

Paris, February 25, 2016

## CIC in 2015

Vitality of the commercial network, diversification of activities,  
financial solidity confirmed

Results for the year ended December 31, 2015

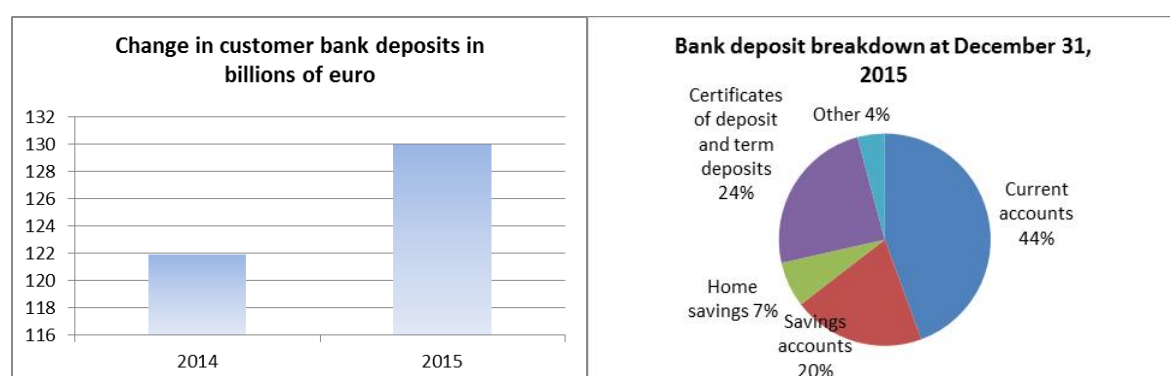
<b>Net banking income</b>	<b>€4,782m</b>	→	<b>A dynamic branch network</b>	<b>+8%</b>
<b>Income before tax</b>	<b>€1,702m</b>	→	<b>Sound performances by the operating activities</b>	<b>+15%</b>
<b>Net income</b>	<b>€1,117m</b>	→		<b>-1%</b>
<b>CET 1 capital ratio (excluding transitional measures)</b>	<b>11.7%</b>	→	<b>A solid financial structure</b>	
<b>Business</b>				
<b>Net customer loans</b>	<b>€157.2bn</b>	→		<b>+7.1%</b>
<b>Customer deposits</b>	<b>€146.7bn</b>	→	<b>Active financing of the economy</b>	<b>+6.6%</b>
<b>Savings under management and custody</b>	<b>€259.8bn</b>	→		<b>+5.8%</b>

In 2015, the CIC group performed well, with continuing growth and a strengthened position in its various business lines: it continues to make its mark in all areas of banking, insurance and technological services. Its commercial momentum, the constant efforts of its staff in the service of its customers - private individuals, non-profit associations, independent professionals and corporations - and its responsiveness enabled it to generate a 15% increase in income before tax to €1.702 billion. Combined with the strengthened balance sheet of its parent company, Crédit Mutuel, this financial result makes CIC a major player in the service of all French regions.

## Continued commercial dynamism and support for the economy

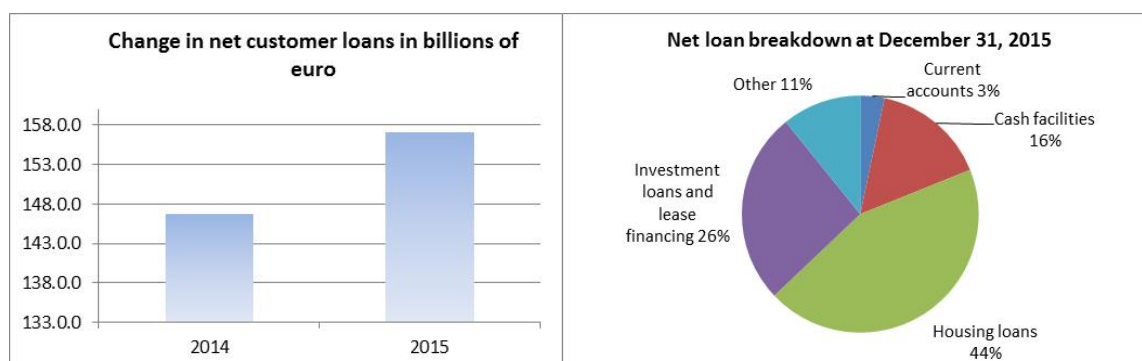
2015 was marked by a strong commitment on the part of staff and a strengthening of the relationship of trust built with their customers in a context characterized by an unprecedented surge in loan repayments and renegotiations. The bank concentrated on defending its business and maintaining its customer relationships, and this was reflected in its results. Customer penetration rates in insurance and other group services grew significantly, enabling CIC to offer an ever-improving service to private individual, non-profit, independent professional, institutional and corporate customers.

Bank deposits<sup>1</sup> totaled €130.0 billion, up 6.6% from 2014, thanks to strong growth in current accounts (+14.7%) and home savings (+15.5%). Deposits held in savings plans increased by 1.8%.



Total outstanding loans came to €157.2 billion, up 7.1% from 2014, with in particular a 6.0% increase in housing loans to €69.2 billion. Outstanding investment loans and cash facilities increased by 9.0% and 17.1% to €31.6 billion and €24.5 billion, respectively.

<sup>1</sup> Including the currency effect, in particular on the US dollar and the Swiss franc



The loan-to-deposit ratio stood at 120.9% at December 31, 2015 compared with 120.4% a year earlier.

## Growth in financial results

(in millions of euros)	2015	2014	Change 2015/2014
Net banking income	4,782	4,410	8.4%
General operating expenses	(3,005)	(2,911)	3.2%
Gross operating income	1,777	1,499	18.5%
Income before tax	1,702	1,482	14.8%
Corporate income tax	(562)	(358)	57.0%
Net income	1,117	1,124	-0.6%

*The financial statements for the period ended December 31, 2015 were approved by the Board of Directors of Crédit Industriel et Commercial (CIC), chaired by Nicolas Théry, on February 25, 2016.*

Net banking income rose 8.4% to €4.782 billion. Net banking income from retail banking accounted for 73% of total net banking income.

The cost/income ratio improved to 62.8% from 66.0% a year earlier, reflecting a 3.2% increase in general operating expenses to €3.005 billion, compared with €2.911 billion at the end of 2014, due essentially to the new Single Resolution Fund (FRU) tax.

Net provision allocations/reversals for loan losses were stable, increasing from €206 million at the end of 2014 to €207 million. The net provision allocation on an individual basis rose by €5 million and there was a €1 million reversal of collective provisions compared with an allocation of €3 million in 2014.



The net provision allocation on an individual basis in relation to outstanding loans (which increased) fell from 0.18% to 0.14% and the overall non-performing loan coverage ratio was 51.2 % as of December 31, 2015.

The share of income of affiliates and gains on non-current assets decreased from €189 million at the end of 2014 to €132 million. This change was mainly due to the sale in April 2014 of the shares in Banca Popolare di Milano (BPM), in which CIC held a 6.6% stake.

Income before tax increased by 14.8% to €1.702 billion, compared with €1.482 billion at the end of 2014. Net income nevertheless remained stable (-0.6%), and corporate income tax increased from €358 million to €562 million. In 2014, non-recurrent events (sale of the shares in Banca Popolare di Milano and reversal of provisions on the New York branch) had reduced income tax by nearly €53 million whereas in 2015 former and new taxes (Single Resolution Fund) were no longer deductible.

The Board of Directors will propose to the general meeting of stockholders on May 25, 2016 a dividend of €8.50 per share compared with €8.00 in respect of the previous year.

## A solid financial structure

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

With a 93.7% stake in CIC, Banque Fédérative du Crédit Mutuel (BFCM) raises the necessary medium and long-term 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*

At December 31, 2015, excluding transitional measures, Basel 3 Common Equity Tier 1 (CET 1) prudential capital totaled €11.6 billion, the CET1 capital ratio stood at 11.7% and the total ratio was 12.1%. The leverage ratio stood at 4.4%. These indicators attest to the group's solidity.

As a direct consequence of the downgrading of France's credit ratings, on September 23, 2015 Moody's rating agency downgraded CIC's long-term rating from Aa2 with a negative outlook to Aa3 with a stable outlook. On June 30, 2015 Moody's had raised CIC's rating from Aa3 to Aa2 to reflect the strengthening of the group's financial solidity and liquidity indicators.

On June 23, 2015, Fitch confirmed CIC's ratings.

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



Similarly, on December 3, 2015, Standard & Poor's confirmed the A/negative outlook long-term rating assigned to the Crédit Mutuel group's entities. CIC's current ratings are as follows:

	Standard & Poor's	Moody's	Fitch Ratings
Short-term	A-1	P-1	F1
Long-term	A	Aa3	A+
Outlook	negative	stable	stable

## Results by business line

### ***Retail banking and insurance: CIC's core businesses***

<i>(in millions of euros)</i>	2015	2014	Change 2015/2014
Net banking income	3,514	3,327	5.6%
General operating expenses	(2,254)	(2,194)	2.7%
Gross operating income	1,260	1,133	11.2%
Income before tax	1,202	1,020	17.8%

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

Retail banking loan outstandings increased by 5.0% to €124 billion, notably thanks to housing loans (+4.8%), investment loans (+6.0%) and treasury facilities (+17.0%). Deposits saw a stronger 8.2% increase to €99.7 billion as a result of growth in current account credit balances (+21.2% to €39.3 billion) and home savings (+15.6% to €8.9 billion).

NBI from retail banking was up 5.6% to €3.514 billion.

Net fee and commission income represented 42% of NBI, up 8.7%. The net interest margin rose by 2.7%.

General operating expenses increased by 2.7% to €2.254 billion (€2.194 billion in 2014).

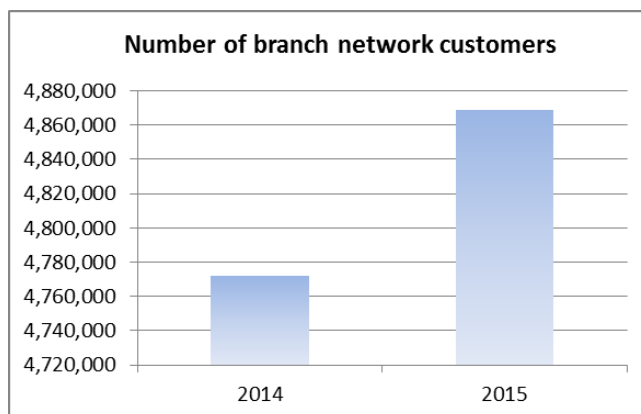
Net provision allocations/reversals for loan losses fell by 17.1% to €194 million, compared with €234 million in 2014.



Income before tax stood at €1.202 billion, up 17.8% compared with €1.020 billion a year earlier.

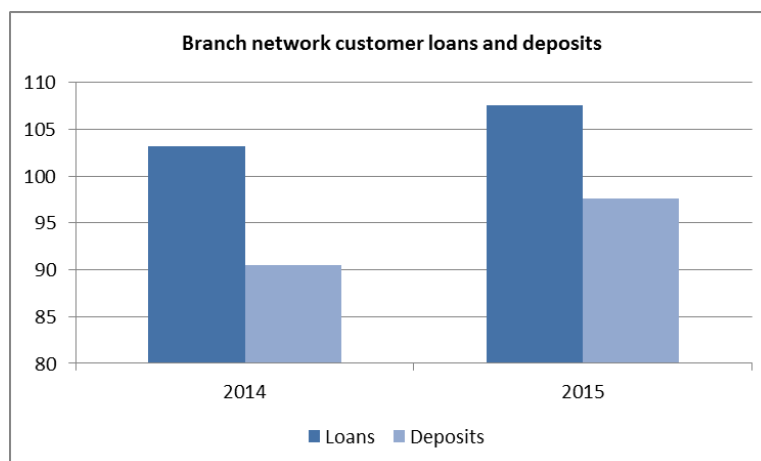
*The branch network*

At December 31, 2015, there were 2,015 branches and 4,869,039 customers (up 2.0% from December 31, 2014).



Outstanding loans increased by 4.2% to €107.5 billion as at December 31, 2015. There was a 4.8% increase in housing loans and a 5.6% increase in investment loans.

Bank deposits totaled €97.6 billion, up 7.8% compared with December 31, 2014. Current accounts and home savings grew by respectively 20.7% and 15.6%. Savings accounts held at the same level (+1.4%).



Savings increased by 2.8% to €58.2 billion compared with €56.6 billion at end-December 2014 thanks to a 4.4% increase in life insurance savings.



### *Insurance, a key growth driver*

Insurance continued to grow, in line with the group's strategy of increasing the weight of fee and commission income in net banking income.

Some 4,450,327 property and casualty insurance contracts were taken out (a 9.9% increase in the portfolio of contracts, excluding card insurance). This was due in particular to the success of the new multi-risk home and auto insurance contracts launched in 2014 and 2015. Service activities rose by:

- 14.7% in remote banking with 2,055,486 contracts,
- 16.4% in telephone services (439,580 contracts),
- 4.4% in theft protection (87,855 contracts),
- 6.2% in electronic payment terminals (128,070 contracts).

The branch network's NBI rose by 5.5% to €3.306 billion compared with €3.134 billion a year earlier with, in particular, an 8.4% increase in net fee and commission income. Fee and commission income on loans accounted for 58% of this increase and insurance commissions for 19%.

General operating expenses, which include the new FRU tax, totaled €2.118 billion (€2.070 billion at the end of 2014), while net provision allocations/reversals for loan losses came to €184 million, down €46 million, two-thirds of which was attributable to the decrease in the net provision allocation on an individual basis.

Income before tax generated by the branch network grew by more than 20% to €1.002 billion, compared with €834 million in 2014.

**Retail banking support businesses** generated net banking income of €208 million in 2015, compared with €193 million in 2014, and income before tax of €200 million (€186 million in 2014), 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 satisfactory year in 2015: it set up 115,191 leases, representing €3.8 billion, to meet the investment needs of corporations, independent professionals and private individuals. CM-CIC Bail made a €42 million contribution to income before tax in 2015 (€45 million in 2014), with a 9% increase in commissions paid to the networks<sup>3</sup>.
- Real estate leasing: Total financial and off-balance sheet outstandings increased by 4% to more than €4.2 billion. CM-CIC Lease's contribution to consolidated income before

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



tax rose from €5 million to €12 million thanks to the increase in net interest income from customers.

- Financing and management of customer receivables: In 2015, CM-CIC Factor recorded 10% growth in the volume of receivables bought to €29 billion, export sales of €2.5 billion, up 35%, and had gross outstandings at December 31 of €5.1 billion, up 22%. CM-CIC Factor's contribution to consolidated income before tax fell from €9 million to €4 million on account of substantial IT investments.
- Employee savings: Assets managed by CM-CIC Epargne Salariale were up by 8.5% to €7.575 billion at end-2015. CM-CIC Epargne Salariale's contribution to consolidated income before tax was €4 million (compared with €6 million in 2014).

### **Corporate banking**

<i>(in millions of euros)</i>	2015	2014	Change 2015/2014
Net banking income	366	328	11.6%
General operating expenses	(97)	(89)	9.0%
Gross operating income	269	239	12.6%
Income before tax	246	190	29.5%

The corporate banking business line provides services to large corporate and institutional customers with a holistic approach to their requirements. It also supports the corporate networks' work on behalf of their major customers, and contributes to the development of international business and the implementation of specialized financing.

Corporate banking loan outstandings stood at €13.6 billion.

Net banking income of €366 million benefited from the increase in net interest income in 2015 (up 18.1% from 2014), with a positive currency effect for the foreign branches. This currency effect was also reflected in the 9% increase in general operating expenses. Net provision allocations/reversals for loan losses decreased by more than 50% to €23 million, with a €37 million fall in the net provision allocation on an individual basis. Income before tax grew by €56 million to €246 million (€190 million in 2014).



## Capital markets

<i>(in millions of euros)</i>	2015	2014	Change 2015/2014
Net banking income	342	304	12.5%
General operating expenses	(169)	(175)	-3.4%
Gross operating income	173	129	34.1%
Income before tax	175	208	-15.9%

The capital markets division generated net banking income of €342 million in 2015 (€304 million in 2014). There was a net loan loss provision reversal of €2 million on the RMBS portfolio in New York compared with a reversal of €79 million in 2014.

Income before tax fell from €208 million to €175 million. This result is after a €48 million fee payment to the networks (up 23% from 2014) for interest rate, currency and commodity hedging transactions carried out for customers.

## Private banking

<i>(in millions of euros)</i>	2015	2014	Change 2015/2014
Net banking income	509	458	11.1%
General operating expenses	(371)	(338)	9.8%
Gross operating income	138	120	15.0%
Income before tax	143	119	20.2%

Private banking deposits rose 12.7% to €18.6 billion. Outstanding loans totaled €12.0 billion, up 15.0% compared with December 31, 2014. Savings under management and custody totaled €85.4 billion, up 7.7%.

Net banking income rose 11.1% to €509 million compared with €458 million a year earlier, mainly as a result of a €26 million increase in net fee and commission income. General operating expenses increased by 9.8%, reflecting a 5.0% increase in payroll costs due to an increased headcount and a 16.5% increase in other expenses (IT investments and change in goodwill amortization method). Net provision allocations/reversals for loan losses rose from a €2 million charge in 2014 to income of €9 million in 2015. Income before tax increased to



€143 million from €119 million in 2014, up 20.2%. These results do not include those of the CIC Banque Privée branches, which are integrated into CIC branch offices to serve mainly the senior executives customer segment. The income before tax of the CIC Banque Privée branches came to €88 million, a 29% increase from 2014.

<i>(in millions of euros)</i>	2015	2014	Change 2015/2014
Net banking income	172	149	15.4%
General operating expenses	(41)	(38)	7.9%
Gross operating income	131	111	18.0%
Income before tax	131	111	18.0%

### **Private equity**

The investment portfolio totaled €1.9 billion, including €310 million of new investments in 2015. The portfolio is made up of 435 equity holdings, the vast majority of which are in companies that are customers of the group's networks.

The private equity business performed well in 2015, reporting net banking income of €172 million at December 31, compared with €149 million in 2014, and income before tax of €131 million, compared with €111 million a year earlier.

### **Conclusion: growth and rigor**

These results all reflect a single goal: a priority focus on service. This involves meeting the needs our customers - whether they are private individuals, non-profit associations, independent professionals or corporations - by providing them with performance and security. CIC's decentralized organization and its ability to make decisions directly at customer level ensure that it is highly responsive. It also involves using technology in the service of human relations and customer confidence. This combined approach of online and in-branch customer relations sets CIC apart in a highly competitive environment.

CIC acts as a responsible bank in terms of both its performance and its commitment to society, serving the entire community. Poised to rise to the challenges to come, it is building the future in a changing world. And in an environment of strong pressure on margins, it intends to manage its overheads and risks very strictly while pursuing growth in the service of its customers.

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



Financial information for the year ended December 31, 2015 includes this press release and the specific information based on the recommendations of the Financial Stability Board and on sovereign risk exposures.

All financial communications are available on the web site: [www.cic.fr/cic/fr/banques/le-cic/institutionnel/actionnaires-et-investisseurs](http://www.cic.fr/cic/fr/banques/le-cic/institutionnel/actionnaires-et-investisseurs) under the heading "regulated information" and are published by CIC in accordance with the provisions of Article L. 451-1-2 of the French Monetary and Financial Code and Articles 222-1 et seq. of the General Regulation of the French financial markets authority (Autorité des marchés financiers - AMF).

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