tangible assets totaled €189 million, compared with €69 million at the end of 2013. This increase was mainly due to the sale in April 2014 of shares in Banca Popolare di Milano (BPM), in which CIC held a 6.6% stake.

Net income grew by 32% to €1,124 million, compared with €851 million in 2013.

The Board of Directors will propose to the general meeting of stockholders on May 27, 2015 a dividend of €8.00 per share compared with €7.00 with respect to the previous year.

## A solid balance sheet

### *Liquidity and refinancing<sup>2</sup>*

With a 93.7% stake in CIC, la Banque fédérative du Crédit Mutuel (BFCM) raises the necessary market funds on behalf of the Caisse fédérative de Crédit Mutuel CM11 group and monitors liquidity. Like all other group entities, CIC is part of this mechanism, which ensures that its own liquidity and refinancing needs are covered.

### *Capital adequacy*

As of December 31, 2014, without transitional measures, Basel 3 Common Equity Tier 1 (CET 1) prudential capital totaled €10.8 billion, the CET1 capital ratio stood at 11.5% and the total ratio was 12.1%. The CM11 group's leverage ratio stood at 6,1%. These indicators attest to the group's solidity.

CIC's ratings have not changed since Standard & Poor's placed the entities of the Crédit Mutuel group and 14 other European banks on negative outlook on April 29, 2014. This modification is the result of the approval by the European Parliament on April 15, 2014, of the EU Bank Recovery and Resolution Directive.

CIC's ratings are the following

	Standard and Poor's	Moody's	Fitch Ratings
Short term	A-1	P-1	F1
Long term	A	Aa3	A+
Outlook	Negative	Negative	Stable

<sup>2</sup> Please refer to the CM11 group press release for more information.

## Divisional breakdown of results

### ***Retail banking: CIC's core business***

<i>(in millions of euros)</i>	2014	2013	Change 2013/2012	2013 adjusted*	Change* 2014/2013
Net banking income	3,327	3,330	-0.1%	3,311	0.5%
General operating expenses	(2,194)	(2,202)	-0.4%	(2,185)	0.4%
Gross operating income	1,133	1,128	0.4%	1,126	0.6%
Income before tax	1,020	918	11.1%	916	11.4%

\*Adjusted for the impact of the exit from the consolidation scope of CM-CIC Gestion and SNC Saint-Pierre.

Retail banking encompasses the CIC banking network and all specialist activities whose products are mainly distributed through this network: equipment leasing and leasing with purchase options, real-estate leasing, factoring of receivables, fund management, employee savings plans and insurance.

Loan outstandings increased by 1.4% to €118 billion, partly thanks to investment loans (+2.4%) and housing loans (+4.9%). Deposits increased by 6.3% to €92.2 billion, driven by growth in creditor current accounts (+10.4% to €32.5 billion), certificates of deposit and term accounts (up 7.2% to €26.2 billion) and home savings (+9.1% to €7.7 billion).

NBI in retail banking came to €3,327 million, a shade higher than in 2013 (€3,311 million at constant business scope).

Net fee income received represented 41% of NBI.

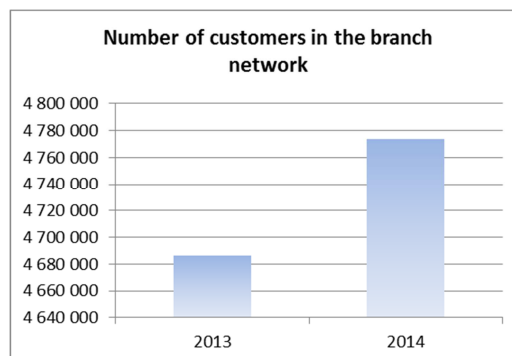
General operating expenses were tightly controlled at €2,194 million (€2,185 million in 2013 at constant business scope).

Net provision allocations/reversals for loan losses fell by 25% to €234 million, compared with €312 million in 2013.

Income before tax stood at €1,020 million, compared with €918 million a year earlier, up 11%.

### *The branch network*

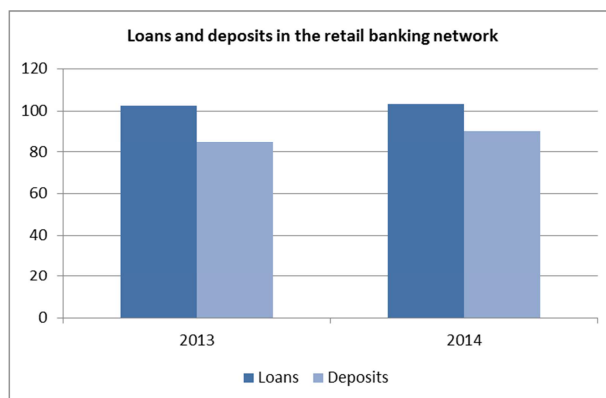
As of December 31, 2014, there were 2,047 branches and 4,773,895 customers (up 1.9% from December 31, 2013).



Loan outstandings increased by 0.5% to €103.2 billion as of December 31, 2014. With the exception of treasury loans, down 4.0%, all loans grew, especially equipment loans, up 2.1%. Housing loans were stable.

Balance-sheet deposits totaled €90.5 billion, up +6.0% compared with December 31, 2013. Current accounts, certificates of deposit and term accounts and home savings grew by 10.6%, 6.3% and 9.1% respectively. Livret accounts were stable (+0.1%).

Savings increased by 2.2% to €56.6 billion.



### *Insurance, a key growth driver*

The insurance business continued to grow. The number of contracts increased in most components of the insurance business.

CIC underwrote 3,298,402 property and casualty contracts (portfolio of contracts up 4.0%) and service activities recorded the following growth:

- +4.3% in remote banking with 1,792,769 contracts,
- +10.0% in telephony (378,436 contracts),



- +7.9% in theft protection (84,153 contracts),
- +6.2% in electronic payment terminals (120,634 contracts).

Net banking income in the branch network grew by 0.7% to €3,134 million, compared with €3,111 million a year earlier, thanks to the improvement in the net interest margin (up 3.7%). Although insurance and financial commissions grew by 5.6% and 5.5% respectively, total commissions decreased slightly because of new regulatory constraints (interchange fees, Sepa and payment systems). Thanks mainly to growth in insurance and financial commissions, which each grew by 6%. General operating expenses totaled €2,070 million (€2,066 million at the end of 2013), while net provision allocations/reversals for loan losses came to €230 million, down €74 million, both at the level of the actual net provision for known risks and collective provisions.

Income before tax in the branch network grew by more than 12% to €834 million, compared with €743 million in 2013.

**Retail banking support businesses** generated net banking income of €193 million in 2014, compared with €200 million (at constant business scope) in 2013, and income before tax of €186 million (€175 million in 2013), more than two-thirds of which consists of the share of income from the CM11 group's insurance business.

- Equipment leasing: CM-CIC Bail had a good year in 2014: 108,318 leases were arranged for an amount of almost €3.6 billion, thereby catering to the investment needs of companies, professionals and the self-employed. CM-CIC Bail made a €45 million contribution to income before tax in 2014 (€52 million in 2013), with a 12%<sup>3</sup> increase in commissions paid to the networks.
- Real estate leasing: The high level of production by the branch networks - almost €630 million in 278 new financing contracts in the form of real estate leases to the benefit of its customers - enabled CM-CIC Lease to increase its total financial and off-balance sheet outstandings to more than €4 billion, up 7%. The contribution by CM-CIC Lease to consolidated income before tax was stable at €5 million.
- Financing and management of customer receivables: In 2014, CM-CIC Factor recorded 23% growth in the volume of receivables bought to €26.3 billion, export sales of €1.9 billion, up 19.6%, and gross outstandings as of December 31 of €4.2 billion, up 13%. CM-CIC Factor's contribution to consolidated income before tax rose from €6 million to €9 million.

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<sup>3</sup> Includes the staggering of referral commissions

- Employee savings: Outstandings managed by CM-CIC Epargne Salariale totaled €6,979 million at the end of 2014, up 6.8%. The contribution to consolidated income before tax was similar to that in 2013 at €6 million.

### **Corporate banking**

<i>(in millions of euros)</i>	2014	2013	Change 2014/2013
Net banking income	328	278	18.0%
General operating expenses	(89)	(85)	4.7%
Gross operating income	239	193	23.8%
Income before tax	190	155	22.6%

Loan outstandings in corporate banking stood at €10.9 billion.

Net banking income of €328 million benefited in 2014 from the improvement in the net interest margin and other items of NBI (up 26% from 2013). Even though net provision allocations/reversals for loan losses grew by €11 million, income before tax increased by €35 million to €190 million (€155 million in 2013).

### **Capital markets**

<i>(in millions of euros)</i>	2014	2013	Change 2014/2013
Net banking income	304	473	-35.7%
General operating expenses	(175)	(166)	5.4%
Gross operating income	129	307	-58.0%
Income before tax	208	300	-30.7%

The capital markets division generated net banking income of €304 million in 2014 (€473 million in 2013). There was a net provision reversal of €79 million on the RMBS portfolio in New York, compared with an allocation of €7 million at the end of 2013.

Income before tax fell from €300 million to €208 million.



### **Private banking**

	2014	2013	Change 2014/2013
<i>(in millions of euros)</i>			
Net banking income	458	444	3.2%
General operating expenses	(338)	(329)	2.7%
Gross operating income	120	115	4.3%
Income before tax	119	109	9.2%

Outstanding balance-sheet deposits in private banking increased by 4.8% to €16.5 billion and outstanding loans stood at €10.4 million (up 21.9% from 2013). Savings under management and custody totaled €79.3 billion, up 10.3%.

Net banking income grew by 3.2% to €458 million, compared with €444 million a year earlier. With a €9 million increase in general operating expenses and net provision allocations/reversals for loan losses totaling €2 million in 2014, income before tax increased by 9.2% to €119 million (€109 million at the end of 2013).

### **Private equity**

	2014	2013	Change 2014/2013
<i>(in millions of euros)</i>			
Net banking income	149	119	25.2%
General operating expenses	(38)	(34)	11.8%
Gross operating income	111	85	30.6%
Income before tax	111	85	30.6%

The investment portfolio totaled €1.8 billion, including €278 million of new investments in 2014. The portfolio consists of 459 investment lines.

Thanks to the positive performance by financial markets, especially midcaps, and the generation of significant capital gains, the private equity business reported net banking income of €149 million in 2014, compared with €119 million in 2013, and income before tax of €111 million, compared with €85 million a year earlier.

## In conclusion

CIC developed its commercial activity in 2014 by offering all its customers banking and insurance products and services that meet their needs. Aided by up-to-the-minute technology, its customer relationships, whether physical or digital, form the linchpin of its strategy. As the bank for self-employed professionals and corporates – one in three corporates is a CIC customer – it participates actively in the economic life of France's regions. As the bank for private individuals and associations, it gives life every day to projects that form the backbone of our society.

By combining growth, efficiency and risk control, and by drawing on the professionalism of its employees and on its parent company, the CM11 group – a powerful group of European dimension – CIC has the means to confront challenges over the years ahead.

Audit procedures have been performed on the consolidated financial statements. The audit certificate will be issued after the finalization of additional procedures required for the publication of the annual financial report.

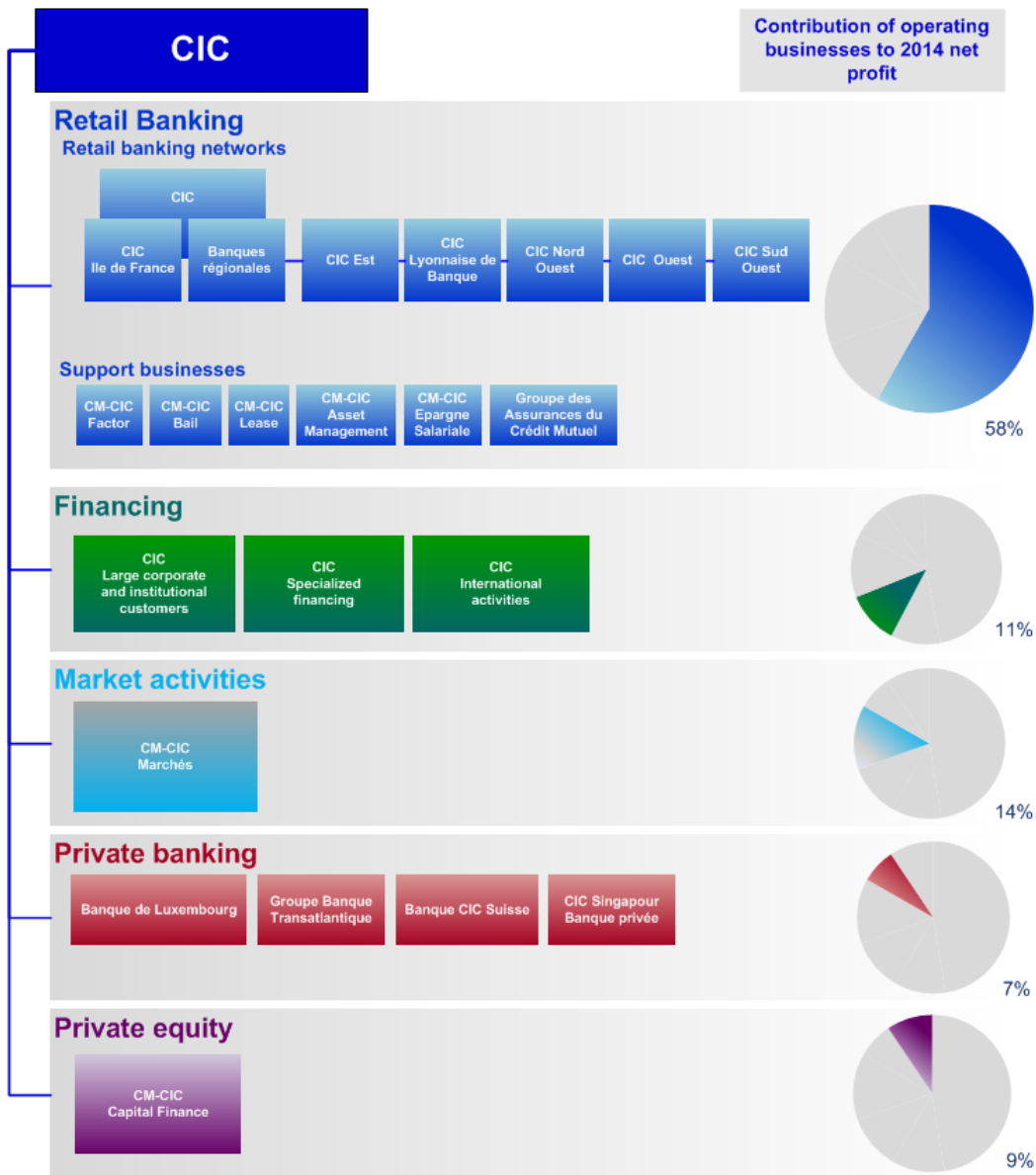
Financial information as of December 31, 2014 includes this press release and the specific information based on the recommendations of the Financial Stability Board and on sovereign risk exposures.

Complete financial information is available on the internet site under the heading "regulated information" and is published by CIC in accordance with the provisions of article L451-1-2 of the French Monetary and Financial Code and 222-1 and following of the General Regulations of the Autorité des marchés financiers (French financial markets authority - AMF).

Director of information

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**CIC's business divisions and principal subsidiaries**  
**Business lines' contribution to 2014 net profit**



## Key figures

(in millions of euros)	December 31, 2014	December 31, 2013
<b>Business</b>		
Total assets	245,679	232,920
Loans and advances to customers, including finance leases (1)	146,739	136,767
Customer deposits	121,889	112,847
Savings managed and in custody (2)	245,505	226,210
Number of property and casualty insurance policies	3,238,402	3,171,763
<b>Shareholders' equity</b>		
Attributable to owners of the company	12,202	11,130
Non-controlling interests	64	105
Total	12,266	11,235
<b>Employees, year-end (3)</b>		
Employees, year-end (3)	19,874	20,083
Number of branches	2,047	2,067
Number of customers (4)	4,773,895	4,686,508
Private individuals	3,929,813	3,868,414
Corporates and self-employed professionals	844,082	818,094

## Financial results

Income statement	December 31, 2014	December 31, 2013	December 31, 2013 adjusted (5)
NBI	4,410	4,466	4,447
General operating expenses	(2,911)	(2,888)	(2871)
Operating income before provisions	1,499	1,578	1,576
Net provision allocations/reversals for loan losses	(206)	(367)	(367)
Operating income after provisions	1,293	1,211	1,209
Net gain/(loss) on disposals of other assets	0	4	4
Share of income/(loss) of affiliates	189	65	65
Income before tax	1,482	1,280	1,278
Corporate income tax	(358)	(429)	(429)
Net income	1,124	851	849
Non-controlling interests	(8)	(6)	(6)
Net income attributable to owners of the company	1,116	845	843

(1) Including lease-financing

(2) Month-end outstandings, including securities issued Adjusted 2013 outstandings

(3) Full-time equivalents.

(4) Branch network. Adjusted 2013 figures.

(5) Adjusted for the impact of the exit from the consolidation scope of CIM-CIC Gestion and SNC Saint-Pierre.